

C. J. O'Shea Group Limited
Consolidated Financial Statements
for the year ended 31st March 2003



Registration Number 1128708 (England and Wales)

C. J. O'Shea Group Limited

Company Information

Directors	C. J. O'Shea, Esq. A. O'Shea, Mrs. J. M. O'Sullivan, Esq. (resigned on 11th October 2002) R. A. O'Connor, Esq.
Secretary	R. A. O'Connor, Esq.
Company Number	1128708 (England and Wales)
Registered Office	Granard Business Centre Bunns Lane Mill Hill London NW7 2DZ
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
Solicitors	ASB Law Stoneham House 17 Scarbrook Road Croydon CR0 1SQ

C. J. O'Shea Group Limited

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C. J. O'Shea Group Limited

Directors' Report

for the year ended 31st March 2003

The directors present their report and the financial statements of the Group for the year ended 31st March 2003.

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.

Results and dividends

The results for the year are set out on page 4.

The directors do not recommend payment of a dividend.

Review of the business

C. J. O'Shea & Company Limited has traded well against a background of strong competition within its sector of the construction industry. It is anticipated that as the economic climate improves this company will show steady growth.

C. J. O'Shea (Plant Hire) Limited has grown in a prudent and measured fashion.

Fixed assets

The movement in fixed assets are set out in note 9 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 2003 reflects their current open market values.

Directors and their interests

The directors who served during the year and their interests in the company are as stated below:

Interest in £1 Ordinary shares at 31st March 2003 and 1st April 2002

C. J. O'Shea, Esq.	100,000
A. O'Shea, Mrs.	100,000
J. M. O'Sullivan, Esq. (resigned on 11th October 2002)	-
R. A. O'Connor, Esq.	-

A. O'Shea, Mrs., retires by rotation and being eligible offers herself for re-election.

Charitable contributions

The group made charitable donations of £9,385 (2002 : £10,260) during the year.

C. J. O'Shea Group Limited

Directors' Report

for the year ended 31st March 2003

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 the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and 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 will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

The auditors, Messrs. Riordan O'Sullivan & Co., will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report was approved by the Board on 19th January 2004 and signed on its behalf by:

 Chairman
Crohan John O'Shea, Esq.

C. J. O'Shea Group Limited

Independent auditors' report to the shareholders of C. J. O'Shea Group Limited

We have audited the financial statements of C. J. O'Shea Group Limited for the year ended 31st March 2003 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if in our opinion, the directors report is not consistent with the financial statements, if we become aware of any apparent misstatements within it, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

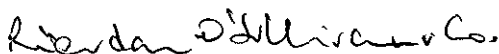
Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or 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 the group as at 31st March 2003 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

Date: 19th January 2004

C. J. O'Shea Group Limited
Consolidated Profit and Loss Account
for the year ended 31st March 2003

	Notes	2003 £	2002 £
Turnover	2	19,002,725	20,025,691
Cost of sales		(15,443,767)	(17,119,194)
Gross profit		3,558,958	2,906,497
Administrative expenses		(1,563,188)	(1,734,798)
Operating profit	3	1,995,770	1,171,699
Interest receivable and similar income	4	33,901	41,953
Interest payable and similar charges	5	(104,647)	(140,421)
Profit on sale of investments		-	8,150
Share of results of associated undertaking		92,991	(7,476)
Provision for diminution in value of current asset investments		(18,622)	-
Profit on ordinary activities before taxation		1,999,393	1,073,905
Tax on profit on ordinary activities	8	(597,103)	(497,667)
Retained profit for the year		1,402,290	576,238

The notes on pages 9 to 24 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 2003

	2003	2002
	£	£
Profit for the financial year	1,402,290	576,238
Foreign currency translation adjustments	<u>(6,723)</u>	<u>(2,711)</u>
Total recognised gains for the year	<u>1,395,567</u>	<u>573,527</u>

The notes on pages 9 to 24 form part of these financial statements.

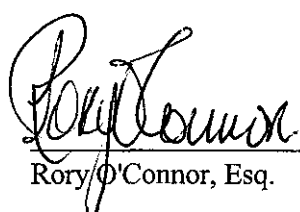
C. J. O'Shea Group Limited

Consolidated Balance Sheet

as at 31st March 2003

	Notes	2003 £	2002 £
Fixed assets			
Tangible assets	9	5,255,597	4,722,160
Investments	10	1,235,519	1,032,839
		<u>6,491,116</u>	<u>5,754,999</u>
Current assets			
Stocks	12	3,342,904	2,298,020
Debtors	13	2,453,466	2,268,227
Investments	14	55,410	74,032
Cash at bank and in hand		826,459	1,322,213
		<u>6,678,239</u>	<u>5,962,492</u>
Creditors: amounts falling due within one year	15	(5,669,424)	(5,725,713)
Net current assets		<u>1,008,815</u>	<u>236,779</u>
Total assets less current liabilities		7,499,931	5,991,778
Creditors: amounts falling due after more than one year	16	(1,238,770)	(1,150,554)
Provision for liabilities and charges	18	(142,758)	(118,388)
Net assets		<u>6,118,403</u>	<u>4,722,836</u>
Capital and reserves			
Called up share capital	19	200,000	200,000
Revaluation reserve	20	1,575,422	1,575,422
Profit and loss account	20	4,342,981	2,947,414
Equity shareholders' funds	21	<u>6,118,403</u>	<u>4,722,836</u>

The financial statements were approved by the Board on 19th January 2004 and signed on its behalf by:


 _____ Director
 Rory O'Connor, Esq.

The notes on pages 9 to 24 form part of these financial statements.

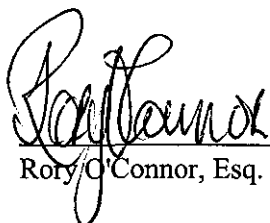
C. J. O'Shea Group Limited

Balance Sheet

as at 31st March 2003

	Notes	2003 £	2002 £
Fixed assets			
Tangible assets	9	2,842,223	2,392,301
Investments	10	100,409	100,409
		<u>2,942,632</u>	<u>2,492,710</u>
Current assets			
Debtors	13	383,568	374,660
Cash at bank and in hand		1,998	919
		<u>385,566</u>	<u>375,579</u>
Creditors: amounts falling due within one year	15	<u>(1,018,131)</u>	<u>(627,535)</u>
Net current liabilities		<u>(632,565)</u>	<u>(251,956)</u>
Net assets		<u>2,310,067</u>	<u>2,240,754</u>
 Capital and reserves			
Called up share capital	19	200,000	200,000
Revaluation reserve	20	1,575,422	1,575,422
Profit and loss account	20	534,645	465,332
Equity shareholders' funds	21	<u>2,310,067</u>	<u>2,240,754</u>

The financial statements were approved by the Board on 19th January 2004 and signed on its behalf by:


 _____ Director
 Rory O'Connor, Esq.

The notes on pages 9 to 24 form part of these financial statements.

C. J. O'Shea Group Limited

Consolidated Cash Flow Statement

for the year ended 31st March 2003

Notes	2003 £	2002 £
Reconciliation of operating profit to net cash inflow from operating activities		
Operating profit	1,995,770	1,171,699
Depreciation	335,301	337,783
Profit on sale of fixed assets	(7,141)	(2,135)
Foreign currency translation adjustment	(6,723)	(2,711)
Increase in stocks	(1,044,884)	(1,487,776)
Decrease in debtors	(185,239)	561,931
(Decrease) / increase in creditors	(582,285)	1,265,093
Net cash inflow from operating activities	<u>504,799</u>	<u>1,843,884</u>

CONSOLIDATED CASH FLOW STATEMENT

Net cash inflow from operating activities		504,799	1,843,884
Returns on investments and servicing of finance	22	(70,746)	(98,468)
Taxation	22	(387,645)	(91,092)
Capital expenditure	22	(535,564)	(215,066)
Acquisitions and disposals	22	(109,689)	-
		<u>(598,845)</u>	<u>1,439,258</u>
Management of liquid resources	22	-	28,800
Financing	22	(348,882)	(485,472)
(Decrease) / increase in cash in the year		<u>(947,727)</u>	<u>982,586</u>

Reconciliation of net cash flow to movement in net debt (Note 23)

(Decrease) / increase in cash in the year	(947,727)	982,586
Cash outflow from decrease in debt and lease financing	348,882	485,472
Cash inflow from decrease in liquid resources	(18,622)	(20,650)
	<u>(617,467)</u>	<u>1,447,408</u>
Change in net debt resulting from cash flows	(617,467)	1,447,408
New finance leases	(326,033)	(316,697)
Movement in net debt in the year	<u>(943,500)</u>	<u>1,130,711</u>
Net debt at 1st April 2002	<u>(615,971)</u>	<u>(1,746,682)</u>
Net debt at 31st March 2003	<u>(1,559,471)</u>	<u>(615,971)</u>

C. J. O'Shea Group Limited

Notes to the Financial Statements

for the year ended 31st March 2003

1. Accounting Policies

1.1. Basis of preparation of financial statements

The financial statements have been prepared in accordance with applicable accounting standards using the historical cost convention as modified by the revaluation of freehold land and buildings and investment properties.

1.2. Basis of consolidation

The consolidated financial statements include the financial statements of the company and its subsidiary undertakings made up to 31st March 2003 and the group's share of the results of its associated undertaking.

In accordance with Section 228(7) 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.

1.3. 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.

1.4. 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.

1.5. 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

1.6. 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.

1.7. Investments

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

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

C. J. O'Shea Group Limited

Notes to the Financial Statements

for the year ended 31st March 2003

1.8. Joint venture

An entity is treated as a joint venture where the group holds a long term interest and shares control under a contractual agreement.

In the group's accounts the joint venture is accounted for using the equity method of accounting. The profit and loss account includes the group's share of the operating results, interest, pre tax results and attributable taxation of such undertaking based on audited financial statements for the year. In the balance sheet, the interests in joint venture are shown as the group's share of the net assets, exclusive of any goodwill.

1.9. Inter-company balances

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

1.10. Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. 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 constant periodic rates of charge on the net obligations outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.11. Stocks

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

Development land	- Lower of cost and net realisable value
Raw materials and stocks for resale	- 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

1.12. 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.

1.13. Pensions

The group operates a defined contribution pension scheme, and the contributions payable to the scheme are charged to the profit and loss account in the period to which they relate.

C. J. O'Shea Group Limited

Notes to the Financial Statements

for the year ended 31st March 2003

1.14. Deferred taxation

The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However, deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. In accordance with FRS19, deferred tax is not recognised on revaluation gains. Deferred taxation is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1.15. 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.

2. Turnover

Turnover represents measured value of contract work done, receipts from sales of development land and completed units, plant sales and hire services, exclusive of value added tax and they were all derived from UK operations.

3. Operating profit

	2003 £	2002 £
Operating profit is stated after charging / (crediting):		
Depreciation of tangible assets		
- owned by the group	197,614	211,256
- held under hire purchase contracts	137,687	126,128
Profit on disposal of tangible fixed assets	(7,141)	(2,135)
Auditors' remuneration		
- for audit services	33,000	25,000
- for other services	14,894	8,225

C. J. O'Shea Group Limited

Notes to the Financial Statements

for the year ended 31st March 2003

4. Interest receivable and similar income

	Group		Company	
	2003	2002	2003	2002
	£	£	£	£
Bank deposit interest	32,755	40,859	-	-
Income from current asset investments	1,146	1,094	-	-
	<u>33,901</u>	<u>41,953</u>	<u>-</u>	<u>-</u>

5. Interest payable and similar charges

	Group		Company	
	2003	2002	2003	2002
	£	£	£	£
Interest on bank loans and overdrafts	71,262	98,731	16,681	22,613
Hire purchase interest	22,253	29,033	-	-
Interest paid to C. J. O'Shea Retirement Fund	11,141	12,602	-	-
Interest on late payment of tax	(9)	55	-	55
	<u>104,647</u>	<u>140,421</u>	<u>16,681</u>	<u>22,668</u>

6. Employees

	Group	
Number of employees	2003	2002
The average number of employees during the year were:	Number	Number
Directors	6	6
Direct labour	79	88
Administrative and technical	59	62
	<u>144</u>	<u>156</u>

Employment costs

Employment costs, including directors' remuneration, were as follows:	2003	2002
	£	£
Wages and salaries	4,020,299	4,311,024
Social security costs	351,876	411,379
Pension scheme contributions	73,751	78,684
	<u>4,445,926</u>	<u>4,801,087</u>

C. J. O'Shea Group Limited

Notes to the Financial Statements

for the year ended 31st March 2003

6.1. Directors' emoluments

	Group	
	2003	2002
	£	£
Emoluments and other benefits	233,355	588,592
Pension scheme contributions	9,588	11,752
	<u>242,943</u>	<u>600,344</u>
	2003	2002
	£	£
Highest paid director		
Amounts included above:		
Emoluments and other benefits	152,985	437,687
Pension scheme contributions	5,536	4,282
	<u>158,521</u>	<u>441,969</u>

7. Pension costs

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions paid during the year amounted to £73,751 (2002 : £78,684). At the balance sheet date, contributions of £Nil (2002 : £Nil) were due to the fund.

C. J. O'Shea Group Limited

Notes to the Financial Statements

for the year ended 31st March 2003

8. Taxation	Group		Company	
	2003 £	2002 £	2003 £	2002 £
UK Corporation Tax - current year	563,850	372,084	16,258	57,861
- prior year	8,883	7,195	-	527
Total current tax charge	572,733	379,279	16,258	58,388
Deferred tax charge	24,370	118,388	-	-
	<u>597,103</u>	<u>497,667</u>	<u>16,258</u>	<u>58,388</u>

The tax assessed for the year is higher than the standard rate of UK taxation applicable to the group. The differences are explained below:

Profit on ordinary activities before taxation	<u>1,906,402</u>	<u>1,073,905</u>	<u>85,570</u>	<u>40,913</u>
Profit on ordinary activities multiplied by standard rate	562,918	323,976	25,671	11,771
Chargeable gains	-	46,046	-	46,046
Expenses not deductible for tax purposes	24,908	17,924	-	45
Income not chargeable for corporation tax	(344)	(2,773)	-	-
Depreciation for the year in excess of capital allowances	(15,196)	(12,448)	(2)	(1)
Profit on disposal of fixed assets	(2,143)	(641)	-	-
Adjustments to tax charge in respect of prior year	8,883	7,195	-	527
Marginal relief	(6,293)	-	(5,896)	-
Current tax charge for the year	<u>572,733</u>	<u>379,279</u>	<u>19,773</u>	<u>58,388</u>

C. J. O'Shea Group Limited

Notes to the Financial Statements

for the year ended 31st March 2003

9. Tangible fixed assets

a) Group

	Freehold land and buildings £	Freehold investment properties £	Plant and equipment £	Total £
Cost / valuation				
At 1st April 2002	2,914,140	505,825	8,659,848	12,079,813
Additions	449,922	-	467,282	917,204
Currency translation	-	7,128	317	7,445
Disposals	-	-	(203,550)	(203,550)
At 31st March 2003	<u>3,364,062</u>	<u>512,953</u>	<u>8,923,897</u>	<u>12,800,912</u>
Depreciation				
At 1st April 2002	210,981	12,072	7,134,600	7,357,653
On disposals	-	-	(147,639)	(147,639)
Currency translation	-	1,412	317	1,729
Charge for the year	15,337	1,359	316,876	333,572
At 31st March 2003	<u>226,318</u>	<u>14,843</u>	<u>7,304,154</u>	<u>7,545,315</u>
Net book values				
At 31st March 2003	<u>3,137,744</u>	<u>498,110</u>	<u>1,619,743</u>	<u>5,255,597</u>
At 31st March 2002	<u>2,703,159</u>	<u>493,753</u>	<u>1,525,248</u>	<u>4,722,160</u>

Cost or valuation at 31st March 2003 is represented by:

Valuations	2,466,840	445,000	-	2,911,840
Cost	897,222	67,953	8,923,897	9,889,072
	<u>3,364,062</u>	<u>512,953</u>	<u>8,923,897</u>	<u>12,800,912</u>

The net book value of tangible fixed assets includes an amount of £903,310 (2002 : £688,484) in respect of assets held under hire purchase contracts.

The directors have reviewed the valuations of the freehold land and buildings and investment properties, and in their opinion the current open market valuations are as shown in these financial statements.

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

	Investment properties		Freehold properties	
	2003	2002	2003	2002
	£	£	£	£
Cost	<u>184,298</u>	<u>184,298</u>	<u>1,208,972</u>	<u>1,208,972</u>
Aggregate depreciation based on cost	<u>45,880</u>	<u>43,082</u>	<u>180,500</u>	<u>180,500</u>

C. J. O'Shea Group Limited

Notes to the Financial Statements

for the year ended 31st March 2003

9.1. Tangible fixed assets

b) Company

	Freehold land and buildings	Plant and equipment	Total
	£	£	£
Cost / valuation			
At 1st April 2002	2,392,300	5,755	2,398,055
Additions	449,922	-	449,922
at 31st March 2003	<u>2,842,222</u>	<u>5,755</u>	<u>2,847,977</u>
Depreciation			
At 1st April 2002 and at 31st March 2003	<u>-</u>	<u>5,754</u>	<u>5,754</u>
Net book values			
At 31st March 2003	<u>2,842,222</u>	<u>1</u>	<u>2,842,223</u>
At 31st March 2002	<u>2,392,300</u>	<u>1</u>	<u>2,392,301</u>

Cost or valuation at 31st March 2003 is represented by:

Valuations	1,945,000	-	1,945,000
Cost	447,300	5,755	453,055
	<u>2,392,300</u>	<u>5,755</u>	<u>2,398,055</u>

Freehold land and buildings are shown at valuation, and include investment properties of £445,000 (2002 : £445,000)

The directors have reviewed the valuations of the freehold land and buildings and investment properties, and in their opinion the current open market valuations are as shown in these financial statements.

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

	Investment properties		Freehold properties	
	2003	2002	2003	2002
	£	£	£	£
Cost	<u>184,298</u>	<u>184,298</u>	<u>1,208,972</u>	<u>1,208,972</u>
Aggregate depreciation based on cost	<u>45,880</u>	<u>43,082</u>	<u>180,500</u>	<u>180,500</u>

C. J. O'Shea Group Limited

Notes to the Financial Statements

for the year ended 31st March 2003

10. Fixed asset investments	2003	2002
(a) Group	£	£
Investment in associated undertaking	275,829	182,838
Investment in joint venture	959,690	959,690
	<u>1,235,519</u>	<u>1,142,528</u>
(i) Investment in associated undertaking		
Balance brought forward	182,838	190,314
Share of current year's trading profit / (loss)	92,991	(7,476)
Balance carried forward	<u>275,829</u>	<u>182,838</u>
(ii) Investment in joint venture		
	Shares in joint venture £	Loans to joint venture £
Cost		Total £
At 1st April 2002 and at 31st March 2003	<u>1</u>	<u>959,689</u>
		<u>959,690</u>

The group holds one third of the nominal value of the share capital of Finstart Limited, a company incorporated in the United Kingdom.

The joint venture has been established for the purpose of carrying out a commercial office and retail development. Under the terms of the agreement, C. J. O'Shea and Company Limited and one of the partners will receive the first £850,000 of profit split equally between them as well as interest on the loans. Thereafter the profit will be divided in three equal shares between the three joint venture partners. They expect the project to be profitable.

(b) Company	2003	2002
Investment in group undertakings	£	£
At 1st April 2002	100,375	100,375
Investment in associated undertaking	34	34
At 31st March 2003	<u>100,409</u>	<u>100,409</u>

C. J. O'Shea Group Limited

Notes to the Financial Statements

for the year ended 31st March 2003

11. Investments in subsidiary and associated undertakings

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

<u>Incorporated in the United Kingdom</u>	<u>Nature of business</u>	<u>Ownership</u>
C. J. O'Shea and Company Limited	Building contractors	100%
C. J. O'Shea (Plant Hire) Limited	Plant hire and sale	100%
Tramore Properties Limited	Property investment	34%
Kerslake Associates Limited	Dormant	75%

Incorporated in the Republic of Ireland

Redgrave Limited	Property development	100%
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12. Stocks

	Group	
	2003	2002
	£	£
Stocks of spares and parts	128,641	154,603
Contract work-in-progress	1,664,263	593,417
Land for development	1,550,000	1,550,000
	<u>3,342,904</u>	<u>2,298,020</u>

13. Debtors

	Group		Company	
Due within one year:	2003	2002	2003	2002
	£	£	£	£
Trade debtors	1,687,461	1,306,853	-	-
Amounts owed by group undertakings	-	-	9,434	140
Amounts owed by associated undertaking	413,233	409,518	374,134	374,520
Other debtors	307,646	386,569	-	-
Prepayments	45,126	165,287	-	-
	<u>2,453,466</u>	<u>2,268,227</u>	<u>383,568</u>	<u>374,660</u>

C. J. O'Shea Group Limited

Notes to the Financial Statements

for the year ended 31st March 2003

14. Current asset investments

	Group	
	2003	2002
	£	£
Quoted investments	44,401	63,023
Unquoted investments	11,009	11,009
	<u>55,410</u>	<u>74,032</u>
Market valuation of listed investments	<u>55,410</u>	<u>68,733</u>

15. Creditors: amounts falling due within one year

	Group	Company	
	2003	2002	2003
	£	£	£
Bank overdrafts (secured)	725,636	273,663	-
Bank loans (secured)	264,897	381,382	264,897
Other loan	160,000	160,000	-
Net obligations under finance leases and hire purchase contracts	226,093	202,413	-
Trade creditors	3,228,305	2,707,208	-
Amounts owed on purchase of land	-	793,125	-
Amounts owed to group undertakings	-	-	734,396
Corporation tax	563,850	378,762	16,258
Other taxes and social security costs	237,753	169,045	-
Directors' loan accounts	2,612	2,337	-
Other creditors	14,271	824	-
Accruals	246,007	656,954	2,580
	<u>5,669,424</u>	<u>5,725,713</u>	<u>1,018,131</u>
	<u>5,669,424</u>	<u>5,725,713</u>	<u>627,535</u>

C. J. O'Shea Group Limited

Notes to the Financial Statements

for the year ended 31st March 2003

16. Creditors: amounts falling due after more than one year	Group	
	2003	2002
	£	£
Bank loans (secured)	850,000	850,000
Amount owed to related undertaking	174,056	155,796
Net obligations under finance leases and hire purchase contracts	214,714	144,758
	<u>1,238,770</u>	<u>1,150,554</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 £1,725,000 from the company.

(a) Bank loans outstanding at the year end amounted to £1,114,897 (2002 : £1,231,382) and this is payable in annual instalments, plus interest as follows:-

	2003	2002
	£	£
Within one year	19,275	106,066
Between one and two years	19,275	19,275
Between two and five years	1,076,347	1,106,041
	<u>1,114,897</u>	<u>1,231,382</u>

(b) Other loans

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

17. Obligations under hire purchase contracts

The maturity of these amounts is as follows:

	2003	2002
	£	£
Amounts payable:		
Within one year	246,647	210,433
Between one and five years	222,950	162,063
	<u>469,597</u>	<u>372,496</u>
Less: Finance charges allocated to future periods	(28,790)	(25,325)
	<u>440,807</u>	<u>347,171</u>

Hire purchase contracts are analysed as follows:

Current obligations	226,093	202,413
Non-current obligations	214,714	144,758
	<u>440,807</u>	<u>347,171</u>

C. J. O'Shea Group Limited

Notes to the Financial Statements

for the year ended 31st March 2003

18. Provisions for liabilities and charges

(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:

	Group	
	2003	2002
	£	£
At 1st April 2002	118,388	-
Transferred from profit and loss account	24,370	118,388
At 31st March 2003	<u>142,758</u>	<u>118,388</u>

(b) The potential liability for deferred taxation not provided for was as follows:

	2003	2002
	£	£
At 1st April 2002	-	105,342
(Decrease) / increase in the year	-	(105,342)
At 31st March 2003	<u>-</u>	<u>-</u>

(c) 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.

19. Share capital

	2003	2002
	£	£
Authorised equity		
500,000 Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>
Allotted, called up and fully paid equity		
200,000 Ordinary shares of £1 each	<u>200,000</u>	<u>200,000</u>

C. J. O'Shea Group Limited

Notes to the Financial Statements

for the year ended 31st March 2003

20. Reserves	Revaluation reserve	Profit and loss account
	£	£
a) Group		
At 1st April 2002	1,575,422	2,947,414
Retained profit for the year	-	1,402,290
Foreign currency translation	-	(6,723)
At 31st March 2003	<u>1,575,422</u>	<u>4,342,981</u>
b) Company		
At 1st April 2002	1,575,422	465,333
Retained profit for the year	-	69,312
At 31st March 2003	<u>1,575,422</u>	<u>534,645</u>
21. Reconciliation of movements in shareholders' funds	2003	2002
	£	£
a) Group		
Group profit for the year	1,395,567	573,527
Opening shareholders' funds	<u>4,722,836</u>	<u>4,149,309</u>
Closing shareholders' funds	<u>6,118,403</u>	<u>4,722,836</u>
b) Company		
Profit/(loss) for the year	69,312	(17,475)
Opening shareholders' funds	<u>2,240,754</u>	<u>2,258,229</u>
Closing shareholders' funds	<u>2,310,066</u>	<u>2,240,754</u>

C. J. O'Shea Group Limited

Notes to the Financial Statements

for the year ended 31st March 2003

22. Gross cash flows			2003	2002
			£	£
Returns on investments and servicing of finance				
Interest received			33,901	41,953
Interest paid			(82,394)	(111,388)
Interest element of finance lease rental payments			(22,253)	(29,033)
			<u>(70,746)</u>	<u>(98,468)</u>
Taxation				
Corporation tax paid			<u>(387,645)</u>	<u>(91,092)</u>
Capital expenditure				
Payments to acquire tangible assets			(598,616)	(217,201)
Receipts from sales of tangible assets			63,052	2,135
			<u>(535,564)</u>	<u>(215,066)</u>
Acquisitions and disposals				
Payments on acquisition of group interests			<u>109,689</u>	<u>-</u>
Management of Liquid Resources				
Receipts from sales of short term investments			<u>-</u>	<u>28,800</u>
Financing				
Loan repayments			(116,485)	(147,405)
Capital element of hire purchase contracts			<u>(232,397)</u>	<u>(338,067)</u>
			<u>(348,882)</u>	<u>(485,472)</u>
23. Analysis of changes in net debt	Opening balance	Cash flows	Other changes	Closing balance
	£	£	£	£
Cash at bank and in hand	1,322,213	(495,754)	-	826,459
Overdrafts	(273,663)	(451,973)	-	(725,636)
	<u>1,048,550</u>	<u>(947,727)</u>	<u>-</u>	<u>100,823</u>
Liquid resources	<u>74,032</u>	<u>(18,622)</u>	<u>-</u>	<u>55,410</u>
Debt due within one year	(541,382)	116,485	-	(424,897)
Debt due after one year	(850,000)	-	-	(850,000)
Finance leases	<u>(347,171)</u>	<u>232,397</u>	<u>(326,033)</u>	<u>(440,807)</u>
	<u>(1,738,553)</u>	<u>348,882</u>	<u>(326,033)</u>	<u>(1,715,704)</u>
Total	<u>(615,971)</u>	<u>(617,467)</u>	<u>(326,033)</u>	<u>(1,559,471)</u>

C. J. O'Shea Group Limited

Notes to the Financial Statements

for the year ended 31st March 2003

24. Capital commitments

There were no capital commitments either authorised or contracted for at the balance sheet date (2002: £Nil).

25. Contingent liabilities

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

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 11, arising from their shareholdings in the parent company.

27. 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.

28. Post balance sheet events

There were no events since the year end which materially affected the company and the group.

29. Related parties

2003	2002
£	£

At the balance sheet date the following amounts were owed from /
(owed to) group undertakings:

C. J. O'Shea (Formwork) Limited, a 100% subsidiary	140	140
C. J. O'Shea and Company Limited, a 100% subsidiary	(734,396)	(226,308)
C. J. O'Shea (Plant Hire) Limited, a 100% subsidiary	9,294	(41,706)
	<u>(724,962)</u>	<u>(267,874)</u>

The following amounts were due from a related undertaking:

Tramore Properties Limited	<u>374,134</u>	<u>374,520</u>
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During the year:

(a) C. J. O'Shea Group Limited charged rent to its
subsidiary undertakings:

C. J. O'Shea and Company Limited	£ 30,000	£ 30,000
C. J. O'Shea (Plant Hire) Limited	50,000	50,000