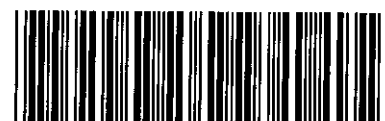


C. J. O'Shea Group Limited
Consolidated Financial Statements
for the year ended 31st March 2006

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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

Contents

	Page
Directors' report	1 - 3
Independent auditors' report	4 - 5
Consolidated profit and loss account	6
Consolidated balance sheet	7
Company balance sheet	8
Consolidated cash flow statement	9
Notes to the financial statements	10 - 29

C. J. O'Shea Group Limited

Directors' report for the year ended 31st March 2006

The directors present their report and the financial statements for the year ended 31st March 2006.

Principal activities

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

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

Review of the business and future developments

It has been a good trading year for the group with increases in both turnover and profit and this forthcoming year is expected to deliver similar results. We expect the current upturn in the construction industry to continue and the group has sufficient contracted work to meet its targets with the resources in place to manage and execute the work.

Principal risks and uncertainties facing the group

The principal risk for the group is that the current buoyancy in the construction industry will reduce which would have an impact on both our turnover and operating profit. Raw material price fluctuations and shortages are a continuing risk as is the competitiveness in attracting and retaining the highly skilled workforce the industry now demands.

Financial instruments

The group's principal financial instruments comprise bank deposits, overdraft and loans, short term investments, obligations under finance leases together with trade debtors and trade creditors that arise directly from its obligations.

Credit risk

The group's credit risk is primarily attributable to amounts recoverable on contracts, plant hire debtors and monies due from related undertakings. Contract debtors are managed by the regular monitoring of progress on contract work and contract payment applications. Related undertaking debtors are closely monitored by management ensuring that adequate security is maintained for outstanding monies.

Liquidity risk

The group has cash on deposit at bank and there is no deemed liquidity risk in the foreseeable future.

Key performance indicators

The key financial highlights for the group are as follows:

	2006	2005	2004	2003
Turnover (£)	42,100,773	27,485,931	20,731,720	19,002,725
Turnover growth (%)	53.17	32.58	9.10	(5.11)
Net profit margin (%)	10.90	7.92	5.44	10.57
Profit before tax (£)	4,589,365	2,175,890	1,127,644	2,007,741

Results and dividends

The profit of the group for the year after taxation was £3,354,288 (2005 : £1,549,238). The directors do not recommend payment of a dividend.

C. J. O'Shea Group Limited

Directors' report for the year ended 31st March 2006

..... continued

Fixed assets

The movements in fixed assets are set out in note 11 to these financial statements.

Employment of disabled persons

The group continues its policy regarding the employment of disabled persons and fair consideration is given to applications for employment by disabled persons having regard to their particular aptitudes and abilities.

Health and safety at work

The group has a policy for securing the health, safety and welfare at work of its employees and for protecting other persons against the risks to health or safety arising out of or in connection with activities at work of those employees. Health and safety training courses are carried out on a regular basis by independent specialist consultants.

Payments of creditors

Terms and conditions of payment and supply are agreed in advance with suppliers and subcontractors and the group endeavours to adhere to its side of the arrangements. In line with normal practice in the industry general suppliers are paid at the end of the month following the month of supply. Other terms may apply in some cases.

Directors and their interests

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

	Ordinary shares £1 each	
	2006	2005
C. J. O'Shea, Esq.	100,000	100,000
A. O'Shea, Mrs.	100,000	100,000
R. A. O'Connor, Esq.	-	-

Charitable donations

Charitable donations of £24,205 (2005 : £9,497) were made during the year for local charities based in the UK.

C. J. O'Shea Group Limited

Directors' report for the year ended 31st March 2006

..... continued

Statement of directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 of the profit or loss of the company and the group 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 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 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.

Disclosure of information to auditors

At the date of making this report each of the company's directors, as set out on the company information page, confirm the following:

- so far as the director is aware, there is no relevant information needed by the company's auditors in connection with preparing their report of which the company's auditors are unaware, and
- each director has taken all the steps that he ought to have taken as a director in order to make themselves aware of any relevant information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

Auditors

The company has by elective resolution under Section 386(1) of the Companies Act 1985 dispensed with annual reappointment of the auditors. Riordan O'Sullivan & Co. will be deemed to be reappointed for each succeeding financial year.

This report was approved by the Board on 15th December 2006 and signed on its behalf by:


C.J. O'Shea, Esq.
Director

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 2006 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.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

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 (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 International Standards on Auditing (UK and Ireland) 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.

C. J. O'Shea Group Limited

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

..... continued

Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the affairs of the company and group as at 31st March 2006 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.

Riordan O'Sullivan & Co.
Chartered Certified Accountants
Registered Auditors
40 Chamberlayne Road
London
NW10 3JE
Date: 15th December 2006

C. J. O'Shea Group Limited

**Consolidated profit and loss account
for the year ended 31st March 2006**

	Notes	2006 £	2005 £
Turnover	2	42,100,773	27,485,931
Cost of sales		(35,013,891)	(23,526,526)
Gross profit		<u>7,086,882</u>	<u>3,959,405</u>
Administrative expenses		(3,888,070)	(2,154,525)
Rent receivable		32,592	58,370
Income from fixed asset investments	12	<u>293,919</u>	<u>-</u>
Operating profit	3	<u>3,525,323</u>	<u>1,863,250</u>
Profit on sale of land and buildings	5	308,020	165,078
Share of results of associated undertaking	12	<u>49,745</u>	<u>42,379</u>
Profit on ordinary activities before interest		<u>3,883,088</u>	<u>2,070,707</u>
Dividend receivable	4	421,350	24,106
Interest receivable and similar income	6	582,466	361,679
Interest payable and similar charges	7	(297,539)	(280,602)
Profit on ordinary activities before taxation		<u>4,589,365</u>	<u>2,175,890</u>
Tax on profit on ordinary activities	10	<u>(1,235,077)</u>	<u>(626,652)</u>
Profit on ordinary activities after taxation being retained profit for the year		<u><u>3,354,288</u></u>	<u><u>1,549,238</u></u>

There are no recognised gains or losses other than the profit or loss for the above two financial years.

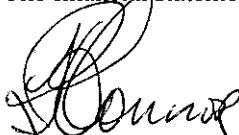
The notes on pages 10 to 29 form part of these financial statements.

C. J. O'Shea Group Limited

**Consolidated balance sheet
as at 31st March 2006**

	Notes	2006 £	2005 £
Fixed assets			
Tangible assets	11	4,450,923	3,967,437
Investments	12	1,235,773	1,326,456
Investment in joint venture	12	174,698	-
		<u>5,861,394</u>	<u>5,293,893</u>
Current assets			
Stocks	14	843,523	1,854,547
Debtors	15	12,977,862	9,212,561
Investments	16	3,295,216	897,691
Cash at bank and in hand		8,546,490	5,138,042
		<u>25,663,091</u>	<u>17,102,841</u>
Creditors: amounts falling due within one year	17	(17,162,121)	(11,541,457)
Net current assets		<u>8,500,970</u>	<u>5,561,384</u>
Total assets less current liabilities		<u>14,362,364</u>	<u>10,855,277</u>
Creditors: amounts falling due after more than one year	18	(511,379)	(348,723)
Provision for liabilities	20	(323,255)	(235,732)
Net assets		<u><u>13,527,730</u></u>	<u><u>10,270,822</u></u>
Capital and reserves			
Called up share capital	21	200,000	200,000
Revaluation reserve	22	64,714	162,094
Profit and loss account	22	13,263,016	9,908,728
Equity shareholders' funds	23	<u><u>13,527,730</u></u>	<u><u>10,270,822</u></u>

The financial statements were approved by the Board on 15th December 2006 and signed on its behalf by:


 _____ Director
 Rory O'Connor, Esq.

The notes on pages 10 to 29 form part of these financial statements.

C. J. O'Shea Group Limited

**Balance sheet
as at 31st March 2006**

	Notes	2006 £	2005 £
Fixed assets			
Tangible assets	11	180,000	449,361
Investments	12	100,234	100,234
		<u>280,234</u>	<u>549,595</u>
Current assets			
Debtors	15	917,109	480,756
Cash at bank and in hand		3,569,538	3,792,601
		<u>4,486,647</u>	<u>4,273,357</u>
Creditors: amounts falling due within one year	17	(97,371)	(453,770)
Net current assets		<u>4,389,276</u>	<u>3,819,587</u>
Net assets		<u><u>4,669,510</u></u>	<u><u>4,369,182</u></u>
Capital and reserves			
Called up share capital	21	200,000	200,000
Revaluation reserve	22	64,714	162,094
Profit and loss account	22	4,404,796	4,007,088
Equity shareholders' funds	23	<u><u>4,669,510</u></u>	<u><u>4,369,182</u></u>

The financial statements were approved by the Board on 15th December 2006 and signed on its behalf by:



Director

Rory O'Connor, Esq.

The notes on pages 10 to 29 form part of these financial statements.

C. J. O'Shea Group Limited

**Consolidated cash flow statement
for the year ended 31st March 2006**

	Notes	2006 £	2005 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		3,525,323	1,863,250
Depreciation		556,516	413,749
Loss/(profit) on sale of fixed assets		7,505	(4,702)
Profit on sale of current asset investments		(292,824)	(222,884)
Decrease in provision for liabilities		-	(1,400,000)
Decrease in stocks		1,011,024	2,290,117
Increase in debtors		(3,765,301)	(2,721,760)
Increase in creditors		4,575,016	344,593
Net cash inflow from operating activities		<u>5,617,259</u>	<u>562,363</u>

CONSOLIDATED CASH FLOW STATEMENT

Net cash inflow from operating activities		5,617,259	562,363
Returns on investments and servicing of finance	24	706,277	105,183
Taxation	24	(538,467)	(439,068)
Capital disposals, expenditure and financial investments	24	405,192	3,613,018
Acquisitions and disposals of fixed asset investments	24	(42,400)	241,041
		<u>6,147,861</u>	<u>4,082,537</u>
Management of liquid resources	24	(2,397,525)	(615,909)
Financing	24	304,888	2,119,541
Increase in cash in the year		<u>4,055,224</u>	<u>5,586,169</u>

Reconciliation of net cash flow to movement in net funds (note 25)

Increase in cash in the year	4,055,224	5,586,169
Cash outflow from change in debt and lease financing	(304,888)	(2,119,541)
Cash inflow from change in liquid resources	2,397,525	615,909
	<u>6,147,861</u>	<u>4,082,537</u>
Change in net debt resulting from cash flows	6,147,861	4,082,537
New finance leases	(949,236)	(658,445)
Movement in net funds in the year	5,198,625	3,424,092
Net debt at 1st April 2005	(613,555)	(4,037,647)
Net funds at 31st March 2006	<u>4,585,070</u>	<u>(613,555)</u>

C. J. O'Shea Group Limited

Notes to the financial statements for the year ended 31st March 2006

1. Accounting Policies

1.1. Basis of accounting

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 2006 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:

Buildings	- over 50 years
Plant and equipment	- over 4 to 7 years

No depreciation is provided on freehold land.

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 2006

..... 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. 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.

1.9. Stocks

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

Long term contract balances	-	Cost of direct materials, labour and attributable overheads. Provision is made for any anticipated losses expected to arise on contract work
Land and properties for development	-	Lower of cost and net realisable value
Completed developments	-	Lower of cost and net realisable value
Consumables and spares	-	Purchase price on a first-in, first-out basis

1.10. Amounts recoverable on contracts

Amounts recoverable on contracts, which are included in debtors, are stated at the net sales value of the work done to date after provisions for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments received on account.

1.11. 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.

1.12. 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. Deferred taxation is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and law 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 2006

..... continued

1.13. 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 the 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

2006	2005
£	£

Operating profit is stated after charging / (crediting):

Depreciation of tangible fixed assets

- owned by the group	390,103	331,377
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- held under hire purchase contracts	166,413	82,372
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Loss/(profit) on disposal of tangible fixed assets	7,505	(4,702)
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Profit on disposal of current asset investments	(292,824)	(222,884)
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Loss/(gain) on foreign exchange transactions	61,685	(43,562)
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Auditors' remuneration

- for audit services	40,000	35,000
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- for other services	25,626	8,000
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4. Dividend receivable

	Group		Company	
	2006	2005	2006	2005
	£	£	£	£
Dividend receivable from associated undertaking	11,328	-	11,328	-
Dividend receivable from current asset investments	55,022	24,106	-	-
Dividend receivable from fixed asset investment (note 12)	355,000	-	-	-
	<u>421,350</u>	<u>24,106</u>	<u>11,328</u>	<u>-</u>

C. J. O'Shea Group Limited

**Notes to the financial statements
for the year ended 31st March 2006**

..... continued

5. Profit on sale of land and buildings

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

	2006	2005
	£	£
Disposal proceeds	480,000	4,365,000
Cost	(269,360)	(983,894)
Revaluation reserve released	97,380	(3,216,028)
Net profit	<u>308,020</u>	<u>165,078</u>

6. Interest receivable and similar income

	Group		Company	
	2006	2005	2006	2005
	£	£	£	£
Bank interest	234,281	123,353	179,066	40,569
Loan interest from related undertakings	334,083	238,326	-	-
Other interest	14,102	-	-	-
	<u>582,466</u>	<u>361,679</u>	<u>179,066</u>	<u>40,569</u>

7. Interest payable and similar charges

	Group		Company	
	2006	2005	2006	2005
	£	£	£	£
Interest on bank loans and overdrafts	236,801	248,125	1,458	13,657
Hire purchase interest	60,738	29,947	-	-
Interest on other loan	-	2,351	-	-
Other interest	-	179	-	69
	<u>297,539</u>	<u>280,602</u>	<u>1,458</u>	<u>13,726</u>

C. J. O'Shea Group Limited

Notes to the financial statements for the year ended 31st March 2006

..... continued

8. Employees

Number of employees	Group	
	2006 Number	2005 Number
The average number of employees during the year were:		
Directors	4	4
Direct labour	102	92
Administrative and technical	80	60
	<u>186</u>	<u>156</u>
Employment costs		
	2006 £	2005 £
Wages and salaries	6,890,098	4,992,309
Social security costs	526,492	336,757
Pension costs	98,251	99,130
	<u>7,514,841</u>	<u>5,428,196</u>

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

8.1. Directors' emoluments

	Group	
	2006 £	2005 £
Remuneration and other emoluments	275,094	212,491
Pension costs	8,071	3,260
	<u>283,165</u>	<u>215,751</u>
	Number	Number
Number of directors to whom retirement benefits are accruing under a money purchase scheme	<u>1</u>	<u>1</u>
Highest paid director	£	£
Amounts included above:		
Remuneration and other emoluments	272,057	204,898
Pension costs	8,071	3,260
	<u>280,128</u>	<u>208,158</u>

C. J. O'Shea Group Limited

Notes to the financial statements for the year ended 31st March 2006

..... continued

9. 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 £98,251 (2005 : £99,130). At the balance sheet date, contributions of £15,253 (2005 : £36,187) were due to the fund.

10. Taxation

	Group		Company	
	2006 £	2005 £	2006 £	2005 £
UK Corporation tax - current year	1,147,554	545,754	93,760	72,365
Deferred tax charge	87,523	80,898	-	-
	<u>1,235,077</u>	<u>626,652</u>	<u>93,760</u>	<u>72,365</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	4,589,365	2,175,890	491,468	259,472
Group share of profit in associated undertakings	(49,745)	(42,379)	-	-
	<u>4,539,620</u>	<u>2,133,511</u>	<u>491,468</u>	<u>259,472</u>
Profit on ordinary activities multiplied by standard rate (30%)	1,361,886	640,053	147,440	77,842
Effects of:				
Chargeable gains	42,125	45,528	42,125	45,528
Expenses not deductible for tax purposes	34,734	13,478	-	-
Income not chargeable to corporation tax	4,461	(21,021)	-	-
Accrued pension	(6,280)	-	-	-
Capital allowance for the year in excess of depreciation	(81,582)	(80,072)	-	-
Profit on disposal of fixed assets	(92,406)	(50,934)	(92,406)	(49,523)
Franked investment income	(123,514)	-	(3,399)	-
Marginal relief	-	(6,260)	-	(1,482)
Share of tax in associated undertakings (note 12)	8,130	4,982	-	-
Current tax charge for the year	<u>1,147,554</u>	<u>545,754</u>	<u>93,760</u>	<u>72,365</u>

C. J. O'Shea Group Limited

**Notes to the financial statements
for the year ended 31st March 2006**

..... continued

11. Tangible fixed assets

a) Group	Freehold land and buildings	Freehold investment properties	Plant and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost / valuation					
At 1st April 2005	966,840	449,360	8,209,600	484,220	10,110,020
Additions	-	-	1,321,595	37,758	1,359,353
Disposals	-	(269,360)	(54,023)	(60,596)	(383,979)
At 31st March 2006	<u>966,840</u>	<u>180,000</u>	<u>9,477,172</u>	<u>461,382</u>	<u>11,085,394</u>
Depreciation					
At 1st April 2005	256,992	-	5,495,112	390,479	6,142,583
On disposals	-	-	(23,922)	(40,706)	(64,628)
Charge for the year	15,339	-	505,075	36,102	556,516
At 31st March 2006	<u>272,331</u>	<u>-</u>	<u>5,976,265</u>	<u>385,875</u>	<u>6,634,471</u>
Net book value					
At 31st March 2006	<u>694,509</u>	<u>180,000</u>	<u>3,500,907</u>	<u>75,507</u>	<u>4,450,923</u>
At 31st March 2005	<u>709,848</u>	<u>449,360</u>	<u>2,714,488</u>	<u>93,741</u>	<u>3,967,437</u>

Cost or valuation at 31st March 2006 is represented by:

Cost	966,840	15,346	9,477,172	461,382	10,920,740
Valuation	-	164,654	-	-	164,654
	<u>966,840</u>	<u>180,000</u>	<u>9,477,172</u>	<u>461,382</u>	<u>11,085,394</u>

The net book value of tangible fixed assets includes an amount of £1,768,779 (2005 : £981,108) 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 in excess of that shown in these financial statements.

If freehold land and buildings and investment properties had not been revalued they would have been included at £982,186 (2005 : £1,154,166).

C. J. O'Shea Group Limited

**Notes to the financial statements
for the year ended 31st March 2006**

..... continued

11. Tangible fixed assets

b) Company

	Freehold investment properties	Plant and equipment	Total
	£	£	£
Cost / valuation			
At 1st April 2005	449,360	5,755	455,115
Disposals	(269,360)	(5,755)	(275,115)
At 31st March 2006	<u>180,000</u>	<u>-</u>	<u>180,000</u>
Depreciation			
At 1st April 2005	-	5,754	5,754
On disposals	-	(5,754)	(5,754)
at 31st March 2006	<u>-</u>	<u>-</u>	<u>-</u>
Net book value			
At 31st March 2006	<u>180,000</u>	<u>-</u>	<u>180,000</u>
At 31st March 2005	<u>449,360</u>	<u>1</u>	<u>449,361</u>

Cost or valuation at 31st March 2006 is represented by:

Valuation	164,654	-	164,654
Cost	15,346	-	15,346
	<u>180,000</u>	<u>-</u>	<u>180,000</u>

Freehold land and buildings are shown at valuation, and include investment properties of £180,000 (2005 : £449,360).

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 £15,346 (2005 : £187,326).

C. J. O'Shea Group Limited

**Notes to the financial statements
for the year ended 31st March 2006**

..... continued

12. Fixed asset investments	2006	2005
(a) Group	£	£
(i) Investment in associated undertaking	380,469	338,854
(ii) Investment in participating interests		
- Finstart Limited	1	214,799
- Blendpack Limited	772,803	772,803
- Poplar Business Park	82,500	-
	<u>1,235,773</u>	<u>1,326,456</u>
(iii) Investment in joint venture		
- Fitzroy (Heath) LLP	174,698	-
	<u>174,698</u>	<u>-</u>
(i) Investment in associated undertaking		
Balance brought forward	338,854	301,457
Share of current year's trading profit	49,745	42,379
Taxation (note 10)	(8,130)	(4,982)
Balance carried forward	<u>380,469</u>	<u>338,854</u>
(ii) Investment in participating interests		
Finstart Limited		
Share holding	1	1
Project loans	214,798	459,689
Repayment of project loans	(214,798)	(244,891)
	<u>1</u>	<u>214,799</u>

This investment was in a joint venture company established for the purpose of a commercial property development. This development has been completed and disposed during the year. During the year the group was repaid the full project loan of £214,798 and its share of profit amounting to £293,919 from the joint venture.

C. J. O'Shea Group Limited

**Notes to the financial statements
for the year ended 31st March 2006**

..... continued

Blendpack Limited

	2006	2005
	£	£
Cost of share holding	732,807	732,807
Project loan	39,996	39,996
	<u>772,803</u>	<u>772,803</u>

This investment was in a joint venture company established for the purpose of a mixed residential and commercial property development. During the year the development was completed and all the residential units were sold. The ground floor commercial block remains unsold. It is expected that there will be a full recovery of the investment, together with a substantial profit when the developments is fully realised from this project. During the year the group received £355,000 of dividend distribution from the investment and subsequent to the year end a further £330,000 was received.

Poplar Business Park

This investment of £82,500 was in a joint arrangement established for the purpose of a commercial property development. This development is expected to be completed in August 2009. The group owns 15% of the share of this venture.

(iii) Investment in joint venture

Fitzroy (Heath) LLP

	2006	2005
	£	£
Share of gross assets	2,116,615	-
Share of gross liabilities	(1,941,917)	-
Cost of member's capital	<u>174,698</u>	<u>-</u>

This investment was in a joint venture LLP established for the purpose of a residential property development with the group having a 50% equity interest therein. This development is expected to be completed in April 2007 and two out of three residential units therein are conditionally pre-sold with substantial deposits paid, one before year end and one after year end.

(b) Company

Investment in subsidiary and associated undertakings:	2006	2005
	£	£
Balance brought forward	100,234	100,234
Balance carried forward	<u>100,234</u>	<u>100,234</u>

C. J. O'Shea Group Limited

**Notes to the financial statements
for the year ended 31st March 2006**

..... continued

12.1. 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 for the year
	£	£
Finstart Limited	(53)	6,563
Blendpack Limited	<u>1,837,517</u>	<u>1,207,509</u>

13. 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 2006 were as follows:

	£	£
- Share capital		10,003
- Profit and loss account		
- brought forward	1,379,677	
- profits for the year	<u>88,415</u>	
		<u>1,468,092</u>
Equity shareholders' funds		<u>1,478,095</u>
<u>Incorporated in the Republic of Ireland</u>		
Redgrave Limited	Dormant	100%

C. J. O'Shea Group Limited

**Notes to the financial statements
for the year ended 31st March 2006**

..... continued

14. Stocks	Group	
	2006	2005
	£	£
Consumables and spares	61,030	59,489
Long term contract balances	295,878	1,323,443
Land and properties for development	486,615	471,615
	<u>843,523</u>	<u>1,854,547</u>

15. Debtors	Group		Company	
	2006	2005	2006	2005
	£	£	£	£
Due within one year:				
Amounts recoverable on contracts	4,757,824	3,373,272	-	-
Due from group undertakings	-	-	539,859	105,544
Due from associated undertaking	370,726	371,102	370,726	371,102
Due from related undertakings (note 30 c, d & e)	7,092,580	4,745,602	-	-
Other debtors	596,566	562,447	-	-
Prepayments and accrued income	160,166	160,138	6,524	4,110
	<u>12,977,862</u>	<u>9,212,561</u>	<u>917,109</u>	<u>480,756</u>

Other debtors include an amount of £210,522 (2005 : £325,268) relating to a refund of VAT.

16. Current asset investments	Group		Company	
	2006	2005	2006	2005
	£	£	£	£
Listed investments	3,284,207	766,682	-	-
Other unlisted investments	11,009	131,009	-	-
	<u>3,295,216</u>	<u>897,691</u>	<u>-</u>	<u>-</u>
Market valuation of listed investments	<u>3,311,271</u>	<u>740,067</u>	<u>-</u>	<u>-</u>

C. J. O'Shea Group Limited

**Notes to the financial statements
for the year ended 31st March 2006**

..... continued

**17. Creditors: amounts falling due
within one year**

	Group		Company	
	2006	2005	2006	2005
	£	£	£	£
Bank overdrafts (secured)	1,017,698	1,664,474	-	-
Bank loans (secured)	1,875,000	3,627,858	-	200,112
Other loan (secured)	3,231,938	645,762	-	-
Net obligations under finance leases and hire purchase contracts	620,621	362,471	-	-
Trade creditors	5,446,950	3,921,706	-	-
Amounts owed to group undertaking	-	-	-	173,498
Corporation tax	904,683	303,726	93,760	76,676
Other taxes and social security costs	272,717	273,801	-	-
Other creditors (note 30 f)	340,145	458,186	-	-
Accruals and deferred income	3,452,369	283,473	3,611	3,484
	<u>17,162,121</u>	<u>11,541,457</u>	<u>97,371</u>	<u>453,770</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 land and properties for development included 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.

Other loan of £3,231,938 (2005 : £645,762) is a stockbroking facility for the purchase of current asset quoted investments. The balance on this account fluctuates with acquisitions or disposals of such stocks and is secured on the investments held.

**18. Creditors: amounts falling due
after more than one year**

	Group	
	2006	2005
	£	£
Net obligations under finance leases and hire purchase contracts	<u>511,379</u>	<u>348,723</u>

C. J. O'Shea Group Limited

**Notes to the financial statements
for the year ended 31st March 2006**

..... continued

19. Obligations under hire purchase contracts

The maturity of these amounts is as follows:

	2006	2005
	£	£
Amounts payable:		
Within one year	671,946	396,617
Between two and five years	532,080	363,322
	<u>1,204,026</u>	<u>759,939</u>
Less: Finance charges allocated to future periods	(72,026)	(48,745)
	<u><u>1,132,000</u></u>	<u><u>711,194</u></u>

Hire purchase contracts are analysed as follows:

Current obligations	620,621	362,471
Non-current obligations	511,379	348,723
	<u><u>1,132,000</u></u>	<u><u>711,194</u></u>

The hire purchase obligations are secured on the assets concerned.

20. Provisions for liabilities

The movements on the provision are as follows:

	Group	
	2006	2005
	£	£
Balance brought forward	235,732	1,554,834
Deferred tax charged to profit and loss account	87,523	80,898
Employee benefit trust	-	(1,400,000)
Balance carried forward	<u><u>323,255</u></u>	<u><u>235,732</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. J. O'Shea Group Limited

**Notes to the financial statements
for the year ended 31st March 2006**

..... continued

21. Share capital	2006	2005
	£	£
Authorised equity		
500,000 Ordinary shares £1 each	<u>500,000</u>	<u>500,000</u>
 Allotted, called up and fully paid equity		
200,000 Ordinary shares £1 each	<u>200,000</u>	<u>200,000</u>
 22. Reserves	Revaluation reserve	Profit and loss account
	£	£
a) Group		
At 1st April 2005	162,094	9,908,728
Released on disposal	(97,380)	-
Profit for the year	<u>-</u>	<u>3,354,288</u>
At 31st March 2006	<u>64,714</u>	<u>13,263,016</u>
 b) Company		
At 1st April 2005	162,094	4,007,088
Released on disposal	(97,380)	-
Profit for the year	<u>-</u>	<u>397,708</u>
At 31st March 2006	<u>64,714</u>	<u>4,404,796</u>

C. J. O'Shea Group Limited

**Notes to the financial statements
for the year ended 31st March 2006**

..... continued

23. Reconciliation of movements in shareholders' funds

	2006	2005
	£	£
a) Group		
Group profit for the year	3,354,288	1,549,238
Release of revaluation reserve	(97,380)	-
Net addition to shareholders' funds	3,256,908	1,549,238
Opening shareholders' funds	10,270,822	8,721,584
Closing shareholders' funds	<u>13,527,730</u>	<u>10,270,822</u>
b) Company		
Profit for the year	397,708	187,107
Release of revaluation reserve	(97,380)	-
Net addition to shareholders' funds	300,328	187,107
Opening shareholders' funds	4,369,182	4,182,075
Closing shareholders' funds	<u>4,669,510</u>	<u>4,369,182</u>

C. J. O'Shea Group Limited

**Notes to the financial statements
for the year ended 31st March 2006**

..... continued

24. Gross cash flows	2006	2005
	£	£
Returns on investments and servicing of finance		
Interest received	582,466	361,679
Interest paid	(236,801)	(250,655)
Interest element of finance lease rental payments	(60,738)	(29,947)
Dividends received	421,350	24,106
	<u>706,277</u>	<u>105,183</u>
Taxation		
Corporation tax paid	<u>(538,467)</u>	<u>(439,068)</u>
Capital disposals, expenditure and financial investments		
Payments to acquire tangible assets	(410,117)	(1,025,484)
Receipts from sales of tangible assets	522,485	4,415,618
Receipts from sales of investments	292,824	222,884
	<u>405,192</u>	<u>3,613,018</u>
Acquisitions and disposals of fixed asset investments		
Receipts from participating interest	214,798	244,891
Payments to participating interest	(257,198)	(3,850)
	<u>(42,400)</u>	<u>241,041</u>
Management of liquid resources		
Receipts from sales of short term investments	10,775,909	150,103
Payments to acquire short term investments	(13,173,434)	(766,012)
	<u>(2,397,525)</u>	<u>(615,909)</u>
Financing		
New bank loan	-	2,645,000
Other new short term loans	3,231,938	645,762
Repayment of short term bank loan	(1,752,858)	-
Loan repayments	-	(688,376)
Repayment of other short term loans	(645,762)	(160,000)
Capital element of hire purchase contracts	(528,430)	(322,845)
	<u>304,888</u>	<u>2,119,541</u>

C. J. O'Shea Group Limited

Notes to the financial statements for the year ended 31st March 2006

..... continued

25. Analysis of changes in net funds	Opening balance £	Cash flows £	Other changes £	Closing balance £
Cash at bank and in hand	5,138,042	3,408,448	-	8,546,490
Overdrafts	(1,664,474)	646,776	-	(1,017,698)
	<u>3,473,568</u>	<u>4,055,224</u>	<u>-</u>	<u>7,528,792</u>
Liquid resources	<u>897,691</u>	<u>2,397,525</u>	<u>-</u>	<u>3,295,216</u>
Debt due within one year	(4,273,620)	(833,318)	-	(5,106,938)
Finance leases	(711,194)	528,430	(949,236)	(1,132,000)
	<u>(4,984,814)</u>	<u>(304,888)</u>	<u>(949,236)</u>	<u>(6,238,938)</u>
Net (debt) / funds	<u>(613,555)</u>	<u>6,147,861</u>	<u>(949,236)</u>	<u>4,585,070</u>

26. Capital commitments

There were no capital commitments either authorised or contracted for at the balance sheet date (2005 : £Nil).

27. Contingent liabilities

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

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 2006

..... continued

30. Related parties transactions	2006	2005
	£	£
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)
C. J. O'Shea (Plant Hire) Limited, a 100% subsidiary	105,544	105,544
	<u>105,544</u>	<u>(67,954)</u>

The following amounts were due from its associated undertaking:

Tramore Properties Limited	<u>370,726</u>	<u>371,102</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
C. J. O'Shea (Plant Hire) Limited	-	41,250

(b) C. J. O'Shea and Company Limited paid £Nil (2005 : £2,351) interest for the loan from C. J. O'Shea Retirement Fund and £1,700,973 (2005 : £1,185,000) for plant hire charges from C. J. O'Shea (Plant Hire) Limited.

(c) During the year ended 31st March 2004, 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 2% above the varying bank base rate.

At the balance sheet date, a total of £2,565,446 had been drawn-down against the facility and the total balance outstanding was £2,921,754 (2005 : £2,760,470).

(d) During the year C. J. O'Shea and Company Limited made a further loan of £1,471,350 to a property development company incorporated and resident in the United Kingdom. Both companies are under the common ownership of C. J. O'Shea, Esq. and his family.

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

At the year end the total balance outstanding was £3,629,731 (2005 : £1,985,132).

C. J. O'Shea Group Limited

**Notes to the financial statements
for the year ended 31st March 2006**

..... continued

- (e) During the year, C. J. O'Shea and Company Limited made a loan of £541,095 to a property development Limited Liability Partnership incorporated in the United Kingdom. C. J. O'Shea and Company Limited has a 50% equity interest in this venture.

At the year end the balance outstanding was £541,095 (2005 : £Nil).

- (f) C. J. O'Shea (Plant Hire) Limited occupies premises owned by Lohar Limited Liability Partnership, an entity controlled by the director, C. J. O'Shea, Esq. and his family. An arm's length commercial rent of £265,000 per annum is charged and at the balance sheet date £142,802 (2005 : £72,472) was outstanding.