

C. J. O'Shea Group Limited
Consolidated Financial Statements
for the year ended 31st March 2005



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 2005

The directors present their report and the financial statements of the Group for the year ended 31st March 2005.

Principal activities

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

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

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 of group companies

C. J. O'Shea and Company Limited increased its turnover in the year and has achieved results that are considered to be satisfactory. Even though the current market conditions in commercial development within the construction industry remains very competitive and volatile, the directors anticipate that the present level of activity will be sustained for the forthcoming year.

The results of C. J. O'Shea (Plant Hire) Limited were satisfactory against a background of strong competition and the current economic climate.

Fixed assets

The movements in tangible fixed assets are set out in note 10 to 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 2005 and 1st April 2004

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

Political and charitable donations

The group made charitable donations of £9,447 (2004 : £59,980) during the year. There is no political donation during the year (2004 : £200).

C. J. O'Shea Group Limited

Directors' Report

for the year ended 31st March 2005

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 the group and their profit or loss for that year. In preparing these the directors are required to:

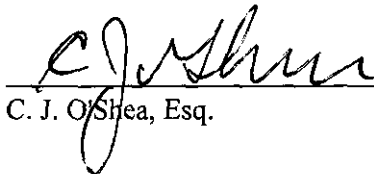
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the 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 company and 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 company and of the group 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 18 January 2006 and signed on its behalf by:

 Director
C. J. 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 2005 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 2005 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: 25th January 2006

C. J. O'Shea Group Limited
Consolidated Profit and Loss Account
for the year ended 31st March 2005

	Notes	2005 £	2004 £
Turnover	2	27,485,931	20,731,720
Cost of sales		(23,526,526)	(16,556,235)
Gross profit		<u>3,959,405</u>	<u>4,175,485</u>
Administrative expenses		(2,154,610)	(3,026,204)
Operating profit	3	<u>1,804,795</u>	<u>1,149,281</u>
Profit on sale of land and buildings	4	165,078	-
Share of results of associated undertaking	11	<u>42,379</u>	<u>26,085</u>
Profit on ordinary activities before interest		2,012,252	1,175,366
Rent receivable		58,370	10,417
Amount written off investments		-	(175)
Interest receivable and similar income	5	385,785	101,148
Interest payable and similar charges	6	(280,602)	(159,112)
Profit on ordinary activities before taxation		<u>2,175,805</u>	<u>1,127,644</u>
Tax on profit on ordinary activities	9	(626,652)	(328,725)
Retained profit for the year		<u><u>1,549,153</u></u>	<u><u>798,919</u></u>

The notes on pages 9 to 27 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 2005

	2005	2004
	£	£
Profit for the financial year	1,549,153	798,919
Surplus on revaluation of freehold land and buildings	-	1,802,700
Foreign currency translation adjustments	85	1,387
Total recognised gains for the year	<u><u>1,549,238</u></u>	<u><u>2,603,006</u></u>

The notes on pages 9 to 27 form part of these financial statements.

C. J. O'Shea Group Limited

Consolidated Balance Sheet

as at 31st March 2005

	Notes	2005 £	2004 £
Fixed assets			
Tangible assets	10	3,967,437	6,943,095
Investments	11	1,326,456	1,530,100
		<u>5,293,893</u>	<u>8,473,195</u>
Current assets			
Stocks	13	1,854,547	4,144,664
Debtors	14	9,212,561	5,588,115
Investments	15	897,691	281,782
Cash at bank and in hand		5,138,042	114,368
		<u>17,102,841</u>	<u>10,128,929</u>
Creditors: amounts falling due within one year	16	(11,541,457)	(8,184,382)
Net current assets		<u>5,561,384</u>	<u>1,944,547</u>
Total assets less current liabilities		<u>10,855,277</u>	<u>10,417,742</u>
Creditors: amounts falling due after more than one year	17	(348,723)	(141,324)
Provision for liabilities and charges	19	(235,732)	(1,554,834)
Net assets		<u>10,270,822</u>	<u>8,721,584</u>
Capital and reserves			
Called up share capital	20	200,000	200,000
Revaluation reserve	21	162,094	3,378,122
Profit and loss account	21	9,908,728	5,143,462
Equity shareholders' funds	22	<u>10,270,822</u>	<u>8,721,584</u>

The financial statements were approved by the Board on 18 January 2006 and signed on its behalf by:



Director

Rory O'Connor, Esq.

The notes on pages 9 to 27 form part of these financial statements.

C. J. O'Shea Group Limited

Balance Sheet

as at 31st March 2005

	Notes	2005 £	2004 £
Fixed assets			
Tangible assets	10	449,361	4,649,283
Investments	11	100,234	100,234
		<u>549,595</u>	<u>4,749,517</u>
Current assets			
Debtors	14	480,756	435,878
Cash at bank and in hand		3,792,601	13,423
		<u>4,273,357</u>	<u>449,301</u>
Creditors: amounts falling due within one year	16	(453,770)	(1,016,743)
Net current assets/(liabilities)		<u>3,819,587</u>	<u>(567,442)</u>
Net assets		<u><u>4,369,182</u></u>	<u><u>4,182,075</u></u>
Capital and reserves			
Called up share capital	20	200,000	200,000
Revaluation reserve	21	162,094	3,378,122
Profit and loss account	21	4,007,088	603,953
Equity shareholders' funds	22	<u><u>4,369,182</u></u>	<u><u>4,182,075</u></u>

The financial statements were approved by the Board on 18 January 2006 and signed on its behalf by:



Director

Rory O'Connor, Esq.

The notes on pages 9 to 27 form part of these financial statements.

C. J. O'Shea Group Limited
Consolidated Cash Flow Statement
for the year ended 31st March 2005

	Notes	2005 £	2004 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		1,804,795	1,149,281
Depreciation		413,749	333,769
Profit on sale of fixed assets		(4,702)	(83,002)
Profit on sale of current asset investments		(222,884)	(24,262)
(Decrease)/increase in provision for liabilities and charges		(1,400,000)	1,400,000
Foreign currency translation adjustment		85	2,321
Decrease/(increase) in stocks		2,290,117	(801,760)
Increase in debtors		(2,721,760)	(3,134,649)
Increase/(decrease) in creditors		344,593	(213,117)
Net cash inflow / (outflow) from operating activities		<u>503,993</u>	<u>(1,371,419)</u>

CONSOLIDATED CASH FLOW STATEMENT

Net cash inflow / (outflow) from operating activities		503,993	(1,371,419)
Returns on investments and servicing of finance	23	163,553	(47,547)
Taxation	23	(439,068)	(678,020)
Capital disposals, expenditure and financial investments	23	3,609,168	(733,786)
Repayment of project loans	23	244,891	500,000
		<u>4,082,537</u>	<u>(2,330,772)</u>
Management of liquid resources	23	(615,909)	(202,110)
Financing	23	2,119,541	319,458
Increase / (decrease) in cash in the year		<u>5,586,169</u>	<u>(2,213,424)</u>

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

Increase / (decrease) in cash in the year		5,586,169	(2,213,424)
Cash outflow from change in debt and lease financing		(2,119,541)	(319,458)
Cash inflow from change in liquid resources		615,909	226,372
		<u>4,082,537</u>	<u>(2,306,510)</u>
Change in net debt resulting from cash flows		(658,445)	(171,666)
Movement in net debt in the year		3,424,092	(2,478,176)
Net debt at 1st April 2004		<u>(4,037,647)</u>	<u>(1,559,471)</u>
Net debt at 31st March 2005		<u>(613,555)</u>	<u>(4,037,647)</u>

C. J. O'Shea Group Limited

Notes to the Financial Statements

for the year ended 31st March 2005

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 2005 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 measured value of contract work carried out during the year, development property sales, 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.

C. J. O'Shea Group Limited

Notes to the Financial Statements

for the year ended 31st March 2005

..... continued

1.7. Investments

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.

Current asset investments are included at the cost of such investments where the directors consider that there is not a long term diminution in the value of such investments.

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.

C. J. O'Shea Group Limited

Notes to the Financial Statements

for the year ended 31st March 2005

..... continued

1.13. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

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.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

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

	2005 £	2004 £
Operating profit is stated after charging / (crediting):		
Depreciation of tangible assets		
- owned by the group	331,377	257,602
- held under hire purchase contracts	82,372	76,167
Profit on disposal of tangible fixed assets	(4,702)	(83,002)
Auditors' remuneration		
- for audit services	35,000	33,000
- for other services	8,000	3,972

C. J. O'Shea Group Limited

Notes to the Financial Statements

for the year ended 31st March 2005

..... continued

4. Profit on sale of land and buildings

The profit on sale of freehold land and buildings is made up of:

	2005	2004
	£	£
Disposal proceeds	4,365,000	-
Cost of acquisition	(983,894)	-
Revaluation reserve	(3,216,028)	-
	<u>165,078</u>	<u>-</u>

5. Interest receivable and similar income

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Bank deposit interest	123,353	26,698	40,569	15
Loan interest from related undertakings	238,326	73,260	-	-
Income from current asset investments	24,106	1,190	-	-
	<u>385,785</u>	<u>101,148</u>	<u>40,569</u>	<u>15</u>

6. Interest payable and similar charges

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Interest on bank loans and overdrafts	248,125	124,531	13,657	14,293
Hire purchase interest	29,947	22,102	-	-
Interest on other loan	2,351	10,761	-	-
Interest on late payment of tax	179	1,718	69	-
	<u>280,602</u>	<u>159,112</u>	<u>13,726</u>	<u>14,293</u>

C. J. O'Shea Group Limited

Notes to the Financial Statements

for the year ended 31st March 2005

..... continued

7. Employees

Number of employees

The average number of employees during the year were:

	Group	
	2005	2004
	Number	Number
Directors	4	4
Direct labour	92	81
Administrative and technical	60	55
	<u>156</u>	<u>140</u>

Employment costs

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

	2005	2004
	£	£
Wages and salaries	4,783,309	3,872,277
Social security costs	311,117	368,092
Pension scheme contributions	95,870	74,718
	<u>5,190,296</u>	<u>4,315,087</u>

None of the directors were remunerated by C. J. O'Shea Group Limited.

7.1. Directors' emoluments

	Group	
	2005	2004
	£	£
Emoluments	209,000	1,599,505
Benefit in kind	-	1,957
Pension scheme contributions	3,260	10,005
	<u>212,260</u>	<u>1,611,467</u>

	2005	2004
	£	£
Highest paid director		
Amounts included above:		
Emoluments	204,000	1,567,005
Benefit in kind	-	690
Pension scheme contributions	3,260	6,670
	<u>207,260</u>	<u>1,574,365</u>

C. J. O'Shea Group Limited

Notes to the Financial Statements

for the year ended 31st March 2005

..... continued

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 £99,130 (2004 : £84,723). At the balance sheet date, there were no unpaid contributions.

9. Taxation

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
UK Corporation Tax - current year	545,754	316,649	72,365	21,568
Deferred tax charge	80,898	12,076	-	-
	<u>626,652</u>	<u>328,725</u>	<u>72,365</u>	<u>21,568</u>

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (30%) applicable to the group. The differences are explained below:

Profit on ordinary activities before taxation	2,175,804	1,127,644	259,472	90,876
Group share of profit in associated undertakings	(42,379)	(26,085)	-	-
	<u>2,133,425</u>	<u>1,101,559</u>	<u>259,472</u>	<u>90,876</u>
Profit on ordinary activities multiplied by standard rate (30%)	640,028	330,468	77,842	27,263
Effects of:				
Chargeable gains	45,528	-	45,528	-
Expenses not deductible for tax purposes	13,503	23,557	-	52
Income not chargeable to corporation tax	(21,021)	(358)	-	-
Depreciation for the year in excess of capital allowances	(80,072)	(6,299)	-	-
Profit on disposal of fixed assets	(50,934)	(24,902)	(49,523)	-
Difference in tax rate	-	(55)	-	-
Marginal relief	(6,260)	(6,219)	(1,482)	-
Share of tax in associated undertakings (Note 11)	4,982	457	-	(5,747)
Current tax charge for the year	<u>545,754</u>	<u>316,649</u>	<u>72,365</u>	<u>21,568</u>

C. J. O'Shea Group Limited

Notes to the Financial Statements

for the year ended 31st March 2005

..... continued

10. Tangible fixed assets

a) Group

	Freehold land and buildings	Freehold investment properties	Plant and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost / valuations					
At 1st April 2004	5,171,122	445,000	7,027,186	69,145	12,712,453
Additions	-	4,360	1,683,929	-	1,688,289
Disposals	(4,204,282)	-	(86,643)	-	(4,290,925)
At 31st March 2005	966,840	449,360	8,624,472	69,145	10,109,817
Depreciation					
At 1st April 2004	241,665	-	5,488,992	38,701	5,769,358
On disposals	-	-	(40,727)	-	(40,727)
Charge for the year	15,337	-	398,412	-	413,749
At 31st March 2005	257,002	-	5,846,677	38,701	6,142,380
Net book values					
At 31st March 2005	709,838	449,360	2,777,795	30,444	3,967,437
At 31st March 2004	4,929,457	445,000	1,538,194	30,444	6,943,095
Cost or valuation at 31st March 2005 is represented by:					
Cost	966,840	187,326	8,624,472	69,145	9,847,783
Valuations	-	262,034	-	-	262,034
	966,840	449,360	8,624,472	69,145	10,109,817

The net book value of tangible fixed assets includes an amount of £981,108 (2004 : £610,283) 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 £1,154,166 (2004 : £2,138,060).

C. J. O'Shea Group Limited

Notes to the Financial Statements

for the year ended 31st March 2005

..... continued

10. Tangible fixed assets

b) Company

	Freehold land and buildings	Plant and equipment	Total
	£	£	£
Cost / valuations			
At 1st April 2004	4,649,282	5,755	4,655,037
Disposals	(4,199,922)	-	(4,199,922)
At 31st March 2005	<u>449,360</u>	<u>5,755</u>	<u>455,115</u>
Depreciation			
At 1st April 2004 and at 31st March 2005	<u>-</u>	<u>5,754</u>	<u>5,754</u>
Net book values			
At 31st March 2005	<u>449,360</u>	<u>1</u>	<u>449,361</u>
At 31st March 2004	<u>4,649,282</u>	<u>1</u>	<u>4,649,283</u>

Cost or valuation at 31st March 2005 is represented by:

Valuations	262,034	-	262,034
Cost	<u>187,326</u>	<u>5,755</u>	<u>193,081</u>
	<u>449,360</u>	<u>5,755</u>	<u>455,115</u>

Freehold land and buildings are shown at valuation, and include investment properties of £449,360 (2004 : £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 £187,326 (2004 : £1,171,220).

C. J. O'Shea Group Limited

Notes to the Financial Statements

for the year ended 31st March 2005

..... continued

11. Fixed asset investments	2005	2004
(a) Group	£	£
(i) Investment in associated undertaking	338,854	301,457
(ii) Investment in participating interests		
- Finstart Limited	214,799	459,690
- Blendpack Limited	772,803	768,953
	<u>1,326,456</u>	<u>1,530,100</u>
 (i) Investment in associated undertaking		
Balance brought forward	301,457	275,829
Share of current year's trading profit	42,379	26,085
Taxation (Note 9)	(4,982)	(457)
Balance carried forward	<u>338,854</u>	<u>301,457</u>
 (ii) Investment in participating interests		
 Finstart Limited		
Shareholding	1	1
Projects loans	459,689	959,689
Repayment of project loans	(244,891)	(500,000)
	<u>214,799</u>	<u>459,690</u>

This investment was in a joint venture company established for the purpose of a commercial property development. This development has been completed and largely disposed of. The disposal of the remaining commercial unit is currently being negotiated and if successful the group will recover its investment in full, together with a significant profit thereon.

Blendpack Limited

Cost of shareholding	732,807	728,957
Project loan	39,996	39,996
	<u>772,803</u>	<u>768,953</u>

The cost of shareholding 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 2005

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This investment was in a joint venture company established for the purpose of a residential and commercial property development. This development is expected to be completed in February 2006 and all the residential units therein are conditionally pre-sold with substantial deposits paid. It is anticipated that legal implementation of residential sales will be completed in April 2006. It is expected that there will be a full recovery of the investment, together with a substantial profit from this project. The accounting policy of Blendpack Limited is to write off some administration costs as incurred irrespective of when income materialises. Hence the reason for the balance sheet deficit.

(b) Company	2005	2004
Investment in subsidiary and associated undertakings	£	£
Balance brought forward	100,234	100,409
Cost of investment written off	-	(175)
Balance carried forward	<u>100,234</u>	<u>100,234</u>

11.1. Holdings of 20% or more

The company holds 20% or more of the share capital of the following companies:

Company	Country of registration or incorporation	Nature of business	Shares held class	Proportion of shares held
Participating interests				
Finstart Limited	England and Wales	Property development	Ordinary	33%
Blendpack Limited	England and Wales	Property development	Ordinary	49.98%

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves/(deficits)	Profit/(loss) for the year
	£	£
Finstart Limited	586,776	13,403
Blendpack Limited	(384,496)	(269,715)

C. J. O'Shea Group Limited

Notes to the Financial Statements

for the year ended 31st March 2005

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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 2005 were as follows:

	£	£
- Share capital		10,003
- Profit and loss account		
- brought forward	1,328,509	
- profits for the year	49,992	
		<u>1,378,501</u>
		<u>1,388,504</u>

Incorporated in the Republic of Ireland

Redgrave Limited	Property development	100%
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13. Stocks

	Group	
	2005	2004
	£	£
Stocks of spares and parts	59,489	64,042
Contract work-in-progress	1,323,443	478,191
Completed developments	-	2,974,429
Land and properties for development	471,615	628,002
	<u>1,854,547</u>	<u>4,144,664</u>

C. J. O'Shea Group Limited

Notes to the Financial Statements

for the year ended 31st March 2005

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14. Debtors	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Due within one year:				
Trade debtors	3,373,272	2,013,637	-	-
Due from group undertakings	-	-	105,544	64,294
Due from associated undertaking	371,102	371,584	371,102	371,584
Due from related undertakings (Note 30 c & d)	4,745,602	2,581,887	-	-
Other debtors	562,447	439,906	-	-
Prepayments	160,138	181,101	4,110	-
	<u>9,212,561</u>	<u>5,588,115</u>	<u>480,756</u>	<u>435,878</u>

Other debtors include an amount of £295,076 (2004 : £218,416) in relation to a refund due from HMRC.

15. Current asset investments	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Quoted investments	766,682	270,773	-	-
Other unlisted investments	131,009	11,009	-	-
	<u>897,691</u>	<u>281,782</u>	<u>-</u>	<u>-</u>
Market valuation of quoted investments	<u>740,067</u>	<u>272,195</u>	<u>-</u>	<u>-</u>

Other unlisted investments include £120,000 loan capital in Fitzroy (Heath) LLP, a limited liability partnership, incorporated in the United Kingdom for the purpose of a residential property development and in which the group has a 50% equity interest. Subsequent to the year end the group advanced a further £578,793 loan capital and the partnership purchased a development property in the sum of £2,950,000.

C. J. O'Shea Group Limited

Notes to the Financial Statements

for the year ended 31st March 2005

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16. Creditors: amounts falling due within one year

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Bank overdrafts (secured)	1,664,474	2,226,969	-	-
Bank loans (secured)	3,627,858	1,671,234	200,112	232,822
Other loan	645,762	160,000	-	-
Net obligations under finance leases and hire purchase contracts	362,471	234,270	-	-
Trade creditors	3,921,706	3,105,534	-	-
Amounts owed to group undertakings	-	-	173,498	758,879
Amounts owed to connected companies	-	5,760	-	-
Corporation tax	303,726	202,022	76,676	21,568
Other taxes and social security costs	273,801	230,117	-	-
Other creditors	458,186	128,020	-	-
Accruals	283,473	220,456	3,484	3,474
	<u>11,541,457</u>	<u>8,184,382</u>	<u>453,770</u>	<u>1,016,743</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) Legal charge over deposits held with the group's bankers.
- (iv) Group cross guarantees totalling £7,677,000.
- (v) Letter of guarantee of £2,607,000 from a related undertaking.

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

	Group	
	2005	2004
	£	£
Net obligations under finance leases and hire purchase contracts	<u>348,723</u>	<u>141,324</u>

C. J. O'Shea Group Limited

Notes to the Financial Statements

for the year ended 31st March 2005

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18. Obligations under hire purchase contracts

The maturity of these amounts is as follows:

	2005	2004
	£	£
Amounts payable:		
Within one year	362,471	248,877
Between one and five years	348,723	145,869
	<u>711,194</u>	<u>394,746</u>
Less: Finance charges allocated to future periods	-	(19,152)
	<u><u>711,194</u></u>	<u><u>375,594</u></u>

Hire purchase contracts are analysed as follows:

Current obligations	362,471	234,270
Non-current obligations	348,723	141,324
	<u><u>711,194</u></u>	<u><u>375,594</u></u>

The hire purchase obligations are secured on the assets concerned.

19. Provisions for liabilities and charges

The movements on the provision are as follows:

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Balance brought forward	1,554,834	142,758	-	-
Deferred taxation transfer from profit and loss account	80,898	12,076	-	-
Provision for contributions to The C. J. O'Shea and Company Limited 2004 Employee Benefit Trust	(1,400,000)	1,400,000	-	-
Balance carried forward	<u><u>235,732</u></u>	<u><u>1,554,834</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

(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, the company has met the conditions of rolling the gain into replacement assets and therefore the rollover relief is expected to be obtained. No other liability is expected to crystallise for the foreseeable future.

(c) No provision has been recognised during the year ended 31st March 2005 (2004 : £1,400,000) 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 2005

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20. Share capital	2005	2004
	£	£
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	Profit
	reserve	and loss
	£	£
a) Group		
At 1st April 2004	3,378,122	5,143,462
Disposal adjustment	(3,216,028)	3,216,028
Retained profit for the year	-	1,549,153
Foreign currency translation	-	85
At 31st March 2005	<u>162,094</u>	<u>9,908,728</u>
b) Company		
At 1st April 2004	3,378,122	603,953
Disposal adjustment	(3,216,028)	3,216,028
Retained loss for the year	-	187,107
At 31st March 2005	<u>162,094</u>	<u>4,007,088</u>

C. J. O'Shea Group Limited

Notes to the Financial Statements

for the year ended 31st March 2005

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22. Reconciliation of movements in shareholders' funds

	2005	2004
	£	£
a) Group		
Group profit for the year	1,549,238	800,306
Cost of investment written off	-	175
Revaluation of freehold land and buildings	-	1,802,700
Opening shareholders' funds	8,721,584	6,118,403
Closing shareholders' funds	<u>10,270,822</u>	<u>8,721,584</u>
b) Company		
Profit for the year	187,107	69,308
Revaluation of freehold land and buildings	-	1,802,700
Net addition to shareholders' funds	187,107	1,872,008
Opening shareholders' funds	4,182,075	2,310,067
Closing shareholders' funds	<u>4,369,182</u>	<u>4,182,075</u>

C. J. O'Shea Group Limited

Notes to the Financial Statements

for the year ended 31st March 2005

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23. Gross cash flows	2005	2004
	£	£
Returns on investments and servicing of finance		
Rent received	58,370	10,417
Interest received	361,679	99,958
Interest paid	(250,655)	(137,010)
Interest element of finance lease rental payments	(29,947)	(22,102)
Dividends received	24,106	1,190
	<u>163,553</u>	<u>(47,547)</u>
Taxation		
Corporation tax paid	<u>(439,068)</u>	<u>(678,020)</u>
Capital disposals, expenditure and financial investments		
Payments to acquire tangible assets	(1,025,484)	(673,606)
Receipts from sales of intangible assets	222,884	-
Receipts from sales of tangible assets	4,415,618	708,773
Payments to acquire investments	(3,850)	(768,953)
	<u>3,609,168</u>	<u>(733,786)</u>
Repayment of project loans	<u>244,891</u>	<u>500,000</u>
Management of liquid resources		
Receipts from sales of short term investments	150,103	90,974
Payments to acquire short term investments	(766,012)	(293,084)
	<u>(615,909)</u>	<u>(202,110)</u>
Financing		
New bank loan	2,645,000	-
Other new short term loans	645,762	1,438,412
Loan repayments	(688,376)	(882,075)
Repayment of other short term loans	(160,000)	-
Capital element of hire purchase contracts	(322,845)	(236,879)
	<u>2,119,541</u>	<u>319,458</u>

C. J. O'Shea Group Limited

Notes to the Financial Statements

for the year ended 31st March 2005

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24. Analysis of changes in net debt	Opening balance £	Cash flows £	Other changes £	Closing balance £
Cash at bank and in hand	114,368	5,023,674	-	5,138,042
Overdrafts	(2,226,969)	562,495	-	(1,664,474)
	<u>(2,112,601)</u>	<u>5,586,169</u>	<u>-</u>	<u>3,473,568</u>
Liquid resources	281,782	615,909	-	897,691
Debt due within one year	(1,831,234)	(2,442,386)	-	(4,273,620)
Finance leases	(375,594)	322,845	(658,445)	(711,194)
	<u>(2,206,828)</u>	<u>(2,119,541)</u>	<u>(658,445)</u>	<u>(4,984,814)</u>
Net debt at 31 March 2005	<u><u>(4,037,647)</u></u>	<u><u>4,082,537</u></u>	<u><u>(658,445)</u></u>	<u><u>(613,555)</u></u>

25. Capital commitments

There were no capital commitments either authorised or contracted for at the balance sheet date (2004 : £Nil).

26. Contingent liabilities

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

27. Basis of consolidation

These consolidated accounts incorporate the results of C. J. O'Shea Group Limited and its subsidiary undertakings, C. J. O'Shea and Company Limited, C. J. O'Shea (Plant Hire) Limited and Redgrave Limited together with its share of the results of its associated undertaking Tramore Properties Limited.

28. Ultimate controllers

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

29. Post balance sheet events

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

C. J. O'Shea Group Limited

Notes to the Financial Statements

for the year ended 31st March 2005

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30. Related parties	2005 £	2004 £
At the balance sheet date the following amounts were owed from / (owed to) group undertakings:		
C. J. O'Shea and Company Limited, a 100% subsidiary	(173,498)	(758,879)
C. J. O'Shea (Plant Hire) Limited, a 100% subsidiary	105,544	64,294
	<u>(67,954)</u>	<u>(694,585)</u>
C. J. O'Shea Retirement Fund	<u>-</u>	<u>(160,000)</u>
The following amounts were due from its associated undertaking:		
Tramore Properties Limited	<u>371,102</u>	<u>371,584</u>
During the year:		
(a) C. J. O'Shea Group Limited charged rent to its subsidiary undertakings:		
C. J. O'Shea and Company Limited	<u>30,000</u>	<u>30,000</u>
C. J. O'Shea (Plant Hire) Limited	<u>41,250</u>	<u>50,000</u>

(b) C. J. O'Shea and Company Limited paid £2,351 (2004 : £10,761) interest for the loan from C. J. O'Shea Retirement Fund and £1,185,000 (2004 : £705,160) for plant hire charges from C. J. O'Shea (Plant Hire) Limited.

(c) Last 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 year end the balance outstanding was £2,760,470 (2004 : £2,581,887). It is anticipated that this loan will be redeemed in April 2006.

(d) During the year the company made a loan of £1,875,000 to a property development company incorporated in the United Kingdom. Both companies are controlled by C. J. O'Shea, Esq.

The loan is secured on the assets of the company and interest is charged at 2% above the London Inter Market Offered Rate (LIBOR).

At the year end the balance outstanding was £1,985,132 (2004 : £Nil).