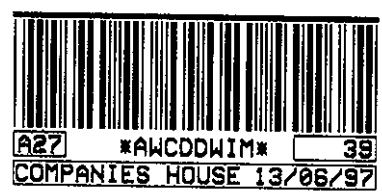


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Company Registration No. 2575199 (England and Wales)

BONDWOLFE HOLDINGS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 1996



BONDWOLFE HOLDINGS LIMITED

COMPANY INFORMATION

Directors	A C Harrison Mrs A J Harrison D Harrison
Secretary	Mrs A J Harrison
Company number	2575199
Registered office	3 Whittle Close Daventry Northants NN11 5RQ
Auditors	Barnes Menzies French Limited Charter House 426 Avebury Boulevard Milton Keynes MK9 2HS

BONDWOLFE HOLDINGS LIMITED

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BONDWOLFE HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 1996

The directors present their report and financial statements for the year ended 31 August 1996.

Principal Activities

The company is the holding company of Interlock Paving Limited which is principally engaged in block paving contracting. The company has not traded during the year.

Directors

The following directors have held office since 1 September 1995:

A C Harrison
Mrs A J Harrison
D Harrison

Directors' Interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary shares of £1 each	
	31 August 1996	1 September 1995
A C Harrison	600	600
Mrs A J Harrison	400	400
D Harrison	-	-

Directors' Responsibilities

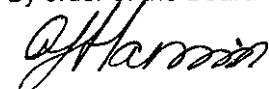
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

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

In the preparation of the directors' report advantage has been taken of the special exemptions applicable to small companies conferred by Part II of Schedule 8 to the Companies Act 1985.

By order of the Board



Mrs A J Harrison

Director

28 May 1997

BONDWOLFE HOLDINGS LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF BONDWOLFE HOLDINGS LIMITED

We have audited the financial statements on pages 3 to 5 which have been prepared under the historical cost convention and the accounting policies set out on page 4.

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 as at 31 August 1996 and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

Barnes Menzies French Limited

Barnes Menzies French Limited

28 May 1997

Chartered Accountants
Registered Auditor

Charter House
426 Avebury Boulevard
Milton Keynes
MK9 2HS

BONDWOLFE HOLDINGS LIMITED

BALANCE SHEET AS AT 31 AUGUST 1996

	Notes	1996 £	£	1995 £	£
Fixed Assets					
Investments	3		100		100
Current Assets					
Debtors	4	38,429		38,429	
Net Current Assets			38,429		38,429
Total Assets Less Current Liabilities			38,529		38,529
Capital and Reserves					
Called up share capital	5		1,000		1,000
Profit and loss account	6		37,529		37,529
Shareholders' Funds - equity interests	7		38,529		38,529

In preparing these financial statements:

- (a) Advantage has been taken of the special exemptions applicable to small companies conferred by Part I of Schedule 8 to the Companies Act 1985, and
- (b) In the directors' opinion the company is entitled to these exemptions as a small company.

The financial statements were approved by the Board on 28 May 1997


A C Harrison
Director

BONDWOLFE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 1996

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.3 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.4 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

2 Taxation

No liability to tax arises as the company was dormant throughout the year.

3 Fixed Asset Investments

	Shares in group undertakings and participating interests £
Cost	
At 1 September 1995 & at 31 August 1996	100
	<hr/>
At 31 August 1995	100
	<hr/>

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

As at the balance sheet date the company held a 100% ordinary shareholding in Interlock Paving Limited, a company incorporated in England. The subsidiary is principally engaged in the supply of paving services and at 31 August 1996 the capital and reserves amounted to £557,579 and the profit for that year was £212,774.

BONDWOLFE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 1996

4 Debtors	1996 £	1995 £
Amounts due from subsidiary undertakings	38,429	38,429

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

5 Share capital	1996 £	1995 £
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	1,000	1,000

6 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 September 1995	37,529
Balance at 31 August 1996	37,529

7 Reconciliation of movements in shareholders' funds	1996 £	1995 £
Loss for the financial year	-	-
Opening shareholders' funds	38,529	38,529
Closing shareholders' funds	38,529	38,529

8 Profit and Loss Account

A profit and loss account has not been prepared as the company was dormant throughout the past two financial years. There were no other gains or losses during this period.