REG

MCC DEVELOPMENTS LIMITED

Directors:	J R Carroll (Chairman) P A Mecklenburgh
Secretary:	P A Mecklenburgh
Company Registration Number:	733774
Registered Office:	143a High Street Brentwood Essex CM14 4SA
Auditors:	Ansons Chartered Accountants 143a High Street Brentwood Essex CM14 4SA
Bankers:	Lloyds Bank PLC

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MCC DEVELOPMENTS LIMITED

DIRECTORS' REPORT

Accounts
The Directors present their report and audited accounts for the year ended 30th April 1997.

Principal Activity
The principal activity of the Company is that of Property Developers.

Review of the Business
The Directors consider the results for the year to be satisfactory.

Post Balance Sheet Events
There are no significant events having an effect on the financial position of the Company which have taken place since the Balance Sheet date.

Future Developments
The Directors intend to continue the development of the business in the coming year.

Results
The results for the year are set out on page 5.

Directors
The Directors who served during the year, together with their respective shareholdings at both 30th April 1997 and 1996 were:-

J R Carroll 99

P A Mecklenburgh -

P A Mecklenburgh was appointed an additional Director of the company on 17th April 1997.

Director's 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 these financial statements, the Directors are required to:

- Select suitable accounting policies and 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 to enable them to ensure that the financial statements comply with the Companies Act 1985. The Directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps to prevent fraud and other irregularities.

Dividend
The Directors do not propose payment of a dividend for the year.

Fixed Assets
There were no fixed assets acquired during the year.

Auditors
In accordance with Section 385(1) of the Companies Act 1985 as amended by Section 119(1) of the Companies Act 1989, a resolution proposing the re-appointment of Ansons, Chartered Accountants, as Auditors will be put to the Annual General Meeting.

Small Company Rules
Advantage has been taken in the preparation of this report of the special exemptions applicable to small companies.

This report was approved on 28th April 1998.

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P A Mecklenburgh - Company Secretary

AUDITORS' REPORT TO THE SHAREHOLDERS OF MCC DEVELOPMENTS LIMITED

We have audited the financial statements on pages 5 to 9 which have been prepared under the Accounting Policies laid out on page 7.

Respective responsibilities of the Directors and auditors.
As described on page 3 the Company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion on those statements, based on our audit, and to report our opinion to you.

Basis of Opinion
We have conducted our audit in accordance with Auditing Standards. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in 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 mis-statement, 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.

Fundamental Uncertainty - Going Concern
In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the inherent uncertainty as to the continuation of the company's capital requirements being met through funds introduced by one of the Directors.

Details of the circumstances relating to this inherent uncertainty are described in Note 1. We consider that, in view of the matters referred to above and in Note 1, there is a significant level of concern as to the appropriateness of the going concern basis.

However our opinion is not qualified in this respect and on the basis of discussions with the Directors and other information of which we have become aware during our audit we consider that it is appropriate to prepare financial statements drawn up on the going concern basis.

Opinion
In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30th April 1997 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

143a High Street
Brentwood
Essex CM14 4SA

28th April 1998

Ansons - Chartered Accountants and Registered Auditors

MCC DEVELOPMENTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30th APRIL 1997

	Notes	1997 £	1996 £
Turnover	1	6,342	448,500
Cost of Sales		(3,408)	(462,731)
Gross Profit/(Loss)		2,934	(14,231)
Other Operating Income	5	-	1,468
Administrative Expenses		(786)	(3,052)
Profit/(Loss) on Ordinary Activities Before Taxation	4	2,148	(15,815)
Taxation	8	-	-
Profit/(Loss) on Ordinary Activities After Taxation		2,148	(15,815)
Extraordinary Items	3	631,167	-
Retained Profit/(Loss) for the Year	13	633,315	(15,815)

There are no recognised gains or losses other than those passing through the Profit and Loss Account.

MCC DEVELOPMENTS LIMITED

BALANCE SHEET AS AT 30th APRIL 1997

	Notes	1997 £	£	1996 £	£
Current Assets					
Debtors	9	4,239		7,342	
Bank Balance		34		-	
		4,273		7,342	
Creditors (Amounts falling due within one year)	10	(1,466,877)		(2,103,261)	
Net Current (Liabilities)			(1,462,604)		(2,095,919)
Net (Liabilities)			(1,462,604)		(2,095,919)
Financed by - Capital and Reserves					
Share Capital	11		100		100
Retained Losses	13		(1,462,704)		(2,096,019)
			(1,462,604)		(2,095,919)

In preparing these financial statements we have taken advantage of the special exemptions applicable to small companies conferred by Section 246 and 247 of the Companies Act 1985 on the grounds that the company is entitled to those exemptions as a small company.

Signed on Behalf of the Board

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J R Carroll

.....
P A Mecklenburgh

Directors

These accounts were approved by the Directors on 28th April 1998.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30th APRIL 1997

1. **Basis of Preparing the Financial Statements**
The company has met its day to day working capital requirements during the year through the Bank Overdraft facility and from funds introduced by one of the Directors, who will continue to meet the company's day to day funding requirements. As a consequence the Directors consider it appropriate to prepare financial statements on the going concern basis.

As reported last year, following the completion of the development at Burnham during the year the outstanding amount due to the Bank on this project has been written off as irrecoverable.

2. **Accounting Policies**
The following accounting policies have been used consistently in dealing with items which are considered material in relation to the Company's accounts -

a) **Accounting Convention**
These accounts are prepared under the Historical Cost Convention.

b) **Work-in-Progress**
Work-in-Progress includes all direct development costs, including attributable bank and loan interest, and has been valued consistently at cost or, where lower, net realisable value.

c) **Turnover**
Turnover, which excludes value added tax and trade discount represents the invoiced value of sales and work done.

3. **Extraordinary Items**	1997 £	1996 £
Bank Loans & Overdraft - Written Off	631,167	-

As reported above, during the year the Company's Bankers agreed to write off amounts owed to them as being irrecoverable. These amounts have been shown above.

		1997 £	1996 £
4.	**Operating Profit/(Loss) Before Taxation**		
	Operating Profit/(Loss) is after Charging -		
	Auditors' Remuneration	750	800
5.	**Other Operating Income**		
	Interest Receivable	-	1,468

6. **Directors Emoluments**
None of the Directors received any Remuneration or other Benefits in Kind during the year (1996 - None).

7.	**Employees**		
	Average number of employees during the year was	2	2

8. **Taxation**
The Directors do not anticipate that a liability for Corporation Tax will arise in respect of these accounts due to the availability of losses brought forward.

9.	**Debtors**		
	Trade Debtors	95	3,408
	Other Taxes and Social Security	4,144	3,934
		4,239	7,342
10.	**Creditors**		
	(Amounts falling due within one year)		
	Bank Loans and Overdraft	-	630,325
	Director's Loan Account	1,463,058	1,463,058
	Amounts owed to Related Companies	1,388	7,183
	Accrued Expenses	1,767	2,031
	Other Taxes and Social Security	664	664
		1,466,877	2,103,261

		1997 £	1996 £
11.	**Called up Share Capital**		
	Authorised		
	100 Ordinary Shares of £1 each	100	100
	Issued, Called Up & Fully Paid		
	100 Ordinary Shares of £1 each	100	100

12. **Bank Loans and Overdraft**
The Bank Loans & Overdraft shown above which total £Nil (1996 £630,325) are secured by legal charges on land held as Work-in-Progress and by a fixed and floating charge over the remaining assets of the company.

13.	**Profit and Loss Account**		
	Balance Brought Forward	(2,096,019)	(2,080,204)
	Profit/(Loss) for the year after Taxation	633,315	(15,815)
	Balance Carried Forward	(1,462,704)	(2,096,019)