

ALPHA CONSTRUCTION (GROUP) LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2007

Company Registration Number 06288859



Tenon Limited
Charnwood House
Gregory Boulevard
Nottingham
NG7 6NX

ALPHA CONSTRUCTION (GROUP) LIMITED
FINANCIAL STATEMENTS
PERIOD FROM 21 JUNE 2007 TO 31 DECEMBER 2007

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ALPHA CONSTRUCTION (GROUP) LIMITED
OFFICERS AND PROFESSIONAL ADVISERS
PERIOD ENDED 31 DECEMBER 2007

The board of directors	RC Smith K Durham A Bamford J Cassidy M Clarke
Company secretary	RC Smith
Business address	Alpha House Hilton Derbyshire DE65 5GE
Registered office	Alpha House Hilton Derbyshire DE65 5GE
Auditor	Tenon Audit Limited Registered Auditor Charnwood House Gregory Boulevard Nottingham NG7 6NX
Accountants	Tenon Limited Charnwood House Gregory Boulevard Nottingham NG7 6NX
Bankers	Lloyds TSB Plc Butt Dyke House 33 Park Row Nottingham NG1 6GY

ALPHA CONSTRUCTION (GROUP) LIMITED

THE DIRECTORS' REPORT

PERIOD FROM 21 JUNE 2007 TO 31 DECEMBER 2007

The directors present their report and the financial statements of the company for the period from 21 June 2007 to 31 December 2007

Principal activities and business review

The Company's principal activity is that of a holding company

The Company was incorporated on 21 June 2007 as Newco321 Limited with an authorised share capital of 50,000. On 25 June 2007 the company changed its name to Alpha Construction (Group) Limited

On 28 June 2007 the Company acquired the entire share capital of Alpha Construction (Holdings) Limited, in part by way of a share for share exchange. Alpha Construction (Holdings) Limited is a holding company for Alpha Construction Limited. Alpha Construction Limited are engaged in civil engineering, building and allied activities.

Results and dividends

The loss for the period amounted to £88,585. The directors have not recommended a dividend.

Financial risk management objectives and policies

The company makes little use of financial instruments and so its exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit or loss of the company.

Directors

The directors who served the company during the period were as follows:

RC Smith	(Appointed 21 June 2007)
K Durham	(Appointed 21 June 2007)
A Bamford	(Appointed 21 June 2007)
J Cassidy	(Appointed 21 June 2007)
M Clarke	(Appointed 21 June 2007)

Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

ALPHA CONSTRUCTION (GROUP) LIMITED

THE DIRECTORS' REPORT *(continued)*

PERIOD FROM 21 JUNE 2007 TO 31 DECEMBER 2007

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and 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.

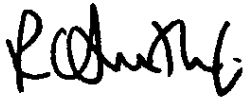
In so far as the directors are, individually, aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

A resolution to re-appoint Tenon Audit Limited as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Signed on behalf of the directors



RC Smith
Company Secretary

Approved by the directors on 21 May 2008

Tenon audit

ALPHA CONSTRUCTION (GROUP) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALPHA CONSTRUCTION (GROUP) LIMITED

PERIOD FROM 21 JUNE 2007 TO 31 DECEMBER 2007

We have audited the financial statements of Alpha Construction (Group) Limited on pages 6 to 12 for the period ended 31 December 2007. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, 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 members those matters we are required to state to them in an auditor's 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As described in the statement of directors' responsibilities on pages 2 to 3, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you 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.

Tenon audit

ALPHA CONSTRUCTION (GROUP) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALPHA CONSTRUCTION (GROUP) LIMITED *(continued)*

PERIOD FROM 21 JUNE 2007 TO 31 DECEMBER 2007

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 company's affairs as at 31 December 2007 and of its loss for the period 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

Tenon Audit Limited

Tenon Audit Limited
Registered Auditor
Charnwood House
Gregory Boulevard
Nottingham
NG7 6NX

21 May 2008

ALPHA CONSTRUCTION (GROUP) LIMITED
PROFIT AND LOSS ACCOUNT
PERIOD FROM 21 JUNE 2007 TO 31 DECEMBER 2007

	Note	Period from 21 Jun 07 to 31 Dec 07 £
Turnover		–
Administrative expenses		(52,318)
Operating loss		(52,318)
Interest receivable		93
Interest payable and similar charges	3	(36,360)
Loss on ordinary activities before taxation		(88,585)
Tax on loss on ordinary activities	4	–
Loss for the financial period		(88,585)

All of the activities of the company are classed as continuing

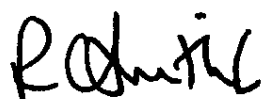
The company has no recognised gains or losses other than the results for the period as set out above

The notes on pages 9 to 12 form part of these financial statements

ALPHA CONSTRUCTION (GROUP) LIMITED**BALANCE SHEET****31 DECEMBER 2007**

	Note	31 Dec 07 £
Fixed assets		
Investments	5	1,105,183
Creditors: Amounts falling due after more than one year	6	(1,045,736)
		<u>59,447</u>
Capital and reserves		
Called-up share capital	8	50,000
Share premium account	9	98,032
Profit and loss account	10	(88,585)
Shareholders' funds	11	<u>59,447</u>

These financial statements were approved by the directors and authorised for issue on 21 May 2008, and are signed on their behalf by



RC Smith
Director

The notes on pages 9 to 12 form part of these financial statements

ALPHA CONSTRUCTION (GROUP) LIMITED**CASH FLOW STATEMENT****PERIOD FROM 21 JUNE 2007 TO 31 DECEMBER 2007**

		Period from 21 Jun 07 to 31 Dec 07	
	Note	£	£
Net cash outflow from operating activities	12		(52,318)
Returns on investments and servicing of finance			
Interest received		93	
Interest paid		(36,360)	
Net cash outflow from returns on investments and servicing of finance			(36,267)
Capital expenditure and financial investment			
Acquisition of investments		(1,087,665)	
Net cash outflow for capital expenditure and financial investment			(1,087,665)
Cash outflow before financing			(1,176,250)
Financing			
Issue of equity share capital		32,482	
Share premium on issue of equity share capital		98,032	
Long-term amounts owed to group undertakings		520,736	
Cash inflow from bank loans		825,000	
Cash outflow from bank loans		(300,000)	
Net cash inflow from financing			1,176,250
Increase in cash			<u> </u>

The notes on pages 9 to 12 form part of these financial statements

ALPHA CONSTRUCTION (GROUP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 21 JUNE 2007 TO 31 DECEMBER 2007

1. Accounting policies

Basis of accounting

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

Basis of preparation

The Company was incorporated on 21 June 2007. On 28 June 2007 a group reconstruction was undertaken whereby Alpha Construction (Holdings) Limited was acquired, in part, via a share for share exchange.

The Company has taken advantage of the merger relief provisions as set out in the Companies Act 1985 Section 131. Share premium has not been recognised on shares issued via a share for share exchange.

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a medium-sized group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

Investments

Investments are stated at cost less any provision for an impairment in value.

2. Particulars of employees

The company has no employees during the period, other than directors.

The aggregate emoluments of the directors of the company received from the company's subsidiary undertaking, Alpha Construction Limited, for services to that company were £416,460.

3. Interest payable and similar charges

	Period from 21 Jun 07 to 31 Dec 07 £
Interest payable on bank borrowing	24,987
Other similar charges payable	11,373
	<u>36,360</u>

ALPHA CONSTRUCTION (GROUP) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 21 JUNE 2007 TO 31 DECEMBER 2007

4. Taxation on ordinary activities

Factors affecting current tax charge

	Period from 21 Jun 07 to 31 Dec 07 £
Loss on ordinary activities before taxation	(88,585)
Loss on ordinary activities by rate of tax	(26,576)
Effects of Group relief of tax losses	26,576
Total current tax	<u>-</u>

5. Investments

Investment in subsidiary undertaking

	£
Cost	
Additions	1,105,183
At 31 December 2007	<u>1,105,183</u>
Net book value	
At 31 December 2007	<u>1,105,183</u>

The company owns the whole of the issued share capital of Alpha Construction (Holdings) Limited, which is a holding company. At 31 December 2007 the aggregate share capital and reserves of Alpha Construction (Holdings) Limited amounted to £357,239 and its retained profit for the year then ended was £Nil.

Alpha Construction (Holdings) Limited owns the whole of the issued share capital of Alpha Construction Limited, whose principal activities are civil engineering, building and allied activities. At 31 December 2007 the aggregate share capital and reserves of Alpha Construction Limited amounted to £1,235,302 and its retained profit for the year then ended was £281,082.

6. Creditors: Amounts falling due after more than one year

	31 Dec 07 £
Amounts owed to group undertakings	<u>1,045,736</u>

7. Related party transactions

At the year end, Alpha Construction (Group) Limited recorded a liability of £1,045,736 relating to an amount owed to Alpha Construction Limited.

ALPHA CONSTRUCTION (GROUP) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 21 JUNE 2007 TO 31 DECEMBER 2007

8. Share capital

Authorised share capital:

	31 Dec 07
	£
50,000 Ordinary shares of £1 each	<u>50,000</u>

Allotted, called up and fully paid:

	No	£
	50,000	50,000
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

On 21 June 2007, 1 share was issued at par

On 28 June 2007 a further 49,999 shares were issued, of these 17,518 were allotted by way of a share for share exchange. The remaining 32,481 shares were issued for £150,000 giving rise to £117,519 of share premium

9. Share premium account

	Period from 21 Jun 07 to 31 Dec 07
	£
Premium on shares issued in the period	117,519
Share issue expenses	<u>(19,487)</u>
Balance carried forward	<u>98,032</u>

10. Profit and loss account

	Period from 21 Jun 07 to 31 Dec 07
	£
Loss for the financial period	<u>(88,585)</u>
Balance carried forward	<u>(88,585)</u>

11. Reconciliation of movements in shareholders' funds

	£	31 Dec 07 £
Loss for the financial period		(88,585)
New equity share capital subscribed	50,000	
Net premium on new share capital subscribed	<u>98,032</u>	
		<u>148,032</u>
Net addition to shareholders' funds		<u>59,447</u>
Closing shareholders' funds		<u>59,447</u>

ALPHA CONSTRUCTION (GROUP) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 21 JUNE 2007 TO 31 DECEMBER 2007

12. Notes to the statement of cash flows

Reconciliation of operating loss to net cash outflow from operating activities

	Period from 21 Jun 07 to 31 Dec 07 £
Operating loss	(52,318)
Net cash outflow from operating activities	<u>(52,318)</u>

Reconciliation of net cash flow to movement in net debt

	31 Dec 07 £	£
Increase in cash in the period	—	
Net cash inflow from long-term amounts owed to group undertakings	(520,736)	
Net cash inflow from bank loans	<u>(525,000)</u>	
Change in net debt		<u>(1,045,736)</u>
Net debt at 31 December 2007		<u>(1,045,736)</u>

13. Acquisition

On 28 June 2007 the company acquired the entire share capital of Alpha Construction (Holdings) Limited. Of the 50,000 share capital, 17,518 were acquired by way of a share for share exchange. The remaining 32,482 shares were acquired for a cash consideration of £1,105,183.

Alpha Construction (Holdings) Limited is a holding company for Alpha Construction Limited, the consolidated assets and liabilities of these two companies acquired were as follows:

	Provisional Fair value £
Tangible fixed assets	883,499
Debtors	2,481,137
Cash	1,637,431
Creditors	<u>(3,822,437)</u>
Net separable assets and net assets acquired	<u>1,179,630</u>

14. Ultimate controlling party

The directors do not consider there to be an ultimate controlling party.