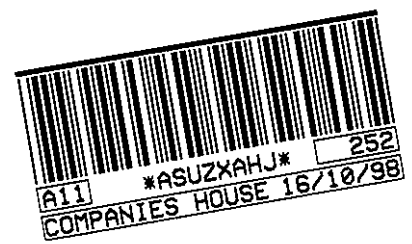


Registration No:- 3291339

ONYX KINGSBURY LIMITED

FINANCIAL STATEMENTS

PERIOD ENDED 31ST DECEMBER 1997



ONYX KINGSBURY LIMITED

Annual report and financial statements for the period ended 31st December 1997

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

ONYX KINGSBURY LIMITED

Report of the directors for the period ended 31st December 1997

The directors present their report together with the first audited financial statements for the period ended 31st December 1997.

Principal activities, trading review and future developments

The company was incorporated on the 9th December 1996, but did not trade during the period from that date to 31st December 1997.

The principal activities of the company are the development and operation of a Waste Disposal Landfill site in the West Midlands. Virtually all planning consents have been received and the Landfill is expected to be operational in late 1998.

On 28th May 1997, the company increased its authorised share capital from £1,000 to £10,000,000 by the creation of 9,999,000 new ordinary shares of £1 each, and on the same date increased its issued share capital from £2 to £1,400,000 by the issue of 1,399,998 ordinary £1 shares at par for cash.

On the 24th September 1997, the issued share capital was transferred from CGEA U.K. Limited to Onyx Aurora Limited.

Directors

The directors of the company during the period were:

E Dupont-Madinier
J M Kutner

None of the directors has any interest in the shares of the company.

Auditors

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 KINGSBURY LIMITED

Report of the directors for the period ended 31st December 1997

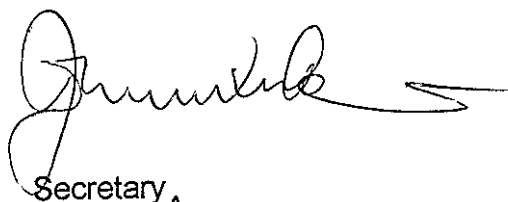
Statement of Directors Responsibilities

The directors have prepared the financial statements for the year to give a true and fair view of the state of affairs of the company. In preparing these financial statements, the directors have:-

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- ensured that applicable accounting standards have been followed;
- prepared the financial statements on the going concern basis.

The directors have ensured that proper accounting records have been kept which disclose with reasonable accuracy at any time the financial position of the company and which enable the directors to ensure that the financial statements comply with the Companies Act 1985. The directors have safeguarded the assets of the company and have taken reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board



Secretary

Date 13 August 1998

ONYX KINGSBURY LIMITED

Report of the Auditors for the period ended 31st December 1997

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF ONYX KINGSBURY LIMITED

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

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.

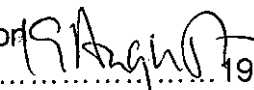
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 31st December 1997 and have been properly prepared in accordance with the Companies Act 1985.



Robson Rhodes
Chartered Accountants &
Registered Auditors

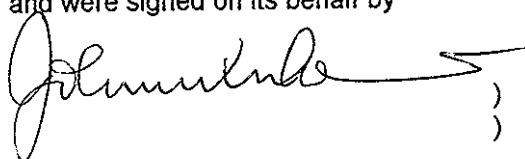
London
Date  1998

ONYX KINGSBURY LIMITED

Balance Sheet at 31st December 1997

	<u>Note</u>	<u>31st Dec. 1997</u>	
		£	£
Fixed assets			
Intangible assets	2		391,083
			<u>391,083</u>
Currents assets			
Debtors	3	990,600	
Cash at bank and in hand		18,317	
		<u>1,008,917</u>	
Creditors			
Amounts falling due within one year		-	
		<u>-</u>	
Net current assets			<u>1,008,917</u>
Total assets less current liabilities			<u>1,400,000</u>
Net Assets			<u>1,400,000</u>
Capital and reserves			
Called up share capital	4		<u>1,400,000</u>
Equity shareholders' funds			<u>1,400,000</u>

The financial statements on pages 4 to 6 were approved by the Board of Directors on and were signed on its behalf by



Directors

13 August 1998

The notes on pages 5 to 6 form part of these financial statements.

ONYX KINGSBURY LIMITED

Notes forming part of the financial statements for the period ended 31st December 1997

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.

Profit & loss account

The company did not trade during the period. Consequently no profit and loss account has been prepared.

Start-up costs

The start-up costs incurred before the commencement of the contract are to be written off over the expected useful life of the landfill site.

Related party transactions

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

2. Intangible assets

	<u>Start-up costs</u>
	£
Cost	
At 1 st January 1997	-
Additions	391,083
	<hr/>
At 31 st December 1997	391,083
	<hr/>
Net amount carried forward	
As at 31 st December 1997	391,083
	<hr/>

3. Debtors

	<u>31st Dec. 97</u>
	£
Amount owed by fellow subsidiary undertaking	990,600
	<hr/>
	990,600
	<hr/>

ONYX KINGSBURY LIMITED

Notes forming part of the financial statements for the period ended 31st December 1997

4. Share Capital

	Authorised	
	<u>31st December 1997</u>	
	No.	£
Ordinary Shares of £1 each	10,000,000	10,000,000

	Allotted, Called Up and Fully Paid	
	<u>31st December 1997</u>	
	No.	£
Ordinary Shares of £1 each	1,400,000	1,400,000

On 28th May 1997, the company increased its authorised share capital from £1,000 to £10,000,000 by the creation of 9,999,000 new ordinary shares of £1 each, and on the same date increased its issued share capital from £2 to £1,400,000 by the issue of 1,399,998 ordinary £1 shares at par for cash.

On the 24th September 1997, the issued share capital was transferred from CGEA U.K. Limited to Onyx Aurora Limited.

5. Ultimate Parent Company

The ultimate parent and controlling company is Vivendi S.A. (incorporated in France) which changed its name from Compagnie Generale Des Eaux S.A. on 15 May 1998. Copies of the parent's consolidated financial statements may be obtained from the Secretary, 52 Rue d'Anjou, 75384 Paris Cedex 08, France. The company's ultimate UK holding company is General Utilities Holdings Ltd (registered in England and Wales).

The smallest group in which the results of the company are consolidated is that of which Onyx Aurora Limited is the parent company. The consolidated accounts of Onyx Aurora Limited may be obtained from the Secretary, Onyx House, 401 Mile End Road, London E3 4PB.

7. Cross Guarantee Note

The company is party to an unlimited cross guarantee to Barclay Bank Plc with CGEA U.K. Limited, Onyx U.K. Limited, Onyx Hampshire Limited, Tyseley Waste Disposal Limited, Onyx Aurora Limited, Onyx SELCHP Limited, Onyx Springfield Limited and Hampshire Waste Services Limited.

8. Reconciliation of movements in shareholders' funds

	<u>31st Dec. 1997</u>
	£
Profit for the financial year	-
Increase in Share Capital	1,400,000
Opening shareholders' funds	-
Closing shareholders' funds	<u>1,400,000</u>