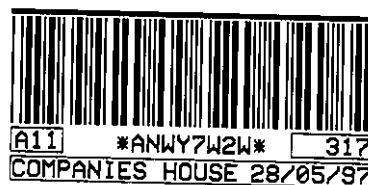


HOLMSPRING LIMITED

DIRECTORS' REPORT AND ACCOUNTS
for the year ended
30 September 1996

Company number 1225321



HOLMSPRING LIMITED

REPORT OF THE DIRECTORS for the year ended 30 September 1996

ACCOUNTS

The directors present their report and the accounts of the company for the year ended 30 September 1996.

ACTIVITIES AND REVIEW OF THE BUSINESS

The company does not trade.

DIRECTORS AND DIRECTORS' INTERESTS

The directors who held office during the year were:-

T J Penfold
R A Searby

None of the directors had any interest in the share capital of any group company at any time during the year.

AUDITORS

A resolution was passed at an extraordinary general meeting of the company held on 20 January 1992 that in accordance with section 252 of the Companies Act 1985 the company be exempt from the obligation to appoint auditors.

This report was approved by the Board on 11 April 1997.

R A Searby

Secretary

HOLMSPRING LIMITEDBALANCE SHEET as at 30 September 1996

	Notes	1996 £	1995 £
CURRENT ASSETS			
Debtors: amounts owed by parent and fellow subsidiaries		187,960	187,960
CREDITORS: Amounts falling due within one year: amounts owed to fellow subsidiaries		(187,760)	(187,760)
		<hr/>	<hr/>
Net assets		£ 200	£ 200
		<hr/>	<hr/>
Represented by:			
CAPITAL AND RESERVES			
Called up share capital	2	200	200
		<hr/>	<hr/>
Equity shareholders' funds		£ 200	£ 200
		<hr/>	<hr/>

During the financial year the company has been dormant within the meaning of section 252 of the Companies Act 1985, there having been no significant accounting transactions of the company required to be entered in its accounting records.

The financial statements on pages 2 and 3 were approved by the Board on 11 April 1997.

R A Searby
Director

R A Searby

HOLMSPRING LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 September 1996

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements 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 year. In preparing those financial statements, the directors are required to:

- * select suitable accounting policies and apply them consistently;
- * make judgements and estimates that are reasonable and prudent;
- * state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- * prepare the financial statements 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 enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

1. ACCOUNTING POLICIES

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

2. CALLED UP SHARE CAPITAL

	1996 and 1995 £
Authorised, allotted & fully paid:	
Ordinary shares of £1 each	100
Deferred ordinary shares of £1 each	100
	<hr/>
	£ 200
	<hr/>

3. ULTIMATE PARENT COMPANY

The company's ultimate parent company is Browning-Ferris Industries Inc, a company registered in the USA. Consolidated accounts for this company, which is the largest company in which the results of the company are consolidated, may be obtained from Browning-Ferris Building, 757 N Eldridge, PO Box 3151, Houston, Texas 77253.

BFI Acquisitions Limited is the parent company of the smallest group of which the company is a member and for which group accounts are drawn up. Copies of these group accounts can be obtained from the Registrar of Companies, Companies Registration Office, Crown Way, Cardiff CF4 3UZ.