

HOLYWELL MINING GROUP LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1998

BISSELL & BROWN
Registered Auditor and
Chartered Accountants
1 Lower Tower Street, Newtown,
Birmingham B19 3NH

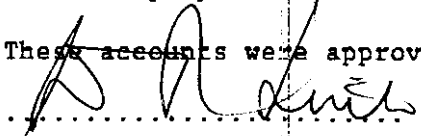


HOLYWELL MINING GROUP LIMITEDBALANCE SHEET

AS AT 31 DECEMBER 1998

	<u>1998</u> <u>£</u>	<u>1997</u> <u>£</u>
<u>CURRENT ASSETS</u>		
Debtors	-	-
Cash at bank and in hand	-	-
	<hr/>	<hr/>
	-	-
<u>CREDITORS:</u>		
Amounts falling due within one year	(611,315)	(611,315)
	<hr/>	<hr/>
<u>NET CURRENT LIABILITIES</u>	(611,315)	(611,315)
	<hr/>	<hr/>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>	(611,315)	(611,315)
<u>CREDITORS:</u>		
Amounts falling due after more than one year	(-)	(-)
Provisions for liabilities and charges	(-)	(-)
	<hr/>	<hr/>
	(611,315)	(611,315)
	<hr/>	<hr/>
<u>CAPITAL AND RESERVES</u>		
Called up share capital	10,000	10,000
Profit and loss account	(621,315)	(621,315)
	<hr/>	<hr/>
	(611,315)	(611,315)
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Advantage is taken in the preparation of these financial statements of the special exemptions applicable to Small Companies provided by Part VII of the Companies Act 1985. In the directors opinion, the company is entitled to those exemptions as a small company.

These accounts were approved by the Board of Directors on 26.10.99
 Director

HOLYWELL MINING GROUP LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1998

1. ACCOUNTING POLICIES:

The following principal accounting policies have been used consistently.

(a) Basis of Accounting:

These accounts have been prepared under the historical cost accounting rules.

2. SHARE CAPITAL:

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
<u>Authorised:</u>		
Ordinary shares of £1 each	10,000	10,000
<u>Allotted:</u>		
Ordinary shares of £1 each fully paid	10,000	10,000

AUDITORS' REPORT TO HOLYWELL MINING GROUP LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 1 to 2, together with the financial statements of the company for the year ended 31 December 1998 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of Directors and Auditor

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of Opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 1 to 2 are properly prepared in accordance with those provisions.



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Date

26.10.98