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O'C Construction PLC

REPORT AND  
FINANCIAL STATEMENTS

FOR THE YEAR ENDED  
30 SEPTEMBER 1997



# **O'C CONSTRUCTION PLC**

## **FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1997**

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# **O'C CONSTRUCTION PLC**

**COMPANY INFORMATION  
AS AT 30 SEPTEMBER 1997**

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## **DIRECTORS**

MR JAMES O' CONNOR  
MRS SHEILA O' CONNOR  
MR JAMES NEAL O' CONNOR  
MISS MOYRA O'CONNOR  
MR DAVID RICHARDS

## **SECRETARY**

MRS SHELIA O' CONNOR

## **REGISTERED NUMBER**

01387786

## **AUDITORS**

Arthur G Mead & Co  
Registered Auditors  
Adam House  
1 Fitzroy Square  
London  
W1P 6HE

# **O'C CONSTRUCTION PLC**

## **DIRECTORS' REPORT**

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The directors present their annual report with the financial statements of the company for the year ended 30 September 1997.

### **PRINCIPAL ACTIVITIES**

The principal activities of the company in the year under review were property construction. No significant change in the nature of these activities occurred during the year.

### **REVIEW OF THE BUSINESS**

The net profit after providing for taxation amounted to £68,298.

A review of the operations of the company during the financial year and the results of those operations are set out in the attached financial statements.

### **DIVIDENDS**

The directors have paid a number of interim dividends during the year amounting to £41,500.

### **POST BALANCE SHEET EVENTS**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in financial years subsequent to the financial year ended 30 September 1997.

### **FUTURE DEVELOPMENTS**

The likely developments in the operations of the company and the expected results of these operations in the financial years subsequent to the year ended 30 September 1997 are expected to be similar to those in 1997.

### **DIRECTORS AND THEIR INTERESTS**

The directors in office in the year and their beneficial interests in the company at the balance sheet date and the beginning of the year (or on appointment if later) were as follows:

		<b>Number of Shares</b>	
		<b>1997</b>	<b>1996</b>
MR JAMES O' CONNOR	Ordinary Shares	49,000	49,000
MRS SHEILA O' CONNOR	Ordinary Shares	1,000	1,000
MR JAMES NEAL O' CONNOR		-	-
MISS MOYRA O'CONNOR		-	-
MR DAVID RICHARDS		-	-

Directors retired during the year:  
MR DAVID RICHARDS 26.09.97

# **O'C CONSTRUCTION PLC**

## **DIRECTORS' REPORT**

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### **DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- comply with applicable Accounting Standards, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **POLITICAL AND CHARITABLE CONTRIBUTIONS**

During the year the company did not make any political contributions nor any charitable contributions.

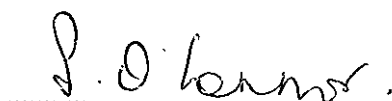
### **CLOSE COMPANY**

The company is a close company, as defined by the Income and Corporation Taxes Act 1988.

### **AUDITORS**

The auditors, Arthur G Mead & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

By order of the board:



MRS SHELIA O' CONNOR  
Secretary

Approved by the board:

# **O'C CONSTRUCTION PLC**

## **AUDITORS' REPORT TO THE MEMBERS**

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We have audited the financial statements on pages 5 to 13 which have been prepared under the historical cost convention and on the basis of accounting policies set out on page 8.

### **RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS**

As described in the directors' report, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

### **BASIS OF OPINION**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **OPINION**

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 30 September 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Arthur G Mead & Co**  
**Registered Auditors**  
**Adam House**  
**1 Fitzroy Square**  
**London**  
**W1P 6HE**

## **O'C CONSTRUCTION PLC**

### **PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 1997**

	Notes	1997 £	1996 £
<b>TURNOVER</b>		3,701,966	3,306,778
Cost of sales		3,509,130	3,276,840
<b>GROSS PROFIT</b>		192,836	29,938
Administrative expenses		108,213	109,448
<b>OPERATING PROFIT</b>	2	84,623	(79,510)
Investment income and interest receivable	3	3,671	3,294
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		88,294	(76,216)
Tax on profit on ordinary activities	5	(19,996)	21,773
<b>PROFIT FOR THE FINANCIAL YEAR</b>		68,298	(54,443)
Dividends	6	(41,500)	(16,600)
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>	13	26,798	(71,043)

#### **Continuing operations**

None of the company's activities were acquired or discontinued during the above two financial years.

#### **Total recognised gains and losses**

The company has no recognised gains or losses other than the profit or loss for the above two financial years.

# O'C CONSTRUCTION PLC

## **BALANCE SHEET AT 30 SEPTEMBER 1997**

	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	7		77,412		55,092
<b>CURRENT ASSETS</b>					
Stocks	8	205,135		444,617	
Debtors	9	232,347		290,291	
Cash at bank and in hand		10,603		6,229	
		<u>448,085</u>		<u>741,137</u>	
<b>CREDITORS: amounts falling due within one year</b>	10	<u>(294,370)</u>		<u>(622,700)</u>	
<b>NET CURRENT ASSETS</b>			153,715		118,437
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>231,127</u>		<u>173,529</u>
<b>CREDITORS: amounts falling due after more than one year</b>	11		<u>(30,800)</u>		<u>-</u>
<b>NET ASSETS</b>			<u>200,327</u>		<u>173,529</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	12		50,000		50,000
Profit and loss account	13		150,327		123,529
<b>TOTAL SHAREHOLDERS' FUNDS</b>	14		<u>200,327</u>		<u>173,529</u>

The financial statements were approved by the board of directors on ..... *20<sup>th</sup> April '98* .....  
and signed on its behalf by:

*J. O'Connell*  
MR JAMES O' CONNOR  
Director



**O'C CONSTRUCTION PLC****CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 SEPTEMBER 1997**

	Notes	1997 £	1996 £
CASH FLOW FROM OPERATING ACTIVITIES	2	68,445	(165,069)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	15	3,671	3,294
TAXATION	15	(21,214)	8,043
CAPITAL EXPENDITURE	15	(5,028)	(5,003)
EQUITY DIVIDENDS PAID		(41,500)	(16,600)
Cash inflow before use of liquid resources and financing		4,374	(175,335)
INCREASE IN CASH IN THE YEAR		4,374	(175,335)

**RECONCILIATION OF NET CASH FLOW TO  
MOVEMENT IN NET DEBT**

	16		
INCREASE IN CASH IN THE YEAR		4,374	(175,335)
Change in net funds resulting from cash flows		4,374	(175,335)
New finance leases		(30,800)	-
Movement in net debt in the year		(26,426)	(175,335)
Net funds at 1 October 1996		6,229	181,564
Net debt at 30 September 1997		(20,197)	6,229

The notes on pages 8 to 13 form part of these financial statements.

# **O'C CONSTRUCTION PLC**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1997**

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### **1. STATEMENT OF ACCOUNTING POLICIES**

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

#### **Turnover**

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

#### **Depreciation of tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its useful life:

Plant and machinery	25% on cost
Motor vehicles	25% on cost

#### **Stocks**

Stocks are stated at the lower of cost and net realisable value.

Net realisable value is based on estimated selling price less further costs to completion and disposal.

#### **Leasing and hire purchase commitments**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their estimated useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease.

### **2. OPERATING PROFIT**

#### **Operating profit is stated:**

	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
<b>After charging:</b>		
Depreciation of fixed assets	14,289	16,373
Hire of equipment	557,056	525,469

## O'C CONSTRUCTION PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1997

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#### 2. OPERATING PROFIT - (continued)

##### Reconciliation of operating profit to net cash inflow from operating activities

	1997 £	1996 £
Operating profit	84,623	(79,510)
Depreciation	14,289	16,373
Profit on disposal of fixed assets	(781)	518
Decrease in stocks	239,482	(238,336)
Decrease in debtors	68,320	(32,390)
Decrease in creditors	(337,488)	168,276
Net cash inflow from operating activities	68,445	(165,069)

#### 3. INVESTMENT INCOME AND INTEREST RECEIVABLE

	1997 £	1996 £
Interest received and receivable		
Bank interest	2,534	2,795
Other interest	1,137	499
	3,671	3,294

#### 4. INFORMATION ON DIRECTORS AND EMPLOYEES

	1997 £	1996 £
Staff costs		
Wages and salaries	552,718	378,839

#### 5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1997 £	1996 £
The taxation charge comprises:		
UK Corporation tax at 21/24% (1996 24 %)	19,996	(21,773)

## O'C CONSTRUCTION PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1997

#### 6. DIVIDENDS PAID OR PROPOSED

	1997 £	1996 £
On ordinary shares:		
Interim dividend paid	41,500	16,600

#### 7. TANGIBLE FIXED ASSETS

	Plant and machinery £	Motor vehicles £	Total £
<b>Cost:</b>			
At 1 October 1996	10,681	134,207	144,888
Additions	1,448	44,580	46,028
Disposals	-	(28,312)	(28,312)
At 30 September 1997	12,129	150,475	162,604
<b>Depreciation:</b>			
At 1 October 1996	5,364	84,432	89,796
Charge for year	1,737	12,552	14,289
On disposals	-	(18,893)	(18,893)
At 30 September 1997	7,101	78,091	85,192
<b>Net book value:</b>			
At 30 September 1997	5,028	72,384	77,412
At 30 September 1996	5,317	49,775	55,092

#### 8. STOCKS

	1997 £	1996 £
Short term work in progress	205,135	444,617

There is no material difference between the replacement cost of stocks and their balance sheet amounts.

#### 9. DEBTORS

	1997 £	1996 £
Other debtors	232,347	290,291

# O'C CONSTRUCTION PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1997

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**10. CREDITORS: amounts falling due within one year**

	1997 £	1996 £
Trade creditors	257,750	596,328
Corporation tax	25,184	16,026
Directors' current accounts	536	696
Accruals and deferred income	10,900	9,650
	<u>294,370</u>	<u>622,700</u>

**11. CREDITORS: amounts falling due after more than one year**

	1997 £	1996 £
Net obligations under finance leases and hire purchase contracts	30,800	-

**12. SHARE CAPITAL**

	1997 £	1996 £
<b>Authorised:</b>		
<b>Equity interests:</b>		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
<b>Allotted, called up and fully paid:</b>		
<b>Equity interests:</b>		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

**13. PROFIT AND LOSS ACCOUNT**

	1997 £	1996 £
Retained profit at 1 October 1996	123,529	182,863
Profit for the year	26,798	(71,043)
Retained profit at 30 September 1997	<u>150,327</u>	<u>111,820</u>

## O'C CONSTRUCTION PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1997

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#### 14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997 £	1996 £
Profit for the financial year	68,298	(54,443)
Dividends	(41,500)	(16,600)
Net addition to shareholders' funds	26,798	(71,043)
Opening shareholders' funds	173,529	232,863
Closing shareholders' funds	200,327	161,820
Represented by:-		
Equity interests	200,327	161,820

#### 15. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	1997 £	1996 £
Returns on investments and servicing of finance		
Interest received	3,671	3,294
Net cash inflow from returns on investments and servicing of finance	3,671	3,294
Taxation		
Corporation tax paid	(21,214)	-
Corporation tax received	-	8,043
Net cash outflow from taxation	(21,214)	8,043
Capital expenditure		
Purchase of tangible fixed assets	(15,228)	(6,753)
Receipts from sale of tangible fixed assets	10,200	1,750
Net cash outflow from capital expenditure	(5,028)	(5,003)

# O'C CONSTRUCTION PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1997

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### 16. ANALYSIS OF NET DEBT

	1996 £	Cash flow £	Other movements £	1997 £
Cash at bank and in hand	6,229	4,374	-	10,603
Finance leases	-	-	(30,800)	(30,800)
	<u>6,229</u>	<u>4,374</u>	<u>(30,800)</u>	<u>20,197</u>

**O'C CONSTRUCTION PLC****DETAILED TRADING AND PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 SEPTEMBER 1997**

	1997		1996	
	£	£	£	£
<b>Sales</b>		3,701,966		3,306,778
<b>COST OF SALES</b>				
Opening stock	444,617		206,281	
Materials	1,112,055		1,313,726	
Plant Hire	546,028		515,790	
Wages and salaries	552,718		378,839	
Subcontract labour	1,058,847		1,306,821	
	<u>3,714,265</u>		<u>3,721,457</u>	
Closing stock	(205,135)		(444,617)	
		(3,509,130)		(3,276,840)
<b>GROSS PROFIT</b>	<b>5.2%</b>	192,836	<b>0.9%</b>	29,938
<b>ADMINISTRATIVE EXPENSES</b>		(108,213)		(109,448)
<b>OPERATING PROFIT</b>		84,623		(79,510)
<b>OTHER INCOME AND EXPENSES</b>				
Interest receivable:				
Bank deposit interest	2,534		2,795	
Interest on tax refund	1,137		499	
		3,671		3,294
<b>NET PROFIT FOR THE YEAR</b>		<u>88,294</u>		<u>(76,216)</u>



## O'C CONSTRUCTION PLC

### **ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED 30 SEPTEMBER 1997**

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	1997	1996
	£	£
<b>ADMINISTRATIVE EXPENSES</b>		
Insurance	22,061	26,298
Rates Light and heat	6,506	6,967
Postage, stationery and advertising	4,271	4,371
Telephone	8,239	7,949
Maintenance of Plant and Vehicles	11,028	9,679
Travelling and Entertaining	29,946	22,003
Audit and Accountancy	10,150	9,650
Bank charges	1,920	2,557
Hire purchase interest & charges	184	264
Sundry expenses	400	2,819
Depreciation	14,289	16,373
Profit/loss on sale of tangible assets	(781)	518
	<hr/>	<hr/>
	108,213	109,448
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