

C. J. O'Shea Group Limited
Consolidated Financial Statements
for the year ended 31st March 2007

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COMPANIES HOUSE

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 W1J 6AA
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 2007

The directors present their report and the financial statements of the company and its subsidiaries for the year ended 31st March 2007

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 plant to the construction industry (C J O'Shea (Plant Hire) Limited)

Business review

The group has continued to expand over the last 12 months with a steady growth in turnover. The gross profit margin was maintained at a satisfactory level. The forthcoming year is expected to deliver similar results. 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. Amounts owed by related undertakings 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

	2007	2006	2005	2004
Turnover (£)	47,233,170	42,100,773	27,485,931	20,731,720
Turnover growth (%)	12.19	53.17	32.58	9.10
Net profit margin (%)	9.54	10.06	7.92	5.44
Profit before tax (£)	4,504,676	4,234,365	2,175,890	1,127,644

Results and dividends

The profit of the group for the year after taxation was £2,894,810 (2006 £2,999,288). The directors do not recommend payment of a dividend.

C. J. O'Shea Group Limited

Directors' report for the year ended 31st March 2007

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

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	
	2007	2006
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 £27,490 (2006 £24,205) were made during the year to charities in the UK

C. J. O'Shea Group Limited

Directors' report for the year ended 31st March 2007

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

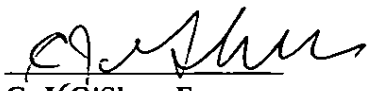
At the date of making this report each of the company's directors, as set out on the company information page, confirm the following

- 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 17th March 2008 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 2007 which comprise the profit and loss account, the balance sheet, the cashflow 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

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 whether, in our opinion, the information given in the directors' report is consistent with the financial statements.

In addition, we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

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

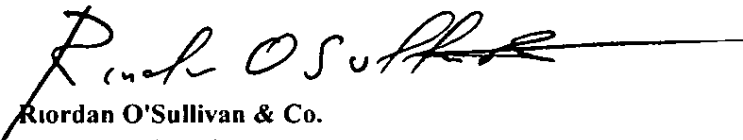
Independent auditors' report to the shareholders of C. J. O'Shea Group Limited

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 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements



Riordan O'Sullivan & Co.
Chartered Certified Accountants
Registered Auditors
40 Chamberlayne Road
London
NW10 3JE

Date: 17. 03. 2008

C. J. O'Shea Group Limited

**Consolidated profit and loss account
for the year ended 31st March 2007**

		2007	2006
			as
			restated
	Notes	£	£
Turnover	2	47,233,170	42,100,773
Cost of sales		(39,460,935)	(35,013,891)
Gross profit		7,772,235	7,086,882
Administrative expenses		(4,482,118)	(3,855,478)
Income from fixed asset investments		-	293,919
Operating profit	3	3,290,117	3,525,323
Profit on sale of property	5	-	308,020
Share of operating profit in associated undertaking	12	184,739	49,745
Share of operating loss in joint ventures		(232,355)	-
Profit on ordinary activities before interest		3,242,501	3,883,088
Income from other fixed and current asset investments	4	748,520	66,350
Interest receivable and similar income	6	739,547	582,466
Interest payable and similar charges	7	(225,892)	(297,539)
Profit on ordinary activities before taxation		4,504,676	4,234,365
Tax on profit on ordinary activities	10	(1,609,866)	(1,235,077)
Profit on ordinary activities after taxation		<u>2,894,810</u>	<u>2,999,288</u>
being retained profit for the year		<u>2,894,810</u>	<u>2,999,288</u>

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

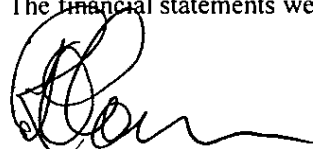
The notes on pages 10 to 29 form part of these financial statements.

C. J. O'Shea Group Limited

**Consolidated balance sheet
as at 31st March 2007**

		2007	2006 as restated
	Notes	£	£
Fixed assets			
Tangible assets	11	7,073,470	4,450,923
Investments	12	1,198,817	1,287,975
		<u>8,272,287</u>	<u>5,738,898</u>
Current assets			
Stocks	14	716,472	843,523
Debtors	15	18,672,415	13,060,362
Investments	16	6,684,465	3,295,216
Cash at bank and in hand		7,261,303	8,546,490
		<u>33,334,655</u>	<u>25,745,591</u>
Creditors: amounts falling due within one year	17	(24,492,978)	(17,477,125)
Net current assets		<u>8,841,677</u>	<u>8,268,466</u>
Total assets less current liabilities		17,113,964	14,007,364
Creditors: amounts falling due after more than one year	18	(490,492)	(511,379)
Provision for liabilities	20	(555,932)	(323,255)
Net assets		<u>16,067,540</u>	<u>13,172,730</u>
Capital and reserves			
Called up share capital	21	200,000	200,000
Revaluation reserve	22	64,714	64,714
Profit and loss account	22	15,802,826	12,908,016
Equity shareholders' funds	23	<u>16,067,540</u>	<u>13,172,730</u>

The financial statements were approved by the Board on 17th March 2008 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 2007**

	Notes	2007 £	2006 £
Fixed assets			
Tangible assets	11	180,000	180,000
Investments	12	100,234	100,234
		<u>280,234</u>	<u>280,234</u>
Current assets			
Debtors	15	978,184	917,109
Cash at bank and in hand		3,671,962	3,569,538
		<u>4,650,146</u>	<u>4,486,647</u>
Creditors: amounts falling due within one year	17	(59,985)	(97,371)
Net current assets		<u>4,590,161</u>	<u>4,389,276</u>
Net assets		<u>4,870,395</u>	<u>4,669,510</u>
Capital and reserves			
Called up share capital	21	200,000	200,000
Revaluation reserve	22	64,714	64,714
Profit and loss account	22	4,605,681	4,404,796
Equity shareholders' funds	23	<u>4,870,395</u>	<u>4,669,510</u>

The financial statements were approved by the Board on 11th March 2008 and signed on its behalf by



Rory O'Connor, Esq Director

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 2007

	2007	2006 as restated
Notes	£	£
Reconciliation of operating profit to net cash inflow from operating activities		
Operating profit	3,290,117	3,525,323
Depreciation and disposal of tangible fixed assets	688,012	564,021
Profit on sale of current asset investments	(311,942)	(292,824)
Decrease in stocks	127,051	1,011,024
Increase in debtors	(5,612,053)	(3,847,801)
Increase in creditors	4,323,917	4,890,020
Net cash inflow from operating activities	<u>2,505,102</u>	<u>5,849,763</u>

CONSOLIDATED CASH FLOW STATEMENT

Net cash inflow from operating activities		2,505,102	5,849,763
Returns on investments and servicing of finance	29	1,271,675	351,277
Taxation	29	(1,114,305)	(538,467)
Capital disposals, expenditure and financial investments	29	(2,325,617)	405,192
Acquisitions and disposals of fixed asset investments	29	-	80,096
		<u>336,855</u>	<u>6,147,861</u>
Management of liquid resources	29	(3,389,249)	(2,397,525)
Financing	29	1,332,799	304,888
(Decrease)/increase in cash in the year		<u>(1,719,595)</u>	<u>4,055,224</u>

Reconciliation of net cash flow to movement in net funds (note 30)

(Decrease)/increase in cash in the year	(1,719,595)	4,055,224
Cash inflow from change in debt and lease financing	(1,332,799)	(304,888)
Cash outflow from change in liquid resources	3,389,249	2,397,525
	<u>336,855</u>	<u>6,147,861</u>
Change in net funds resulting from cash flows	(673,000)	(949,236)
New finance leases		
Movement in net funds in the year	(336,145)	5,198,625
Net funds at 1st April 2006	<u>4,585,070</u>	<u>(613,555)</u>
Net funds at 31st March 2007	<u>4,248,925</u>	<u>4,585,070</u>

C. J. O'Shea Group Limited

Notes to the financial statements for the year ended 31st March 2007

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 2007 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, plus the invoiced value of plant hire, plant sales and income from properties let exclusive of value added tax. It excludes inter-company sales.

Turnover and related costs are recorded as contract activity progresses. For long term contracts an appropriate proportion of the anticipated profit is recognised reflecting the work carried out to the balance sheet date, and when the final outcome is reasonably certain.

1.4. 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
Motor vehicles	- over 4 years

1.5. 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.

1.6. Investments

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

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

C J. O'Shea Group Limited

Notes to the financial statements for the year ended 31st March 2007

continued

1.7. 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.

1.8. Stocks

Stocks comprise of

(i) properties acquired for development together with work in progress on these properties. These assets are included at the lower of cost and net realisable value. Cost for this purpose consists of purchase cost of the land and buildings and the development expenditure.

(ii) Contract work in progress which is valued at the cost of direct materials, labour and attributable overheads.

(iii) Consumables and spares which are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving items.

1.9 Amounts recoverable on contracts

Amounts recoverable on contracts, which are included in debtors, are stated at the value of the work done to date after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as deferred income. Turnover and related costs are recorded as contract activity progresses and for long term contracts an appropriate proportion of the anticipated profit is recognised reflecting the work carried out to the balance sheet date, and where the final outcome is reasonably certain.

1.10 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.

1.11. 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.

1.12 Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange at the balance sheet date. Transactions in foreign currencies are translated into sterling at the date of the transactions. Exchange differences are taken into account in arriving at operating profit.

C. J. O'Shea Group Limited

**Notes to the financial statements
for the year ended 31st March 2007**

continued

1.13. Restatement of comparatives

Income from fixed asset investments has been restated in the consolidated profit and loss account, consolidated balance sheet and consolidated cash flow statement to reflect the true nature of monies received from a joint venturer and, in the opinion of the directors, this complies with the disclosure in the corresponding entity's financial statements

2. Turnover

Turnover represents the measured value of contract work done, plant sales and hire income, exclusive of value added tax and they were all derived from UK operations

3. Operating profit

	2007	2006
	£	£
Operating profit is stated after charging / (crediting)		
Depreciation of tangible fixed assets		
- owned by the group	497,332	390,103
- held under hire purchase contracts	203,187	166,413
(Profit)/loss on disposal of tangible fixed assets	(12,507)	7,505
Profit on disposal of current asset investments	(311,942)	(292,824)
(Gain)/loss on foreign exchange transactions	(59,489)	61,685
Auditors' remuneration		
- for audit services	63,000	50,000
- for consultancy services	16,700	15,626
Bad and doubtful debts	264,811	55,070

4. Income from other fixed and current asset investments

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Dividend receivable from associated undertaking	74,788	11,328	74,788	11,328
Dividend receivable from current asset investments	148,662	55,022	-	-
Dividend receivable from joint venturer	525,070	-	-	-
	<u>748,520</u>	<u>66,350</u>	<u>74,788</u>	<u>11,328</u>

C J. O'Shea Group Limited

**Notes to the financial statements
for the year ended 31st March 2007**

continued

5. Profit on sale of property

The profit on sale of property is made up of

	2007	2006
	£	£
Disposal proceeds	-	480,000
Cost	-	(269,360)
Revaluation reserve released	-	97,380
Net profit	<u>-</u>	<u>308,020</u>

6. Interest receivable and similar income

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Bank interest	343,457	234,281	172,685	179,066
Loan interest from related undertakings	396,090	334,083	-	-
Other interest	-	14,102	-	-
	<u>739,547</u>	<u>582,466</u>	<u>172,685</u>	<u>179,066</u>

7. Interest payable and similar charges

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Interest on bank loans and overdrafts	113,561	236,801	-	1,458
Hire purchase interest	67,921	60,738	-	-
Other interest	44,410	-	-	-
	<u>225,892</u>	<u>297,539</u>	<u>-</u>	<u>1,458</u>

C. J. O'Shea Group Limited

**Notes to the financial statements
for the year ended 31st March 2007**

continued

8. Staff costs (Group)

	2007	2006
	£	£
Staff costs, including directors' remuneration, were as follows		
Wages and salaries	6,462,992	6,214,700
Social security costs	582,436	526,492
Other pension costs	118,984	98,251
	<u>7,164,412</u>	<u>6,839,443</u>

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

The average number of employees (including directors) during the year were as follows

Directors	4	4
Direct labour	76	91
Administrative and technical	74	77
	<u>154</u>	<u>172</u>

8.1. Directors' emoluments

	Group	
	2007	2006
	£	£
Remuneration and other emoluments	1,276,323	274,037
Contribution under money purchase scheme	9,605	8,071
	<u>1,285,928</u>	<u>282,108</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	1,276,323	272,057
Contribution under money purchase scheme	9,605	8,071
	<u>1,285,928</u>	<u>280,128</u>

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 payable by the group to the fund and amounted to £118,984 (2006 £98,251). At the balance sheet date, contributions of £1,257 (2006 £15,253) were due to the fund.

C. J. O'Shea Group Limited

**Notes to the financial statements
for the year ended 31st March 2007**

continued

10. Taxation	Group		Company	
	2007 £	2006 £	2007 £	2006 £
UK Corporation tax - current year	1,017,189	1,147,554	54,042	93,760
- prior year	360,000	-	-	-
Total current tax charge	1,377,189	1,147,554	54,042	93,760
Deferred tax charge	232,677	87,523	-	-
	<u>1,609,866</u>	<u>1,235,077</u>	<u>54,042</u>	<u>93,760</u>

The tax assessed for the year is higher 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	4,504,676	4,234,365	254,927	491,468
Group share of profit in associated undertaking	(184,739)	(49,745)	-	-
Group share of loss in joint ventures	232,355	-	-	-
	<u>4,552,292</u>	<u>4,184,620</u>	<u>254,927</u>	<u>491,468</u>
Profit on ordinary activities multiplied by standard rate (30%)	1,365,688	1,255,386	76,478	147,440
Effects of:				
Chargeable gains	-	42,125	-	42,125
Expenses not deductible for tax purposes	61,306	34,734	-	-
Income not chargeable to corporation tax	16,123	4,461	-	-
Accrued pension	(4,199)	(6,280)	-	-
Capital allowance for the year in excess of depreciation	(234,592)	(81,582)	-	-
Profit on disposal of fixed assets	(16,051)	(92,406)	-	(92,406)
Franked investment income	(212,628)	(17,014)	(22,436)	(3,399)
Adjustment for prior year	360,000	-	-	-
Share of tax in associated undertaking	41,542	8,130	-	-
Current tax charge for the year	<u>1,377,189</u>	<u>1,147,554</u>	<u>54,042</u>	<u>93,760</u>

C. J. O'Shea Group Limited

**Notes to the financial statements
for the year ended 31st March 2007**

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 2006	966,840	180,000	9,477,172	461,382	11,085,394
Additions	-	-	3,404,965	69,127	3,474,092
Disposals	(93,440)	-	(56,000)	(58,830)	(208,270)
At 31st March 2007	<u>873,400</u>	<u>180,000</u>	<u>12,826,137</u>	<u>471,679</u>	<u>14,351,216</u>
Depreciation					
At 1st April 2006	272,331	-	5,976,265	385,875	6,634,471
On disposals	(29,906)	-	(8,200)	(19,138)	(57,244)
Charge for the year	13,468	-	649,112	37,939	700,519
At 31st March 2007	<u>255,893</u>	<u>-</u>	<u>6,617,177</u>	<u>404,676</u>	<u>7,277,746</u>
Net book value					
At 31st March 2007	<u>617,507</u>	<u>180,000</u>	<u>6,208,960</u>	<u>67,003</u>	<u>7,073,470</u>
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>

Cost or valuation at 31st March 2007 is represented by

Cost	873,400	-	12,826,137	471,679	14,171,216
Valuation	-	180,000	-	-	180,000
	<u>873,400</u>	<u>180,000</u>	<u>12,826,137</u>	<u>471,679</u>	<u>14,351,216</u>

The net book value of tangible fixed assets includes an amount of £2,154,021 (2006 £1,768,779) in respect of assets held under hire purchase contracts

The directors have 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 investment properties had not been revalued they would have been included at cost of £15,346 (2006 £15,346)

C. J. O'Shea Group Limited

**Notes to the financial statements
for the year ended 31st March 2007**

continued

11. Tangible fixed assets

b) Company

	Freehold investment properties £
Valuation	
At 1st April 2006 and At 31st March 2007	<u>180,000</u>
Net book value	
At 31st March 2007	<u>180,000</u>
At 31st March 2006	<u>180,000</u>

If freehold land and buildings and investment properties had not been revalued they would have been included at cost of £15,346 (2006 £15,346)

C. J O'Shea Group Limited

**Notes to the financial statements
for the year ended 31st March 2007**

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12. Fixed asset investments	2007	2006
(a) Group	£	£
(i) Investment in associated undertaking	523,666	380,469
(ii) Investment in participating interests		
- Finstart Limited	1	1
- Blendpack Limited	732,807	732,807
(iii) Investment in joint ventures		
- Fitzroy (Heath) LLP	171,473	174,698
- Boatport Limited	(155,888)	-
- Freshplant Limited	(73,242)	-
	<u>1,198,817</u>	<u>1,287,975</u>
 (i) Investment in associated undertaking	 2007	 2006
	£	£
Balance brought forward	380,469	338,854
Share of current year's trading profit	184,739	49,745
Taxation	(41,542)	(8,130)
Balance carried forward	<u>523,666</u>	<u>380,469</u>
 (ii) Investment in undertakings which the group has participating interests		
(a) Finstart Limited	2007	2006
	£	£
Cost of shareholding	1	1
Project loans	-	214,798
Repayment of project loans	-	(214,798)
	<u>1</u>	<u>1</u>
 (b) Blendpack Limited	 2007	 2006
	£	£
Cost of shareholding	732,807	732,807
Project loan	-	39,996
Repayment of project loans	-	(39,996)
	<u>732,807</u>	<u>732,807</u>

This investment was in a joint venture company established for the purpose of a mixed residential and commercial property development. The development was completed and all the residential units were sold. The ground floor commercial block remains unsold.

During the year the group received a dividend of £525,070 (2006 £Nil) from the investment.

C. J. O'Shea Group Limited

**Notes to the financial statements
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continued

(iii) Investment in joint ventures

(a) Fitzroy (Heath) LLP

	2007	2006
	£	£
Share of gross assets	3,400,231	2,269,175
Share of gross liabilities	(3,228,758)	(2,094,477)
	<u>171,473</u>	<u>174,698</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 has been completed in November 2007. Two out of three residential units therein are conditionally pre-sold with substantial deposits paid.

(b) Boatport Limited

	2007	2006
	£	£
Share of gross assets	2,432,844	-
Share of gross liabilities	(2,588,732)	-
	<u>(155,888)</u>	<u>-</u>

This investment was in a joint venture company 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.

(c) Freshplant Limited

	2007	2006
	£	£
Share of gross assets	1,581,222	-
Share of gross liabilities	(1,654,464)	-
	<u>(73,242)</u>	<u>-</u>

This investment was in a joint venture company established for the purpose of a mixed residential and commercial property development. The group owns 12.5% of the share of this venture.

12. (b) Company

	2007	2006
	£	£
Investment in subsidiary and associated undertakings		
Balance brought forward	<u>100,234</u>	<u>100,234</u>
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 2007**

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12.1 Holdings of 20% or more

The group 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	Dormant	Ordinary	33%
Blendpack Limited	England and Wales	Property development	Ordinary	50%

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	Profit for the year
	£	£
Blendpack Limited	<u>1,824,761</u>	<u>502,395</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 2007 were as follows

	£	£
- Share capital		10,003
- Profit and loss account		
- brought forward	1,468,092	
- profits for the year	<u>201,205</u>	
		<u>1,669,297</u>
Equity shareholders' funds		<u>1,679,300</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 2007**

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14. Stocks	Group	
	2007	2006
	£	£
Consumables and spares	64,844	61,030
Contract work in progress	165,013	295,878
Development land and properties	486,615	486,615
	<u>716,472</u>	<u>843,523</u>

15 Debtors	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Amounts recoverable on contracts	8,534,291	4,757,824	-	-
Due from group undertakings	-	-	597,708	539,859
Due from associated undertaking	372,665	370,726	372,665	370,726
Due from related undertakings	7,238,201	7,175,080	-	-
Due from joint venturers	1,126,594	-	-	-
Other debtors	1,163,570	596,566	-	-
Prepayments and accrued income	237,094	160,166	7,811	6,524
	<u>18,672,415</u>	<u>13,060,362</u>	<u>978,184</u>	<u>917,109</u>

Other debtors include an amount of £829,068 (2006 £210,522) relating to VAT refund

16. Current asset investments	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Listed investments	6,673,456	3,284,207	-	-
Other unlisted investments	11,009	11,009	-	-
	<u>6,684,465</u>	<u>3,295,216</u>	<u>-</u>	<u>-</u>
Market valuation of listed investments	<u>6,656,201</u>	<u>3,311,271</u>	<u>-</u>	<u>-</u>

The listed investments have been acquired through a stockbroking facility and at the balance sheet date the amount owing under this facility was £5,281,637 (2006 £3,231,938)

C J. O'Shea Group Limited

**Notes to the financial statements
for the year ended 31st March 2007**

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

	Group		Company	
	2007	2006	2007	2006
	£	£	£	£
Bank overdrafts (secured)	1,452,106	1,017,698	-	-
Bank loans (secured)	1,875,000	1,875,000	-	-
Other loan (secured)	5,281,637	3,231,938	-	-
Net obligations under finance leases and hire purchase contracts	597,608	620,621	-	-
Trade creditors	4,923,763	5,525,904	-	-
Amounts owed to related undertaking	160,302	142,802	-	-
Amounts owed to joint venturer	119,934	315,004	-	-
Corporation tax	1,135,525	904,683	54,042	93,760
Other taxes and social security costs	844,632	272,717	-	-
Other creditors	340,993	118,389	-	-
Accruals and deferred income	7,761,478	3,452,369	5,943	3,611
	<u>24,492,978</u>	<u>17,477,125</u>	<u>59,985</u>	<u>97,371</u>

The bank loans and overdrafts are repayable on demand and are secured by

- (i) Debenture on the assets of group undertakings
- (ii) Legal charge over deposits held with the group's bankers
- (iii) Group cross guarantees totalling £5,000,000

Other loan of £5,281,637 (2006 £3,231,938) is stockbroking facility (see note 16)

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

	Group	
	2007	2006
	£	£
Net obligations under finance leases and hire purchase contracts	<u>490,492</u>	<u>511,379</u>

C. J. O'Shea Group Limited

**Notes to the financial statements
for the year ended 31st March 2007**

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19 Obligations under hire purchase contracts

The maturity of these amounts is as follows

	2007	2006
	£	£
Amounts payable		
Within one year	644,523	671,946
Between two and five years	505,862	532,080
	<u>1,150,385</u>	<u>1,204,026</u>
Less Finance charges allocated to future periods	(62,285)	(72,026)
	<u><u>1,088,100</u></u>	<u><u>1,132,000</u></u>

Hire purchase contracts are analysed as follows

Current obligations	597,608	620,621
Non-current obligations	490,492	511,379
	<u><u>1,088,100</u></u>	<u><u>1,132,000</u></u>

20. Provision for liabilities

Deferred taxation on accelerated capital allowances are as follows

	Group	
	2007	2006
	£	£
Balance brought forward	323,255	235,732
Deferred tax charged to profit and loss account	232,677	87,523
Balance carried forward	<u><u>555,932</u></u>	<u><u>323,255</u></u>

21. Share capital

	2007	2006
	£	£
Authorised equity		
500,000 Ordinary shares £1 each	<u><u>500,000</u></u>	<u><u>500,000</u></u>
Allotted, called up and fully paid equity		
200,000 Ordinary shares £1 each	<u><u>200,000</u></u>	<u><u>200,000</u></u>

C. J. O'Shea Group Limited

**Notes to the financial statements
for the year ended 31st March 2007**

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22. Reserves

	Revaluation reserve	Profit and loss account
	£	£
a) Group		
At 1st April 2006 as previously stated	64,714	13,263,016
Prior year adjustment	-	(355,000)
At 1st April 2006 as restated	<u>64,714</u>	<u>12,908,016</u>
Profit for the year	-	2,894,810
At 31st March 2007	<u><u>64,714</u></u>	<u><u>15,802,826</u></u>

Reserves brought forward at 1st April 2006 have been restated to exclude repayments of £355,000 received from a joint venturer, these repayments were incorrectly accounted for as franked investment income. For the year ended 31st March 2007 an amount of £525,070 received is included as franked investment income from the same joint venturer.

b) Company

At 1st April 2006	64,714	4,404,796
Profit for the year	-	200,885
At 31st March 2007	<u><u>64,714</u></u>	<u><u>4,605,681</u></u>

23. Reconciliation of movements in shareholders' funds

	2007	2006
	£	£
a) Group		
Shareholders' funds at 1st April as previously stated	13,527,730	10,270,822
Prior year adjustment	(355,000)	
	<u>13,172,730</u>	<u>10,270,822</u>
Group profit for the year	2,894,810	2,999,288
Release of revaluation reserve	-	(97,380)
Closing shareholders' funds	<u><u>16,067,540</u></u>	<u><u>13,172,730</u></u>
b) Company		
Profit for the year	200,885	397,708
Release of revaluation reserve	-	(97,380)
Net addition to shareholders' funds	<u>200,885</u>	<u>300,328</u>
Opening shareholders' funds	<u>4,669,510</u>	<u>4,369,182</u>
Closing shareholders' funds	<u><u>4,870,395</u></u>	<u><u>4,669,510</u></u>

C. J. O'Shea Group Limited

**Notes to the financial statements
for the year ended 31st March 2007**

continued

24 Other commitments

At 31st March 2007 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2007	2006
	£	£
Expiry date:		
Between one and five years	<u>220,000</u>	<u>220,000</u>

25. Capital commitments

There were no capital commitments either authorised or contracted for at the balance sheet date (2006 £Nil)

26. Contingent liabilities

The group has entered into performance bonds with recourse in favour of third parties. The maximum total potential liability is £8,990,453 (2006 £Nil). These contingent liabilities are not expected to give rise to any material loss as they are fully insured.

27 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.

28 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 2007**

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29 Gross cash flows	2007	2006
	£	£
Returns on investments and servicing of finance		
Interest received	739,547	582,466
Interest paid	(148,471)	(236,801)
Interest element of finance lease rental payments	(67,921)	(60,738)
Dividends received	748,520	66,350
	<u>1,271,675</u>	<u>351,277</u>
Taxation		
Corporation tax paid	<u>(1,114,305)</u>	<u>(538,467)</u>
Capital disposals, expenditure and financial investments		
Payments to acquire tangible assets	(2,801,092)	(410,117)
Receipts from sales of tangible assets	163,533	522,485
Receipts from sales of investments	311,942	292,824
	<u>(2,325,617)</u>	<u>405,192</u>
Acquisitions and disposals of fixed asset investments		
Receipts from participating interest	-	254,794
Payments to participating interest	-	(174,698)
	<u>-</u>	<u>80,096</u>
Management of liquid resources		
Receipts from sale of short term investments	7,710,442	10,775,909
Payments to acquire short term investments	(11,099,691)	(13,173,434)
	<u>(3,389,249)</u>	<u>(2,397,525)</u>
Financing		
Other new short term loans	11,072,703	3,231,938
Repayment of short term bank loan	-	(1,752,858)
Repayment of other short term loans	(9,023,004)	(645,762)
Capital element of hire purchase contracts	(716,900)	(528,430)
	<u>1,332,799</u>	<u>304,888</u>

C. J. O'Shea Group Limited

**Notes to the financial statements
for the year ended 31st March 2007**

continued

30. Analysis of changes in net funds	Opening balance £	Cash flows £	Other changes £	Closing balance £
Cash at bank and in hand	8,546,490	(1,285,187)	-	7,261,303
Overdrafts	(1,017,698)	(434,408)	-	(1,452,106)
	<u>7,528,792</u>	<u>(1,719,595)</u>	<u>-</u>	<u>5,809,197</u>
Liquid resources	<u>3,295,216</u>	<u>3,389,249</u>	<u>-</u>	<u>6,684,465</u>
Debt due within one year	(5,106,938)	(2,049,699)	-	(7,156,637)
Finance leases	(1,132,000)	716,900	(673,000)	(1,088,100)
	<u>(6,238,938)</u>	<u>(1,332,799)</u>	<u>(673,000)</u>	<u>(8,244,737)</u>
Net funds	<u><u>4,585,070</u></u>	<u><u>336,855</u></u>	<u><u>(673,000)</u></u>	<u><u>4,248,925</u></u>

C. J. O'Shea Group Limited

Notes to the financial statements for the year ended 31st March 2007

continued

31. Related party transactions	2007 £	2006 £
At the balance sheet date the following amounts were owed from group undertakings		
C J O'Shea and Company Limited, a 100% subsidiary	492,164	434,315
C J O'Shea (Plant Hire) Limited, a 100% subsidiary	105,544	105,544
	<u>597,708</u>	<u>539,859</u>
The following amounts were due from an associated undertaking		
Tramore Properties Limited	<u>372,665</u>	<u>370,726</u>
During the year		
(a) C J O'Shea and Company Limited paid £2,287,783 (2006 £1,700,973) for plant hire charges to C J O'Shea (Plant Hire) Limited		
(b) C J O'Shea and Company Limited has given a loan facility to an associated property development company incorporated in the Republic of Ireland Both companies are under the common control of 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% above the varying bank base rate		
As at 31st March 2007 the balance owed to C J O'Shea and Company Limited was £3,096,891 (2006 £2,921,754)		
(c) C J O'Shea and Company Limited has given a loan facility to a property development company incorporated 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 1% above the London Inter Bank Offered Rate (LIBOR)		
As at 31st March 2007 the balance owed to C J O'Shea and Company Limited was £4,139,184 (2006 £3,629,731)		
(d) C J O'Shea and Company Limited owns a 50% equity interest in a United Kingdom registered joint venture entity whose principal activity is residential property development		
As at 31st March 2007 the balance owed to C J O'Shea and Company Limited was £524,094 (2006 £541,095)		
C J O'Shea and Company Limited carried out contract work for the joint venture entity amounting to £2,009,913 (2006 £915,360)		

C. J. O'Shea Group Limited

**Notes to the financial statements
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- (e) C J O'Shea and Company Limited owns a 50% equity interest in a United Kingdom registered company whose principal activity is residential and commercial property development

C J O'Shea and Company Limited received a dividend payment of £525,070 (2006 £Nil) As at 31st March 2007 the balance owed by C J O'Shea and Company Limited was £119,934 (2006 £315,004)

- (f) C J O'Shea and Company Limited owns a 15% interest in a United Kingdom registered joint venture entity whose principal activity is commercial property development

As at 31st March 2007 the balance owed to C J O'Shea and Company Limited was £82,500 (2006 £Nil)

C J O'Shea and Company Limited carried out contract work for the joint venture entity amounting to £3,085,398 (2006 £Nil)

- (g) C J O'Shea and Company Limited owns a 12.5% interest in a United Kingdom registered joint venture entity whose principal activity is commercial property development

As at 31st March 2007 the balance owed to C J O'Shea and Company Limited was £602,500 (2006 £Nil)

C J O'Shea and Company Limited carried out contract work for the joint venture entity amounting to £58,594 (2006 £Nil)

- (h) C J O'Shea (Plant Hire) Limited occupies a yard owned by an entity controlled by C J O'Shea, Esq., and his family. An arm's length commercial rent of £220,000 per annum is charged

As at 31st March 2007 the balance owed by C J O'Shea (Plant Hire) Limited was £160,302 (2006 £142,802)