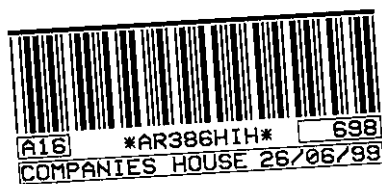


BONDWOLFE HOLDINGS LIMITED

**FINANCIAL ACCOUNTS FOR THE
YEAR ENDED 31ST AUGUST 1998**

Company No 2575199

**J R WATSON & CO
CHARTERED ACCOUNTANTS AND
REGISTERED AUDITORS**



BONDWOLFE HOLDINGS LIMITED
FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 31ST AUGUST 1998

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BONDWOLFE HOLDINGS LIMITED**COMPANY INFORMATION****31ST AUGUST 1998**

DIRECTORS	A C Harrison Mrs A J Harrison D Harrison
SECRETARY	Mrs A J Harrison
REGISTERED OFFICE	3 Whittle Close Drayton Fields Daventry Northants NN11 5RQ
REGISTERED NUMBER	2575199
AUDITORS	J R Watson & Co Chartered Accountants and Registered Auditors Sir Frank Whittle Business Centre Great Central Way Rugby Warwickshire

BONDWOLFE HOLDINGS LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST AUGUST 1998

The directors present their annual report with the accounts for the year ended 31st August 1998.

Activities

The principal activity of the company in the year under review was that of a holding company. Its subsidiary Interlock Paving Limited, is engaged in block paving contracting. The company has not traded during the year.

Directors

The directors in office in the year and their beneficial interests in the company's issued ordinary share capital were as follows:

	Ordinary Shares of £1 each	
	1998	1997
A C Harrison	600	600
Mrs A J Harrison	400	400
D Harrison	-	-

Directors Responsibilities

Company law requires the directors to prepare financial 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 financial accounts the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial 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 financial statements 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.

Small company exemptions

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Auditor

The auditors J R Watson & Co, Chartered Accountants will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

Signed on behalf of the Board of Directors



 Mrs A J Harrison
 Director

23rd June 1999

**REPORT OF THE AUDITORS
TO THE SHAREHOLDERS OF BONDWOLFE HOLDINGS LIMITED
FOR THE YEAR ENDED 31ST AUGUST 1998**

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

Respective responsibilities of the directors and auditors

As described on page 2 the company's directors are responsible for the preparation of accounts. 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and 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 accounts are free from material misstatement, whether caused by fraud or error or other irregularity. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial accounts.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st August 1998 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



J R WATSON & CO
Chartered Accountants and
Registered Auditors
Sir Frank Whittle Business Centre
Great Central Way
Rugby
Warwickshire

23rd June 1999

BONDWOLFE HOLDINGS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST AUGUST 1998

Notes	1998 £	1997 £
Investment income	100,000	650,000
Dividend paid	<u>100,000</u> -	<u>650,000</u> -
Add: Retained profits brought forward	<u>37,529</u>	<u>37,529</u>
Retained profit at 31st August 1998	£ <u>37,529</u>	£ <u>37,529</u>

Continuing operations

The company continues to operate as an investment holding company.

Total recognised gains and losses

The company has no recognised gains or losses other than the profit or losses for the above two financial years.


The notes on pages 6 and 7 form part of these accounts.

BONDWOLFE HOLDINGS LIMITED**BALANCE SHEET
AS AT 31ST AUGUST 1998**

	Notes	£	1998	£	£	1997	£
Fixed assets							
Investments	3			100			100
Current assets							
Debtors	4		<u>38,429</u>		<u>38,429</u>		
Net current assets				<u>38,429</u>		<u>38,429</u>	
Total assets less current liabilities				<u>£ 38,529</u>		<u>£ 38,529</u>	
Capital and reserves							
Called up share capital	5			1,000			1,000
Profit and loss account	7			<u>37,529</u>		<u>37,529</u>	
Total shareholders' funds	6			<u>£ 38,529</u>		<u>£ 38,529</u>	

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the board of directors on 23rd June 1999.



 Mrs A J Harrison
 Director

The notes on pages 6 and 7 form part of these accounts.

BONDWOLFE HOLDINGS LIMITED
NOTES TO ACCOUNTS
FOR THE YEAR ENDED 31ST AUGUST 1998

1. Accounting policies

Basis of accounting

The accounts have been prepared under the historical cost convention.

Consolidation

The company and its subsidiary comprise a small group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act not to prepare group accounts.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Cash flow

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 'Cash flow statements'.

2. Taxation

No liability to tax arises as the company only received group income during the year.

3. Fixed asset investments

	Subsidiary Undertaking	
	1998	1997
Cost: 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

The company's investment in its subsidiary represents the cost of acquisition of the whole of the ordinary share capital of Interlock Paving Limited, a company registered in England, which is a paving contractor.

At 31st August 1998 the aggregate of the share capital and reserves of Interlock Paving Limited amount to £153,239 (1997 £4,488) and the profit for the year to date, after tax and dividends, was £148,751 (1997 loss - £553,091).

4. Debtors

	1998	1997
Amount due from subsidiary company	<u>£ 38,428</u>	<u>£ 38,428</u>

There is no fixed repayment date for the amount due from the subsidiary.

5. Share Capital

	1998 and 1997
Authorised ordinary shares of £1 each	<u>1,000</u>
Issued and fully paid ordinary shares of £1 each	<u>1,000</u>

BONDWOLFE HOLDINGS LIMITED
NOTES TO ACCOUNTS
FOR THE YEAR ENDED 31ST AUGUST 1998

6. Shareholders' funds

1998 and 1997

Closing shareholders' funds

£ 38,529

7. Statement of movements on profit and loss account

Balance at 1st September 1997

£ 37,529

Balance at 31st August 1998

£ 37,529

8. Post balance sheet events

There have been no significant events since the year end which affect the position of the company.

9. Control

Throughout the year the company has been under the control of Mr A C Harrison, the major shareholder and director of the company.