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 2003.

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

Business Review
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 2003 and 2002 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
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 18th September 2003.

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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 10 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 2003 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

18th September 2003

Ansons - Chartered Accountants and Registered Auditors

MCC DEVELOPMENTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30th APRIL 2003

	Notes	2003 £	2002 £
Turnover	1	2,394,326	940,500
Cost of Sales		(1,562,516)	(788,852)
Gross Profit		831,810	151,648
Interest Receivable & Other Similar Income	4	2,871	1,588
Interest Payable		(43,572)	(50,616)
Administrative Expenses		(231,531)	(176,464)
Profit/(Loss) on Ordinary Activities Before Taxation	3	559,578	(73,844)
Taxation	7	-	-
Retained Profit/(Loss) for the Year	17	559,578	(73,844)

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 2003

	Notes	2003		2002	
Tangible Assets		£	£	£	£
Fixed Assets	1 & 9		20,119		16,668
Current Assets					
Work in Progress	10	1,360,377		1,477,579	
Land for Redevelopment	11	2,180,000		-	
Land Option	12	750,000		-	
Debtors	13	35,079		21,454	
Cash at Bank		7,546		116	
		4,333,002		1,499,149	
Creditors (Amounts falling due within one year)	14	(2,370,301)		(140,054)	
Net Current Assets			1,962,701		1,359,095
			1,982,820		1,375,763
Creditors (Amounts falling due after one year)	15		(2,900,155)		(2,852,676)
Net (Liabilities)			(917,335)		(1,476,913)
Financed by - Capital and Reserves					
Share Capital	16		100		100
Profit & Loss Account	17		(917,435)		(1,477,013)
			(917,335)		(1,476,913)

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 18th September 2003.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30th APRIL 2003

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 Profit/(Loss) before Taxation

Operating Profit/(Loss) is after charging -	2003 £	2002 £
Directors Remuneration	45,000	12,917
Auditors Remuneration	2,500	2,250
Bank Loan & Other Interest	43,572	50,616

4. Other Interest Receivable & Similar Income

Rent Receivable	665	1,588
Interest Received - Gross	2,206	-
	2,871	1,588

5. Directors Emoluments

Directors' Remuneration	45,000	12,917

None of the directors received any Benefits in Kind (2002 - None).

		2003	2002
6.	**Staff Costs**	£	£
	Wages & Salaries	138,864	63,840
	Social Security Costs	13,897	6,675
	Employees		
	The average number of employees during the year was	6	4

7. **Taxation**

The directors do not anticipate that a liability for corporation tax will arise in respect of these accounts due to the availability of tax losses brought forward from previous years.

At the Balance Sheet date further losses of £1,061,500 are available for offset against future taxable profits.

8. **Directors Interest in Transaction**

During the year the company paid £20,000 (2002 - £70,000) 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
Additions	13,377	2,223	15,600
Disposal	(12,581)	-	(12,581)
At end of year	39,633	3,437	43,070
Depreciation			
At beginning of year	22,453	930	23,383
Charge for year	6,113	729	6,842
Disposal	(7,274)	-	(7,274)
At end of year	21,292	1,659	22,951
Net Book Value			
At 30th April 2003	18,341	1,778	20,119
At 30th April 2002	16,384	284	16,668

		2003	2002
10.	**Work in Progress**	£	£
	Short-Term	1,360,377	1,477,579
11.	**Land For Redevelopment**		
	At Cost	2,180,000	-

At the end of the year the company had contracted to buy land for development at a cost of £2,180,000 with the balance of the purchase price £2,065,200 being shown under Creditors.

12.	**Land Option**	£	£
	At Cost	750,000	-

During the year the company paid £750,000 under an option agreement to purchase by 5th July 2005 Land for Development.

13.	**Debtors**	£	£
	Amounts Owed by a Related Company	1,238	260
	Prepayments	18,591	429
	Sundry Debtors	15,250	20,765
		35,079	21,454
14.	**Creditors**		
	(Amounts falling due within one year)		
	Trade Creditors & Accrued Expenses	289,284	85,341
	Creditor - Land for Redevelopment	2,065,200	-
	Bank Overdraft	-	9,471
	Other Taxes & Social Security	4,676	4,417
	Hire Purchase Accounts	9,141	7,201
	Amounts Owed to Related Companies	2,000	33,624
		2,370,301	140,054
15.	**Creditors**		
	(Amounts falling due after one year)		
	Director's Loan - J R Carroll	2,225,155	2,047,136
	Bank Loans - Long Term (Secured)	675,000	805,540
		2,900,155	2,852,676

The long term bank loans are secured on Work-in-Progress and Land for Development at a figure of £899,218 (2002 - £858,000).

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30th APRIL 2003
- CONTINUED -

		2003 £	2002 £
16.	**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
17.	**Profit and Loss Account**		
	Balance Brought Forward	(1,477,013)	(1,403,169)
	Profit/(Loss) for year after Taxation	559,578	(73,844)
	Balance Carried Forward	(917,435)	(1,477,013)