REG

MCC DEVELOPMENTS LIMITED

Directors:	J R Carroll (Chairman) P A Mecklenburgh Mrs C F Carroll
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 TSB 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 2002.

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

Review of the Business
Whilst trading for the year resulted in a loss, the directors consider the results to be satisfactory. In forming this opinion the directors would point out that sales for the first month of the new year has resulted in a gross margin of over £200,000.

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 2002 and 2001 were:-

J R Carroll	99
Mrs C F Carroll	1
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
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 3rd September 2002.

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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 2002 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



3rd September 2002

Ansons - Chartered Accountants and Registered Auditors

MCC DEVELOPMENTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30th APRIL 2002

	Notes	2002 £	2001 £
Turnover	1	940,500	1,328,001
Cost of Sales		(788,852)	(1,100,649)
Gross Profit		151,648	227,352
Interest Receivable & Other Similar Income	4	1,588	67
Interest Payable		(50,616)	(52,967)
Administrative Expenses		(176,464)	(147,063)
(Loss)/Profit on Ordinary Activities Before Taxation	3	(73,844)	27,389
Taxation	7	-	(13)
Retained (Loss)/Profit for the Year	15	(73,844)	27,376

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 2002

	Notes	2002 £	2002 £	2001 £	2001 £
Tangible Assets					
Fixed Assets	1 & 9		16,668		22,373
Current Assets					
Work in Progress	10	1,477,579		1,048,051	
Debtors	11	21,454		39,437	
Cash at Bank		116		361,332	
		1,499,149		1,448,820	
Creditors (Amounts falling due within one year)	12	(140,054)		(120,416)	
Net Current Assets			1,359,095		1,328,404
			1,375,763		1,350,777
Creditors (Amounts falling due after more than one year)	13		(2,852,676)		(2,753,846)
Net (Liabilities)			(1,476,913)		(1,403,069)
Financed by - Capital and Reserves					
Share Capital	14		100		100
Retained Losses	15		(1,477,013)		(1,403,169)
			(1,476,913)		(1,403,069)

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 3rd September 2002.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30th APRIL 2002

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**

The 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 the lower of cost or 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 rates used for this purpose are:-

Motor Vehicles - 25% on written down value.
Computer Equipment - Straight Line Basis over 5 Years.

3. Operating (Loss)/Profit before Taxation

Operating (Loss)/Profit is after charging -

	2002 £	2001 £
Directors Remuneration	12,917	7,500
Auditors Remuneration	2,250	2,250
Bank Loan & Other Interest	50,616	52,967

4. Other Interest Receivable & Similar Income

Rent Receivable	1,588	-
Interest Received - Gross	-	67
	1,588	67

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30th APRIL 2002
- CONTINUED -

		2002	2001
5.	**Directors Emoluments**	£	£
	Directors Remuneration	12,917	7,500

None of the Directors received any Benefits in Kind during the year (2001 - None).

6.	**Staff Costs**		
	Wages & Salaries	63,840	50,371
	Social Security Costs	6,675	4,966
	Employees		
	The average number of employees during the year was	4	4
7.	**Taxation**		
	Tax deducted on Interest Received	-	13

Following on from the loss for the year the directors do not anticipate that a liability for Corporation Tax will arise in respect of these accounts. At the Balance Sheet date losses, for tax purposes, of £1,600,000 are available for offset against future taxable profits.

8. **Directors Interest in Transaction**
During the year the company paid £70,000 (2001 - £56,000) 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.

9. **Tangible Assets**	Motor Vehicles	Computer Equipment	Total
Cost	£	£	£
At beginning of year	38,837	1,214	40,051
At end of year	38,837	1,214	40,051
Depreciation			
At beginning of year	16,991	687	17,678
Charge for year	5,462	243	5,705
At end of year	22,453	930	23,383
Net Book Value			
At 30th April 2002	16,384	284	16,668
At 30th April 2001	21,846	527	22,373

		2002	2001
		£	£
10.	**Work in Progress**		
	Short-Term	1,477,579	1,048,051
11.	**Debtors**		
	Amounts owed by a Related Company	260	14,536
	Prepayments	429	345
	Sundry Debtors	20,765	24,556
		21,454	39,437
12.	**Creditors (Amounts falling due within one year)**		
	Trade Creditors & Accrued Expenses	85,341	79,638
	Bank Overdraft	9,471	-
	Other Taxes & Social Security	4,417	3,355
	Hire Purchase Accounts	7,201	9,423
	Amounts owed to Related Companies	33,624	28,000
		140,054	120,416
13.	**Creditors** (Amounts falling due after more than one year)		
	Director's Loan - J R Carroll	2,047,136	2,128,290
	Bank Loans - Long Term (Secured)	805,540	617,800
	Hire Purchase Accounts	-	7,756
		2,852,676	2,753,846

The long term bank loans are secured on the land for development. The cost of this land is included in work in progress at a figure of £858,000 (2001 - £573,050).

14.	**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
15.	**Profit and Loss Account**		
	Balance Brought Forward	(1,403,169)	(1,430,545)
	(Loss)/Profit for year after Taxation	(73,844)	27,376
	Balance Carried Forward	(1,477,013)	(1,403,169)