

C. J. O'Shea Group Limited
Consolidated Financial Statements
for the year ended 31st March 1999



Company no. 1128708 Registered in England and Wales

C. J. O'Shea Group Limited
Consolidated Financial Statements
for the year ended 31st March 1999

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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 1999

The directors present their report together with the consolidated financial statements for the year ended 31st March 1999.

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 £448,060 (1998: profit £408,067). After taxation and minority interests, an amount of £313,057 has been transferred to reserves (1998: £302,680 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 1999 reflects their current open market values.

C. J. O'Shea Group Limited

Report of the directors (continued)

for the year ended 31st March 1999

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 1998 and 31st March 1999</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 £2,800 (1998: £3,780) during the year.

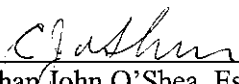
Close company status

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 21st January 2000 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 23 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 to 12.

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.*

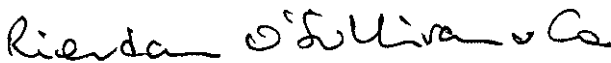
Basis of opinion

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 1999 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

21st January 2000

C. J. O'Shea Group Limited
Consolidated Profit and Loss Account
for the year ended 31st March 1999

	<u>Notes</u>	<u>1999</u> £	<u>1998</u> £
Turnover	2	11,959,492	14,075,056
Cost of sales		(9,971,781)	(11,982,269)
Gross profit		1,987,711	2,092,787
Less:			
Administrative expenses		(1,477,673)	(1,516,823)
Operating profit		510,038	575,964
Profit on sale of fixed assets and investments		90,376	31,419
Amounts written off investments		(51,478)	-
Exceptional item	3	-	(30,000)
Interest receivable	4	31,057	8,553
Interest payable	5	(135,453)	(182,818)
		444,540	403,118
Share of results of associated undertaking		3,520	4,949
Profit on ordinary activities before taxation		448,060	408,067
Taxation on profit on ordinary activities	6	(135,430)	(112,251)
Profit on ordinary activities after taxation (of which a profit of £32,600 (1998: £23,467) is dealt with in the accounts of the holding company)		312,630	295,816
Minority interests		427	6,864
Retained profit for the year	7	<u>313,057</u>	<u>302,680</u>

All of the above results derived from continuing operations.

The notes on pages 10 to 23 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 1999

	<u>1999</u> <u>£</u>	<u>1998</u> <u>£</u>
Profit for the financial year	313,057	302,680
Unrealised surplus on revaluation	16,942	-
Foreign currency translation adjustments	71,221	(99,723)
Total recognised gains and losses for the year	<u>401,220</u>	<u>202,957</u>

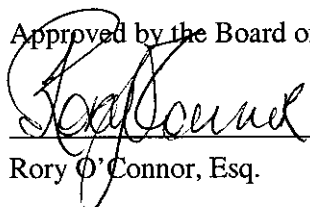
The notes on pages 10 to 23 form part of these financial statements.

C. J. O'Shea Group Limited

Consolidated Balance Sheet at 31st March 1999

	Notes	1999 £	1998 £
Fixed assets			
Tangible assets	10a	4,941,728	4,399,608
Investments	11a	113,448	109,928
		<u>5,055,176</u>	<u>4,509,536</u>
Current assets			
Stocks	12	164,948	418,129
Debtors	13	1,893,994	1,737,737
Investments	14	146,043	172,260
Cash at bank and in hand		668,399	1,273,945
		<u>2,873,384</u>	<u>3,602,071</u>
Creditors:			
Amounts falling due within one year	15	(3,258,597)	(3,697,855)
Net current liabilities		<u>(385,213)</u>	<u>(95,784)</u>
Total assets less current liabilities		<u>4,669,963</u>	<u>4,413,752</u>
Creditors:			
Amounts falling due after more than one year	16	(565,804)	(792,697)
Provisions for liabilities and charges	18	(243,565)	(250,299)
Net assets		<u><u>3,860,594</u></u>	<u><u>3,370,756</u></u>
Capital and reserves			
Equity share capital	19	200,000	200,000
Equity reserves:			
- Revaluation reserve	8	1,616,278	1,599,336
- Profit and loss account	8	1,902,601	1,463,747
Shareholders' funds	21	<u>3,718,879</u>	<u>3,263,083</u>
Minority interests	20	141,715	107,673
Capital employed		<u><u>3,860,594</u></u>	<u><u>3,370,756</u></u>

Approved by the Board on 21st January 2000 and signed on its behalf:

 Director
Rory O'Connor, Esq.

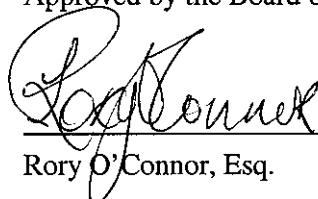
The notes on pages 10 to 23 form part of these financial statements.

C. J. O'Shea Group Limited

Balance Sheet at 31st March 1999

	Notes	<u>1999</u> £	<u>1998</u> £
Fixed assets			
Tangible assets	10b	2,392,301	1,945,001
Investments	11b	100,460	100,460
		<u>2,492,761</u>	<u>2,045,461</u>
Current assets			
Debtors	13	1,168,899	964,032
Cash at bank and in hand		1,296	366
		<u>1,170,195</u>	<u>964,398</u>
Creditors:			
Amounts falling due within one year	15	(1,623,107)	(1,002,610)
Net current liabilities		<u>(452,912)</u>	<u>(38,212)</u>
Net assets		<u>2,039,849</u>	<u>2,007,249</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	264,427	231,827
Shareholders' funds	20	<u>2,039,849</u>	<u>2,007,249</u>

Approved by the Board on 21st January 2000 and signed on its behalf:


 _____ Director
 Rory O'Connor, Esq.

The notes on pages 10 to 23 form part of these financial statements.

C. J. O'Shea Group Limited
Consolidated Cash Flow Statement
for the year ended 31st March 1999

	<u>Notes</u>	<u>1999</u> <u>£</u>	<u>1998</u> <u>£</u>
Cash flows from operating activities:			
Operating profit		510,038	575,964
Depreciation		371,087	355,520
Exceptional charge		-	(30,000)
Decrease in provisions for losses on contracts		(2,502)	(78,548)
Write-back of provision on consolidation		72,767	-
Decrease in stocks		253,181	383,322
(Increase)/decrease in debtors		(156,257)	420,721
Decrease in creditors		(274,093)	(91,929)
Net cash inflow from operating activities		774,221	1,535,050
Returns on investments and servicing of finance:			
Interest received		31,057	8,553
Interest paid		(135,453)	(182,818)
Taxation:			
Corporation tax paid		(112,448)	(55,091)
Capital expenditure and financial investment:			
Purchase of fixed assets		(193,767)	(119,277)
Purchase of freehold properties		(587,300)	-
Proceeds from sale of freehold properties		175,000	-
Proceeds from sale of fixed assets		79,525	491,758
Net cash inflow before use of liquid resources and financing		30,835	1,678,175
Management of liquid resources			
Purchase of investments		(45,381)	(59,789)
Proceeds from sale of investments		41,514	-
Financing:			
Repayment of amounts borrowed		(94,592)	(131,033)
New long term loans		360,069	550,000
Capital element of hire purchase obligations		(247,973)	(327,557)
Increase in cash in the year	22	<u>44,472</u>	<u>1,709,796</u>

The notes on pages 10 to 23 form part of these financial statements.

C. J. O'Shea Group Limited

Notes to the consolidated financial statements

for the year ended 31st March 1999

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 1999 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.

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 1999

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. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Foreign currencies:

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

Differences on exchange arising on re-translation 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 1999

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	
	1999	1998	1999	1998
	£	£	£	£
Contracting income	9,590,598	11,108,478	293,628	253,733
Plant hire and sales	2,367,158	2,931,359	191,829	96,112
Property investment, maintenance and landscaping	1,736	35,219	(37,397)	58,222
	<u>11,959,492</u>	<u>14,075,056</u>	<u>448,060</u>	<u>408,067</u>
3. Exceptional charge			<u>1999</u>	<u>1998</u>
			£	£
Repairs and renewals on surrender of lease			-	30,000
4. Interest receivable			£	£
Group				
- bank deposit interest			31,057	567
- other interest			-	7,986
			<u>31,057</u>	<u>8,553</u>
5. Interest payable			£	£
Interest on bank loans and overdrafts				
repayable within five years			119,523	156,827
Interest on late payment of tax			-	366
Interest on finance lease and hire purchase obligations			15,930	25,625
			<u>135,453</u>	<u>182,818</u>

C. J. O'Shea Group Limited

Notes to the consolidated financial statements

for the year ended 31st March 1999

6. Taxation	<u>1999</u> <u>£</u>	<u>1998</u> <u>£</u>
Taxation based on the group's ordinary activities for the year:		
UK Corporation tax at current rates (1998: 31%)	139,669	112,399
Transfer to deferred taxation	(4,232)	(2,968)
(Over)/under provision in prior years	(7)	2,820
	<u>135,430</u>	<u>112,251</u>
7. Retained profit attributable to members of the holding company	<u>£</u>	<u>£</u>
Profit dealt with in the accounts of the holding company	32,600	23,467
Profit incurred by subsidiary undertakings	276,937	274,264
Profit of associated undertaking	3,520	4,949
	<u>313,057</u>	<u>302,680</u>
8. Reserves	Revaluation reserve	Profit and loss account
a) Group	<u>£</u>	<u>£</u>
At 1st April 1998	1,599,336	1,463,747
Surplus on revaluation	16,942	-
Profit for the year	-	313,057
Foreign currency translation adjustment	-	71,221
Write back of provision on consolidation	-	54,576
At 31st March 1999	<u>1,616,278</u>	<u>1,902,601</u>
b) Company	<u>£</u>	<u>£</u>
At 1st April 1998	1,575,422	231,827
Profit for the year	-	32,600
At 31st March 1999	<u>1,575,422</u>	<u>264,427</u>
9. Additional information to the profit and loss account	<u>1999</u>	<u>1998</u>
a) Expenses:	<u>£</u>	<u>£</u>
Depreciation - owned assets	<u>221,318</u>	<u>197,827</u>
- assets on hire purchase contracts	<u>149,769</u>	<u>157,693</u>
Hire of plant and machinery	<u>359,596</u>	<u>359,453</u>
Auditors' remuneration - audit	<u>25,000</u>	<u>22,000</u>
- other services	<u>9,000</u>	<u>9,000</u>

C. J. O'Shea Group Limited

Notes to the consolidated financial statements

for the year ended 31st March 1999

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	6
Direct labour	68	71
Administrative and technical	43	38
	<u>117</u>	<u>115</u>
	<u>1999</u>	<u>1998</u>
(ii) Aggregate costs:	<u>£</u>	<u>£</u>
Wages and salaries (including directors)	2,777,437	2,990,144
Social security costs	284,688	313,243
Pension contributions	48,201	50,652
	<u>3,110,326</u>	<u>3,354,039</u>
(iii) Directors' remuneration:	<u>£</u>	<u>£</u>
For services as directors	223,968	267,603
Compensation for loss of office	-	30,000
Pension contributions	11,322	10,645
	<u>235,290</u>	<u>308,248</u>
Highest paid director - remuneration	<u>73,500</u>	<u>60,500</u>
- pension contributions	<u>3,996</u>	<u>2,801</u>

C. J. O'Shea Group Limited

Notes to the consolidated financial statements

for the year ended 31st March 1999

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 1998	2,557,740	508,332	8,020,572	11,086,644
Additions	587,300	-	475,844	1,063,144
Currency translation	-	2,686	120	2,806
Disposals	(140,000)	-	(150,954)	(290,954)
Revaluation surplus	-	24,100	-	24,100
At 31st March 1999	<u>3,005,040</u>	<u>535,118</u>	<u>8,345,582</u>	<u>11,885,740</u>
Depreciation provision				
At 1st April 1998	157,077	8,339	6,521,620	6,687,036
Charge for the year	15,337	2,159	353,591	371,087
Adjustment for disposals	-	-	(105,411)	(105,411)
Currency translation	-	318	102	420
Revaluation adjustment	-	(9,120)	-	(9,120)
At 31st March 1999	<u>172,414</u>	<u>1,696</u>	<u>6,769,902</u>	<u>6,944,012</u>
Net book value				
At 31st March 1999	<u>2,832,626</u>	<u>533,422</u>	<u>1,575,680</u>	<u>4,941,728</u>
At 31st March 1998	<u>2,400,663</u>	<u>499,993</u>	<u>1,498,952</u>	<u>4,399,608</u>
Analysis of cost or valuation at 31st March 1999:	£	£	£	£
Cost	447,300	-	8,345,582	8,792,882
Revaluations - 1988	2,557,740	420,118	-	2,977,858
- 1999	-	115,000	-	115,000
	<u>3,005,040</u>	<u>535,118</u>	<u>8,345,582</u>	<u>11,885,740</u>

The net book value of plant and equipment includes an amount of £ 1,064,572 (1998: £962,630) 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 1999

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>1999</u>	<u>1998</u>	<u>1999</u>	<u>1998</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Cost	<u>184,298</u>	<u>184,298</u>	<u>1,252,982</u>	<u>805,682</u>
Aggregate depreciation based on cost	<u>37,486</u>	<u>34,688</u>	<u>159,243</u>	<u>144,830</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 1998	1,945,000	5,755	1,950,755
Additions	447,300	-	447,300
At 31st March 1999	<u>2,392,300</u>	<u>5,755</u>	<u>2,398,005</u>
Depreciation provision			
At 1st April 1998 and 31st March 1999	<u>-</u>	<u>5,754</u>	<u>5,754</u>
Net book value			
At 31st March 1999	<u>2,392,300</u>	<u>1</u>	<u>2,392,301</u>
At 31st March 1998	<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 (1998: £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>1999</u>	<u>1998</u>	<u>1999</u>	<u>1998</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Cost	<u>184,298</u>	<u>184,298</u>	<u>1,208,972</u>	<u>761,672</u>
Aggregate depreciation based on cost	<u>37,486</u>	<u>34,688</u>	<u>152,500</u>	<u>138,500</u>

C. J. O'Shea Group Limited

Notes to the consolidated financial statements

for the year ended 31st March 1999

		1999	1998
		£	£
11. Fixed asset investments			
a) Group			
Investment in associated undertaking			
Balance brought forward		109,928	104,979
Share of current year's trading profit		3,520	4,949
Balance carried forward		<u>113,448</u>	<u>109,928</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			
	<u>1999</u>	<u>Group</u>	<u>Company</u>
	£	1998	1999
		£	£
Stocks of spares and parts	130,412	92,995	-
Contract work-in-progress	34,536	325,134	-
	<u>164,948</u>	<u>418,129</u>	<u>-</u>
13. Debtors			
	<u>1999</u>	<u>Group</u>	<u>Company</u>
	£	1998	1999
		£	£
Trade debtors	1,253,537	1,250,184	-
Amounts owed by group undertakings	-	-	689,889
Amounts owed by related undertakings	478,640	375,308	478,640
Other debtors	52,833	85,115	370
Prepayments and accrued income	108,984	27,130	-
	<u>1,893,994</u>	<u>1,737,737</u>	<u>1,168,899</u>
			<u>964,032</u>

The balance of £689,749 owed by a group undertaking was repaid on 26th November 1999.

C. J. O'Shea Group Limited

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for the year ended 31st March 1999

14. Current assets investments

	<u>Group</u>		<u>Company</u>	
	<u>1999</u>	<u>1998</u>	<u>1999</u>	<u>1998</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Quoted investments (market value £64,324(1998: £76,812))	135,034	161,251	-	-
Unquoted investments	11,009	11,009	-	-
	<u>146,043</u>	<u>172,260</u>	<u>-</u>	<u>-</u>

15. Creditors:	<u>Group</u>		<u>Company</u>	
	<u>1999</u>	<u>1998</u>	<u>1999</u>	<u>1998</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Amounts falling due within one year				
Bank loans and overdrafts (secured)	970,093	1,251,097	360,069	-
Other loan	160,000	160,000	-	-
Trade creditors	1,426,096	1,439,743	-	-
Hire purchase contracts	384,203	285,664	-	-
Amounts owed to group undertakings	-	-	1,252,353	994,139
Corporation tax	129,748	112,448	8,779	5,704
Other taxes and social security costs	102,884	163,456	-	-
Other creditors	32,293	220,703	-	-
Accruals and deferred income	53,280	64,744	1,906	2,767
	<u>3,258,597</u>	<u>3,697,855</u>	<u>1,623,107</u>	<u>1,002,610</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) Letter of guarantee of £1,500,000 from the company.
- (a) Bank loans outstanding at the year end amounted to £786,936 (1998: £521,429) and this is payable in annual instalments, plus interest as follows:-
- | | <u>£</u> | <u>£</u> |
|----------------------------|----------------|----------------|
| Within one year | <u>74,541</u> | <u>45,627</u> |
| Within two to five years | <u>298,164</u> | <u>182,508</u> |
| After more than five years | <u>414,231</u> | <u>293,324</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 1999

	<u>1999</u>	<u>Group</u>	<u>1998</u>	<u>1999</u>	<u>Company</u>	<u>1998</u>
16. Creditors:						
Amounts falling due after more than one year	£		£	£		£
Bank loans (secured)	372,295		475,832	-		-
Hire purchase contracts	193,509		316,865	-		-
	<u>565,804</u>		<u>792,697</u>	<u>-</u>		<u>-</u>

17. Obligations under hire purchase contracts	<u>1999</u>	<u>1998</u>
	£	£

The maturity of these amounts is as follows:

Amounts payable:

Within one year	409,785	304,198
After more than one year	204,382	340,320
	<u>614,167</u>	<u>644,518</u>

Less: Finance charges allocated to future periods	(36,455)	(41,989)
	<u>577,712</u>	<u>602,529</u>

Hire purchase contracts are analysed as follows:

Current obligations	384,203	285,664
Non-current obligations	193,509	316,865
	<u>577,712</u>	<u>602,529</u>

	<u>Group</u>	<u>Company</u>
18. Provisions for liabilities and charges		
	£	£
Deferred taxation (a)	41,380	45,612
Provisions for specific losses on contracts (b)	202,185	204,687
	<u>243,565</u>	<u>250,299</u>

C. J. O'Shea Group Limited

Notes to the consolidated financial statements

for the year ended 31st March 1999

18. 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>1999</u> <u>£</u>	<u>Group</u> <u>1998</u> <u>£</u>
Balance at 1st April 1998	45,612	48,580
Transferred from profit and loss account	(4,232)	(2,968)
Balance at 31st March 1999	<u>41,380</u>	<u>45,612</u>

Provision has not been made in these financial statements for the full potential deferred tax liability on the sale of any of the revalued freehold properties, as in the opinion of the directors, there is a reasonable probability that such liability would not crystallise in the foreseeable future.

(b) Provisions for specific losses on contracts

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

	<u>1999</u> <u>£</u>	<u>1998</u> <u>£</u>
19. 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>

20. Amounts attributable to minority interests

Interest in the called up share capital of:

Salenhire Fork Trucks Limited	49	49
Kerslake Associates Limited	-	25

Interest in the reserves of:

Salenhire Fork Trucks Limited	141,666	125,815
Kerslake Associates Limited	-	(18,216)
	<u>141,715</u>	<u>107,673</u>

C. J. O'Shea Group Limited

Notes to the consolidated financial statements

for the year ended 31st March 1999

	1999 £	1998 £
21. Movement on shareholders' funds		
(a) <u>Group</u>		
Total recognised gains and losses	401,220	202,957
Other movements:		
Write back of provision on consolidation	54,576	-
Total movements during the year	455,796	202,957
Opening shareholders' funds	3,263,083	3,060,126
Closing shareholders' funds	<u>3,718,879</u>	<u>3,263,083</u>
(b) <u>Company</u>		
Profit for the financial year	32,600	23,467
Opening shareholders' funds	2,007,249	1,983,782
Closing shareholders' funds	<u>2,039,849</u>	<u>2,007,249</u>
22. Reconciliation of net cashflow to movement in net debt		
	£	£
Net increase in cash in the year	44,472	1,709,796
New hire purchase agreements	(223,156)	(321,710)
Repayment of amounts borrowed	94,592	131,033
Capital element of hire purchase payments	247,973	327,557
New long term loans	(360,069)	(550,000)
Cash outflow from increase in liquid funds	(26,217)	59,789
Change in net debt	(222,405)	1,356,465
Net debt at 1st April 1998	(1,043,253)	(2,399,718)
Net debt at 31st March 1999	<u>(1,265,658)</u>	<u>(1,043,253)</u>

23. Analysis of changes in net debt

	At 01.04.98 £	Cashflow £	Other non-cash changes £	At 31.03.99 £
Cash	1,273,945	(605,546)	-	668,399
Bank overdraft	(1,205,470)	650,018	-	(555,452)
	<u>68,475</u>	<u>44,472</u>	<u>-</u>	<u>112,947</u>
Debt due within one year	(491,291)	115,672	(583,225)	(958,844)
Debt due after one year	(792,697)	226,893	-	(565,804)
Current asset investments	172,260	(3,867)	(22,350)	146,043
	<u>(1,043,253)</u>	<u>383,170</u>	<u>(605,575)</u>	<u>(1,265,658)</u>

C. J. O'Shea Group Limited
Notes to the consolidated financial statements
for the year ended 31st March 1999

24. Pension commitments

The group operates a defined contribution scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £58,121 (1998: £50,650). At the balance sheet date, contributions of £Nil (1998: £Nil) were due to the fund.

25. 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.

26. 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.

27. 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

28. Post balance sheet events

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

29. Ultimate controllers

The directors, Messrs. C. J. O'Shea and Mrs. A. O'Shea, who control 100% of the shares of C. J. O'Shea Group Limited are the company's ultimate controllers.

C. J. O'Shea Group Limited

Notes to the consolidated financial statements

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	1999	1998
	£	£
30. 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>689,749</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>478,640</u>	<u>375,308</u>
- the following amounts were due to group undertakings		
C.J. O'Shea and Company Limited, a 100% subsidiary	<u>969,824</u>	<u>871,454</u>
C.J. O'Shea (Plant Hire) Limited, a 100% subsidiary	<u>282,529</u>	<u>121,240</u>
Salenhire Fork Trucks Limited, a 51% subsidiary	<u>-</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>55,000</u>	<u>25,000</u>
- C.J. O'Shea (Plant Hire) Limited	<u>12,000</u>	<u>12,000</u>