

C. J. O'Shea Group Limited
Consolidated Financial Statements
for the year ended 31st March 2004



Registration Number 1128708 (England and Wales)

C. J. O'Shea Group Limited

Company Information

Directors	C. J. O'Shea, Esq. A. O'Shea, Mrs. 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 2004

The directors present their report and the financial statements of the Group for the year ended 31st March 2004.

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, property development, and hire of plant to the construction industry.

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 and 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 10 to these financial statements. Freehold land and buildings were revalued to reflect market valuations.

Post balance sheet event

After the year end the parent company, C.J. O'Shea Group Limited, disposed of freehold land and buildings for a consideration of £3,750,000, being the revalued amount in these financial statements.

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 2004 and 1st April 2003

C. J. O'Shea, Esq.	100,000
A. O'Shea, Mrs.	100,000
R. A. O'Connor, Esq.	-

R. A. O'Connor, Esq., retires by rotation and being eligible offers himself for re-election.

Political and charitable donations

The group made a political donation of £200 (2003 : £Nil) and charitable donation of £59,980 (2003 : £9,385) during the year.

C. J. O'Shea Group Limited

Directors' Report

for the year ended 31st March 2004

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 for that year. In preparing these 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 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 27th January 2005 and signed on its behalf by:



Director

Rory O'Connor, 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 2004 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 United Kingdom law and 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 2004 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: 27th January 2005

C. J. O'Shea Group Limited
Consolidated Profit and Loss Account
for the year ended 31st March 2004

	Notes	2004 £	2003 £
Turnover	2	20,731,720	19,002,725
Cost of sales		(16,556,235)	(15,443,767)
Gross profit		<u>4,175,485</u>	<u>3,558,958</u>
Administrative expenses		(3,026,204)	(1,563,188)
Operating profit	3	<u>1,149,281</u>	<u>1,995,770</u>
Rent receivable		10,417	-
Amount written off investments	4	(175)	(18,622)
Interest receivable and similar income	5	101,148	33,901
Interest payable and similar charges	6	(159,112)	(104,647)
Share of results of associated undertaking		<u>26,085</u>	<u>101,339</u>
Profit on ordinary activities before taxation		1,127,644	2,007,741
Tax on profit on ordinary activities	9	(328,725)	(605,451)
Retained profit for the year		<u><u>798,919</u></u>	<u><u>1,402,290</u></u>

The notes on pages 9 to 26 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 2004

	2004	2003
	£	£
Profit for the financial year	798,919	1,402,290
Surplus on revaluation of freehold land and buildings	1,802,700	-
Foreign currency translation adjustments	1,387	(6,723)
Total recognised gains for the year	<u>2,603,006</u>	<u>1,395,567</u>

The notes on pages 9 to 26 form part of these financial statements.

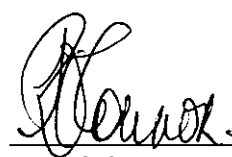
C. J. O'Shea Group Limited

Consolidated Balance Sheet

as at 31st March 2004

	Notes	2004 £	2003 £
Fixed assets			
Tangible assets	10	6,943,095	5,255,597
Investments	11	1,530,100	1,235,519
		<u>8,473,195</u>	<u>6,491,116</u>
Current assets			
Stocks	13	4,144,664	3,342,904
Debtors	14	5,588,115	2,453,466
Investments	15	281,782	55,410
Cash at bank and in hand		114,368	826,459
		<u>10,128,929</u>	<u>6,678,239</u>
Creditors: amounts falling due within one year	16	(8,184,382)	(5,669,424)
Net current assets		<u>1,944,547</u>	<u>1,008,815</u>
Total assets less current liabilities		10,417,742	7,499,931
Creditors: amounts falling due after more than one year	17	(141,324)	(1,238,770)
Provision for liabilities and charges	19	(1,554,834)	(142,758)
Net assets		<u>8,721,584</u>	<u>6,118,403</u>
Capital and reserves			
Called up share capital	20	200,000	200,000
Revaluation reserve	21	3,378,122	1,575,422
Profit and loss account	21	5,143,462	4,342,981
Equity shareholders' funds	22	<u>8,721,584</u>	<u>6,118,403</u>

The financial statements were approved by the Board on 27th January 2005 and signed on its behalf by:


 _____ Director
 Rory O'Connor, Esq.

The notes on pages 9 to 26 form part of these financial statements.

C. J. O'Shea Group Limited

Balance Sheet

as at 31st March 2004

	Notes	2004 £	2003 £
Fixed assets			
Tangible assets	10	4,649,283	2,842,223
Investments	11	100,234	100,409
		<u>4,749,517</u>	<u>2,942,632</u>
Current assets			
Debtors	14	435,878	383,568
Cash at bank and in hand		13,423	1,998
		<u>449,301</u>	<u>385,566</u>
Creditors: amounts falling due within one year	16	(1,016,743)	(1,018,131)
Net current liabilities		<u>(567,442)</u>	<u>(632,565)</u>
Net assets		<u>4,182,075</u>	<u>2,310,067</u>
 Capital and reserves			
Called up share capital	20	200,000	200,000
Revaluation reserve	21	3,378,122	1,575,422
Profit and loss account	21	603,953	534,645
Equity shareholders' funds	22	<u>4,182,075</u>	<u>2,310,067</u>

The financial statements were approved by the Board on 27th January 2005 and signed on its behalf by:



Director

Rory O'Connor, Esq.

The notes on pages 9 to 26 form part of these financial statements.

C. J. O'Shea Group Limited
Consolidated Cash Flow Statement
for the year ended 31st March 2004

	Notes	2004 £	2003 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		1,149,281	1,995,770
Depreciation		333,769	335,301
Profit on sale of fixed assets		(83,002)	(7,141)
Profit on sale of current asset investments		(24,262)	-
Increase in provision for liabilities and charges		1,400,000	-
Foreign currency translation adjustment		2,321	(6,723)
Increase in stocks		(801,760)	(1,044,884)
Increase in debtors		(3,134,649)	(185,239)
Decrease in creditors		(213,117)	(582,285)
Net cash (outflow) / inflow from operating activities		<u>(1,371,419)</u>	<u>504,799</u>

CONSOLIDATED CASH FLOW STATEMENT

Net cash (outflow) / inflow from operating activities		(1,371,419)	504,799
Returns on investments and servicing of finance	23	(47,547)	(70,746)
Taxation	23	(678,020)	(387,645)
Capital expenditure and financial investments	23	(733,786)	(535,564)
Acquisitions and disposals	23	500,000	(109,689)
		<u>(2,330,772)</u>	<u>(598,845)</u>
Management of liquid resources	23	(202,110)	-
Financing	23	319,458	(348,882)
Decrease in cash in the year		<u>(2,213,424)</u>	<u>(947,727)</u>

Reconciliation of net cash flow to movement in net debt (Note 24)

Decrease in cash in the year	(2,213,424)	(947,727)
Cash (outflow) / inflow from change in debt and lease financing	(319,458)	348,882
Cash inflow / (outflow) from change in liquid resources	226,372	(18,622)
Change in net debt resulting from cash flows	<u>(2,306,510)</u>	<u>(617,467)</u>
New finance leases	(171,666)	(326,033)
Movement in net debt in the year	<u>(2,478,176)</u>	<u>(943,500)</u>
Net debt at 1st April 2003	(1,559,471)	(615,971)
Net debt at 31st March 2004	<u>(4,037,647)</u>	<u>(1,559,471)</u>

C. J. O'Shea Group Limited

Notes to the Financial Statements

for the year ended 31st March 2004

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 2004 and 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.

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

Current asset investments are stated at the lower of cost and net realisable value.

Fixed asset investments are included in the group balance sheet at cost less any amounts written off for impairment in value. Dividends are included in the group profit and loss account.

C. J. O'Shea Group Limited

Notes to the Financial Statements

for the year ended 31st March 2004

1.8. Inter-company balances

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

1.9. 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.

1.10. Stocks

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

Development land and properties	- Lower of cost and net realisable value
Completed developments	- 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 anticipated losses expected to arise on contract work.

1.11. 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.

1.12. Pensions

The group operates a defined contribution pension scheme. Contributions are charged to the group profit and loss account as they become payable in accordance with the rules of the scheme.

1.13. 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.

C. J. O'Shea Group Limited

Notes to the Financial Statements

for the year ended 31st March 2004

1.14. 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

2004
£

2003
£

Operating profit is stated after charging / (crediting):

Depreciation of tangible assets

- owned by the group

257,602

197,614

- held under hire purchase contracts

76,167

137,687

Profit on disposal of tangible fixed assets

(83,002)

(7,141)

Auditors' remuneration

- for audit services

33,000

33,000

- for other services

3,972

14,894

4. Amounts written off investments

a) Group

2004
£

2003
£

Amounts written off fixed asset investment

175

-

Amount written off current asset investment

-

18,622

175

18,622

b) Company

2004
£

2003
£

Amounts written off fixed asset investment

175

-

175

-

C. J. O'Shea Group Limited

Notes to the Financial Statements

for the year ended 31st March 2004

5. Interest receivable and similar income

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Bank deposit interest	26,698	32,755	15	-
Loan interest	73,260	-	-	-
Income from current asset investments	1,190	1,146	-	-
	<u>101,148</u>	<u>33,901</u>	<u>15</u>	<u>-</u>

6. Interest payable and similar charges

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Interest on bank loans and overdrafts	124,531	71,262	14,293	16,681
Hire purchase interest	22,102	22,253	-	-
Interest on other loan	10,761	11,141	-	-
Interest on late payment of tax	1,718	(9)	-	-
	<u>159,112</u>	<u>104,647</u>	<u>14,293</u>	<u>16,681</u>

C. J. O'Shea Group Limited

Notes to the Financial Statements

for the year ended 31st March 2004

7. Employees

	Group	
Number of employees	2004	2003
The average number of employees during the year were:	Number	Number
Directors	4	4
Direct labour	81	79
Administrative and technical	55	59
	<u>140</u>	<u>142</u>

Employment costs

Employment costs, including directors' remuneration, were as follows:

	2004	2003
	£	£
Wages and salaries	5,471,782	4,020,299
Social security costs	398,550	351,876
Pension scheme contributions	84,723	73,751
	<u>5,955,055</u>	<u>4,445,926</u>

Directors were remunerated from C. J. O'Shea and Company Limited.

7.1. Directors' emoluments

	Group	
	2004	2003
	£	£
Emoluments	1,599,505	230,963
Benefit in kind	1,957	2,392
Pension scheme contributions	10,005	9,588
	<u>1,611,467</u>	<u>242,943</u>

	2004	2003
	£	£
Highest paid director		
Amounts included above:		
Emoluments	1,567,005	152,236
Benefit in kind	690	749
Pension scheme contributions	6,670	5,536
	<u>1,574,365</u>	<u>158,521</u>

C. J. O'Shea Group Limited

Notes to the Financial Statements

for the year ended 31st March 2004

8. 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. The pension charge in the financial statements represents contributions paid by the group to the fund and amounted to £84,723 (2003 : £73,751). At the balance sheet date, there were no unpaid contributions.

9. Taxation

	Group		Company	
	2004 £	2003 £	2004 £	2003 £
UK Corporation Tax - current year	316,649	572,198	21,568	16,258
- prior year	-	8,883	-	-
Total current tax charge	316,649	581,081	21,568	16,258
Deferred tax charge	12,076	24,370	-	-
	<u>328,725</u>	<u>605,451</u>	<u>21,568</u>	<u>16,258</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	1,127,644	2,007,741	90,876	85,570
Group share of profit in associate undertakings	(26,085)	(101,339)	-	-
	<u>1,101,559</u>	<u>1,906,402</u>	<u>90,876</u>	<u>85,570</u>
Profit on ordinary activities multiplied by standard rate	330,468	571,921	27,263	16,258
Expenses not deductible for tax purposes	23,557	24,908	52	-
Income not chargeable for corporation tax	(358)	(344)	-	-
Depreciation for the year in excess of capital allowances	(6,299)	(15,196)	-	-
Profit on disposal of fixed assets	(24,902)	(2,143)	-	-
Difference tax rate	(55)	(9,003)	-	-
Adjustment for prior year	-	8,883	-	-
Marginal relief	(6,219)	(6,293)	(5,747)	-
Group share of tax in associate undertakings	457	8,348	-	-
Current tax charge for the year	<u>316,649</u>	<u>581,081</u>	<u>21,568</u>	<u>16,258</u>

C. J. O'Shea Group Limited

Notes to the Financial Statements

for the year ended 31st March 2004

10. Tangible fixed assets

a) Group

	Freehold land and buildings £	Freehold investment properties £	Plant and equipment £	Motor vehicles £	Total £
Cost / valuations					
At 1st April 2003	3,364,062	512,953	8,841,518	79,350	12,797,883
Additions	4,360	572,352	258,715	9,845	845,272
Revaluation surplus	1,802,700	-	-	(20,050)	1,782,650
Disposals	-	(640,305)	(2,073,047)	-	(2,713,352)
At 31st March 2004	5,171,122	445,000	7,027,186	69,145	12,712,453
Depreciation					
At 1st April 2003	226,318	14,843	7,250,699	50,426	7,542,286
On disposals	-	(14,843)	(2,071,804)	(20,050)	(2,106,697)
Charge for the year	15,337	-	310,107	8,325	333,769
At 31st March 2004	241,655	-	5,489,002	38,701	5,769,358
Net book values					
At 31st March 2004	4,929,467	445,000	1,538,184	30,444	6,943,095
At 31st March 2003	3,137,744	498,110	1,590,819	28,924	5,255,597
Cost or valuation at 31st March 2004 is represented by:					
Cost	901,582	-	7,027,186	69,145	7,997,913
Valuations - 1988	2,466,840	445,000	-	-	2,911,840
- 2004	1,802,700	-	-	-	1,802,700
	5,171,122	445,000	7,027,186	69,145	12,712,453

The net book value of tangible fixed assets includes an amount of £610,283 (2003 : £903,310) in respect of assets held under hire purchase contracts.

The directors have revalued freehold land and buildings to reflect current market valuations. They have also reviewed the valuations of 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	
	2004	2003	2004	2003
	£	£	£	£
Cost	184,298	184,298	761,672	761,672
Aggregate depreciation based on cost	51,476	48,678	222,500	208,500

C. J. O'Shea Group Limited

Notes to the Financial Statements

for the year ended 31st March 2004

10. Tangible fixed assets

b) Company

	Freehold land and buildings £	Plant and equipment £	Total £
Cost / valuations			
At 1st April 2003	2,842,222	5,755	2,847,977
Additions	4,360	-	4,360
Revaluation surplus	1,802,700	-	1,802,700
At 31st March 2004	<u>4,649,282</u>	<u>5,755</u>	<u>4,655,037</u>
Depreciation			
At 1st April 2003 and at 31st March 2004	<u>-</u>	<u>5,754</u>	<u>5,754</u>
Net book values			
At 31st March 2004	<u>4,649,282</u>	<u>1</u>	<u>4,649,283</u>
At 31st March 2003	<u>2,842,222</u>	<u>1</u>	<u>2,842,223</u>

Cost or valuation at 31st March 2004 is represented by:

Valuations - 1988	1,945,000	-	1,945,000
- 2004	1,802,700	-	1,802,700
Cost	<u>901,582</u>	<u>5,755</u>	<u>907,337</u>
	<u>4,649,282</u>	<u>5,755</u>	<u>4,655,037</u>

Freehold land and buildings are shown at valuation, and include investment properties of £445,000 (2003 : £445,000).

The directors have revalued freehold land and buildings to reflect current market valuations. They have also reviewed the valuations of investment properties, and in their opinion the current open market valuations are as shown in the 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 2004 £	Investment properties 2003 £	Freehold properties 2004 £	Freehold properties 2003 £
Cost	<u>184,298</u>	<u>184,298</u>	<u>761,672</u>	<u>761,672</u>
Aggregate depreciation based on cost	<u>51,476</u>	<u>48,678</u>	<u>222,500</u>	<u>208,500</u>

C. J. O'Shea Group Limited

Notes to the Financial Statements

for the year ended 31st March 2004

11.	Fixed asset investments	2004	2003
	(a) Group	£	£
	(i) Investment in associated undertaking	301,457	275,829
	(ii) Investment in participating interests	1,228,643	-
		<u>1,530,100</u>	<u>1,235,519</u>
	(i) Investment in associated undertaking		
	Balance brought forward	275,829	182,838
	Share of current year's trading profit	25,628	92,991
	Balance carried forward	<u>301,457</u>	<u>275,829</u>
	(ii) Investment in participating interests		
	a)		
		Share capital	Loans
		£	£
	Cost		Total
	At 1st April 2003	1	959,689
	Repayment of loans	-	(500,000)
	At 31st March 2004	<u>1</u>	<u>459,689</u>

The group holds one third of the issued the share capital of an unquoted property development company incorporated in the United Kingdom.

The purpose of the investment was to carry out a commercial office and retail development. Under the terms of the agreement, the group would firstly be repaid its capital and loans together with interest on the loans out of funds generated by the sale of the developed units. During the year the commercial office development was sold and the group was repaid £500,000. After the year end a further £244,850 was received. Some retail units remain to be sold.

b)

	2004	2003
	£	£
Cost of investment in share capital	<u>768,953</u>	<u>-</u>

The investment consists of the purchase of 15,001 ordinary shares of £1 each representing 49.9% of the entire issued share capital in an unquoted property development company incorporated in the United Kingdom. The cost of the investment reflects the fair value of the underlying assets.

C. J. O'Shea Group Limited

Notes to the Financial Statements

for the year ended 31st March 2004

(b) Company	2004	2003
Investment in subsidiary and associated undertakings	£	£
Balance brought forward	100,409	100,409
Cost of investment written off	(175)	-
Balance carried forward	<u>100,234</u>	<u>100,409</u>

12. 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%

Capital and reserves of the associated undertaking as at 31 March 2004 were as follows:

	£	£
- Share capital		10,003
- Profit and loss account		
- brought forward	1,253,134	
- profits for the year	<u>75,375</u>	
		<u>1,328,509</u>
		<u>1,338,512</u>

Incorporated in the Republic of Ireland

Redgrave Limited	Property development	100%
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13. Stocks

	2004	2003
	£	£
Stocks of spares and parts	64,042	128,641
Contract work-in-progress	478,191	239,834
Completed developments	2,974,429	2,974,429
Land and properties for development	<u>628,002</u>	<u>-</u>
	<u>4,144,664</u>	<u>3,342,904</u>

C. J. O'Shea Group Limited

Notes to the Financial Statements

for the year ended 31st March 2004

14. Debtors	Group		Company	
	2004	2003	2004	2003
Due within one year:	£	£	£	£
Trade debtors	2,013,637	1,687,461	-	-
Due from group undertakings	-	-	64,294	9,434
Due from associated undertaking	371,584	413,233	371,584	374,134
Due from related undertaking (Note 29(e))	2,581,887	-	-	-
Other debtors	439,906	307,646	-	-
Prepayments	181,101	45,126	-	-
	<u>5,588,115</u>	<u>2,453,466</u>	<u>435,878</u>	<u>383,568</u>

Other debtors include an amount of £218,416 (2003 : £167,554) in relation to a refund due from Customs & Excise.

15. Current asset investments	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Quoted investments	270,773	44,401	-	-
Unquoted investments	11,009	11,009	-	-
	<u>281,782</u>	<u>55,410</u>	<u>-</u>	<u>-</u>
Market valuation of quoted investments	<u>272,195</u>	<u>44,401</u>	<u>-</u>	<u>-</u>

C. J. O'Shea Group Limited

Notes to the Financial Statements

for the year ended 31st March 2004

16. Creditors: amounts falling due within one year

	Group		Company	
	2004	2003	2004	2003
	£	£	£	£
Bank overdrafts (secured)	2,226,969	725,636	-	-
Bank loans (secured)	1,671,234	264,897	232,822	264,897
Other loan	160,000	160,000	-	-
Net obligations under finance leases and hire purchase contracts	234,270	226,093	-	-
Trade creditors	3,105,534	3,228,305	-	-
Amounts owed to group undertakings	-	-	758,879	734,396
Amounts owed to connected companies	5,760	-	-	-
Corporation tax	202,022	563,850	21,568	16,258
Other taxes and social security costs	230,117	237,753	-	-
Directors' loan accounts	-	2,612	-	-
Other creditors	128,020	14,271	-	-
Accruals	220,456	246,007	3,474	2,580
	<u>8,184,382</u>	<u>5,669,424</u>	<u>1,016,743</u>	<u>1,018,131</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 and completed developments held in stocks.
- (iii) Letter of guarantee of £1,725,000 from the company.
- (iv) Legal charge over deposits held with the group's bankers.

Other loan of £160,000 consists entirely of a loan from the C. J. O'Shea Retirement Fund. It is unsecured and repayable on demand. Interest on the loan is payable at and fluctuates with the London Inter Bank Base Rate. The loan was repaid after the balance sheet date.

17. Creditors: amounts falling due after more than one year

	Group	
	2004	2003
	£	£
Bank loans (secured)	-	850,000
Amount owed to related undertaking	-	174,056
Net obligations under finance leases and hire purchase contracts	141,324	214,714
	<u>141,324</u>	<u>1,238,770</u>

The bank loan amounting to £850,000 was repaid during the year.

C. J. O'Shea Group Limited

Notes to the Financial Statements

for the year ended 31st March 2004

18. Obligations under hire purchase contracts

The maturity of these amounts is as follows:

	2004	2003
	£	£
Amounts payable:		
Within one year	248,877	246,647
Between one and five years	145,869	222,950
	394,746	469,597
Less: Finance charges allocated to future periods	(19,152)	(28,790)
	375,594	440,807

Hire purchase contracts are analysed as follows:

Current obligations	234,270	226,093
Non-current obligations	141,324	214,714
	375,594	440,807

The hire purchase obligations are secured on the assets concerned.

19. Provisions for liabilities and charges

The movements on the provision are as follows:

	2004	Group 2003
	£	£
Balance brought forward	142,758	118,388
Deferred taxation transfer from profit and loss account	12,076	24,370
Provision for contributions to The C. J. O'Shea and Company Limited 2004 Employee Benefit Trust	1,400,000	-
Balance carried forward	1,554,834	142,758

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

(b) Provision has not been made in these financial statements for the full potential deferred tax liability on the sale of the revalued freehold properties, as in the opinion of the directors, rollover relief is expected to be obtained. No other liability is expected to crystallise for the foreseeable future.

(c) A provision of £1,400,000 has been recognised during the year ended 31st March 2004 (2003 : £Nil) for contributions to The C. J. O'Shea and Company Limited 2004 Employee Benefit Trust.

C. J. O'Shea Group Limited

Notes to the Financial Statements

for the year ended 31st March 2004

20. Share capital	2004	2003
	£	£
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>
 21. Reserves	Revaluation reserve	Profit and loss account
	£	£
a) Group		
At 1st April 2003	1,575,422	4,342,981
Revaluation of freehold land buildings	1,802,700	-
Retained profit for the year	-	798,919
Foreign currency translation	-	1,387
Cost of investment written off	-	175
At 31st March 2004	<u>3,378,122</u>	<u>5,143,462</u>
 b) Company		
At 1st April 2003	1,575,422	534,645
Revaluation of freehold land and buildings	1,802,700	-
Retained profit for the year	-	69,308
At 31st March 2004	<u>3,378,122</u>	<u>603,953</u>

C. J. O'Shea Group Limited

Notes to the Financial Statements

for the year ended 31st March 2004

22. Reconciliation of movements in shareholders' funds

	2004	2003
	£	£
a) Group		
Group profit for the year	800,306	1,395,567
Cost of investment written off	175	-
Revaluation of freehold land and buildings	1,802,700	-
Opening shareholders' funds	6,118,403	4,722,836
Closing shareholders' funds	<u>8,721,584</u>	<u>6,118,403</u>
b) Company		
Profit for the year	69,308	69,312
Revaluation of freehold land and buildings	1,802,700	-
Net addition to shareholders' funds	1,872,008	69,312
Opening shareholders' funds	2,310,067	2,240,755
Closing shareholders' funds	<u>4,182,075</u>	<u>2,310,067</u>

C. J. O'Shea Group Limited

Notes to the Financial Statements

for the year ended 31st March 2004

23. Gross cash flows	2004	2003
	£	£
Returns on investments and servicing of finance		
Rent received	10,417	-
Interest received	99,958	32,755
Interest paid	(137,010)	(82,394)
Interest element of finance lease rental payments	(22,102)	(22,253)
Dividends received	1,190	1,146
	<u>(47,547)</u>	<u>(70,746)</u>
Taxation		
Corporation tax paid	<u>(678,020)</u>	<u>(387,645)</u>
Capital expenditure and financial investments		
Payments to acquire tangible assets	(673,606)	(598,616)
Receipts from sales of tangible assets	708,773	63,052
Payments to acquire investments	(768,953)	-
	<u>(733,786)</u>	<u>(535,564)</u>
Acquisitions and disposals		
Receipts/(payments) of loans	<u>500,000</u>	<u>(109,689)</u>
Management of liquid resources		
Receipts from sales of short term investments	90,974	-
Payments to acquire short term investments	(293,084)	-
	<u>(202,110)</u>	<u>-</u>
Financing		
Other new short term loans	1,438,412	-
Loan repayments	(882,075)	(116,485)
Capital element of hire purchase contracts	(236,879)	(232,397)
	<u>319,458</u>	<u>(348,882)</u>

C. J. O'Shea Group Limited

Notes to the Financial Statements

for the year ended 31st March 2004

24. Analysis of changes in net debt	Opening balance £	Cash flows £	Other changes £	Closing balance £
Cash at bank and in hand	826,459	(712,091)	-	114,368
Overdrafts	(725,636)	(1,501,333)	-	(2,226,969)
	<u>100,823</u>	<u>(2,213,424)</u>	<u>-</u>	<u>(2,112,601)</u>
Liquid resources	<u>55,410</u>	<u>226,372</u>	<u>-</u>	<u>281,782</u>
Debt due within one year	(424,897)	(1,406,337)	-	(1,831,234)
Debt due after one year	(850,000)	850,000	-	-
Finance leases	(440,807)	236,879	(171,666)	(375,594)
	<u>(1,715,704)</u>	<u>(319,458)</u>	<u>(171,666)</u>	<u>(2,206,828)</u>
Net debt at 31 March 2004	<u><u>(1,559,471)</u></u>	<u><u>(2,306,510)</u></u>	<u><u>(171,666)</u></u>	<u><u>(4,037,647)</u></u>

25. Capital commitments

There were no capital commitments either authorised or contracted for at the balance sheet date (2003 : £Nil).

26. Contingent liabilities

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

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

Since the year end the following material transactions have taken place:

- (i) C.J. O'Shea Company Limited has sold a residential development held within closing stocks for a consideration of £3,620,687;
- (ii) C.J. O'Shea Company Limited has made a loan of £1,875,000 to a UK registered property investment company controlled by C.J. O'Shea Esq.

C. J. O'Shea Group Limited

Notes to the Financial Statements

for the year ended 31st March 2004

29. Related parties	2004 £	2003 £
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
C. J. O'Shea and Company Limited, a 100% subsidiary	(758,879)	(734,396)
C. J. O'Shea (Plant Hire) Limited, a 100% subsidiary	64,294	9,294
	<u>(694,585)</u>	<u>(724,962)</u>
C. J. O'Shea Retirement Fund	<u>(160,000)</u>	<u>(160,000)</u>
The following amounts were due from a related undertaking:		
Tramore Properties Limited	<u>371,584</u>	<u>374,134</u>
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	55,000	50,000
(b) C. J. O'Shea and Company Limited paid £10,761 (2003 : £11,141) interest for the loan from C. J. O'Shea Retirement Fund and £705,160 (2003 : £1,003,456) for plant hire charges from C. J. O'Shea (Plant Hire) Limited.		
(c) C. J. O'Shea and Company Limited has established The C. J. O'Shea and Company Limited 2004 Employee Benefit Trust for making discretionary awards to employees. An amount of £1,400,000 was paid to the Trust in respect of the year ended 31st March 2004, and this was subsequently earmarked by the Trustees for the benefit of relevant employees.		
(d) During the year O'Shea Homes Limited carried out work amounting to €850,000 (£572,352) for Redgrave Limited. Both companies are controlled by C.J. O'Shea Esq. and Mrs. A. O'Shea.		
(e) During the year C. J. O'Shea and Company Limited sanctioned a loan facility of £3,300,000 to O'Shea Homes Limited, a property investment company incorporated in the Republic of Ireland and controlled by C.J. O'Shea Esq. and Mrs A. O'Shea.		
The loan is repayable on demand and is secured by a personal guarantee from C. J. O'Shea, Esq. Interest is charged quarterly in arrears at an annual rate of 1.75% above the varying bank base rate. At the balance sheet date, a total of £2,508,627 had been drawn-down against the facility, with a further draw-down of £707,849 after the year end.		
At the year end O'Shea Homes Limited owed £2,581,887 to C. J. O'Shea and Company Limited (2003 : £Nil).		