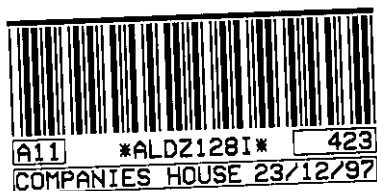


C. J. O'Shea Group Limited
Consolidated Financial Statements
for the year ended 31st March 1997



Company no. 1128708 Registered in England and Wales

C. J. O'Shea Group Limited
Consolidated Financial Statements
for the year ended 31st March 1997

<u>Contents</u>	<u>Page</u>
Company information	1
Directors' report	2-3
Auditors' report	4
Consolidated profit and loss account	5
Consolidated Statement of total recognised gains and losses	6
Consolidated balance sheet	7
Company balance sheet	8
Consolidated cash flow statement	9
Notes to the consolidated financial statements	10-22

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.
Chartered Certified Accountants
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 1997

The directors present their report together with the consolidated financial statements for the year ended 31st March 1997.

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

- select suitable accounting policies and then apply them consistently;
- make judgements 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 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activities

The company's principal activity remains that of an investment and holding company.

The group's activities remain those of concrete frame and building contracting (C. J. O'Shea and Company Limited), plant hire to the construction industry (C. J. O'Shea (Plant Hire) Limited), property development, property maintenance and landscaping, and the hire, sale and repair of fork lift trucks.

Results and dividends

The group profit on ordinary activities, before taxation, for the year was £269,452 (1996: loss £113,055). After taxation and minority interests, an amount of £250,781 has been transferred to reserves (1996: £136,185 offset against reserves).

The directors do not recommend the payment of a dividend.

Review of the business

The results for the year were considered satisfactory against a background of continued strong competition within the construction industry. It is anticipated that this profitable trend will be maintained.

Fixed assets

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

C. J. O'Shea Group Limited

Report of the directors (continued)

for the year ended 31st March 1997

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 1996 and 31st March 1997</u>	
C.J. O'Shea, Esq.	100,000	100,000
A. O'Shea, (Mrs.)	100,000	100,000
J. M. O'Sullivan, Esq.	-	-
R. A. O'Connor, Esq.	-	-

C. J. O'Shea, Esq. and A. O'Shea, (Mrs.) retire by rotation and being eligible offer themselves for re-election.

Charitable donations

The group made charitable donations of £3,760 (1996: £2,850) during the year.

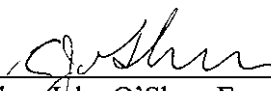
Close company status

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 3rd October 1997 and signed on its behalf by:

 Chairman
Crohan John O'Shea, Esq.

Auditors' Report to the Shareholders of C. J. O'Shea Group Limited

We have audited the financial statements on pages 5 to 22 which have been prepared under the historical cost convention as modified by the revaluation of freehold and investment properties and on the basis of the accounting policies set out on pages 10 and 11.

Respective responsibilities of directors and auditors

As described on page 2, the company's directors are responsible for the preparation of the 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.

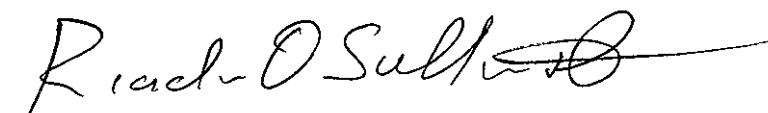
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes 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 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 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 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 affairs of the company and of the group as at 31st March 1997 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Riordan O'Sullivan & Co.

Chartered Certified Accountants

Registered Auditors

40 Chamberlayne Road

London

NW10 3JE

3rd October 1997

C. J. O'Shea Group Limited
Consolidated Profit and Loss Account
for the year ended 31st March 1997

	<u>Notes</u>	<u>1997</u> £	<u>1996</u> £
Turnover	2	11,488,242	8,039,873
Cost of sales		(9,697,001)	(6,305,112)
Gross profit		1,791,241	1,734,761
Less:			
Administrative expenses		(1,442,090)	(1,526,166)
Operating profit		349,151	208,595
Rent receivable		25,374	27,219
Diminution in value of investment	3	-	(72,768)
Interest receivable	4	2,709	523
Interest payable	5	(178,485)	(200,609)
Profit/(loss) on disposal of properties		36,575	(78,296)
		235,324	(115,336)
Share of results of associated undertaking		34,128	2,281
Profit/(loss) on ordinary activities before taxation		269,452	(113,055)
Taxation	6	(31,625)	(9,595)
Profit/(loss) on ordinary activities after taxation (of which a profit of £20,615 (1996: £23,095) is dealt with in the accounts of the holding company)		237,827	(122,650)
Minority interests		12,954	(13,535)
Retained profit/(revenue deficit) for the year	8	<u>250,781</u>	<u>(136,185)</u>

All of the above results derived from continuing operations.

The notes on pages 10 to 22 form part of these financial statements.

C. J. O'Shea Group Limited

Consolidated statement of total recognised gains and losses

for the year ended 31st March 1997

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Profit/(loss) for the financial year	250,781	(136,185)
Merger relief written off	-	(95,000)
Currency translation differences on investments	(41,171)	19,384
Total recognised gains and losses relating to the year	<u>209,610</u>	<u>(211,801)</u>

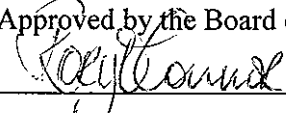
The notes on pages 10 to 22 form part of these financial statements.

C. J. O'Shea Group Limited

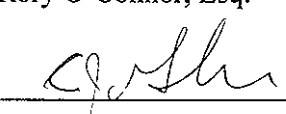
Consolidated Balance Sheet at 31st March 1997

	<u>Notes</u>	<u>1997</u> £	<u>1996</u> £
Fixed assets			
Tangible assets	10a	4,863,894	4,653,552
Investments	11a	104,979	70,851
		<u>4,968,873</u>	<u>4,724,403</u>
Current assets			
Stocks	12	801,451	846,564
Debtors	13	2,158,458	1,818,408
Investments	14	112,471	94,834
Cash at bank and in hand		7,368	123,261
		<u>3,079,748</u>	<u>2,883,067</u>
Creditors:			
Amounts falling due within one year	15	(4,186,052)	(3,971,918)
Net current liabilities		<u>(1,106,304)</u>	<u>(1,088,851)</u>
Total assets less current liabilities		<u>3,862,569</u>	<u>3,635,552</u>
Creditors:			
Amounts falling due after more than one year	16	(356,091)	(321,767)
Provisions for liabilities and charges	17	(331,815)	(335,778)
Net assets		<u><u>3,174,663</u></u>	<u><u>2,978,007</u></u>
Capital and reserves			
Equity share capital	18	200,000	200,000
Equity reserves:			
- Revaluation reserve	8	1,599,336	1,599,336
- Profit and loss account	8	1,260,790	1,051,180
Shareholders' funds	20	3,060,126	2,850,516
Minority interests	19	114,537	127,491
Capital employed		<u><u>3,174,663</u></u>	<u><u>2,978,007</u></u>

Approved by the Board on 3rd October 1997 and signed on its behalf:



Rory O'Connor, Esq. Director



Crohan John O'Shea, Esq. Director

The notes on pages 10 to 22 form part of these financial statements.

C. J. O'Shea Group Limited

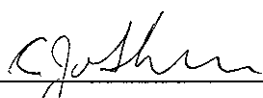
Balance Sheet at 31st March 1997

	<u>Notes</u>	<u>1997</u> £	<u>1996</u> £
Fixed assets			
Tangible assets	10b	1,945,001	1,945,001
Investments	11b	100,460	100,460
		2,045,461	2,045,461
Current assets			
Debtors	13	929,767	125,278
Cash at bank and in hand		4,828	-
		934,595	125,278
Creditors:			
Amounts falling due within one year	15	(996,274)	(207,572)
		(61,679)	(82,294)
Net current liabilities			
		(61,679)	(82,294)
Net assets		<u>1,983,782</u>	<u>1,963,167</u>
Capital and reserves			
Equity share capital	18	200,000	200,000
Equity reserves:			
- Revaluation reserve	8	1,575,422	1,575,422
- Profit and loss account	8	208,360	187,745
Shareholders' funds	20	<u>1,983,782</u>	<u>1,963,167</u>

Approved by the Board on 3rd October 1997 and signed on its behalf:



Rory O'Connor, Esq. Director



Crohan John O'Shea, Esq. Director

The notes on pages 10 to 22 form part of these financial statements.

C. J. O'Shea Group Limited

Consolidated Cash Flow Statement

for the year ended 31st March 1997

	<u>Notes</u>	<u>1997</u> £	<u>1996</u> £
Cash flows from operating activities:			
Operating profit		349,151	208,595
Depreciation		348,859	392,873
Profit on sale of plant and equipment		(53,728)	(51,018)
Loss on investments		-	(72,768)
Rent receivable		25,374	27,219
Decrease/(increase) in stock		45,113	(658,703)
(Increase)/decrease in debtors		(779,489)	627,101
Decrease/(increase) in creditors		1,004,156	(887,760)
Net cash inflow/(outflow) from operating activities		939,436	(414,461)
Returns on investments and servicing of finance:			
Interest received		2,709	523
Interest paid		(178,485)	(200,609)
Taxation:			
Corporation tax paid		(9,638)	(4,455)
Refund of corporation tax paid		73,481	2,247
Capital expenditure and financial investment:			
Purchase of fixed assets		(684,065)	(248,597)
Proceeds from sale of freehold properties		59,750	107,560
Proceeds from sale of fixed assets		328,514	922,986
Net cash inflow before use of liquid resources and financing		531,702	165,194
Management of liquid resources		(17,637)	(59,444)
Financing:			
Repayment of amounts borrowed		(147,485)	(134,281)
Capital element of Hire Purchase obligations		(214,295)	-
Increase/(decrease) in cash	21	<u>152,285</u>	<u>(28,531)</u>

The notes on pages 10 to 22 form part of these financial statements.

C. J. O'Shea Group Limited
Notes to the consolidated financial statements
for the year ended 31st March 1997

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 freehold and investment 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 1997 and its appropriate share of the results and reserves of associated undertaking.

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.

Inter-company balances:

Inter-company balances between subsidiary undertakings are assigned to the ultimate parent company at the financial year end.

C. J. O'Shea Group Limited

Notes to the consolidated financial statements

for the year ended 31st March 1997

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 £33,379 (1996: £39,839).

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 translation of the 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.

Profit on ordinary activities for the year:

The profit for the year includes the results of the year's operations together with residual profits or losses in respect of work done in prior years. Profits on contracts are 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 1997

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

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

	Turnover		Profit/ (loss) on ordinary activities before taxation	
	1997	1996	1997	1996
	£	£	£	£
Contracting income	8,765,887	5,421,731	162,063	(237,265)
Plant hire and sales	2,665,601	2,560,987	39,282	85,708
Property investment, maintenance and landscaping	56,754	57,155	68,107	38,502
	<u>11,488,242</u>	<u>8,039,873</u>	<u>269,452</u>	<u>(113,055)</u>

3. Amounts written off investment

	1997	1996
	£	£
Loss on disposal of fixed asset investment	<u>-</u>	<u>72,768</u>

4. Interest receivable

	£	£
Group		
- bank deposit interest	2,050	523
- interest on corporation tax	659	-
	<u>2,709</u>	<u>523</u>

5. Interest payable

	£	£
Interest on bank loans, overdrafts and other loans repayable within five years	150,756	174,711
Interest on late payment of tax	-	(1,012)
Interest on finance lease and hire purchase obligations	27,729	26,910
	<u>178,485</u>	<u>200,609</u>

6. Taxation

	£	£
Taxation based on the group's ordinary activities for the year:		
UK Corporation tax at current rates (1996: 25%)	52,321	12,659
Transfer to deferred taxation	(3,963)	1,030
Over provision in prior years	(16,733)	(4,094)
	<u>31,625</u>	<u>9,595</u>

C. J. O'Shea Group Limited

Notes to the consolidated financial statements

for the year ended 31st March 1997

7. Retained profit/(revenue deficit)	<u>1997</u>	<u>1996</u>
attributable to members of the holding company	<u>£</u>	<u>£</u>
Profit dealt with in the accounts of the holding company	20,615	23,095
Profit/(loss) incurred by subsidiary undertakings	196,038	(161,561)
Profit of associated undertaking	34,128	2,281
	<u>250,781</u>	<u>(136,185)</u>
 8. Reserves	 Revaluation	 Profit and
	<u>reserve</u>	<u>loss account</u>
a) Group	<u>£</u>	<u>£</u>
At 1st April 1996	1,599,336	1,051,180
Profit for the year	-	250,781
Exchange loss on consolidation	-	(41,171)
	<u>1,599,336</u>	<u>1,260,790</u>
 b) Company		
At 1st April 1996	1,575,422	187,745
Profit for the year	-	20,615
	<u>1,575,422</u>	<u>208,360</u>
 9. Additional information to the profit and loss account	 <u>1997</u>	 <u>1996</u>
a) Expenses:	<u>£</u>	<u>£</u>
Aggregate depreciation charged in the year	<u>348,859</u>	<u>392,873</u>
Hire of plant and machinery	<u>384,587</u>	<u>301,240</u>
Auditors' remuneration	<u>22,000</u>	<u>25,822</u>
(Profit)/loss on disposal of fixed assets	<u>(36,575)</u>	<u>78,296</u>

C. J. O'Shea Group Limited

Notes to the consolidated financial statements

for the year ended 31st March 1997

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

b) Particulars of employees:

(i) The average number of employees during the year was:	<u>No.</u>	<u>No.</u>
Directors of companies in the group	7	11
Direct labour	24	20
Administrative and technical	27	21
	<u>58</u>	<u>52</u>
	<u>1997</u>	<u>1996</u>
(ii) Aggregate costs:	<u>£</u>	<u>£</u>
Wages and salaries (including directors)	1,416,759	1,385,007
Social security costs	145,203	140,947
Pension contributions	33,379	39,839
	<u>1,595,341</u>	<u>1,565,793</u>
	<u>£</u>	<u>£</u>
(iii) Directors' remunerations:		
For services as directors	195,434	238,808
Compensation for loss of office	16,096	29,000
Pension contributions	11,588	13,396
	<u>223,118</u>	<u>281,204</u>

C. J. O'Shea Group Limited

Notes to the consolidated financial statements

for the year ended 31st March 1997

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 1996	2,588,707	1,131,670	7,406,119	11,126,496
Additions	-	-	898,360	898,360
Exchange adjustments	-	(43,124)	(226)	(43,350)
Disposals	(30,967)	(49,097)	(579,911)	(659,975)
	<u>2,557,740</u>	<u>1,039,449</u>	<u>7,724,342</u>	<u>11,321,531</u>
Depreciation provision				
At 1st April 1996	133,200	32,264	6,307,480	6,472,944
Charge for the year	16,331	8,129	324,399	348,859
Adjustment for disposals	(7,792)	-	(354,222)	(362,014)
Exchange adjustments	-	(2,026)	(126)	(2,152)
	<u>141,739</u>	<u>38,367</u>	<u>6,277,531</u>	<u>6,457,637</u>
Net book value				
At 31st March 1997	<u>2,416,001</u>	<u>1,001,082</u>	<u>1,446,811</u>	<u>4,863,894</u>
At 31st March 1996	<u>2,455,507</u>	<u>1,099,406</u>	<u>1,098,639</u>	<u>4,653,552</u>
Analysis of cost or valuation at 31st March 1997:	£	£	£	£
Cost	1,058,412	777,415	7,724,342	9,560,169
Revaluations - 1988	1,499,328	262,034	-	1,761,362
	<u>2,557,740</u>	<u>1,039,449</u>	<u>7,724,342</u>	<u>11,321,531</u>

The net book value of plant and equipment includes an amount of £816,280 (1996: £411,869) 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 1997

10. Tangible fixed assets (continued)

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>1997</u>	<u>1996</u>	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Cost	<u>184,298</u>	<u>184,298</u>	<u>805,682</u>	<u>805,682</u>
Aggregate depreciation based on cost	<u>31,530</u>	<u>28,372</u>	<u>130,417</u>	<u>116,004</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 1996	1,945,000	5,755	1,950,755
At 31st March 1997	<u>1,945,000</u>	<u>5,755</u>	<u>1,950,755</u>
Depreciation provision			
At 1st April 1996	-	5,754	5,754
At 31st March 1997	<u>-</u>	<u>5,754</u>	<u>5,754</u>
Net book value			
At 31st March 1997	<u>1,945,000</u>	<u>1</u>	<u>1,945,001</u>
At 31st March 1996	<u>1,945,000</u>	<u>1</u>	<u>1,945,001</u>

Freehold properties are shown at valuation and include investment properties of £445,000 (1996: £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 values.

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>1997</u>	<u>1996</u>	<u>1997</u>	<u>1996</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>31,530</u>	<u>28,372</u>	<u>124,500</u>	<u>110,500</u>

C. J. O'Shea Group Limited

Notes to the consolidated financial statements

for the year ended 31st March 1997

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
11. Fixed asset investments		
a) Group		
Investment in associated undertaking		
Balance brought forward	70,851	68,570
Share of current year's trading profit	34,128	2,281
Balance carried forward	<u>104,979</u>	<u>70,851</u>
b) Company		
	<u>£</u>	<u>£</u>
Investment in group undertakings		
Balance at 1st April 1996	100,460	100,426
Investment in associated undertaking	-	34
Balance at 31st March 1997	<u>100,460</u>	<u>100,460</u>
12. Stocks	Group	Company
	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Stocks of spares and parts	113,706	139,222
Contract work-in-progress	12,745	32,342
Development land	675,000	675,000
	<u>801,451</u>	<u>846,564</u>
13. Debtors	Group	Company
	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Trade debtors	1,498,641	1,254,852
Amounts owed by group undertakings	-	-
Amounts owed by related undertakings	341,042	339,479
Other debtors	138,440	85,914
Corporation tax refundable	-	67,596
Prepayments and accrued income	180,335	70,567
	<u>2,158,458</u>	<u>1,818,408</u>

C. J. O'Shea Group Limited

Notes to the consolidated financial statements

for the year ended 31st March 1997

14. Current assets investments	<u>Group</u>		<u>Company</u>	
	<u>1997</u>	<u>1996</u>	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Quoted investments (market value £76,812 (1996: £71,312))	101,462	83,825	-	-
Unquoted investments	11,009	11,009	-	-
	<u>112,471</u>	<u>94,834</u>	<u>-</u>	<u>-</u>

15. Creditors:	<u>Group</u>		<u>Company</u>	
	<u>1997</u>	<u>1996</u>	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Amounts falling due within one year				
Bank loans and overdrafts	1,751,119	2,078,225	-	13
Other loan (secured)	160,000	160,000	-	-
Trade creditors	1,542,985	1,119,244	-	-
Hire purchase contracts	252,285	129,129	-	-
Amounts owed to group undertakings	-	-	987,382	195,690
Corporation tax	52,320	20,486	6,506	9,638
Other taxes and social security costs	198,747	53,179	-	-
Other creditors	121,286	172,025	-	2,231
Accruals and deferred income	107,310	239,630	2,386	-
	<u>4,186,052</u>	<u>3,971,918</u>	<u>996,274</u>	<u>207,572</u>

The bank loans and overdrafts are repayable on demand and are secured by:

- (i) Debenture on the assets of group undertakings company's assets.
 - (ii) First legal charges on the group's freehold and investment properties.
 - (iii) Cross guarantee of £1,725,000 from related undertaking.
 - (iv) Letter of guarantee of £1,000,000 from the company.
- (a) Bank loans outstanding at the year end amounted to £102,492 (1996: £161,399) and this is payable in annual instalments, plus interest as follows:-

	<u>£</u>	<u>£</u>
Within one year	<u>102,492</u>	<u>161,399</u>

- (b) Other loans

The C. J O'Shea retirement fund loan of £160,000 is unsecured and repayable on demand.

C. J. O'Shea Group Limited

Notes to the consolidated financial statements

for the year ended 31st March 1997

	<u>Group</u>		<u>Company</u>	
16. Creditors:	<u>1997</u>	<u>1996</u>	<u>1997</u>	<u>1996</u>
Amounts falling due after more than one year	£	£	£	£
Bank loans (secured) (note 23)	-	88,578	-	-
Hire purchase contracts	356,091	233,189	-	-
	<u>356,091</u>	<u>321,767</u>	<u>-</u>	<u>-</u>
17. Provisions for liabilities and charges				
	£	£	£	£
Deferred taxation (a)	48,580	52,543	-	-
Provisions for specific losses on contracts (b)	283,235	283,235	-	-
	<u>331,815</u>	<u>335,778</u>	<u>-</u>	<u>-</u>

(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>Group</u>	
	<u>1997</u>	<u>1996</u>
	£	£
Balance at 1st April 1996	52,543	51,513
Transferred from profit and loss account	(3,963)	1,030
Balance at 31st March 1997	<u>48,580</u>	<u>52,543</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

These represent specific provisions for losses expected to crystallise on a completed contract.

18. Called up share capital	£	£
Authorised: Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>
Allotted and issued: Ordinary shares of £1 each, fully paid	<u>200,000</u>	<u>200,000</u>

C. J. O'Shea Group Limited

Notes to the consolidated financial statements

for the year ended 31st March 1997

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
19. Amounts attributable to minority interests		
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	132,679	145,633
Kerslake Associates Limited	(18,216)	(18,216)
	<u>114,537</u>	<u>127,491</u>

20. Movement on shareholders' funds

	<u>Group</u>		<u>Company</u>	
	<u>1997</u>	<u>1996</u>	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Profit/(loss) for the financial year	250,781	(136,185)	20,615	23,095
Issued share capital	-	-	-	100,000
Other recognised gains and losses relating to the year	(41,171)	19,384	-	-
	<u>209,610</u>	<u>(116,801)</u>	<u>20,615</u>	<u>123,095</u>
Opening shareholders' funds	2,850,516	2,967,317	1,963,167	1,840,072
Closing shareholders' funds	<u>3,060,126</u>	<u>2,850,516</u>	<u>1,983,782</u>	<u>1,963,167</u>

21. Reconciliation of net cashflow to movement in net debt

	<u>1997</u>
	<u>£</u>
Net increase in cash in the period	152,285
New hire purchase agreement	(460,353)
Repayment of amounts borrowed	147,485
Capital element of hire purchase payments	214,295
Cash outflow from increase in liquid funds	17,637
Translation difference	21
	<u>71,370</u>
Change in net debt	71,370
Net debt at 1st April 1996	(2,471,026)
Net debt at 31st March 1997	<u>(2,399,656)</u>

C. J. O'Shea Group Limited

Notes to the consolidated financial statements

for the year ended 31st March 1997

22. Analysis of changes in net debt

	At 01.04.96 £	Cashflow £	Other non-cash changes £	Exchange movement £	At 31.03.97 £
Cash	123,261	(115,889)	-	(4)	7,368
Bank overdraft	(1,916,826)	268,174	-	25	(1,648,627)
	(1,793,565)	152,285	-	21	(1,641,259)
Debt due within one year	(450,528)	256,147	(320,396)	-	(514,777)
Debt due after one year	(321,767)	105,633	(139,957)	-	(356,091)
Current asset investments	94,834	17,637	-	-	112,471
	<u>(2,471,026)</u>	<u>531,702</u>	<u>(460,353)</u>	<u>21</u>	<u>(2,399,656)</u>

23. Indebtedness, guarantees and other financial commitments

(a) Contingent liabilities:

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

(b) 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
Salenhire Fork Trucks Limited	51%	Hire and sale of fork lift trucks
Tramore Properties Limited	34%	Property investment
Kerslake Associates Limited	75%	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 1997

26. Post balance sheet events

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

27. Related parties

At the balance sheet date an amount of £341,042 was owed to the group by Tramore Properties Limited and its subsidiary undertakings.

C. J. O'Shea Group Limited owns 34% of the ordinary shareholdings of Tramore Properties Limited.

C. J. O'Shea Group Limited owns 51% of the ordinary shareholdings of Salenhire For Trucks Limited. There were no transactions between the two parties during the year.