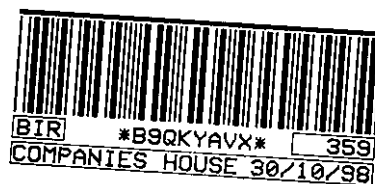


Onyx Highmoor Limited
(formerly Leigh Bardon Limited)
Annual report
for the year ended 31 December 1997

Registered no: 3024607



Onyx Highmoor Limited
(formerly Leigh Bardon Limited)

Annual report
for the year ended 31 December 1997

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Onyx Highmoor Limited **(formerly Leigh Bardon Limited)**

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Directors' report **for the year ended 31 December 1997**

The directors present their report and the audited financial statements for the year ended 31 December 1997.

Principal activities

The company was established as a joint venture between Leigh Interests plc and Aggregate Industries UK Limited, to develop sites for the disposal of waste. The company commenced trading in February 1997.

Change of shareholders'

On 1 July 1998, Aggregate Industries UK Limited sold its entire shareholding to Leigh Interests plc. As a result, the company became a 100% subsidiary of Leigh Interests plc.

Change of Name

On 9 July 1998 the company changed its name to Onyx Highmoor Limited from Leigh Bardon Limited.

Directors and their interests

The directors of the company who served during the year, were as follows:

P R Barltrop	(resigned 1 July 1998)
S M P Bowden	(resigned 20 November 1997)
G E Plant	(resigned 6 July 1997)
T Spaul	
D Tidmarsh	(appointed 23 September 1997; resigned 1 July 1998)

On 10 July 1998 J M Kutner and E J Dupont Madinier were appointed directors of the company.

No director had any interest in the share capital of the company.

Onyx Highmoor Limited **(formerly Leigh Bardon Limited)**

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Statement of directors' responsibilities for preparing financial statements

Company law requires the directors to prepare accounts for each financial year that 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 year. In preparing these accounts, the directors confirm that they have:-

- a) selected suitable accounting policies and have applied them consistently;
- b) made judgements and estimates which are reasonable and prudent;
- c) prepared the accounts on a going concern basis.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 1985. They have general responsibility for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Our auditors, Coopers & Lybrand, merged with Price Waterhouse on 1 July 1998, following which Coopers & Lybrand resigned and the directors appointed the new firm, PricewaterhouseCoopers, as auditors.

Small company exemptions

The directors have taken advantage of the exemptions conferred by Part VII of the Companies Act 1985.

By order of the board


J M Kutner
Company secretary 23/10/98

Onyx Highmoor Limited
(formerly Leigh Bardon Limited)

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**Report of the auditors to the members of
Leigh Bardon Limited**

We have audited the financial statements on pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies set out on pages 6 and 7.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the 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.

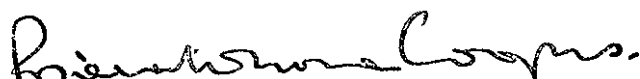
Basis of opinion

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 of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Birmingham

30 October 1998

Onyx Highmoor Limited **(formerly Leigh Bardon Limited)**

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Profit and loss account **for the year ended 31 December 1997**

	Notes	1997	1996
		£	£
Turnover - continuing operations		1,205,711	-
Cost of sales		(1,101,422)	-
Gross profit		104,289	-
Administrative expenses		(189,591)	(90,017)
Other operating income		108,902	73,174
Operating profit/(loss) - continuing operations		23,600	(16,843)
Interest receivable		-	1,076
Interest payable		(334,568)	-
Loss on ordinary activities before taxation	2	(310,968)	(15,767)
Tax on loss on ordinary activities	4	(18,644)	4,500
Loss for the year	11	(329,612)	(11,267)

The company has no recognised gains and losses other than the loss amounting to £329,612 (1996: loss £11,267) and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

Onyx Highmoor Limited (formerly Leigh Bardon Limited)

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Balance sheet at 31 December 1997

	Notes	1997 £	1996 £
Fixed assets			
Tangible assets	5	<u>5,866,897</u>	<u>5,366,231</u>
Current assets			
Debtors (including amounts due after more than one year)	6	3,840,204	4,058,473
Cash at bank and in hand		<u>90,227</u>	<u>-</u>
		<u>3,930,431</u>	<u>4,058,473</u>
Creditors: amounts falling due within one year	7	<u>(881,243)</u>	<u>(433,420)</u>
Net current assets		<u>3,049,188</u>	<u>3,625,053</u>
Total assets less current liabilities		<u>8,916,085</u>	<u>8,991,284</u>
Creditors: amounts due after more than one year	8	<u>(4,209,449)</u>	<u>(4,000,000)</u>
Provision for liabilities and charges	9	<u>(44,964)</u>	<u>-</u>
		<u>4,661,672</u>	<u>4,991,284</u>
Capital and reserves			
Called up share capital	10	5,000,000	5,000,000
Profit and loss account	11	<u>(338,328)</u>	<u>(8,716)</u>
Equity shareholders' funds	12	<u>4,661,672</u>	<u>4,991,284</u>

The directors have taken advantage of the exemptions conferred by Part VII of the Companies Act 1985, on the grounds that the company is entitled to the benefits of those exemptions as a small company.

The financial statements on pages 4 to 12 were approved by the board of directors on and were signed on its behalf by:

T Spaul
Director


23/10/98

Onyx Highmoor Limited (formerly Leigh Bardon Limited)

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Notes to the financial statements for the year ended 31 December 1997

1 Accounting policies

Fundamental accounting concept

The accounts have been prepared under the going concern concept, as the company's parent undertaking agreed to provide adequate funds for the company to meet its liabilities as they fall due.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

Cash flow statement

A cash flow statement has not been prepared, as permitted under FRS 1, as the company meets the criteria of a small sized company in accordance with s247 Companies Act 1985.

Fixed assets

Landfill sites are stated at cost less amounts written off. Costs incurred on the development of sites prior to their becoming operational are capitalised. Depreciation is provided to the extent that the capacity of each site is utilised in the period, commencing when the asset becomes operational.

Other fixed assets are stated at cost less depreciation which is charged on a straight line basis over their estimated useful life as follows:

Freehold buildings	50 years
Short leasehold land and buildings	Over the life of the void
Plant and machinery	3 - 20 years

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Finance and operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease terms. Leasing agreements which transfer to the company substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the lease commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the shorter of the lease terms and the useful lives of equivalent owned assets.

Turnover

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied.

Deferred taxation

Provision is made for deferred taxation, using the liability method, on all timing differences to the extent that is probable a liability or asset will crystallise.

2 Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging:-

	1997 £	1996 £
Depreciation:		
Tangible owned fixed assets	476,522	-
Tangible fixed assets held under finance leases	72,056	-
Auditors' remuneration	6,750	1,500

3 Directors' emoluments

The directors received no emoluments during the year (1996: £Nil).

Onyx Highmoor Limited (formerly Leigh Bardon Limited)

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4 Tax on loss on ordinary activities

	1997 £	1996 £
Based upon loss for year		
Corporation tax at 21.75 % (1996: 24.25 %)	13,500	1,500
Deferred taxation	3,500	(6,000)
	<u>17,000</u>	<u>(4,500)</u>
Adjustments in respect of prior years		
Corporation tax	(856)	3,197
Deferred taxation	2,500	(3,197)
	<u>18,644</u>	<u>(4,500)</u>

5 Tangible fixed assets

	Land and buildings £	Plant and machinery £	Total £
Cost			
1 January 1997	5,369,389	4,388	5,373,777
Additions	602,621	446,623	1,049,244
Transfer between categories	(78,256)	78,256	-
31 December 1997	<u>5,893,754</u>	<u>529,267</u>	<u>6,423,021</u>
Depreciation			
1 January 1997	7,546	-	7,546
Charge for the year	465,776	82,802	548,578
31 December 1997	<u>473,322</u>	<u>82,802</u>	<u>556,124</u>
Net book value			
31 December 1997	<u>5,420,432</u>	<u>446,465</u>	<u>5,866,897</u>
Net book value			
1 January 1997	<u>5,361,843</u>	<u>4,388</u>	<u>5,366,231</u>

The net book value of plant and machinery above, includes an amount of £288,194 (1996: £nil) held under finance leases.

Onyx Highmoor Limited **(formerly Leigh Bardon Limited)**

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6 Debtors

	1997 £	1996 £
Trade debtors	332,051	-
Amounts owed by group undertakings	86,597	-
Loans to parent undertakings	3,350,000	4,000,000
Other debtors	71,556	58,473
	<u>3,840,204</u>	<u>4,058,473</u>

Included in debtors are amounts of £3,350,000 (1996: £4,006,000) which are due after more than one year.

7 Creditors: amounts falling due within one year

	1997 £	1996 £
Bank overdraft	-	78,207
Trade creditors	136,392	220,984
Obligations under finance leases	67,064	-
Amounts owed to group undertakings	49,048	93,675
Corporation tax	13,500	1,500
Other creditors	615,239	39,054
	<u>881,243</u>	<u>433,420</u>

8 Creditors: amounts falling due after one year

	1997 £	1996 £
Bank loans (repayable between two and five years)	4,000,000	4,000,000
Obligations under finance leases	209,449	-
	<u>4,209,449</u>	<u>4,000,000</u>

(a) The loan is guaranteed by the company's parent undertaking.

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(b) The net finance lease obligations to which the company is committed are:

	1997 £	1996 £
In one year or less	67,064	-
Between two and five years	209,449	-
	<u>276,513</u>	<u>-</u>

9 Provision for liabilities and charges

	1997 £
	Provision for site restoration
At 1 January 1997	-
Charged to profit and loss	44,964
At 31 December 1997	<u>44,964</u>

10 Share capital

	1997 £	1996 £
Authorised		
2,500,000 "A" ordinary shares of £1 each	2,500,000	2,500,000
2,500,000 "B" ordinary shares of £1 each	2,500,000	2,500,000
	<u>5,000,000</u>	<u>5,000,000</u>
Allotted, called up and fully paid		
2,500,000 "A" ordinary shares of £1 each	2,500,000	2,500,000
2,500,000 "B" ordinary shares of £1 each	2,500,000	2,500,000
	<u>5,000,000</u>	<u>5,000,000</u>

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11 Profit and loss account

	£
At 1 January 1997	(8,716)
Loss for the year	(329,612)
At 31 December 1997	<u>(338,328)</u>

12 Reconciliation of movements in shareholders' funds

	1997 £	1996 £
Opening shareholders' funds	4,991,284	3,502,551
Shares issued	-	1,500,000
Loss for the year	(329,612)	(11,267)
Closing shareholders' funds	<u>4,661,672</u>	<u>4,991,284</u>

13 Capital commitments

	1997 £	1996 £
Capital expenditure that has been contracted for but has not been provided for in the financial statements	-	44,640

14 Related party transactions

The company purchased goods in the normal course of business from Aggregate Industries UK Limited for £201,301. The outstanding creditor at 31 December 1997 was £23,680.

Leigh Interests plc provided management staff to the company during the year. The cost of this service was £76,408 and the outstanding creditor at 31 December 1997 was £25,256.

The company sold goods in the normal course of business to Aggregate Industries UK Limited for £18,618. This represented an outstanding debtor at the year end. The company also sold goods in the normal course of business to Leigh Environmental Limited for £73,294, of which £67,979 was an outstanding debtor at the year end.

The company recognised royalties from Aggregate Industries UK Limited amounting to £101,370.

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15 Controlling party

The controlling party at 31 December 1997 is not known by the directors. This is by virtue of the equal shareholdings held by Aggregate Industries UK Limited and Leigh Interests plc.