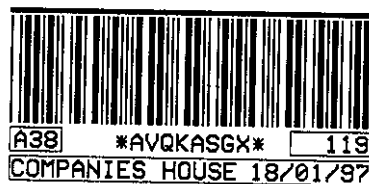


**C. J. O'Shea Group Limited
(formerly Lytton Homes Limited)**

Group Financial Statements

year ended 31st March 1996



C. J. O'Shea Group Limited

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C. J. O'Shea Group Limited

Company Information

Directors:	C.J. O'Shea, Esq. A. O'Shea, (Mrs.) J. M. O'Sullivan, Esq. R. A. O'Connor, Esq.
Secretary:	R. A. O'Connor, Esq.
Registered Office:	Granard Business Centre Bunns Lane Mill Hill London NW7 2DZ
Company Number:	1128708
Auditors:	Riordan O'Sullivan & Co. Certified Accountants and Registered Auditors 40 Chamberlayne Road London NW10 3JE
Bankers:	AIB Bank plc West End Branch 10 Berkeley Square London W1X 6DN

C. J. O'Shea Group Limited

Report of the directors

for the year ended 31st March 1996

The directors present the annual report of C. J. O'Shea Group Limited, together with the audited financial statements for the Group for the year ended 31st March 1996.

Change of name

On 9th February 1996 by virtue of a Special Resolution passed by the members at an Extraordinary General Meeting, Lytton Homes Limited changed its name to C. J. O'Shea Group Limited in order to reflect its status as the new parent company of the old group of C. J. O'Shea and Company Limited and its subsidiary undertakings.

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 the Group at the end of the financial year and of the profit or loss of the Group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company and Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The above statement should be read in conjunction with the statement of the auditors' responsibility set out on page 4.

Principal activities

The Company is a property investment and holding company. All its subsidiaries are principally engaged in concrete frame and building contracting, property development, plant hire, plant sales and repairs, property maintenance and landscaping contracting and the hire, sale and repair of fork lift trucks.

Results and dividends

The Group loss on ordinary activities, before taxation, for the year was £113,055 (1995: loss £197,329). After taxation and minority interests, an amount of £136,185 has been offset against reserves (1995: £159,217 offset against reserves).

The directors do not recommend the payment of a dividend.

C. J. O'Shea Group Limited

Report of the directors (continued)

for the year ended 31st March 1996

Review of the business

On 30th September 1995, as part of a Group rationalisation programme, the company acquired the entire issued share capital of C. J. O'Shea & Company Limited, the details of which are explained in note 11 to the financial statements.

The company also acquired on the same date all the investments of C. J. O'Shea & Company Limited in its subsidiary undertakings.

The Group had a satisfactory trading result for the year. The current year has progressed satisfactorily to date, and the Group is looking forward to return to profitable trends again.

Fixed assets

The movements in tangible fixed assets are set out in note 10 to these financial statements.

The directors have reviewed the valuations of all freehold properties at the year end and concluded that existing valuations continue to reflect current market valuations.

Directors and their interests

The directors during the year and at the balance sheet date, and their interests in shares are set out below:

<u>Directors</u>	<u>Interest in £1 ordinary shares</u> <u>at 1st April 1995 and 31st March 1996</u>	
C.J. O'Shea, Esq.	50,000	100,000
A. O'Shea, (Mrs.)	50,000	100,000
J. M. O'Sullivan, Esq.	-	-
R. A. O'Connor, Esq. (appointed 5th February 1996)	-	-

J. M. O'Sullivan, Esq. and R. A. O'Connor, Esq. retire by rotation and being eligible offer themselves for re-election.

Charitable donations

The group made charitable donations of £2,850 (1995: £4,235) during the year.

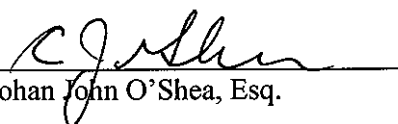
Close company status

The company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

Auditors

In accordance with Section 385 of the Companies Act 1985 a resolution proposing the re-appointment of Messrs. Riordan O'Sullivan & Co. as auditors to the company will be put to the members at the annual general meeting.

This report was approved by the board on 31st October 1996 and signed on its behalf by:

 Chairman
Crohan John O'Shea, Esq.

**Auditors' Report to the Shareholders of C. J. O'Shea Group Limited
(formerly Lytton Homes Limited)**

We have audited the financial statements on pages 5 to 24 which have been prepared under the historical cost convention and the accounting policies set out on page 10 and 11.

Respective responsibilities of directors and auditors

As described on page 2, 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 financial 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 an 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 and the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we consider 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 other irregularity or error. 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 and the Group's affairs at 31st March 1996 and of the loss and cashflows of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Riordan O'Sullivan & Co.
Certified Accountants and
Registered Auditors
40 Chamberlayne Road
London
NW10 3JE

31st October 1996

C. J. O'Shea Group Limited
Consolidated Profit and Loss Account
for the year ended 31st March 1996

	<u>Notes</u>	<u>1996</u> £	<u>1995</u> £
Turnover	2	8,039,873	9,717,524
Cost of sales		(6,305,112)	(8,150,060)
Gross profit		1,734,761	1,567,464
Less:			
Administrative expenses		(1,526,166)	(1,695,730)
Operating profit/(loss)		208,595	(128,266)
Rent receivable		27,219	28,529
Diminution in value of investment		(72,768)	(1,102)
Interest receivable	4	523	2,205
Interest payable	5	(200,609)	(158,323)
(Loss)/profit on disposal of properties		(78,296)	32,158
		(115,336)	(224,799)
Share of results of associated undertakings		2,281	27,470
Loss on ordinary activities before taxation		(113,055)	(197,329)
Taxation	6	(9,595)	49,746
Loss on ordinary activities after taxation (of which a profit of £23,095 (1995: £23,510) is dealt with in the accounts of the holding company)		(122,650)	(147,583)
Minority interests		(13,535)	(11,634)
Revenue deficit for the year	8	<u>(136,185)</u>	<u>(159,217)</u>

All of the above results derived from continuing operations.

The notes on pages 10 to 24 form part of these financial statements.

C. J. O'Shea Group Limited

Statement of total recognised gains and losses

for the year ended 31st March 1996

	<u>1996</u> £	<u>1995</u> £
Loss for the financial year	(136,185)	(159,217)
Merger relief written off	(95,000)	(95,000)
Currency translation differences on investments	19,384	21,563
Total recognised losses during the year	<u>(211,801)</u>	<u>(232,654)</u>

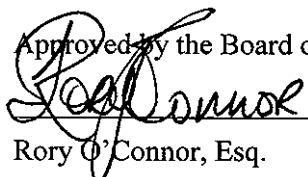
The notes on pages 10 to 24 form part of these financial statements.

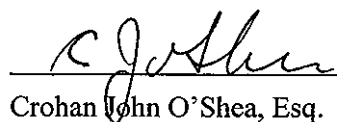
C. J. O'Shea Group Limited

Consolidated Balance Sheet at 31st March 1996

	<u>Notes</u>	<u>1996</u> £	<u>1995</u> £
Fixed assets			
Tangible assets	10a	4,653,552	5,728,536
Investments	11	70,851	68,570
		4,724,403	5,797,106
Current assets			
Stocks	12	846,564	187,861
Debtors	13	1,818,408	1,860,934
Investments	14	94,834	142,950
Cash at bank and in hand		123,261	3,069
		2,883,067	2,194,814
Creditors:			
Amounts falling due within one year	15	(3,971,918)	(4,148,844)
Net current liabilities		(1,088,851)	(1,954,030)
Total assets less current liabilities		3,635,552	3,843,076
Creditors:			
Amounts falling due after more than one year	16	(321,767)	(419,555)
Provisions for liabilities and charges	17	(335,778)	(342,248)
Net assets		<u>2,978,007</u>	<u>3,081,273</u>
Capital and reserves			
Equity share capital	18	200,000	200,000
Equity reserves:			
- Revaluation reserves	8	1,599,336	1,599,336
- Profit and loss account	8	1,051,180	1,167,981
Shareholders' funds	20	2,850,516	2,967,317
Minority interests	19	127,491	113,956
Capital employed		<u>2,978,007</u>	<u>3,081,273</u>

Approved by the Board on 31st October 1996 and signed on its behalf:

 Director
Rory O'Connor, Esq.

 Director
Crohan John O'Shea, Esq.

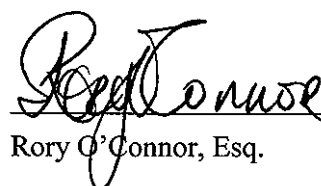
The notes on pages 10 to 24 form part of these financial statements.

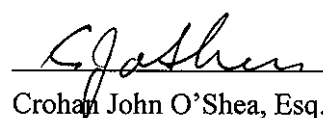
C. J. O'Shea Group Limited

Balance Sheet at 31st March 1996

	Notes	<u>1996</u> £	<u>1995</u> £
Fixed assets			
Tangible assets	10b	1,945,001	2,620,001
Investments		100,460	-
		<u>2,045,461</u>	<u>2,620,001</u>
Current assets			
Debtors	13	125,278	112,610
Creditors:			
Amounts falling due within one year	15	(207,572)	(892,539)
Net current liabilities		<u>(82,294)</u>	<u>(779,929)</u>
Net assets		<u>1,963,167</u>	<u>1,840,072</u>
Capital and reserves			
Equity share capital	18	200,000	100,000
Equity reserves:			
- Revaluation reserves		1,575,422	1,575,422
- Profit and loss account		187,745	164,650
Shareholders' funds	20	<u>1,963,167</u>	<u>1,840,072</u>

Approved by the Board on 31st October 1996 and signed on its behalf:

 Director
Rory O'Connor, Esq.

 Director
Crohan John O'Shea, Esq.

The notes on pages 10 to 24 form part of these financial statements.

C. J. O'Shea Group Limited

Consolidated Cash Flow Statement

For the year ended 31st March 1996

	<u>Notes</u>	<u>1996</u> £	<u>1995</u> £
Cash flows from operating activities:			
Operating profit/(loss)		208,595	(128,266)
Depreciation		392,873	531,540
Profit on sale of plant and equipment		(51,018)	(49,696)
Loss on investments		(72,768)	-
Rent receivable		27,219	28,529
(Increase)/decrease in stock		(658,703)	26,248
Decrease/(increase) in debtors		627,101	(354,636)
Decrease in creditors		(887,760)	(233,183)
Net cash outflow from operating activities		(414,461)	(179,464)
Returns on investments and servicing of finance:			
Interest received		523	2,205
Interest paid		(200,609)	(158,323)
Taxation:			
Corporation tax paid		(4,455)	(123,745)
Refund of corporation tax paid		2,247	109,114
Investing activities:			
Purchase of fixed assets		(248,597)	(266,724)
Purchase of investments		(59,444)	(89,981)
Proceeds from sale of investments		107,560	19,262
Proceeds from sale of fixed assets		922,986	172,210
Net cash inflow/(outflow) before financing		105,750	(515,446)
Financing:			
Repayment of amounts borrowed		(134,281)	(147,301)
Decrease in cash and cash equivalents	21	<u>(28,531)</u>	<u>(662,747)</u>

The notes on pages 10 to 24 form part of these financial statements.

C. J. O'Shea Group Limited

Notes to the consolidated financial statements

for the year ended 31st March 1996

1. Accounting policies

The financial statements have been prepared in accordance with applicable accounting standards.

Accounting convention:

The financial statements have been prepared under the historical cost convention as modified to include the revaluation of certain freehold properties. The financial statements have been prepared on a going concern basis.

Basis of preparation of consolidated financial statements:

The consolidated financial statements include the financial statements of the Group and its subsidiary undertakings made up to 31st March 1996 and its share of the results and post acquisition reserves of associated undertakings.

In respect of all the subsidiaries listed at note 25 the consolidated financial statements have been prepared in accordance with the principles of merger accounting. The profits/(losses) of all the aforementioned subsidiary undertakings have been included in the financial statements for the whole of the year ended 31st March 1996. Comparative figures have been presented as if the companies had been combined throughout the previous period and at the previous balance sheet date.

In accordance with Section 230 of the Companies Act 1985 advantage has been taken of the exemption from the requirement to prepare a separate profit and loss account for the holding company.

Goodwill on consolidation:

Goodwill is written off directly to reserves in the year in which it arises.

Depreciation:

Depreciation is provided on all tangible fixed assets other than freehold land at rates calculated to write off the cost of each asset evenly over its expected useful life, as follows:

Freehold buildings	- over 50 years
Plant and equipment	- over 4 to 7 years

Investment properties:

Investment properties are stated at their open market values. In accordance with Statement of Standard Accounting Practice Number 19 investment properties are not depreciated. The directors consider that this accounting policy, which represents a departure from the statutory accounting principles, is necessary to provide a true and fair view. Depreciation is only one of many factors reflected in the annual revaluation and the amount that might otherwise have been shown cannot be separately identified or quantified.

Investments:

Fixed asset investments are stated at cost less provision for any permanent diminution in value.

Current asset investments are also stated at cost less provision for any permanent diminution in value. For listed investments, market value is based on the closing middle market price on a recognised stock exchange.

C. J. O'Shea Group Limited

Notes to the consolidated financial statements

for the year ended 31st March 1996

1. Accounting policies (continued)

Stocks:

Stocks are stated at the lower of cost and net realisable value as follows:

Raw materials	-	Purchase price on a first-in, first-out basis
Contract work-in-progress	-	Cost of direct materials, labour and attributable overheads

Retentions:

Retentions on contract work carried out are included in the financial statements on a receipt basis, or where identified as being received subsequent to the balance sheet date.

Finance and operating lease:

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised and depreciated over the expected useful lives of the assets concerned. Costs in respect of operating leases are charged in arriving at operating profit or loss.

Deferred taxation:

Full provision is made under the liability method in respect of material timing differences which are expected to reverse in the foreseeable future.

Pension commitments:

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. Contributions paid during the year amounted to £39,839 (1995: £44,843).

Foreign currencies:

Assets and liabilities and the profit and loss account of the overseas subsidiary is translated into sterling at rates of exchange ruling at the end of the financial year. Differences on exchange arising from the retranslation of the opening net assets at the beginning of the accounting year are shown as movements on the statement of retained reserves.

Turnover:

Turnover comprises the value of contracting work carried out during the year plus the invoiced value of plant hire, plant sales, property maintenance and landscaping work and income from properties let, exclusive of value added tax. It excludes inter company sales.

Loss on ordinary activities for the year:

The loss for the year includes the results of the year's operations together with residual profits in respect of work done in prior years. Profits on contracts is stated after provisions for known losses. No credit is taken for claims until settlement is achieved.

C. J. O'Shea Group Limited

Notes to the consolidated financial statements

for the year ended 31st March 1996

2. Analysis of turnover and loss on ordinary activities before taxation:

An analysis of turnover and loss on ordinary activities before taxation of the group's different activities is set out below:

	<u>Turnover</u>		<u>Profit/ (loss) on ordinary activities before taxation</u>	
	<u>1996</u>	<u>1995</u>	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Contracting income	5,421,731	7,539,469	(237,265)	(236,185)
Plant hire and sales	2,560,987	2,099,232	85,708	(22,091)
Property investment, maintenance and landscaping	57,155	78,823	38,502	60,947
	<u>8,039,873</u>	<u>9,717,524</u>	<u>(113,055)</u>	<u>(197,329)</u>

3. Amounts written off investment

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Loss on disposal of current asset investment	<u>72,768</u>	<u>1,102</u>

4. Interest receivable

	<u>£</u>	<u>£</u>
Group		
- bank deposit interest	523	1,379
- interest supplement	-	826
	<u>523</u>	<u>2,205</u>

5. Interest payable

	<u>£</u>	<u>£</u>
Interest on bank loans, overdrafts and other loans repayable within five years	174,711	130,569
Interest on late payment of tax	(1,012)	1,641
Interest on finance lease and hire purchase obligations	26,910	26,113
	<u>200,609</u>	<u>158,323</u>

C. J. O'Shea Group Limited

Notes to the consolidated financial statements

for the year ended 31st March 1996

6. Taxation	<u>1996</u>	<u>1995</u>
	£	£
Taxation based on the group's ordinary activities for the year:		
UK Corporation tax at 33% (1995: 25%)	12,659	12,837
Corporation tax refundable	-	(65,749)
Transfer to deferred taxation	1,030	5,707
Over provision in prior years	(4,094)	(2,541)
	<u>9,595</u>	<u>(49,746)</u>
7. Retained profit		
attributable to members of the holding company	£	£
Profit dealt with in the accounts of the holding company	23,095	23,510
Loss incurred by subsidiary undertakings	(161,561)	(210,197)
Profit of associated undertaking	2,281	27,470
	<u>(136,185)</u>	<u>(159,217)</u>
8. Reserves	Revaluation reserve	Profit and loss account
a) Group	£	£
At 1st April 1995	1,599,336	1,262,981
Loss for the year	-	(136,185)
Exchange gain on consolidation	-	19,384
Merger relief written off	-	(95,000)
	<u>1,599,336</u>	<u>1,051,180</u>
b) Company		
At 1st April 1995	1,575,422	164,650
Profit for the year	-	23,095
	<u>1,575,422</u>	<u>187,745</u>
9. Additional information to the profit and loss account	<u>1996</u>	<u>1995</u>
a) Expenses:	£	£
Aggregate depreciation charged in the year	<u>392,873</u>	<u>531,540</u>
Hire of plant and machinery	<u>301,240</u>	<u>323,818</u>
Auditors' remuneration	<u>27,752</u>	<u>21,068</u>
Loss on disposal of fixed assets	<u>78,296</u>	<u>32,158</u>

C. J. O'Shea Group Limited

Notes to the consolidated financial statements

for the year ended 31st March 1996

9. Additional information to the profit and loss account (continued)

b) Particulars of employees:	<u>1996</u>	<u>1995</u>
(i) The average number of employees during the year was:	<u>No.</u>	<u>No.</u>
Directors of companies in the group	11	13
Direct labour	20	22
Administrative and technical	21	28
	<u>52</u>	<u>63</u>
(ii) Aggregate costs:	<u>£</u>	<u>£</u>
Wages and salaries (including directors)	1,385,007	1,413,645
Social security costs	140,947	151,053
Pension contributions	39,839	56,342
	<u>1,565,793</u>	<u>1,621,040</u>
(iii) Directors' emoluments:	<u>£</u>	<u>£</u>
The total emoluments of the directors for the year, including pension contributions were:		
Group	<u>321,445</u>	<u>376,597</u>
Company	<u>NIL</u>	<u>NIL</u>
Details of individual emoluments (excluding pension contributions):		
Chairman	<u>NIL</u>	<u>NIL</u>
Highest paid director	<u>48,963</u>	<u>54,300</u>
Compensation paid on loss of office	<u>29,000</u>	<u>NIL</u>
Other directors of the group:		
Ranges of remuneration:	<u>No.</u>	<u>No.</u>
£ 0 - £ 5,000	-	1
£ 5,001 - £10,000	-	-
£10,001 - £15,000	1	-
£15,001 - £20,000	2	-
£20,001 - £25,000	-	2
£25,001 - £30,000	-	2
£30,001 - £35,000	1	3
£35,001 - £40,000	2	3

C. J. O'Shea Group Limited

Notes to the consolidated financial statements

for the year ended 31st March 1996

10. Tangible fixed assets

The movement in tangible fixed assets are set out below:

a) Group

	<u>Freehold properties</u> £	<u>Investment properties</u> £	<u>Plant and equipment</u> £	<u>Total</u> £
Cost or valuation				
At 1st April 1995	3,538,115	1,098,127	7,439,741	12,075,983
Additions	-	13,343	235,254	248,597
Exchange adjustments	-	20,200	108	20,308
Disposals	(949,408)	-	(268,984)	(1,218,392)
	<u>3,588,707</u>	<u>1,131,670</u>	<u>7,406,119</u>	<u>11,126,496</u>
Depreciation provision				
At 1st April 1995	153,068	22,882	6,171,497	6,347,447
Charge for the year	18,994	8,674	365,205	392,873
Adjustment for disposals	(38,862)	-	(229,266)	(268,128)
Exchange adjustments	-	708	44	752
	<u>133,200</u>	<u>32,264</u>	<u>6,307,480</u>	<u>6,472,944</u>
Net book value				
At 31st March 1996	<u>2,455,507</u>	<u>1,099,406</u>	<u>1,098,639</u>	<u>4,653,552</u>
At 31st March 1995	<u>3,385,047</u>	<u>1,075,245</u>	<u>1,268,244</u>	<u>5,728,536</u>
Analysis of cost or valuation at 31st March 1996:	£	£	£	£
Cost	1,084,479	869,636	7,406,119	9,360,234
Revaluations - 1988	1,504,228	262,034	-	1,766,262
	<u>2,588,707</u>	<u>1,131,670</u>	<u>7,406,119</u>	<u>11,126,496</u>

The net book value of plant and equipment includes an amount of £411,869 (1995: £417,928) in respect of assets held under hire purchase contracts.

The directors have reviewed the valuations of all freehold and investment properties at the year end. In their opinion existing valuations continue to reflect current open market valuations.

C. J. O'Shea Group Limited

Notes to the consolidated financial statements

for the year ended 31st March 1996

10. Tangible fixed assets (continued)

If freehold land and buildings had not been revalued they would have been included at the following amounts:

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Cost	<u>44,010</u>	<u>44,010</u>
Aggregate depreciation based on cost	<u>5,504</u>	<u>5,091</u>

b) Company

	<u>Freehold properties</u>	<u>Plant and equipment</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>
Cost or valuation			
At 1st April 1995	2,620,000	5,755	2,625,755
Intergroup disposal	(675,000)	-	(675,000)
	<u>1,945,000</u>	<u>5,755</u>	<u>1,950,755</u>
At 31st March 1996			
	<u>1,945,000</u>	<u>5,755</u>	<u>1,950,755</u>
Depreciation provision			
At 1st April 1995	-	5,754	5,754
	<u>-</u>	<u>5,754</u>	<u>5,754</u>
At 31st March 1996			
	<u>-</u>	<u>5,754</u>	<u>5,754</u>
Net book value			
At 31st March 1996	<u>1,945,000</u>	<u>1</u>	<u>1,945,001</u>
At 31st March 1995	<u>2,620,000</u>	<u>1</u>	<u>2,620,001</u>

Freehold properties are shown at valuation and include investment properties of £445,000 (1995: £445,000)

The directors have reviewed the valuations of all investment and freehold properties and in their opinion the current open market valuations are not materially different from the book value.

If investment and freehold properties had not been revalued they would have been included at the following amounts:

	<u>Investment properties</u>		<u>Freehold properties</u>	
	<u>1996</u>	<u>1995</u>	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Cost	<u>184,298</u>	<u>184,298</u>	<u>761,672</u>	<u>761,672</u>
Aggregate depreciation based on cost	<u>28,372</u>	<u>25,214</u>	<u>110,500</u>	<u>96,500</u>

C. J. O'Shea Group Limited

Notes to the consolidated financial statements

for the year ended 31st March 1996

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
11. Fixed asset investments		
a) Group		
Investment in associated undertaking		
Balance brought forward	68,570	41,100
Share of current year's trading profit	2,281	27,470
	<u>70,851</u>	<u>68,570</u>
Balance carried forward		
	<u>70,851</u>	<u>68,570</u>
b) Company		
	<u>£</u>	<u>£</u>
Investment in group undertakings		
Balance at 1st April 1995	100,426	-
Investment in associated undertaking	34	-
	<u>100,460</u>	<u>-</u>
Balance at 31st March 1996		
	<u>100,460</u>	<u>-</u>

On 30th September 1995 the company acquired C. J. O'Shea & Company Limited, which was wholly owned by common shareholders, arising from a group reorganisation. This subsidiary undertaking is incorporated in the United Kingdom and is engaged in general building contracting.

C. J. O'Shea & Company Limited

£

Investment at cost

100,000

The consideration for the purchase of C. J. O'Shea & Company Limited comprised of 100,000 ordinary shares of £1 each in exchange for the total issued share capital of 5,000 ordinary shares of £1 each.

The assets and liabilities acquired at 30th September 1995 were as follows:

<u>Fixed assets</u>	<u>£</u>
Tangible assets	1,043,221
Investments	460
<u>Current assets</u>	
Stocks	67,220
Investments	74,713
Trade debtors	578,911
Amounts owned by group undertakings	676,818
Amounts owed by related undertakings	1,125,313
Other debtors	31,280
Prepayments and accrued income	112,278
Cash in hand	658

C. J. O'Shea Group Limited

Notes to the consolidated financial statements

for the year ended 31st March 1996

11. Fixed asset investments (continued)

	£
<u>Current liabilities</u>	
Bank loans and overdrafts	(1,433,167)
Other loans	(160,000)
Trade creditors	(1,154,684)
Amounts owed to group undertakings	(333,981)
Other taxes and social security costs	(37,018)
Other creditors	(21,490)
Accruals and deferred income	(182,687)
<u>Long term liabilities</u>	
Bank loans	(157,347)
Provisions for liabilities and charges	(290,735)
Net liabilities	<u>(60,237)</u>
<u>Satisfied by:</u>	
Shares allotted	<u>100,000</u>

C. J. O'Shea Group Limited also acquired on the same date from C. J. O'Shea & Company Limited the latter's investments in subsidiary and associated undertakings, as follows:

<u>Name of Company</u>	<u>No. of Shares</u>	<u>Consideration</u>	<u>Net assets/(liabilities)</u> <u>at 30th September 1995</u>
		£	£
C. J. O'Shea (Plant Hire) Limited	100 (100%)	100	795,470
C. J. O'Shea (Formwork) Limited	100 (100%)	100	100
Kerslake Associates Limited	75 (75%)	75	(70,662)
Salenhire Fork Trucks Limited	51 (51%)	51	283,963
Redgrave Limited	100 (100%)	100	17,308
Tramore Properties Limited	34 (34%)	34	-

All of the above undertakings are incorporated in the United Kingdom, except for Redgrave Limited which trades and is incorporated in the Republic of Ireland.

Details of the profits/(losses) after taxation of the relevant acquired undertakings were as follows:

	<u>6 months to</u> <u>30th September 1995</u>	<u>Year ended</u> <u>31st March 1995</u>
	£	£
C. J. O'Shea & Company Limited	(240,602)	(236,378)
C. J. O'Shea (Plant Hire) Limited	102,507	(51,384)
C. J. O'Shea (Formwork) Limited	Nil	Nil
Kerslake Associates Limited	3,919	(809)
Salenhire (Fork Trucks) Limited	13,348	24,155

C. J. O'Shea Group Limited

Notes to the consolidated financial statements

for the year ended 31st March 1996

12. Stocks

	<u>Group</u>		<u>Company</u>	
	<u>1996</u>	<u>1995</u>	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Stocks of spares and parts	139,222	120,641	-	-
Contract work-in-progress	32,342	67,220	-	-
Development land	675,000	-	-	-
	<u>846,564</u>	<u>187,861</u>	<u>-</u>	<u>-</u>

13. Debtors

	<u>Group</u>		<u>Company</u>	
	<u>1996</u>	<u>1995</u>	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Trade debtors	1,254,852	1,225,847	-	-
Amounts owed by group undertakings	-	-	111,975	99,975
Amounts owed by related undertakings	339,479	351,698	11,100	11,100
Other debtors	85,914	110,832	-	583
Corporation tax refundable	67,596	65,749	-	-
Prepayments and accrued income	70,567	106,808	2,203	952
	<u>1,818,408</u>	<u>1,860,934</u>	<u>125,278</u>	<u>112,610</u>

14. Current assets investments

	<u>Group</u>		<u>Company</u>	
	<u>1996</u>	<u>1995</u>	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Quoted investments (market value £71,312 (1995: £122,742))	83,825	131,941	-	-
Unquoted investments	11,009	11,009	-	-
	<u>94,834</u>	<u>142,950</u>	<u>-</u>	<u>-</u>

C. J. O'Shea Group Limited

Notes to the consolidated financial statements

for the year ended 31st March 1996

	<u>Group</u>		<u>Company</u>	
	<u>1996</u>	<u>1995</u>	<u>1996</u>	<u>1995</u>
15. Creditors:				
Amounts falling due within one year	£	£	£	£
Bank loans and overdrafts (secured) (note 23)	2,078,225	1,929,205	13	13,071
Other loan (secured)	160,000	160,000	-	-
Trade creditors	1,119,244	1,535,289	-	-
Hire purchase contracts	129,129	117,668	-	-
Amounts owed to group undertakings	-	-	195,690	870,230
Corporation tax	20,486	12,283	9,638	7,828
Other taxes and social security costs	53,179	80,898	-	-
Other creditors	172,025	96,570	2,231	1,410
Accruals and deferred income	239,630	216,931	-	-
	<u>3,971,918</u>	<u>4,148,844</u>	<u>207,572</u>	<u>892,539</u>
16. Creditors:				
Amounts falling due after more than one year	£	£	£	£
Bank loans (secured) (note 23)	88,578	222,859	-	-
Hire purchase contracts	233,189	196,696	-	-
	<u>321,767</u>	<u>419,555</u>	<u>-</u>	<u>-</u>
17. Provisions for liabilities and charges				
	£	£	£	£
Deferred taxation (a)	52,543	51,513	-	-
Provisions for specific losses on contracts (b)	283,235	290,735	-	-
	<u>335,778</u>	<u>342,248</u>	<u>-</u>	<u>-</u>

C. J. O'Shea Group Limited

Notes to the consolidated financial statements

for the year ended 31st March 1996

17. Provisions for liabilities and charges (continued)

(a) Deferred taxation

The provision for deferred taxation is in respect of material timing differences arising from accelerated capital allowances.

The movements on the provision are as follows:

	<u>1996</u>	<u>Group</u>	<u>1995</u>
	<u>£</u>		<u>£</u>
Balance at 1st April 1995	51,513		45,806
Transferred from taxation during the year	1,030		5,707
Balance at 31st March 1996	<u>52,543</u>		<u>51,513</u>

Provision has not been made in these financial statements for the full potential deferred tax liability that would crystallise upon the sale of any of the revalued freehold properties.

(b) Provisions for specific losses on contracts

This represents specific provisions for losses expected to crystallise on certain building contracts in progress, or already completed.

18. Called up share capital

	<u>£</u>	<u>£</u>
Authorised: Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>
Allotted: Ordinary shares of £1 each, fully paid	<u>200,000</u>	<u>200,000</u>

As part of a group reorganisation the company issued and allotted on 30th September 1995 100,000 ordinary shares of £1 each fully paid up to its existing shareholders in exchange for their entire shareholdings in C. J. O'Shea & Company Limited.

19. Amounts attributable to minority interests

	<u>£</u>	<u>£</u>
Interest in the called up share capital of:		
Salenhire Fork Trucks Limited	49	49
Kerslake Associates Limited	25	25
Interest in the reserves of:		
Salenhire Fork Trucks Limited	145,633	132,552
Kerslake Associates Limited	(18,216)	(18,670)
	<u>127,491</u>	<u>113,956</u>

C. J. O'Shea Group Limited

Notes to the consolidated financial statements

for the year ended 31st March 1996

20. Movement on shareholders' funds

	<u>Group</u>		<u>Company</u>	
	<u>1996</u>	<u>1995</u>	<u>1996</u>	<u>1995</u>
	£	£	£	£
Loss for the financial year	(136,185)	(159,217)	23,095	23,510
Issued share capital	-	-	100,000	-
Other recognised gains and losses relating to the year	19,384	21,563	-	-
Merger relief elimination -	-	(95,000)	-	-
	<u>(116,801)</u>	<u>(232,654)</u>	<u>123,095</u>	<u>23,510</u>
Opening shareholders' funds	2,967,317	3,199,971	1,840,072	1,816,562
Closing shareholders' funds	<u>2,850,516</u>	<u>2,967,317</u>	<u>1,963,167</u>	<u>1,840,072</u>

21. Analysis of changes in cash and cash equivalents during the year

	<u>1996</u>	<u>1995</u>
	£	£
Balance at 1st April	(1,764,736)	(1,101,099)
Net cash outflow	(28,531)	(662,747)
Effect of exchange fluctuations	(297)	(890)
Balance at 31st March	<u>(1,793,564)</u>	<u>(1,764,736)</u>

22. Analysis of balances of cash and cash equivalents as shown in the balance sheet:

	<u>1996</u>	<u>1995</u>	Change in year
	£	£	£
Cash at bank and in hand	123,261	3,069	120,192
Bank loans and overdrafts	(1,916,825)	(1,767,805)	(149,020)
	<u>(1,793,564)</u>	<u>(1,764,736)</u>	<u>(28,828)</u>

23. Indebtedness, guarantees and other financial commitments

	<u>1996</u>	<u>1995</u>
	£	£
(a) Bank borrowings:		
The aggregate amount of debts in respect of which security has been given is:		
Due within one year	2,078,225	1,916,134
Due after more than one year	88,578	222,859
	<u>2,166,803</u>	<u>2,138,993</u>

C. J. O'Shea Group Limited

Notes to the consolidated financial statements

for the year ended 31st March 1996

23. Indebtedness, guarantees and other financial commitments (continued)

These debts are negotiable on an annual basis and are secured by:

- (i) First legal charges over freehold properties of the group.
- (ii) A mortgage debenture on group assets.
- (iii) Unlimited cross guarantees of group and associated undertakings.

Interest is charged at competitive rates determined by and fluctuating with normal bank base lending rates or the London Interbank Offered Rate.

(b) Contingent liabilities:

The company has given unlimited guarantees in favour of certain group and associated undertakings.

(c) Capital commitments:

There were no capital commitments either authorised or contracted for at the balance sheet date.

24. Directors' interests

C.J. O'Shea, Esq., and Mrs. A. O'Shea have an interest in transactions between C. J. O'Shea Group Limited and its subsidiary undertakings which are listed in note 25, arising from their shareholdings in the parent company.

25. Investment in subsidiary and associated undertakings

The company's investment in subsidiary and associated undertakings are set out below:

	Shareholding	Nature of business
<u>Incorporated in the United Kingdom</u>		
C. J. O'Shea and Company Limited	100%	Building contractors
C.J. O'Shea (Plant Hire) Limited	100%	Plant hire and sale
Kerslake Associates Limited	75%	Property maintenance
Salenhire Fork Trucks Limited	51%	Hire and sale of fork lift trucks
Tramore Properties Limited	34%	Property investment
C.J. O'Shea (Formwork) Limited	100%	Dormant
<u>Incorporated in the Republic of Ireland</u>		
Redgrave Limited	100%	Property development

C. J. O'Shea Group Limited

Notes to the consolidated financial statements

for the year ended 31st March 1996

26. Post balance sheet events

There were no events since the year end which materially affect the Group, or the parent company.

C. J. O'Shea Group Limited

Profit and Loss Account

for the year ended 31st March 1996

	<u>1996</u> <u>£</u>	<u>1995</u> <u>£</u>
Turnover	38,424	43,326
Cost of sales	(10,399)	(9,479)
Gross profit	<u>28,025</u>	<u>33,847</u>
Less:		
Administrative expenses	(1,983)	(2,484)
Operating profit	<u>26,042</u>	<u>31,363</u>
Interest payable	(1,137)	(25)
Profit on ordinary activities before taxation	<u>24,905</u>	<u>31,338</u>
Taxation	(1,810)	(7,828)
Retained profit the year	<u>23,095</u>	<u>23,510</u>
Retained profit brought forward	<u>164,650</u>	<u>141,140</u>
Retained profit carried forward	<u>187,745</u>	<u>164,650</u>