

**REPORT OF THE DIRECTORS
FOR THE PERIOD ENDED 31 DECEMBER 1997**

1 The directors present their annual report and accounts for the period ended 31 December 1997.

2 On 25 November 1997 the whole of the issued share capital of Leigh Interests plc, the company's immediate parent company, was acquired by Onyx Environmental Group PLC (formerly General Utilities Services Waste PLC). Following the change in ownership, the year end of Leigh Interests plc and its subsidiaries was changed from 31 March to 31 December.

3 The company changed its name from Blackleigh (Soothill) Limited to Onyx Clinical Limited on 1 December 1997.

Review of activities

4 The company did not trade during the period and has made neither profit nor loss.

Dividends

5 The directors do not recommend the payment of a dividend (year to 31 March 1997: £nil).

Directors

6 The directors who served during the period were as follows:

S M P Bowden	(resigned 20 November 1997)
R Hurley	(resigned 30 December 1997)
J M Kutner	(appointed 5 November 1997)
E J Dupont-Madinier	(appointed 5 November 1997)

The directors' beneficial interests in the company's shares are referred to in note 2 to the accounts.

Income and Corporation Taxes Act 1988

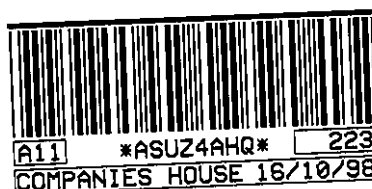
7 In the opinion of the directors the company is not a close company within the provisions of this Act, and there has been no change in this respect since the end of the period.

Directors' responsibilities

8 The directors are required by UK company law 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.

9 The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the period ended 31 December 1997. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

10 The directors are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



ONYX CLINICAL LIMITED
(formerly Blackleigh (Soothill) Limited)

2

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Auditors

11 A resolution to reappoint Coopers & Lybrand as the company's auditors will be proposed at the annual general meeting.

BY ORDER OF THE BOARD

C J HORTON
Secretary



3 July 1998

**REPORT OF THE AUDITORS TO THE MEMBERS OF
ONYX CLINICAL LIMITED (formerly Blackleigh (Soothill) Limited)**

We have audited the financial statements on pages 4 to 6.

Respective responsibilities of directors and auditors

As described on page 1, 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 1997 and have been properly prepared in accordance with the Companies Act 1985.



Coopers & Lybrand

Chartered Accountants and Registered Auditors
Birmingham

3 July 1998

ONYX CLINICAL LIMITED
(formerly Blackleigh (Soothill) Limited)

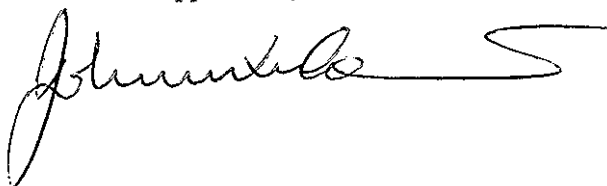
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BALANCE SHEET - 31 DECEMBER 1997

	Note	31 December 1997 £	31 March 1997 £
FIXED ASSETS			
Tangible assets	3	3,238,000	-
CURRENT ASSETS			
Debtors:			
Amounts owed by group undertakings		235,422	235,430
		<u>3,473,422</u>	<u>235,430</u>
CAPITAL AND RESERVES			
Called up share capital	4	1,000	1,000
Profit and loss account		234,430	234,430
Revaluation reserve	5	3,237,992	-
Equity shareholders' funds	6	<u>3,473,422</u>	<u>235,430</u>

The financial statements on pages 4 to 6 were approved by the board of directors on
and were signed on its behalf by:

3 July 1998



NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1997

1 Accounting policies

(a) Basis of accounting

The accounts have been prepared in accordance with applicable Accounting Standards in the United Kingdom.

(b) Cash flow

The financial statements do not include a cash flow statement because the company, as a wholly owned subsidiary, is exempt from the requirement to prepare such a statement under Financial Reporting Standard No. 1 (Revised), "Cash Flow Statements".

2 Directors' emoluments and interests

(a) The directors received no emoluments during the period (year to 31 March 1997: £Nil).

(b) The directors had no beneficial interest in the shares of the company.

3 Tangible fixed assets

	Plant and equipment £
Cost or valuation	
1 April 1997	-
Transfer from group undertaking	8
Revaluation	3,237,992
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At 31 December 1997	3,238,000
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Depreciation	
At 1 April and 31 December 1997	-
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Net book value at 31 December 1997	3,238,000
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Net book value at 31 March 1997	-
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On 31 December 1997 the clinical incinerator at the Four Ashes site was transferred to the company at book value. The asset was revalued by the directors on that date, and the resulting surplus of £3,237,992 was credited to revaluation reserve (note 5).

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 1997

4 Called up share capital

	Allotted, called up and fully paid	
	31 December	31 March
	1997	1997
	£	£
1,000 ordinary shares of £1 each	1,000	1,000
	<u> </u>	<u> </u>

5 Revaluation reserve

	£
At 1 April 1997	-
Surplus on revaluation (note 3)	3,237,992
	<u> </u>
At 31 December 1997	3,237,992
	<u> </u>

6 Reconciliation of movements in shareholders' funds

	31 December	31 March
	1997	1997
	£	£
Surplus on revaluation	3,237,992	-
Opening shareholders' funds	235,430	235,430
	<u> </u>	<u> </u>
Closing shareholders' funds	3,473,422	235,430
	<u> </u>	<u> </u>

7 Contingent liabilities

The company has guaranteed the bank borrowings of certain fellow group undertakings which, at 31 December 1997, amounted to £26,199,000. It is not expected that any liability will be incurred by the company in respect of these guarantees.

8 Ultimate parent undertaking

The directors regard Compagnie Générale des Eaux S.A., a company registered in France, as the ultimate parent undertaking and the ultimate controlling party. Copies of the parent's consolidated accounts may be obtained from The Secretary, 52 Rue d'Anjou, 75384 Paris Cedex 08.