MCC Developments Limited

Directors:	J R Carroll (Chairman) Mrs C F Carroll 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 TSB Bank PLC National Westminster Bank PLC



MCC Developments Limited

Directors' Report

Accounts
The directors present their report and audited accounts for the year ended 30th April 2004.

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.

Dividends
The directors do not recommend payment of a dividend for the year.

Fixed Assets
Changes in fixed assets are shown in the notes to the accounts.

Directors
The directors who served during the year together with their respective shareholdings at both 30th April 2004 and 2003 were:-

J R Carroll	99
Mrs C F Carroll	1
P A Mecklenburgh	-

Directors' Report - Continued

Responsibility of the Directors
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 and loss of the company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates which 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 irregularity.

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.

This report was approved on 14th September 2004.

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P A Mecklenburgh - Company Secretary

Independent Auditors' Report to the Shareholders of MCC Developments Limited

We have audited the financial statements on pages 5 to 11 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 2004 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



14th September 2004

Ansons - Chartered Accountants and Registered Auditors

MCC Developments Limited

Profit and Loss Account for the year ended 30th April 2004

	Notes	2004 £	2003 £
Turnover	1	4,051,500	2,394,326
Cost of Sales		(2,993,752)	(1,562,516)
Gross Profit		1,057,748	831,810
Interest Receivable & Similar Income	4	45,311	2,871
Interest Payable		(150,640)	(43,572)
Administrative Expenses		(345,702)	(231,531)
Profit on Ordinary Activities Before Taxation	3	606,717	559,578
Taxation	9	-	-
Retained Profit for the Year	18	606,717	559,578

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

The Profit and Loss Account has been prepared on the basis that all operations are continuing operations.

MCC Developments Limited

Balance Sheet as at 30th April 2004

	Notes	2004 £	2004 £	2003 £	2003 £
Tangible Assets					
Fixed Assets	10		30,087		20,119
Current Assets					
Work in Progress	11	1,684,242		1,360,377	
Land for Development	12	1,539,400		2,180,000	
Land Option	13	1,000,000		750,000	
Debtors	14	2,728,487		35,079	
Cash at Bank		2,489		7,546	
		6,954,618		4,333,002	
Creditors (Amounts falling due within one year)	15	(511,712)		(2,370,301)	
Net Current Assets			6,442,906		1,962,701
			6,472,993		1,982,820
Creditors (Amounts falling due after one year)	16		(6,783,611)		(2,900,155)
Net (Liabilities)			(310,618)		(917,335)
Financed by - Capital and Reserves					
Share Capital	17		100		100
Profit & Loss Account	18		(310,718)		(917,435)
			(310,618)		(917,335)

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

J R Carroll - Director ..... **P A Mecklenburgh - Director**

These accounts were approved by the Directors on 14th September 2004.

MCC Developments Limited

Notes to the Accounts for the year ended 30th April 2004

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 & Land for Development**
Work in Progress includes all direct development costs and has been valued consistently at the lower of cost or net realisable value.

Land for Development 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.

e) **Deferred Taxation**
Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

f) **Finance Leases & Hire Purchase Transactions**
Assets held under hire purchase contracts are capitalised and depreciated in the same manner as other tangible fixed assets. The interest element of the agreement is charged to the profit and loss account over the period of the agreement on a straight line basis.

Notes to the Accounts for the year ended 30th April 2004

		2004	2003
3.	**Operating Profit before Taxation**	£	£
	Operating Profit is stated after charging -		
	Directors Remuneration (Note 7)	45,000	45,000
	Bank Loan & Hire Purchase Interest	150,640	43,572
	Auditors Remuneration	2,750	2,500
	Depreciation	10,029	6,843
4.	**Interest Receivable & Similar Income**		
	Rent Receivable	44,757	665
	Interest Received - Gross	554	2,206
		45,311	2,871
5.	**Staff Costs (Including Directors)**		
	Wages & Salaries	148,458	138,864
	Social Security Costs	17,106	13,897
6.	**Employee Information**	**Number**	**Number**
	The average number of employees during the year was	6	6
7.	**Directors Emoluments**	**£**	**£**
	Directors Remuneration	45,000	45,000

None of the directors received any benefits in kind during the year (2003 - None).

8. **Directors Interest in Transactions**

During the year the company paid £40,000 (2003 - £20,089) to a related company, Howard & Co (Brentwood) Limited, for management services. These services were provided on a commercial basis.

During the year the company developed an investment property owned by a related company, Longfeld Investment Company Limited, for £450,000 (2003 - Nil). This amount is included in turnover. This development will be completed in the following year.

At the Balance Sheet date the company was owed by a related company, Moncrisp Properties Limited, an amount of £1,500 (2003 - £1,200).

At the Balance Sheet date the company owed to a related company, Westbury Investments Limited, an amount of £102,000 (2003 - £Nil).

J R Carroll had an interest in all these transactions by being a director and major shareholder of all companies.

All the above transactions were calculated on a commercial basis at arms length.

9. Taxation

The directors do not anticipate that a liability for Corporation Tax will arise for the year due to the availability of losses for tax purposes brought forward from earlier years.

At the Balance Sheet date further losses for tax purposes of approximately £750,000 are available for off-set against future trading profits.

10. Tangible Assets

	Motor Vehicles £	Computer Equipment £	Total £
Cost			
At beginning of year	39,633	3,436	43,069
Additions	28,306	-	28,306
Disposal	(26,256)	-	(26,256)
At end of year	41,683	3,436	45,119
Depreciation			
At beginning of year	21,293	1,659	22,952
Charge for year	9,584	444	10,028
Disposal	(17,948)	-	(17,948)
At end of year	12,929	2,103	15,032
Net Book Value			
At 30th April 2004	28,754	1,333	30,087
At 30th April 2003	18,341	1,778	20,119

		2004	2003
11.	**Work-in-Progress**	£	£
	Short-Term	1,684,242	1,360,377
12.	**Land For Development**		
	At Cost	1,539,400	2,180,000

At 30th April 2003 the company had contracted to buy land for development at a cost of £2,180,200 with the balance of the purchase price £2,065,000 being shown under Creditors.

13.	**Land Option**	£	£
	At Cost	1,000,000	750,000

During the year the company paid a further £250,000 making a total to date of £1,000,000 (shown above) under an option agreement to purchase land, with the final amount of £2,100,000 being paid on 5th July 2004.

14.	**Debtors**	£	£
	Trade Debtors	2,701,188	-
	Amounts Owed by a Related Company	1,500	1,200
	Prepayments	16,258	18,629
	Sundry Debtors	9,541	15,250
		2,728,487	35,079

15.	**Creditors (Amounts falling due within one year)**		
	Trade Creditors & Accrued Expenses	258,795	289,284
	Creditor - Land for Redevelopment	-	2,065,200
	Bank Overdraft (Secured)	121,549	-
	Other Taxes & Social Security	5,856	4,676
	Hire Purchase Accounts	23,512	9,141
	Amounts Owed to Related Companies	102,000	2,000
		511,712	2,370,301

16.	**Creditors (Amounts falling due after one year)**		
	Director's Loan - J R Carroll	3,557,498	2,225,155
	Bank Loans - Long Term (Secured)	3,226,113	675,000
		6,783,611	2,900,155

The long term bank loans and bank overdraft are secured on Work-in-Progress and Land for Development at a figure of £2,211,003 (2003 - £899,218).

Notes to the Accounts for the year ended 30th April 2004

		2004 £	2003 £
17.	**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
18.	**Profit and Loss Account**		
	Balance Brought Forward	(917,435)	(1,477,013)
	Profit for year after Taxation	606,717	559,578
	Balance Carried Forward	(310,718)	(917,435)
19.	**Reconciliation of Movements in Shareholders Funds**		
	Profit for the financial year being *net addition to shareholders funds*	606,717	559,578
	Opening Shareholders Funds	(917,335)	(1,476,913)
	Closing Shareholders Funds	(310,618)	(917,335)