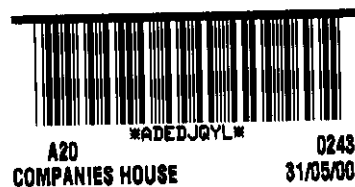


Registered Number 791755
England and Wales

H B PEARCE (DEVELOPMENTS) LIMITED

ABBREVIATED ACCOUNTS

31ST JULY 1999



SMITH, HODGE & BAXTER

Chartered Accountants

AUDITORS REPORT TO H B PEARCE (DEVELOPMENTS) LIMITED**UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages 2 to 5 together with the full statutory accounts of the company for the year ended 31st July 1999 prepared under Section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the accounts, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full statutory accounts.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.

OTHER INFORMATION

On 30/5/00 we reported as auditors to the shareholders of the company on the full statutory accounts prepared under section 226 of the Companies Act 1985 and our audit report included the following paragraph:

Going Concern

In forming our opinion, we have considered the adequacy of the disclosures made in note 2 to the accounts (note 2 to the abbreviated accounts) concerning the basis on which the accounts have been prepared, improvements in operating results, and the continuation of the company's working capital facility. The nature of these matters is such that there can be no certainty in relation to the view of the directors as set out in note 2. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

Thorpe House
93 Headlands
Kettering
NN15 6BL

S. & H. & B. & F.

Chartered Accountants and
Registered Auditors

30th May 2000

H B PEARCE (DEVELOPMENTS) LIMITED**ABBREVIATED BALANCE SHEET AS AT 31ST JULY 1999**

	<u>NOTES</u>	<u>1999</u>	<u>1998</u>
FIXED ASSETS			
Tangible assets	3	11,476	1,993
CURRENT ASSETS			
Stocks		250	250
Debtors		11,003	94,827
Cash at bank and in hand		14	1,149
		<hr/>	<hr/>
		11,267	96,226
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	4	26,723	187,909
		<hr/>	<hr/>
NET CURRENT LIABILITIES		(15,456)	(91,683)
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		(£ 3,980)	(£ 89,690)
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	5	12,500	12,500
Profit and loss account		(16,480)	(102,190)
		<hr/>	<hr/>
SHAREHOLDERS' FUNDS		(£ 3,980)	(£ 89,690)
		<hr/>	<hr/>

The abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The accounts were approved by the
Board of Directors on 26th May 2000


G B PEARCE - DIRECTOR

H B PEARCE (DEVELOPMENTS) LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS - 31ST JULY 1999****1. ACCOUNTING POLICIES****a) Accounting convention**

The accounts for the year ended 31st July 1999 have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 1999).

b) Tangible fixed assets

Depreciation has been calculated at the following annual rates in order to reduce each asset to its estimated residual value at the end of its period of use:

Plant and machinery	-	12½% or 20% of cost
Fixtures and fittings	-	10% of cost
Motor vehicles	-	20% of cost
Computer equipment	-	33⅓% of cost

c) Deferred taxation

The company accounts for deferred taxation by the liability method. Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future. The debit balance arising at 31st July, 1999 has not been carried forward.

d) Turnover

Turnover represents the net invoiced value of contracts, adjusted for work in progress and excluding value added tax.

2. BASIS OF PREPARING THE ACCOUNTS

At 31st July 1999, the company's liabilities exceeded its assets by £3,980 and current liabilities exceed current assets by £15,456. The directors have reviewed the basis on which the accounts have been prepared and they consider that the going concern basis is appropriate. The scale of the company's operations has increased in both 1998 and 1999, and trading results have improved. The improvement in trading conditions has continued since 31st July 1999.

It is not the intention of the directors to liquidate or significantly curtail the scale of the company's operations.

As in the previous year, the company has received financial support from H B Pearce (Contractors) Limited. This support will continue for the foreseeable future, and is considered adequate to meet the current working capital requirements of the company.

H B PEARCE (DEVELOPMENTS) LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS - 31ST JULY 1999****3. TANGIBLE FIXED ASSETS****COST**

At 1st August 1998	90,936
Additions	12,945

At 31st July 1999	£ 103,881
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ACCUMULATED DEPRECIATION

At 1st August 1998	88,943
Charge for year	3,462

At 31st July 1999	£ 92,405
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NET BOOK VALUES

At 31st July 1999	£ 11,476
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At 31st July 1998	£ 1,993
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4. CREDITORS

Creditors at 31st July 1999 include secured creditors totalling £15 (1998: Nil).

5. CALLED UP SHARE CAPITAL

	<u>1999</u>	<u>1998</u>
Authorised, issued and fully paid 12,500 Ordinary shares of £1 each	£ 12,500	£ 12,500

H B PEARCE (DEVELOPMENTS) LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS - 31ST JULY 1999****6. TRANSACTIONS WITH DIRECTORS**

Material interests of directors

Creditors includes an amount owing to H B Pearce (Contractors) Limited, a company in which Mr G B Pearce is materially interested as a shareholder. The balance arises from normal trading transactions entered into on an arms length basis, the sale of an intangible asset at a fair value, and from net cash advances as follows:

Credit balance at 1st August 1998	111,388
Cash received	364,201
Cash repaid	(12,000)
Sale of intangible asset	-
Normal trading transactions	(463,589)
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Credit balance at 31st July 1999	£ -
	<hr/>

The loan is interest-free and there are no specific repayment terms.

Trade debtors at 31st July 1999 include £Nil (1998: £71,643) owed by H B Pearce (Contractors) Limited.

7. COMPARATIVE FIGURES

For the year ended 31st July 1998 the company was entitled to exemption from audit under Section 249A(1) Companies Act 1985. The comparative figures in these accounts are therefore unaudited.