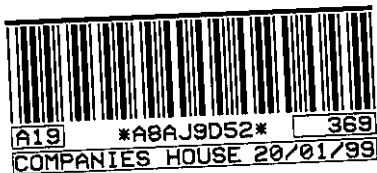


P M C H DEVELOPMENTS
FINANCIAL STATEMENTS
31ST AUGUST 1998

Registered number: 3221158



CONDY MATHIAS
CHARTERED ACCOUNTANTS
Plymouth

P M C H DEVELOPMENTS
FINANCIAL STATEMENTS
for the year ended 31st August 1998

CONTENTS

	Page
Company information	1
Directors' report	2
Statement of directors' responsibilities	3
Auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes	7 to 9

The following page does not form part of the statutory accounts

Detailed trading and profit and loss account	Appendix 1
Schedule to the detailed trading and profit and loss account	Appendix 2

P M C H DEVELOPMENTS**COMPANY INFORMATION****31st August 1998**

INCORPORATED	in England & Wales on 5th July 1996
NUMBER	3221158
CHAIRMAN	Rev D King
OTHER DIRECTORS	Mr D R Willcox Mr D R Parry Mr J F Luscombe
SECRETARY	Mr J F Luscombe
REGISTERED OFFICE	Mill Meadow Bedford Road Horrabridge Devon PL20 7QW
BANKERS	CAFCASH Ltd Kings Hill West Mailing Kent ME19 4TA
REGISTERED AUDITORS	Condy Mathias Chartered Accountants 6 Houndiscombe Road Mutley Plymouth PL4 6HH

P M C H DEVELOPMENTS**DIRECTORS' REPORT****31st August 1998**

The directors present their report and the audited financial statements for the year ended 31st August 1998.

Principal activity

The principal activity of the company is the development of the Methodist Central Hall property and the managing thereof for charitable purposes.

Year 2000

As discussed at length in the media, many computers and microchips only recognise dates using the last two digits of the year and will, therefore, need to be modified or replaced to record the Year 2000. Our business depends on a computerised accounting system to prepare the accounts and record the transactions. In addition, we could be affected by the systems used by our suppliers. As a result, we could be at risk if other parties do not deal adequately with the Year 2000 issue.

The directors have assessed the risks to our business resulting from the change to the Year 2000. The computer software used by the company was purchased recently and is guaranteed to be Year 2000 compliant so no costs are envisaged in this respect.

It is impossible to guarantee that no Year 2000 problems will remain. However, the directors feel that the company will be able to deal promptly with any failures that occur.

Directors

The company is a company limited by guarantee not having a share capital and therefore the directors do not have any interests in the company as defined by the Companies Act 1985. The following were directors during the year:

Rev D King
Mr D R Willcox
Mr D R Parry
Mr J F Luscombe

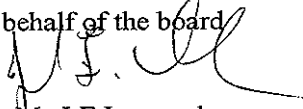
Auditors

Condy Mathias have agreed to offer themselves for re-appointment as auditors of the company.

Small company exemptions

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board


Mr J F Luscombe
Secretary

Mill Meadow
Bedford Road
Horrabridge
Devon PL20 7QW

16th November 1998

P M C H DEVELOPMENTS**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

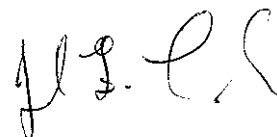
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- 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 and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

16th November 1998

On behalf of the board



Mr J F Luscombe
Director and Secretary

P M C H DEVELOPMENTS**AUDITORS' REPORT****Auditors' report to the members of****P M C H Developments**

We have audited the financial statements on pages 5 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of 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, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the 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 misstatement, whether caused by fraud or error or other irregularity. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st August 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Condy Mathias

Condy Mathias
Registered Auditors
Chartered Accountants
Plymouth

16 December 1998

P M C H DEVELOPMENTS
PROFIT AND LOSS ACCOUNT
for the year ended 31st August 1998

	Note	1998 £	1997 £
Turnover	2	244,925	414,497
Cost of sales		(187,733)	(408,993)
Gross profit		57,192	5,504
Net operating expenses			
Distribution costs		(1,049)	-
Administrative expenses		(68,494)	(5,508)
Operating loss	3	(12,351)	(4)
Investment income		464	4
Loss on ordinary activities before taxation		(11,887)	-
Taxation	4	-	-
Loss on ordinary activities after taxation for the year	8	(11,887)	-

There were no movements in reserves during the period.

None of the company's activities were acquired or discontinued during the above two financial years.

There are no recognised gains and losses in 1998 or 1997 other than the loss for the year.

P M C H DEVELOPMENTS

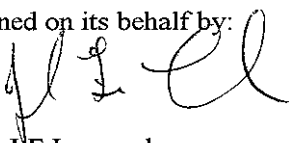
BALANCE SHEET

at 31st August 1998

	Note	1998 £	1997 £
Fixed assets			
Tangible assets	5	36,795	5,275
Current assets			
Stocks		4,654	-
Debtors	6	147	47,418
Cash at bank and in hand		4,378	15,472
		<u>9,179</u>	<u>62,890</u>
Creditors: amounts falling due within one year	7	<u>(57,861)</u>	<u>(68,165)</u>
Net current liabilities		<u>(48,682)</u>	<u>(5,275)</u>
Total assets less current liabilities		<u>(11,887)</u>	<u>-</u>
Reserves			
Profit and loss account	8	<u>(11,887)</u>	<u>-</u>
Total funds		<u>(11,887)</u>	<u>-</u>

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements on pages 5 to 9 were approved by the board of directors on 16th November 1998 and signed on its behalf by:


Mr J F Luscombe
Director and Secretary

P M C H DEVELOPMENTS
NOTES ON FINANCIAL STATEMENTS

31st August 1998

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it qualifies as a small company under the Companies Act 1985.

Turnover

Turnover represents the amount derived from the provision of services falling within the company's activities after deduction of trade discounts and value added tax.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Plant and machinery	25% reducing balance
Fixtures and fittings	15% reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Status of company

The company is a company limited by guarantee and it does not therefore have a share capital. The liability of the members is limited to £1.00 per member. In accordance with Section 30 of the Companies Act 1985, the word 'limited' is omitted from the name.

2 Turnover

The turnover for the year was derived from the company's principal activity. The whole of the turnover is attributable to the UK market.

3 Operating profit/(loss)

	1998	1997
	£	£
Operating profit/(loss) is stated after charging		
Auditors' remuneration	680	650
Depreciation of tangible fixed assets (note 5)		
owned assets	<u>10,456</u>	<u>-</u>

4 Taxation

The company has no liability for taxation.

P M C H DEVELOPMENTS
NOTES ON FINANCIAL STATEMENTS

31st August 1998

5 Tangible fixed assets

	Plant and Machinery	Fixtures and Fittings	Total
	£	£	£
Cost			
1st September 1997	5,275	-	5,275
Additions	28,416	13,560	41,976
	<hr/>	<hr/>	<hr/>
31st August 1998	33,691	13,560	47,251
	<hr/>	<hr/>	<hr/>
Depreciation			
Charge for year	8,422	2,034	10,456
	<hr/>	<hr/>	<hr/>
31st August 1998	8,422	2,034	10,456
	<hr/>	<hr/>	<hr/>
Net book amount			
31st August 1998	25,269	11,526	36,795
	<hr/>	<hr/>	<hr/>
31st August 1997	5,275	-	5,275
	<hr/>	<hr/>	<hr/>

6 Debtors

	1998	1997
	£	£
Amounts falling due within one year		
Trade debtors	14	-
Prepayments and accrued income	-	1,146
Vat repayment due	-	11,770
Accrued project funding	-	34,502
Interest receivable	133	-
	<hr/>	<hr/>
	147	47,418
	<hr/>	<hr/>

7 Creditors: amounts falling due within one year

	1998	1997
	£	£
Trade creditors	2,780	64,447
Accruals	840	800
Methodist Central Hall Current Account	1,028	2,918
Deferred project funding	52,516	-
VAT creditor	697	-
	<hr/>	<hr/>
	57,861	68,165
	<hr/>	<hr/>

P M C H DEVELOPMENTS
NOTES ON FINANCIAL STATEMENTS

31st August 1998

8 Profit and loss account

1998
£

Loss sustained for the year

(11,887)

9 Related parties

The company is controlled by the Church Council of the Plymouth Methodist Central Hall. All members of the board of directors are appointed by the Church Council. Funding for the development project has come entirely from the Plymouth Methodist Central Hall during the year ended 31 August 1998.