

C. J. O'Shea Group Limited
Consolidated Financial Statements
for the year ended 31st March 2008



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 2008

The directors present their report and the audited financial statements of the company and its subsidiaries for the year ended 31st March 2008.

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 and building contractors, property development and management of liquid resources (C. J. O'Shea and Company Limited), and hire of plant to the construction industry (C. J. O'Shea (Plant Hire) Limited).

Results and dividends

The results of the group for the year are set out on page 7 of these financial statements. The directors do not recommend payment of a dividend.

Business review

The directors consider the results achieved on ordinary activities to be satisfactory. Despite the economic downturn trading prospects for the forthcoming year are very encouraging because of the level of contract work already secured. The liquidity of the group remains strong and the group is well equipped to take advantage of opportunities that will come its way.

Key performance indicators

The key financial highlights for the company are as follows:

	2008	2007	2006	2005
Turnover (£)	73,034,425	47,233,170	42,100,773	27,485,931
Turnover growth (%)	54.63	12.19	53.17	32.58
Net profit margin (%)	8.27	9.54	10.06	7.92
Profit before tax (£)	6,042,521	4,504,676	4,234,365	2,175,890

Principal risks and uncertainties

The group does not utilize complex financial instruments or hedging mechanism. Its principal financial instruments comprise bank deposits, overdrafts, a stockbroking facility, short term investments, finance leases together with trade debtors and trade creditors that arise directly from its obligations.

Whilst the group is generally risk-averse there are always risks associated with the activities of building contract work and property development. The principal risk for the group is a downturn in the property market, as is currently being experienced, resulting in building development works being deferred or cancelled. This is likely to ultimately result in lower levels of turnover and more competitive margins. The likelihood of increased bad debts from failing companies in the industry is also greater.

The credit difficulty in the banking industry is a new uncertainty that is likely to have an impact on business confidence and activity levels.

Commercial risk

Every contract is continually reviewed for performance and risk to the group. The global economic position is well understood by the directors. Whilst the directors will monitor the market conditions closely the group is confident that it will secure sufficient workload in the foreseeable future.

C. J. O'Shea Group Limited
Directors' report
for the year ended 31st March 2008

..... continued

Interest rate risk

Apart from a stockbroking facility relating to CFD transactions, the group has minimal bank borrowings.

Liquidity risk

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

Credit risk

The group's credit risk is primarily attributable to amounts recoverable on contracts and plant hire, monies due from related undertakings, trade creditors and subcontractors.

Contract debtors are managed by the regular monitoring of progress on contract work and contract payment applications. Debtors due from related undertakings are closely monitored by management ensuring that adequate security is maintained for outstanding monies.

Trade creditors and subcontractors' liquidity is managed by ensuring sufficient funds are available to meet amounts due.

Fixed assets

The movements in fixed assets are set out in note 12 to these financial statements.

Employee involvement and training

The group is committed to encouraging the involvement of its employees in the improvement of processes and efficiency within the group. A management structure that allows an employee to follow a career path is in place and key changes in the business are implemented via working parties comprising employee representatives and the group's management.

The group has implemented an in-house training system that allows the group to identify gaps in skill levels or technical knowledge and delivers the required training in a timely manner. This system will allow employees to monitor their own progress in improving their skills at any level or occupation.

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

During the year the group has achieved accreditation to SPECC (Specialists Concrete Contractors) Limited. 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.

Environment

The group remains committed to seeking ways of minimizing the impact of its business operations upon the environment.

Policies for carbon reduction, waste removal and recycling together with formal accreditation to SPECC Limited all work together to achieve these objectives.

C. J. O'Shea Group Limited

Directors' report for the year ended 31st March 2008

..... continued

Quality Management

The group continues to be accredited to SPECC Limited having been audited on its systems and processes. The group's systems are continually reviewed to enable it to implement changes both through forward planning and historical review process.

The group has invested in new technology to streamline its information flow. This will enable employees to share information amongst themselves and with external parties in a more efficient manner. The group has fully reviewed its supply chain and has in conjunction with its key suppliers and subcontractors implemented a formal process of measurement of performance at every level in order to gain improvement in performance and value.

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.

The average number of days in which suppliers and subcontractors are paid are:

Trade creditors - 30 days

Subcontractors - 25 days

Close company status

The company is a close company within the provision of the Income and Corporation Taxes Act 1988.

Directors and their interests

The directors who served during the year are:

C. J. O'Shea, Esq.

A. O'Shea, Mrs.

R. A. O'Connor, Esq.

Charitable and political contributions

Charitable donations of £8,675 (2007 : £27,490) were made by the group during the year to charities based in the UK. There were no political contributions.

C. J. O'Shea Group Limited

**Directors' report
for the year ended 31st March 2008**

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Statement of directors' responsibilities

The directors are responsible for preparing the annual report and 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 group and the company and of the profit or loss of the group for that period. 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 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 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

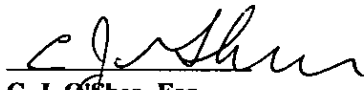
At the date of making this report each of the company's directors, as set out on the company information page, confirm the following:

- 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 13/02/2009 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 2008 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

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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 2008 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: 13.02.2009

C. J. O'Shea Group Limited

**Consolidated profit and loss account
for the year ended 31st March 2008**

	Notes	2008 £	2007 £
Turnover	2	73,034,425	47,233,170
Cost of sales		(64,866,289)	(39,460,935)
Gross profit		8,168,136	7,772,235
Administrative expenses		(4,206,685)	(4,794,060)
Other operating income	3	548,288	460,604
Share of operating profit/(loss) in joint ventures	8	287,475	(232,355)
Operating profit	4	4,797,214	3,206,424
Share of operating profit in associated undertaking	13	83,738	184,739
Profit on ordinary activities before interest		4,880,952	3,391,163
Income from other fixed asset investments	5	103,029	599,858
Interest receivable and similar income	6	1,305,013	739,547
Interest payable and similar charges	7	(246,473)	(225,892)
Profit on ordinary activities before taxation		6,042,521	4,504,676
Tax on profit on ordinary activities	11	(1,900,855)	(1,609,866)
Profit on ordinary activities after taxation being retained profit for the year		<u>4,141,666</u>	<u>2,894,810</u>

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

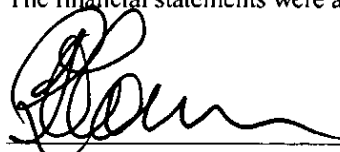
The notes on pages 11 to 30 form part of these financial statements.

C. J. O'Shea Group Limited

**Consolidated balance sheet
as at 31st March 2008**

	Notes	2008 £	2007 £
Fixed assets			
Tangible assets	12	9,035,388	7,073,470
Investments	13	837,112	1,198,817
		<u>9,872,500</u>	<u>8,272,287</u>
Current assets			
Stocks	15	586,408	716,472
Debtors	16	24,719,376	18,672,415
Investments	17	3,183,414	1,606,237
Cash at bank and in hand		3,795,029	6,928,933
		<u>32,284,227</u>	<u>27,924,057</u>
Creditors: amounts falling due within one year	18	(20,251,137)	(19,082,380)
Net current assets		<u>12,033,090</u>	<u>8,841,677</u>
Total assets less current liabilities		<u>21,905,590</u>	<u>17,113,964</u>
Creditors: amounts falling due after more than one year	19	(860,414)	(490,492)
Provision for liabilities	21	(835,970)	(555,932)
Net assets		<u><u>20,209,206</u></u>	<u><u>16,067,540</u></u>
Capital and reserves			
Called up share capital	22	200,000	200,000
Revaluation reserve	23	64,714	64,714
Profit and loss account	23	19,944,492	15,802,826
Equity shareholders' funds	24	<u><u>20,209,206</u></u>	<u><u>16,067,540</u></u>

The financial statements were approved by the Board on 13/02/2009 and signed on its behalf by:



Rory O'Connor, Esq. Director

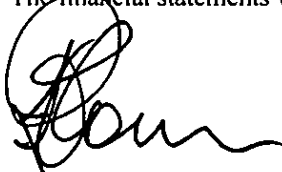
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C. J. O'Shea Group Limited

**Balance sheet
as at 31st March 2008**

	Notes	2008 £	2007 £
Fixed assets			
Tangible assets	12	180,000	180,000
Investments	13	100,234	100,234
		<u>280,234</u>	<u>280,234</u>
Current assets			
Debtors	16	3,852,149	978,184
Cash at bank and in hand		1,032,575	3,671,962
		<u>4,884,724</u>	<u>4,650,146</u>
Creditors: amounts falling due within one year	18	(69,419)	(59,985)
Net current assets		<u>4,815,305</u>	<u>4,590,161</u>
Net assets		<u>5,095,539</u>	<u>4,870,395</u>
 Capital and reserves			
Called up share capital	22	200,000	200,000
Revaluation reserve	23	64,714	64,714
Profit and loss account	23	4,830,825	4,605,681
Equity shareholders' funds	24	<u>5,095,539</u>	<u>4,870,395</u>

The financial statements were approved by the Board on 13/02/2009 and signed on its behalf by:



Director

Rory O'Connor, Esq.

The notes on pages 11 to 30 form part of these financial statements.

C. J. O'Shea Group Limited

**Consolidated cash flow statement
for the year ended 31st March 2008**

	Notes	2008 £	2007 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		4,797,214	3,206,424
Depreciation and disposal of tangible fixed assets		979,141	688,012
Share of operating loss in joint ventures (non-cash item)		327,346	232,355
Decrease in stocks		130,064	127,051
Increase in debtors		(6,046,961)	(5,612,053)
Increase in creditors		3,451,070	4,323,917
Net cash inflow from operating activities		<u>3,637,874</u>	<u>2,965,706</u>

CONSOLIDATED CASH FLOW STATEMENT

Net cash inflow from operating activities		3,637,874	2,965,706
Returns on investments and servicing of finance	30	1,161,569	1,123,013
Taxation	30	(1,320,855)	(1,114,305)
Capital disposals, expenditure and financial investments	30	(887,445)	(2,637,559)
Disposals of fixed asset investments	30	100,000	-
		<u>2,691,143</u>	<u>336,855</u>
Management of liquid resources	30	3,704,460	1,688,979
Financing	30	(8,261,637)	(3,948,838)
Decrease in cash in the year		<u>(1,866,034)</u>	<u>(1,923,004)</u>

Reconciliation of net cash flow to movement in net funds (note 31)

Decrease in cash in the year	(1,866,034)	(1,923,004)
Cash outflow from change in debt and lease financing	8,261,637	3,948,838
Cash inflow from change in liquid resources	(3,704,460)	(1,688,979)
	<u>2,691,143</u>	<u>336,855</u>
Change in net funds resulting from cash flows	(2,053,614)	(673,000)
New finance leases		
Movement in net funds in the year	637,529	(336,145)
Net funds at 1st April 2007	4,248,925	4,585,070
Net funds at 31st March 2008	<u>4,886,454</u>	<u>4,248,925</u>

The notes on pages 11 to 30 form part of these financial statements.

C. J. O'Shea Group Limited

Notes to the financial statements for the year ended 31st March 2008

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 2008 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.

Listed and unlisted current asset investments are stated at lower of cost and estimated net realisable value. Other investments are stated at cost.

C. J. O'Shea Group Limited

Notes to the financial statements for the year ended 31st March 2008

..... 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) property acquired for development together with work in progress on the property. 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

Obligations for contributions to defined contribution pension plans are charged to the profit and loss account in the period to which the contributions relate.

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 tax balances are not discounted.

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.

1.13. Liquid resources

Liquid resources comprise of current asset investments.

C. J. O'Shea Group Limited

**Notes to the financial statements
for the year ended 31st March 2008**

..... continued

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. Other operating income
Group**

	2008	2007
	£	£
Income generated from current asset investments	<u>548,288</u>	<u>460,604</u>

4. Operating profit

	2008	2007
	£	£
Operating profit is stated after charging / (crediting):		
Depreciation of tangible fixed assets		
- owned by the group	<u>579,520</u>	<u>497,332</u>
- held under hire purchase contracts	<u>400,196</u>	<u>203,187</u>
Profit on disposal of tangible fixed assets	<u>(575)</u>	<u>(12,507)</u>
Loss/(gain) on foreign exchange transactions	<u>47,821</u>	<u>(59,489)</u>
Auditors' remuneration		
- audit	<u>69,000</u>	<u>63,000</u>
- taxation	<u>31,000</u>	<u>-</u>
- other	<u>25,000</u>	<u>16,700</u>
Bad and doubtful debts	<u>208,683</u>	<u>264,811</u>

5. Income from other fixed asset investments

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Dividend receivable from associated undertaking	103,029	74,788	103,029	74,788
Dividend receivable from joint venture	-	525,070	-	-
	<u>103,029</u>	<u>599,858</u>	<u>103,029</u>	<u>74,788</u>

C. J. O'Shea Group Limited

**Notes to the financial statements
for the year ended 31st March 2008**

..... continued

6. Interest receivable and similar income

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Bank interest	566,450	343,457	174,580	172,685
Loan interest from related undertakings	490,631	396,090	-	-
Loan interest from joint venture	247,932	-		
	<u>1,305,013</u>	<u>739,547</u>	<u>174,580</u>	<u>172,685</u>

7. Interest payable and similar charges

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Interest on bank loans and overdrafts	107,629	113,561	-	-
Hire purchase interest	122,208	67,921	-	-
Other sundry payments	16,636	44,410	2,983	-
	<u>246,473</u>	<u>225,892</u>	<u>2,983</u>	<u>-</u>

8. Share of operating profit/(loss) in joint ventures

	Group	
	2008	2007
	£	£
Share of operating profit received from joint ventures	614,821	-
Share of operating loss in joint ventures (non-cash item)	(327,346)	(232,355)
	<u>287,475</u>	<u>(232,355)</u>

C. J. O'Shea Group Limited

**Notes to the financial statements
for the year ended 31st March 2008**

..... continued

9. Staff costs (Group)

	2008	2007
	£	£
Staff costs, including directors' remuneration, were as follows:		
Wages and salaries	7,092,945	6,462,992
Social security costs	780,199	582,436
Pension costs	132,514	118,984
	<u>8,005,658</u>	<u>7,164,412</u>

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

The average number of employees (including directors) during the year was:

Directors	4	4
Direct labour	93	76
Administrative and technical	77	74
	<u>174</u>	<u>154</u>

9.1. Directors' emoluments

	Group	
	2008	2007
	£	£
Remuneration and other emoluments	1,117,886	1,276,323
Pension costs	11,206	9,605
	<u>1,129,092</u>	<u>1,285,928</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	1,117,886	1,276,323
Pension costs	11,206	9,605
	<u>1,129,092</u>	<u>1,285,928</u>

10. Pension costs

The group operates the defined contribution pension plans. Each member has their own policy. The assets of the pension plans are held separately from those of the group under the management of pension providers. The total pension cost charged to income of £132,514 (2007 : £118,984) represents contributions payable to the defined contribution pension plans by the group. At the balance sheet date, contributions of £Nil (2007 : £1,257) were due to the fund.

C. J. O'Shea Group Limited

**Notes to the financial statements
for the year ended 31st March 2008**

..... continued

11. Taxation	Group		Company	
	2008 £	2007 £	2008 £	2007 £
UK Corporation tax - current year	1,636,075	1,017,189	52,378	54,042
- prior year	(15,258)	360,000	-	-
Total current tax charge	1,620,817	1,377,189	52,378	54,042
Deferred tax charge	280,038	232,677	-	-
	<u>1,900,855</u>	<u>1,609,866</u>	<u>52,378</u>	<u>54,042</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	6,042,521	4,504,676	277,522	254,927
Group share of profit in associated undertaking	(83,738)	(184,739)	-	-
Group share of loss in joint ventures	327,346	232,355	-	-
	<u>6,286,129</u>	<u>4,552,292</u>	<u>277,522</u>	<u>254,927</u>
 Profit on ordinary activities multiplied by standard rate (30%)	 1,885,839	 1,365,688	 83,257	 76,478
Effects of:				
Expenses not deductible for tax purposes	49,441	61,306	30	-
Income not chargeable to corporation tax	-	16,123	-	-
Accrued pension	(2,991)	(4,199)	-	-
Capital allowance for the year in excess of depreciation	(259,850)	(234,592)	-	-
Profit on disposal of fixed assets	(173)	(16,051)	-	-
Franked investment income	(30,909)	(212,628)	(30,909)	(22,436)
Adjustment for prior year	15,258	360,000	-	-
Share of loan interest capitalised in joint venture	(23,378)	-	-	-
Share of tax in associated undertaking	18,096	41,542	-	-
Current tax charge for the year	<u>1,620,817</u>	<u>1,377,189</u>	<u>52,378</u>	<u>54,042</u>

C. J. O'Shea Group Limited

**Notes to the financial statements
for the year ended 31st March 2008**

..... continued

12. Tangible fixed assets

a) Group	Freehold land and buildings	Freehold investment properties	Plant and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost / valuation					
At 1st April 2007	873,400	180,000	12,826,137	471,679	14,351,216
Additions	-	-	2,843,036	154,650	2,997,686
Disposals	-	-	-	(186,421)	(186,421)
At 31st March 2008	<u>873,400</u>	<u>180,000</u>	<u>15,669,173</u>	<u>439,908</u>	<u>17,162,481</u>
Depreciation					
At 1st April 2007	255,893	-	6,617,177	404,676	7,277,746
On disposals	-	-	-	(130,369)	(130,369)
Charge for the year	13,468	-	929,545	36,703	979,716
At 31st March 2008	<u>269,361</u>	<u>-</u>	<u>7,546,722</u>	<u>311,010</u>	<u>8,127,093</u>
Net book value					
At 31st March 2008	<u>604,039</u>	<u>180,000</u>	<u>8,122,451</u>	<u>128,898</u>	<u>9,035,388</u>
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>

Cost or valuation at 31st March 2008 is represented by:

Cost	873,400	-	15,669,173	439,908	16,982,481
Valuation	-	180,000	-	-	180,000
	<u>873,400</u>	<u>180,000</u>	<u>15,669,173</u>	<u>439,908</u>	<u>17,162,481</u>

The net book value of tangible fixed assets includes an amount of £3,880,897 (2007 : £2,154,021) 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 (2007 : £15,346).

C. J. O'Shea Group Limited

**Notes to the financial statements
for the year ended 31st March 2008**

..... continued

12. Tangible fixed assets

b) Company

Valuation

At 1st April 2007 and

At 31st March 2008

**Freehold
investment
properties
£**

180,000

Net book value

At 31st March 2008

180,000

At 31st March 2007

180,000

If freehold land and buildings and investment properties had not been revalued they would have been included at cost of £15,346 (2007 : £15,346).

C. J. O'Shea Group Limited

**Notes to the financial statements
for the year ended 31st March 2008**

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13. Fixed asset investments	2008	2007
(a) Group	£	£
(i) Investment in associated undertaking	589,308	523,666
(ii) Investment in participating interests		
- Finstart Limited	-	1
- Blendpack Limited	732,807	732,807
(iii) Investment in joint ventures		
- Fitzroy (Heath) LLP	74,698	171,473
- Boatport Limited	(393,588)	(155,888)
- Freshplant Limited	(166,113)	(73,242)
	<u>837,112</u>	<u>1,198,817</u>

(i) Investment in associated undertaking

	2008	2007
	£	£
Balance brought forward	523,666	380,469
Share of current year's trading profit	83,738	184,739
Taxation	(18,096)	(41,542)
Balance carried forward	<u>589,308</u>	<u>523,666</u>

(ii) Investment in undertakings in which the group has participating interests

(a) Finstart Limited	2008	2007
	£	£
Cost of share holding	1	1
Write off nominal capital	(1)	-
	<u>-</u>	<u>1</u>

This joint venture company was dissolved on 5th February 2008.

(b) Blendpack Limited

	2008	2007
	£	£
Cost of shareholding	732,807	732,807
	<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 £Nil (2007 : £525,070) from this investment .

C. J. O'Shea Group Limited

**Notes to the financial statements
for the year ended 31st March 2008**

..... continued

(iii) Investment in joint ventures

(a) Fitzroy (Heath) LLP

	2008	2007
	£	£
Share of gross assets	1,454,906	3,400,231
Share of gross liabilities	(1,380,208)	(3,228,758)
	<u>74,698</u>	<u>171,473</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. Sale of two out of three residential units have been completed during the year and the group received its share of profit amounting to £538,454 together with interest receivable on members' fund amounting to £247,932. The remaining unit was sold subsequent to the year end.

(b) Boatport Limited

	2008	2007
	£	£
Share of gross assets	5,838,913	2,432,844
Share of gross liabilities	(6,232,501)	(2,588,732)
	<u>(393,588)</u>	<u>(155,888)</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

	2008	2007
	£	£
Share of gross assets	1,394,746	1,581,222
Share of gross liabilities	(1,560,859)	(1,654,464)
	<u>(166,113)</u>	<u>(73,242)</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.

13. (b) Company

Investment in subsidiary and associated undertakings:

	2008	2007
	£	£
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 2008**

..... continued

13.1. 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				
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>2,324,665</u>	<u>499,904</u>

14. 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 31st March 2008 were as follows:

	£	£
- Share capital		10,003
- Profit and loss account		
- brought forward	1,669,297	
- deficit after dividend	<u>(109,964)</u>	
		<u>1,559,333</u>
Equity shareholders' funds		<u>1,569,336</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 2008**

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15. Stocks	Group	
	2008	2007
	£	£
Consumables and spares	99,793	64,844
Contract work in progress	-	165,013
Development property	486,615	486,615
	<u>586,408</u>	<u>716,472</u>

16. Debtors	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Amounts recoverable on contracts	13,120,304	8,534,291	-	-
Due from group undertakings	-	-	3,472,763	597,708
Due from associated undertaking	377,674	374,791	375,694	372,665
Due from related undertakings	7,726,706	7,236,075	-	-
Due in respect of joint ventures	2,068,204	1,126,594	-	-
Other debtors	1,063,442	1,163,570	-	-
Prepayments and accrued income	363,046	237,094	3,692	7,811
	<u>24,719,376</u>	<u>18,672,415</u>	<u>3,852,149</u>	<u>978,184</u>

Other debtors include an amount of £427,412 (2007 : £829,068) relating to VAT refund.

17. Current asset investments		
Group	2008	2007
	£	£
Listed	79,643	79,257
Unlisted	11,009	11,009
Other	3,092,762	1,515,971
	<u>3,183,414</u>	<u>1,606,237</u>

Other investments consist of CFD transactions operated through a stockbroking facility. The balance at the year end was represented by:

	2008	2007
	£	£
Cost	7,828,540	6,594,199
Facility	(6,474,531)	(5,281,637)
Margin	1,354,009	1,312,562
Deposits	1,738,753	203,409
	<u>3,092,762</u>	<u>1,515,971</u>

C. J. O'Shea Group Limited

**Notes to the financial statements
for the year ended 31st March 2008**

..... continued

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

	Group		Company	
	2008	2007	2008	2007
	£	£	£	£
Bank overdrafts (secured)	55,275	1,323,145	-	-
Bank loans	-	1,875,000	-	-
Net obligations under finance leases and hire purchase contracts	1,176,300	597,608	-	-
Trade creditors	10,039,898	4,923,763	-	-
Amounts owed to related undertaking	147,802	160,302	-	-
Amounts owed to joint venturer	952,184	119,934	-	-
Corporation tax	1,417,390	1,135,525	54,661	54,042
Other taxes and social security costs	303,166	844,632	-	-
Other creditors	65,641	340,993	-	-
Payments received on account	2,253,110	1,470,571		
Accruals and deferred income	3,840,371	6,290,907	14,758	5,943
	<u>20,251,137</u>	<u>19,082,380</u>	<u>69,419</u>	<u>59,985</u>

The hire purchase obligations are secured on the assets concerned.

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

	Group	
	2008	2007
	£	£
Net obligations under finance leases and hire purchase contracts	<u>860,414</u>	<u>490,492</u>

C. J. O'Shea Group Limited

**Notes to the financial statements
for the year ended 31st March 2008**

..... continued

20. Obligations under hire purchase contracts

	Group	
	2008	2007
	£	£
The maturity of these amounts is as follows:		
Amounts payable:		
Within one year	1,273,647	644,523
Between two and five years	895,818	505,862
	<u>2,169,465</u>	<u>1,150,385</u>
Less: Finance charges allocated to future periods	(132,751)	(62,285)
	<u><u>2,036,714</u></u>	<u><u>1,088,100</u></u>
Hire purchase contracts are analysed as follows:		
Current obligations	1,176,300	597,608
Non-current obligations	860,414	490,492
	<u><u>2,036,714</u></u>	<u><u>1,088,100</u></u>

21. Provision for liabilities

	Group	
	2008	2007
	£	£
Deferred taxation in respect of:		
Accelerated capital allowances	812,592	555,932
Loan interest capitalised in share of joint venture	23,378	-
	<u><u>835,970</u></u>	<u><u>555,932</u></u>
Balance brought forward	555,932	323,255
Deferred tax charged to profit and loss account	280,038	232,677
Balance carried forward	<u><u>835,970</u></u>	<u><u>555,932</u></u>

22. Share capital

	2008	2007
	£	£
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 2008

..... continued

23. Reserves

	Revaluation reserve	Profit and loss account
	£	£
a) Group		
At 1st April 2007	64,714	15,802,826
Profit for the year	-	4,141,666
At 31st March 2008	<u>64,714</u>	<u>19,944,492</u>
b) Company		
At 1st April 2007	64,714	4,605,681
Profit for the year	-	225,144
At 31st March 2008	<u>64,714</u>	<u>4,830,825</u>

24. Reconciliation of movements in shareholders' funds

	2008	2007
	£	£
a) Group		
Opening shareholders' funds	16,067,540	13,527,730
Prior year adjustment	-	(355,000)
	<u>16,067,540</u>	<u>13,172,730</u>
Group profit for the year	4,141,666	2,894,810
Closing shareholders' funds	<u>20,209,206</u>	<u>16,067,540</u>
b) Company		
Profit for the year	225,144	200,885
Opening shareholders' funds	4,870,395	4,669,510
Closing shareholders' funds	<u>5,095,539</u>	<u>4,870,395</u>

25. Other commitments

At 31st March 2008 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2008	2007
	£	£
Expiry date:		
Between one and five years	<u>260,000</u>	<u>220,000</u>

C. J. O'Shea Group Limited

**Notes to the financial statements
for the year ended 31st March 2008**

..... continued

26. Capital commitments

There were no capital commitments either authorised or contracted for at the balance sheet date (2007 : £Nil).

27. Contingent liabilities

The group has entered into performance bonds with recourse in favour of third parties. The maximum total potential liability is £21,907,308 (2007 : £8,990,453). These contingent liabilities are not expected to give rise to any material loss as they are fully insured.

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 and the group.

C. J. O'Shea Group Limited

**Notes to the financial statements
for the year ended 31st March 2008**

..... continued

30. Gross cash flows	2008	2007
	£	£
Returns on investments and servicing of finance		
Interest received	1,305,013	739,547
Interest paid	(124,265)	(148,471)
Interest element of finance lease rental payments	(122,208)	(67,921)
Dividends received	103,029	599,858
	<u>1,161,569</u>	<u>1,123,013</u>
Taxation		
Corporation tax paid	<u>(1,320,855)</u>	<u>(1,114,305)</u>
Capital disposals, expenditure and financial investments		
Payments to acquire tangible assets	(944,072)	(2,801,092)
Receipts from sales of tangible assets	56,627	163,533
	<u>(887,445)</u>	<u>(2,637,559)</u>
Acquisitions and disposals of fixed asset investments		
Receipts from joint venturer for repayment of members' capital	<u>100,000</u>	<u>-</u>
Management of liquid resources		
Receipts from sale of short term investments	19,722,008	12,788,670
Payments to acquire short term investments	<u>(16,017,548)</u>	<u>(11,099,691)</u>
	<u>3,704,460</u>	<u>1,688,979</u>
Financing		
Other new short term loans	16,212,521	11,072,703
Repayment of short term bank loan	(1,875,000)	-
Repayment of other short term loans	(21,494,158)	(14,304,641)
Capital element of hire purchase contracts	<u>(1,105,000)</u>	<u>(716,900)</u>
	<u>(8,261,637)</u>	<u>(3,948,838)</u>

C. J. O'Shea Group Limited

**Notes to the financial statements
for the year ended 31st March 2008**

..... continued

31. Analysis of changes in net funds	Opening balance £	Cash flows £	Other changes £	Closing balance £
Cash at bank and in hand	6,928,933	(3,133,904)	-	3,795,029
Overdrafts	(1,323,145)	1,267,870	-	(55,275)
	<u>5,605,788</u>	<u>(1,866,034)</u>	<u>-</u>	<u>3,739,754</u>
Liquid resources	<u>1,606,237</u>	<u>(3,704,460)</u>	<u>5,281,637</u>	<u>3,183,414</u>
Debt due within one year	(1,875,000)	7,156,637	(5,281,637)	-
Finance leases	(1,088,100)	1,105,000	(2,053,614)	(2,036,714)
	<u>(2,963,100)</u>	<u>8,261,637</u>	<u>(7,335,251)</u>	<u>(2,036,714)</u>
Net funds	<u><u>4,248,925</u></u>	<u><u>2,691,143</u></u>	<u><u>(2,053,614)</u></u>	<u><u>4,886,454</u></u>

C. J. O'Shea Group Limited

Notes to the financial statements for the year ended 31st March 2008

..... continued

32. Related party transactions	2008 £	2007 £
At the balance sheet date the following amounts were owed from group undertakings:		
C. J. O'Shea and Company Limited, a 100% subsidiary	3,367,219	492,164
C. J. O'Shea (Plant Hire) Limited, a 100% subsidiary	105,544	105,544
	<u>3,472,763</u>	<u>597,708</u>
The following amounts were due from an associated undertaking:		
Tramore Properties Limited	<u>375,694</u>	<u>372,665</u>
During the year:		
(a) C. J. O'Shea and Company Limited paid £2,659,584 (2007 : £2,287,783) 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 London Inter Bank Offered Rate (LIBOR).		
As at 31st March 2008 the balance owed to C. J. O'Shea and Company Limited was £3,306,871 (2007 : £3,096,891).		
(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 2008 the balance owed to C. J. O'Shea and Company Limited was £4,419,835 (2007 : £4,139,184).		
(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 2008 the balance owed to C. J. O'Shea and Company Limited was £1,110,479 (2007 : £524,094).		
C. J. O'Shea and Company Limited carried out contract work for the joint venture entity amounting to £1,829,713 (2007 : £2,009,913).		

C. J. O'Shea Group Limited

Notes to the financial statements for the year ended 31st March 2008

..... continued

- (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 £Nil (2007 : £525,070). As at 31st March 2008 the balance owed by C. J. O'Shea and Company Limited was £952,184 (2007 : £119,934).

- (f) C. J. O'Shea and Company Limited has a contractual agreement with a United Kingdom registered joint venture entity whose principal activity is commercial property development to participate in 15% of the entity's net profits and losses.

During the year, C. J. O'Shea and Company Limited carried out contract work for the joint venture entity amounting to £11,706,800 (2007 : £3,085,398).

- (g) C. J. O'Shea and Company Limited has a contractual agreement with a United Kingdom registered joint venture entity whose principal activity is commercial property development to participate in 12.5% of the entity's net profits and losses.

As at 31st March 2008 the balance owed to C. J. O'Shea and Company Limited was £957,725 (2007 : £602,500).

During the year, C. J. O'Shea and Company Limited carried out contract work for the joint venture entity amounting to £671,642 (2007 : £58,594).

- (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 £260,000 per annum is charged.

As at 31st March 2008 the balance owed by C. J. O'Shea (Plant Hire) Limited was £147,802 (2007 : £160,302).

33. Corresponding amounts

The corresponding amounts on the balance sheet and in the profit and loss account relating to current asset investments and income therefrom have been reclassified to reflect the true nature of this business activity. They have no impact on the final results and net assets as declared for that year.