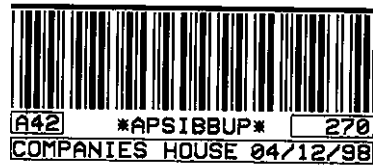


C. J. O'Shea Group Limited
Consolidated Financial Statements
for the year ended 31st March 1998



Company no. 1128708 Registered in England and Wales

C. J. O'Shea Group Limited
Consolidated Financial Statements
for the year ended 31st March 1998

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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. Chartered Certified Accountants Registered Auditors 40 Chamberlayne Road London NW10 3JE
Bankers:	Allied Irish Bank (GB) 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 1998

The directors present their report together with the consolidated financial statements for the year ended 31st March 1998.

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 the 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 £408,067 (1997: profit £269,452). After taxation and minority interests, an amount of £302,680 has been transferred to reserves (1997: £250,781 transferred to 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. The directors are of the opinion that the value of land and buildings included in the consolidated balance sheet at 31st March 1998 reflects their current open market values.

C. J. O'Shea Group Limited
Report of the directors (continued)
for the year ended 31st March 1998

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 at 1st April 1997 and 31st March 1998</u>
C.J. O'Shea, Esq.	100,000
A. O'Shea, Mrs.	100,000
J. M. O'Sullivan, Esq.	-
R. A. O'Connor, Esq.	-

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

Year 2000

The directors have assessed the risks to the business resulting from the change to the year 2000 and estimate that the group will not incur any costs directly. We have also assessed the possibility of year 2000 related failures in our significant customers and suppliers, all of whom inform us that they are already dealing with the problem.

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

Charitable donations

The group made charitable donations of £3,780 (1997: £3,760) during the year.

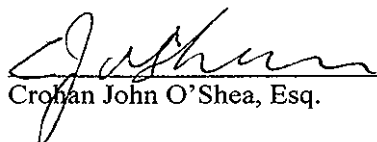
Close company status

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 25th September 1998 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 1998 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

25th September 1998

C. J. O'Shea Group Limited
Consolidated Profit and Loss Account
for the year ended 31st March 1998

	<u>Notes</u>	<u>1998</u> £	<u>1997</u> £
Turnover	2	14,057,136	11,488,242
Cost of sales		(11,982,269)	(9,697,001)
Gross profit		2,074,867	1,791,241
Less:			
Administrative expenses		(1,485,404)	(1,442,090)
Operating profit		589,463	349,151
Rent receivable		17,920	25,374
Exceptional charge	3	(30,000)	-
Interest receivable	4	8,553	2,709
Interest payable	5	(182,818)	(178,485)
Profit on disposal of properties		-	36,575
		403,118	235,324
Share of results of associated undertaking		4,949	34,128
Profit on ordinary activities before taxation		408,067	269,452
Taxation on profit on ordinary activities	6	(112,251)	(31,625)
Profit on ordinary activities after taxation (of which a profit of £23,467 (1997: £20,615) is dealt with in the accounts of the holding company)		295,816	237,827
Minority interests		6,864	12,954
Retained profit for the year	8	<u>302,680</u>	<u>250,781</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 1998

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Profit for the financial year	302,680	250,781
Foreign currencies translation adjustments	(99,723)	(41,171)
Total recognised gains and losses for the year	<u>202,957</u>	<u>209,610</u>

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

C. J. O'Shea Group Limited

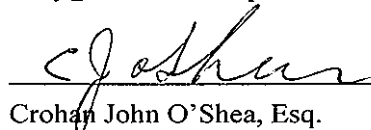
Consolidated Balance Sheet at 31st March 1998

	<u>Notes</u>	<u>1998</u> £	<u>1997</u> £
Fixed assets			
Tangible assets	10a	4,399,608	4,863,894
Investments	11a	109,928	104,979
		<u>4,509,536</u>	<u>4,968,873</u>
Current assets			
Stocks	12	418,129	801,451
Debtors	13	1,737,737	2,158,458
Investments	14	172,260	112,471
Cash at bank and in hand		1,273,945	7,368
		<u>3,602,071</u>	<u>3,079,748</u>
Creditors:			
Amounts falling due within one year	15	(3,697,855)	(4,186,052)
Net current liabilities		<u>(95,784)</u>	<u>(1,106,304)</u>
Total assets less current liabilities		4,413,752	3,862,569
Creditors:			
Amounts falling due after more than one year	16	(792,697)	(356,091)
Provisions for liabilities and charges	17	(250,299)	(331,815)
Net assets		<u><u>3,370,756</u></u>	<u><u>3,174,663</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	1,463,747	1,260,790
Shareholders' funds	20	3,263,083	3,060,126
Minority interests	19	107,673	114,537
Capital employed		<u><u>3,370,756</u></u>	<u><u>3,174,663</u></u>

Approved by the Board on 25th September 1998 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 1998

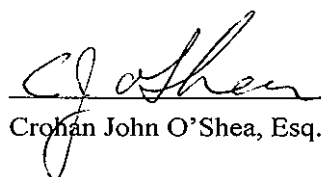
	Notes	1998 £	1997 £
Fixed assets			
Tangible assets	10b	1,945,001	1,945,001
Investments	11b	100,460	100,460
		<u>2,045,461</u>	<u>2,045,461</u>
Current assets			
Debtors	13	964,032	929,767
Cash at bank and in hand		366	4,828
		<u>964,398</u>	<u>934,595</u>
Creditors:			
Amounts falling due within one year	15	(1,002,610)	(996,274)
Net current liabilities		<u>(38,212)</u>	<u>(61,679)</u>
Net assets		<u>2,007,249</u>	<u>1,983,782</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	231,827	208,360
Shareholders' funds	20	<u>2,007,249</u>	<u>1,983,782</u>

Approved by the Board on 25th September 1998 and signed on its behalf:



Director

Rory O'Connor, Esq.



Director

Crohan John O'Shea, Esq.

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 1998

	<u>Notes</u>	<u>1998</u> £	<u>1997</u> £
Cash flows from operating activities:			
Operating profit		589,463	349,151
Depreciation		355,520	348,859
Profit on sale of plant and equipment		(31,419)	(53,728)
Exceptional charge		(30,000)	-
Decrease in provisions for losses on contracts		(78,548)	-
Rent receivable		17,920	25,374
Decrease in stocks		383,322	45,113
Decrease/(increase) in debtors		420,721	(779,489)
(Decrease)/increase in creditors		(91,929)	1,004,156
Net cash inflow from operating activities		1,535,050	939,436
Returns on investments and servicing of finance:			
Interest received		8,553	2,709
Interest paid		(182,818)	(178,485)
Taxation:			
Corporation tax paid		(55,091)	(9,638)
Refund of corporation tax paid		-	73,481
Capital expenditure and financial investment:			
Purchase of fixed assets		(119,277)	(684,065)
Proceeds from sale of freehold properties		-	59,750
Proceeds from sale of fixed assets		491,758	328,514
Net cash inflow before use of liquid resources and financing		1,678,175	531,702
Management of liquid resources		(59,789)	(17,637)
Financing:			
Repayment of amounts borrowed		(131,033)	(147,485)
New long term loans		550,000	-
Capital element of hire purchase obligations		(327,557)	(214,295)
Increase in cash in the year	21	<u>1,709,796</u>	<u>152,285</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 1998

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 company and its subsidiary undertakings made up to 31st March 1998 and with the group's share of the results of its 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.

Tangible fixed assets and depreciation:

Tangible fixed assets are stated at cost or valuation less 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 1998

1. Accounting policies (continued)

Stocks:

Stocks are stated at the lower of cost and net realisable value, after making due allowances for obsolete and slow moving stocks, 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.
		Provision is made for any losses expected to arise on completion of such contracts.

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.

Leasing and hire purchase:

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Operating leases:

Costs incurred in respect of operating leases are charged in arriving at the operating profit for the year.

Deferred taxation:

Deferred taxation is provided using the liability method, only to the extent that there is a reasonable probability that it will become payable 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 £50,652 (1997: £33,379) and the pension charge represents the amount payable by the group to the fund in respect of the year.

Foreign currencies:

Assets and liabilities of subsidiaries in foreign currencies are translated into sterling at rates of exchange ruling at the end of the financial year and the results of foreign subsidiaries are translated at the average rate of exchange for the year.

Differences on exchange arising from the re-translation of closing rates of the opening net investment in subsidiary companies, and from the translation of the results of these company at average rates, are taken to reserves and are reported in the statement of total recognised gains and losses. All other foreign exchange differences are taken to the profit and loss account in the year in which they arise.

C. J. O'Shea Group Limited

Notes to the consolidated financial statements

for the year ended 31st March 1998

1. Accounting policies (continued)

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.

2. Analysis of turnover and profit 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 on ordinary activities before taxation	
	1998	1997	1998	1997
	£	£	£	£
Contracting income	11,108,478	8,765,887	253,733	162,063
Plant hire and sales	2,931,359	2,665,601	96,112	39,282
Property investment, maintenance and landscaping	17,299	56,754	58,222	68,107
	<u>14,057,136</u>	<u>11,488,242</u>	<u>408,067</u>	<u>269,452</u>
			1998	1997
			£	£
3. Exceptional charge				
Repairs and renewals on surrender of lease			<u>30,000</u>	<u>-</u>
4. Interest receivable			£	£
Group				
- bank deposit interest			567	2,050
- interest on corporation tax			-	659
- other interest			7,986	-
			<u>8,553</u>	<u>2,709</u>
5. Interest payable			£	£
Interest on bank loans, overdrafts and other loans repayable within five years			156,827	150,756
Interest on late payment of tax			366	-
Interest on finance lease and hire purchase obligations			25,625	27,729
			<u>182,818</u>	<u>178,485</u>

C. J. O'Shea Group Limited

Notes to the consolidated financial statements

for the year ended 31st March 1998

6. Taxation	<u>1998</u>	<u>1997</u>
	£	£
Taxation based on the group's ordinary activities for the year:		
UK Corporation tax at current rates (1997: 25%)	112,399	52,321
Transfer to deferred taxation	(2,968)	(3,963)
Under/(over) provision in prior years	2,820	(16,733)
	<u>112,251</u>	<u>31,625</u>
7. Retained profit attributable to members of the holding company	£	£
Profit dealt with in the accounts of the holding company	23,467	20,615
Profit incurred by subsidiary undertakings	274,264	196,038
Profit of associated undertaking	4,949	34,128
	<u>302,680</u>	<u>250,781</u>
8. Reserves	Revaluation	Profit and
	<u>reserve</u>	<u>loss account</u>
a) Group	£	£
At 1st April 1997	1,599,336	1,260,790
Profit for the year	-	302,680
Foreign currency translation adjustment	-	(99,723)
At 31st March 1998	<u>1,599,336</u>	<u>1,463,747</u>
b) Company	£	£
At 1st April 1997	1,575,422	208,360
Profit for the year	-	23,467
At 31st March 1998	<u>1,575,422</u>	<u>231,827</u>
9. Additional information to the profit and loss account	<u>1998</u>	<u>1997</u>
a) Expenses:	£	£
Aggregate depreciation charged in the year	<u>355,520</u>	<u>348,859</u>
Hire of plant and machinery	<u>359,453</u>	<u>384,587</u>
Auditors' remuneration - audit	<u>22,000</u>	<u>22,000</u>
- other services	<u>9,000</u>	<u>6,000</u>
Profit on disposal of fixed assets	<u>31,419</u>	<u>36,575</u>

C. J. O'Shea Group Limited

Notes to the consolidated financial statements

for the year ended 31st March 1998

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	6	7
Direct labour	71	24
Administrative and technical	38	27
	<u>115</u>	<u>58</u>
(ii) Aggregate costs:	<u>1998</u> £	<u>1997</u> £
Wages and salaries (including directors)	2,990,144	1,416,759
Social security costs	313,243	145,203
Pension contributions	50,652	33,379
	<u>3,354,039</u>	<u>1,595,341</u>
(iii) Directors' remunerations:	£	£
For services as directors	267,603	195,434
Compensation for loss of office	30,000	16,096
Pension contributions	10,645	11,588
	<u>308,248</u>	<u>223,118</u>
Highest paid director - remuneration	<u>60,500</u>	<u>48,500</u>
- pension contributions	<u>2,801</u>	<u>2,668</u>

C. J. O'Shea Group Limited

Notes to the consolidated financial statements

for the year ended 31st March 1998

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 1997	2,557,740	1,039,449	7,724,342	11,321,531
Additions	-	-	440,987	440,987
Currency translation	-	(95,416)	(540)	(95,956)
Disposals	-	(435,701)	(144,217)	(579,918)
At 31st March 1998	<u>2,557,740</u>	<u>508,332</u>	<u>8,020,572</u>	<u>11,086,644</u>
Depreciation provision				
At 1st April 1997	141,739	38,367	6,277,531	6,457,637
Charge for the year	15,338	2,105	338,077	355,520
Adjustment for disposals	-	(25,975)	(93,604)	(119,579)
Currency translation	-	(6,158)	(384)	(6,542)
At 31st March 1998	<u>157,077</u>	<u>8,339</u>	<u>6,521,620</u>	<u>6,687,036</u>
Net book value				
At 31st March 1998	<u>2,400,663</u>	<u>499,993</u>	<u>1,498,952</u>	<u>4,399,608</u>
At 31st March 1997	<u>2,416,001</u>	<u>1,001,082</u>	<u>1,446,811</u>	<u>4,863,894</u>
Analysis of cost or valuation at 31st March 1998:	£	£	£	£
Cost	1,058,412	246,298	8,083,121	9,387,831
Revaluations - 1988	1,499,328	262,034	-	1,761,362
	<u>2,557,740</u>	<u>508,332</u>	<u>8,083,121</u>	<u>11,149,193</u>

The net book value of plant and equipment includes an amount of £962,630 (1997: £816,280) 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 1998

10. Tangible fixed assets (continued)

(a) Group (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>1998</u>	<u>1997</u>	<u>1998</u>	<u>1997</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>34,688</u>	<u>31,350</u>	<u>144,830</u>	<u>130,417</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 1997	1,945,000	5,755	1,950,755
At 31st March 1998	<u>1,945,000</u>	<u>5,755</u>	<u>1,950,755</u>
Depreciation provision			
At 1st April 1997	-	5,754	5,754
At 31st March 1998	<u>-</u>	<u>5,754</u>	<u>5,754</u>
Net book value			
At 31st March 1998	<u>1,945,000</u>	<u>1</u>	<u>1,945,001</u>
At 31st March 1997	<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 (1997: £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>1998</u>	<u>1997</u>	<u>1998</u>	<u>1997</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>34,688</u>	<u>31,530</u>	<u>138,500</u>	<u>124,500</u>

C. J. O'Shea Group Limited

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for the year ended 31st March 1998

for the year ended 31st March 1998

	1998		1997
	£		£
11. Fixed asset investments			
a) Group			
Investment in associated undertaking			
Balance brought forward	104,979		70,851
Share of current year's trading profit	4,949		34,128
Balance carried forward	<u>109,928</u>		<u>104,979</u>
b) Company			
	£		£
Investment in group undertakings			
Balance brought forward	100,426		100,426
Investment in associated undertaking	34		34
Balance carried forward	<u>100,460</u>		<u>100,460</u>
12. Stocks		Group	Company
	1998	1997	1998
	£	£	£
Stocks of spares and parts	92,995	113,706	-
Contract work-in-progress	325,134	12,745	-
Development land	-	675,000	-
	<u>418,129</u>	<u>801,451</u>	<u>-</u>
13. Debtors		Group	Company
	1998	1997	1998
	£	£	£
Trade debtors	1,250,184	1,498,641	-
Amounts owed by group undertakings	-	-	588,724
Amounts owed by related undertakings	375,308	341,042	375,308
Other debtors	85,115	138,440	-
Prepayments and accrued income	27,130	180,335	-
	<u>1,737,737</u>	<u>2,158,458</u>	<u>964,032</u>
			<u>929,767</u>

C. J. O'Shea Group Limited

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14. Current assets investments	<u>Group</u>		<u>Company</u>	
	<u>1998</u>	<u>1997</u>	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Quoted investments (market value £76,812 (1997: £71,312))	161,251	101,462	-	-
Unquoted investments	11,009	11,009	-	-
	<u>172,260</u>	<u>112,471</u>	<u>-</u>	<u>-</u>
15. Creditors:	<u>Group</u>		<u>Company</u>	
	<u>1998</u>	<u>1997</u>	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Amounts falling due within one year				
Bank loans and overdrafts (secured)	1,251,097	1,751,119	-	-
Other loan	160,000	160,000	-	-
Trade creditors	1,439,743	1,542,985	-	-
Hire purchase contracts	285,664	252,285	-	-
Amounts owed to group undertakings	-	-	994,139	987,382
Corporation tax	112,448	52,320	5,704	6,506
Other taxes and social security costs	163,456	198,747	-	-
Other creditors	220,703	121,286	-	-
Accruals and deferred income	64,744	107,310	2,767	2,386
	<u>3,697,855</u>	<u>4,186,052</u>	<u>1,002,610</u>	<u>996,274</u>

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

- (i) Debenture on the assets of group undertakings.
- (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 £521,459 (1997: £102,492) and this is payable in annual instalments, plus interest as follows:-

	<u>£</u>	<u>£</u>
Within one year	<u>45,627</u>	<u>102,492</u>
Within two to five years	<u>182,508</u>	<u>-</u>
After more than five years	<u>293,324</u>	<u>-</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

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	<u>Group</u>		<u>Company</u>	
16. Creditors:	<u>1998</u>	<u>1997</u>	<u>1998</u>	<u>1997</u>
Amounts falling due after more than one year	£	£	£	£
Bank loans (secured) (note 23)	475,832	-	-	-
Hire purchase contracts	316,865	356,091	-	-
	<u>792,697</u>	<u>356,091</u>	<u>-</u>	<u>-</u>
17. Provisions for liabilities and charges				
	£	£	£	£
Deferred taxation (a)	45,612	48,580	-	-
Provisions for specific losses on contracts (b)	204,687	283,235	-	-
	<u>250,299</u>	<u>331,815</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>1998</u>	<u>1997</u>
	£	£
Balance at 1st April 1997	48,580	52,543
Transferred from profit and loss account	(2,968)	(3,963)
Balance at 31st March 1998	<u>45,612</u>	<u>48,580</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 completed contracts.

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>

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	<u>1998</u>	<u>1997</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	125,815	132,679
Kerslake Associates Limited	(18,216)	(18,216)
	<u>107,673</u>	<u>114,537</u>

20. Movement on shareholders' funds

	<u>Group</u>		<u>Company</u>	
	<u>1998</u>	<u>1997</u>	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Profit for the financial year	302,680	250,781	23,467	20,615
Foreign currency translation adjustments	(99,723)	(41,171)	-	-
	<u>202,957</u>	<u>209,610</u>	<u>23,467</u>	<u>20,615</u>
Opening shareholders' funds	3,060,126	2,850,516	1,983,782	1,963,167
Closing shareholders' funds	<u>3,263,083</u>	<u>3,060,126</u>	<u>2,007,249</u>	<u>1,983,782</u>

21. Reconciliation of net cashflow to movement in net debt

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Net increase in cash in the year	1,709,796	152,285
New hire purchase agreements	(321,710)	(460,353)
Repayment of amounts borrowed	131,033	147,485
Capital element of hire purchase payments	327,557	214,295
New long term loans	(550,000)	-
Cash outflow from increase in liquid funds	59,789	17,637
Foreign currency translation adjustments	(62)	21
Change in net debt	1,356,403	71,370
Net debt at 1st April 1997	(2,399,656)	(2,471,026)
Net debt at 31st March 1998	<u>(1,043,253)</u>	<u>(2,399,656)</u>

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22. Analysis of changes in net debt

	At 01.04.97 £	Cashflow £	Other non-cash changes £	Foreign currency translation adjustments £	At 31.03.98 £
Cash	7,368	1,266,639	-	(62)	1,273,945
Bank overdraft	(1,648,627)	443,157	-	-	(1,205,470)
	(1,641,259)	1,709,796	-	(62)	68,475
Debt due within one year	(514,777)	458,590	(435,104)	-	(491,291)
Debt due after one year	(356,091)	-	(436,606)	-	(792,697)
Current asset investments	112,471	59,789	-	-	172,260
	<u>(2,399,656)</u>	<u>2,228,175</u>	<u>(871,710)</u>	<u>(62)</u>	<u>(1,043,253)</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

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26. Post balance sheet events

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

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
27. Related parties		
At the balance sheet date:		
- the following amounts were due by group undertakings		
Redgrave Limited, a 100% subsidiary incorporated in the Republic of Ireland	<u>588,584</u>	<u>588,584</u>
C.J. O'Shea (Formwork) Limited, a 100% subsidiary	<u>140</u>	<u>140</u>
- the following amount was due by a related undertaking		
Tramore Properties Limited, an associated company	<u>375,308</u>	<u>341,042</u>
- the following amounts were due to group undertakings		
C.J. O'Shea and Company Limited, a 100% subsidiary	<u>871,454</u>	<u>789,675</u>
C.J. O'Shea (Plant Hire) Limited, a 100% subsidiary	<u>121,240</u>	<u>197,706</u>
Salenhire Fork Trucks Limited, a 51% subsidiary	<u>1,445</u>	<u>1,445</u>
During the year, C.J. O'Shea Group Limited, charged rent to:		
- C.J. O'Shea and Company Limited	<u>25,000</u>	<u>25,000</u>
- C.J. O'Shea (Plant Hire) Limited	<u>12,000</u>	<u>12,000</u>