REG

MCC DEVELOPMENTS LIMITED

Directors:	J R Carroll (Chairman) P A Mecklenburgh
Secretary:	P A Mecklenburgh
Company Registration Number:	733774
Registered Office:	Parker House 104a Hutton Road Shenfield Essex CM15 8NE
Auditors:	Ansons Chartered Accountants Parker House 104a Hutton Road Shenfield Essex CM15 8NE
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 1999.

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 1999 and 1998 were:-

J R Carroll 99

P A Mecklenburgh -

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 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.

DIRECTORS' REPORT - CONTINUED

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

Fixed Assets
Fixed Assets acquired during the year are shown in the notes.

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 10th February 2000.

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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 1999 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Parker House
104a Hutton Road
Shenfield
Essex CM15 8NE



10th February 2000

Ansons - Chartered Accountants and Registered Auditors

MCC DEVELOPMENTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30th APRIL 1999

	Notes	1999 £	1998 £
Turnover	1	590,746	-
Cost of Sales		(498,212)	-
Gross Profit		92,534	-
Interest Payable		(20,725)	-
Administrative Expenses		(49,973)	(599)
Profit/(Loss) on Ordinary Activities Before Taxation	3	21,836	(599)
Taxation	6	-	-
Retained Profit/(Loss) for the Year	14	21,836	(599)

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 1999

	Notes	1999		1998	
		£	£	£	£
Tangible Assets					
Fixed Assets	1 & 8		803		-
Current Assets					
Work in Progress	9	761,481		158,603	
Debtors	10	1,413		1,230	
Bank Balance		26,572		247	
		789,466		160,080	
Creditors (Amounts falling due within one year)	11	(1,861,636)		(1,623,283)	
Net Current (Liabilities)			(1,072,170)		(1,463,203)
			(1,071,367)		(1,463,203)
Creditors (Amounts falling due after more than one year)	12		(370,000)		-
Net (Liabilities)			(1,441,367)		(1,463,203)
Financed by - Capital and Reserves					
Share Capital	13		100		100
Retained Losses	14		(1,441,467)		(1,463,303)
			(1,441,367)		(1,463,203)

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)
)
) **Directors**
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P A Mecklenburgh

These accounts were approved by the Directors on 10th February 2000.

MCC DEVELOPMENTS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30th APRIL 1999

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.

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, 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.

d) **Fixed Assets & Depreciation**
Depreciation is calculated to write off the cost of fixed assets over the expected useful economic lives of the assets concerned. The principal annual rate used for this purpose is:-

Computer Equipment - Straight Line Basis over 5 Years.

3. **Operating Profit/(Loss) before Taxation**	1999 £	1998 £
Auditors Remuneration	775	750
Bank Loan Interest	20,725	-

4. **Directors Emoluments**
None of the Directors received any remuneration or other emoluments during the year (1998 - None).

5. **Employees**		
The Average number of employees was	2	2

6. **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 for tax purposes brought forward from previous years.

7. Directors Interest in Transaction

During the year the Company paid £39,000 (1998 - £Nil) to Howard & Co (Brentwood) Limited for management services. These services were provided on a commercial basis. J R Carroll had an interest in this transaction by being a Director of both Companies.

8. Tangible Assets

	Computer Equipment £
Cost	
Additions	1,004
At end of year	1,004
Depreciation	
Charge for year	201
At end of year	201
Net Book value	
At 30th April 1999	803
At 30th April 1998	-

	1999 £	1998 £
9. Work in Progress		
Short-term	761,481	158,603
10. Debtors		
Trade Debtors	-	95
Sundry Debtors	1,413	1,135
	1,413	1,230
11. Creditors (Amounts falling due within one year)		
Director's Loan Account	1,725,116	1,619,508
Trade Creditors & Accrued Expenses	131,440	1,631
Amounts Owed to Related Companies	3,822	1,480
Other Taxes and Social Security	1,258	664
	1,861,636	1,623,283

		1999 £	1998 £
12.	**Creditors** (Amounts falling due after more than one year)		
	Bank Loans - Long Term (Secured)	370,000	-

The long term bank loans are secured on the land for development included in work in progress at a cost figure of £517,500.

13.	**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
14.	**Profit and Loss Account**		
	Balance Brought Forward	(1,463,303)	(1,462,704)
	Profit/(Loss) for year after Taxation	21,836	(599)
	Balance Carried Forward	(1,441,467)	(1,463,303)