Grant Thornton

Financial Statements
Easternrange Limited

For the period from 1 January 2007 to 31 March 2008

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COMPANIES HOUSE

Company No. 4346861

Officers and professional advisers

Company registration number	4346861
Registered office	4-8 Kilwardby Street Ashby de la Zouch Leicestershire LE65 2FU
Directors	D W Wilson L I Wilson J D Wilson G M Brown H A Sinclair
Secretary	G Brown
Bankers	Lloyds TSB Bank plc 7 High Street Leicester LE1 9FS
Auditor	Grant Thornton UK LLP Chartered Accountants Registered Auditors 8 West Walk Leicester LE1 7NH

Contents

Report of the directors	4 - 7
Report of the independent auditor	8 - 9
Principal accounting policies	10 - 12
Consolidated profit and loss account	13
Consolidated balance sheet	14
Company balance sheet	15
Consolidated cash flow	16
Notes to the financial statements	17 - 30

Report of the directors

The directors present their report and the financial statements of the group for the period from 1 January 2007 to 31 March 2008

Principal activities and business review

The company operates as a property developer, principally trading as Davidsons, and (through its subsidiaries Go Plant Limited (GPL) and Shropshire Road Sweepers (SRS), as hirers of operated and self-drive road sweepers and other items of plant

On 4 June 2007 Easternrange Limited acquired 100% of the issued share capital of Go Plant Limited On 18 December 2007 the company changed its accounting reference date to 31 March 2008

Davidsons

The Davidsons business is in its relatively early stages, and up to the balance sheet date has been involved primarily in the identification and acquisition of development sites The cost of land held for development at 31 March 2008 amounted to approximately £13 6 million Since the year end, work has commenced on a number of sites, with more in the pipeline Notwithstanding the current state of the wider house building sector, the directors believe that Davidsons is well-placed to achieve its ambitions to become a profitable regional house builder and commercial property developer The company has recruited a high calibre management team with significant industry experience which, allied with the financial resources to enable the company to take advantage of the opportunities presented in the current marketplace, should mean the company will continue to grow rapidly The key opportunities available to the company relate to availability of high quality land for development at prices that are at more sensible levels than for a number of years The company has been able to purchase land at values significantly lower than last year and has been selective that these opportunities provide planning consents which are more "traditional" with the emphasis on two storey houses rather than flats and town houses The key risk for the company relates to the ability to complete and sell developments profitably in an uncertain economic environment The directors believe that a combination of rigorous project appraisal processes and an experienced management team mitigate against such a risk

Go Plant

The GPL businesses have performed well since their acquisition in June 2007 Turnover for the year ended 31 March 2008 was approximately £28 million Utilisation levels remain high and the directors believe that the continued focus on a high quality hire fleet and excellent customer service will enable the company to continue to grow The principal opportunities facing the GPL businesses relate to the continuing process of consolidation that is taking place in the roadsweeper marketplace, and the opportunities available to us to widen our footprint with customers by expanding the range of the available hire fleet In March 2008 a new plant hire division was launched specialising in providing telehandlers and site accommodation units primarily to the house building sector The key risks facing the business are the wider macro-economic risks facing our customer base This is to a degree limited in that house builders only account for 8% of GPL turnover The GPL businesses are protected to a degree from such threats because, as well as making supplies into the construction sector, they have a very strong presence in the local authority sector as well as quarrying and road surfacing, which is exposed to a different set of economic drivers In addition, it is worth noting that GPL, although often referred to as a road sweeper business, derives the majority of its turnover and profit from the contract hire of specialist vehicles to local authorities These are fixed contracts and immune from broader economic forces

Results and dividends

The consolidated profit for the period, after taxation, amounted to £2,359,000 The directors have not recommended a dividend

Financial risk management objectives and policies

The group uses various financial instruments, these include loans, cash, equity investments, and various items, such as trade debtors and trade creditors that arise directly from its operations The main purpose of these financial instruments is to raise finance for the group's operations

The existence of these financial instruments exposes the group to a number of financial risks, namely currency risk, liquidity risk and credit risk The directors review and agree policies for managing each of these risks which are summarised below

Currency risk

The group has a small exposure to translation foreign exchange risk by virtue of its Irish branch, which is managed by the use of foreign currency bank accounts

Liquidity risk

The group seeks to manage liquidity risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably

Credit risk

In order to manage credit risk the directors set limits for customers based on a combination of payment history and third party credit references Credit limits are reviewed by the credit controller on a regular basis in conjunction with debt ageing and collection history

Directors

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

D W Wilson
L I Wilson
J D Wilson
G M Brown
H A Sinclair

G M Brown and H A Sinclair were appointed as directors on 16 July 2007 J D Wilson was appointed as a director on 18 December 2007

Directors' responsibilities

The directors are responsible for preparing 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice) The financial statements are required by law to give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group 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,
- state whether applicable UK 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 that disclose with reasonable accuracy at any time the financial position of the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

In so far as the directors are aware

- there is no relevant audit information of which the group'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

Disabled employees

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities

In the event of employees becoming disabled, every effort is given to retrain them in order that their employment with the group may continue

It is the policy of the group that training, career development and promotion opportunities should be available to all employees

Employee involvement

The group has continued its practice of keeping employees informed of matters affecting them as employees and the financial and economic factors affecting the performance of the group

Auditor

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006

ON BEHALF OF THE BOARD



J D Wilson
Director
31 July 2008



Report of the independent auditor to the members of Easternrange Limited

We have audited the group and parent company financial statements ("the financial statements") of Easternrange Limited for the period from 1 January 2007 to 31 March 2008 which comprise the principal accounting policies, consolidated profit and loss account, consolidated balance sheet and company balance sheet, consolidated cash flow and notes 1 to 26 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

The directors' responsibilities for preparing the Report of the Directors and the financial statements in accordance with United Kingdom law and 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 Report of the Directors 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 Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it

Basis of 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 group's and company's circumstances, consistently applied and adequately disclosed

Report of the independent auditor to the members of Easternrange Limited (continued)

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

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 group's and the parent company's affairs as at 31 March 2008 and of the group's profit 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 Report of the Directors is consistent with the financial statements

Grant Thornton UK LLP.

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
LEICESTER
31 July 2008

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable United Kingdom accounting standards

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings These are adjusted, where appropriate, to conform to group accounting policies Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over twenty years from the year of acquisition The results of the companies acquired are included in the profit and loss account after the date that control passes As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 230 of the Companies Act 1985

Turnover

The turnover shown in the consolidated profit and loss account represents amounts receivable for the provision of goods and services supplied to customers during the year, exclusive of Value Added Tax

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Goodwill	-	20 years straight line

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Freehold Property	-	2% straight line
Leasehold Improvements	-	5 and 25% straight line
Plant & Machinery	-	10%-25% straight line, 15% and 20% reducing balance
Fixtures & Fittings	-	25% straight line and 15% reducing balance
Motor Vehicles	-	25% straight line, 20% and 25% reducing balance
Computers	-	33% straight line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Work in progress

Residential work in progress, including land held for development, is valued on the basis of direct costs plus attributable overheads based on normal levels of activity and is valued at the lower of cost and net realisable value Provision is made for any foreseeable losses where appropriate

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value The capital element of the future payments is treated as a liability and the interest is charged to the consolidated profit and loss account on a straight line basis

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Pension costs

The group operates a defined contribution pension scheme for employees The assets of the scheme are held separately from those of the group The annual contributions payable are charged to the consolidated profit and loss account

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Foreign currencies

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

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account Finance costs are calculated so as to produce a constant rate of return on the outstanding liability

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument Dividends and distributions relating to equity instruments are debited direct to equity

Investments

Investments are included at cost

Consolidated profit and loss account

	Note	Continuing operations £000	Acquisitions £000	1 Jan 07 to 31 Mar 08 Total £000	Year to 31 Dec 06 Total £000
Turnover	1	127	23,588	23,715	–
Cost of sales		66	16,967	17,033	–
Gross profit		61	6,621	6,682	–
Other operating income and charges	2	(1,425)	(2,928)	(4,821)	–
Amortisation and professional fees	2	-	(468)	(468)	
Operating (loss)/profit	4	(1,364)	3,225	1,861	–
Interest receivable				2,673	23
Interest payable and similar charges			7	(1,097)	–
Profit on ordinary activities before taxation				3,437	23
Tax on profit on ordinary activities			8	1,078	3
Profit for the financial period			9	2,359	20

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

The company has taken advantage of section 230 of the Companies Act 1985 not to publish its own profit and loss account

Consolidated balance sheet

	Note	31 Mar 08 £000	31 Dec 06 £000
Fixed assets			
Intangible assets	10	**7,474**	–
Tangible assets	11	**24,890**	–
		32,364	–
Current assets			
Stocks	14	**15,674**	1,713
Debtors	15	**8,393**	1,900
Cash at bank		**40,924**	1,813
		64,991	5,426
Creditors: amounts falling due within one year	16	**10,765**	338
Net current assets		**54,226**	5,088
Total assets less current liabilities		**86,590**	5,088
Creditors: amounts falling due after more than one year	17	**9,002**	–
		77,588	5,088
Provisions for liabilities			
Deferred taxation	19	**1,641**	–
		75,947	5,088
Capital and reserves			
Called-up equity share capital	22	**73,500**	5,000
Profit and loss account	23	**2,447**	88
Shareholders' funds	24	**75,947**	5,088

These financial statements were approved by the directors and authorised for issue on 31 July 2008, and are signed on their behalf by



J D Wilson

Company balance sheet

	Note	31 Mar 08 £000	31 Dec 06 £000
Fixed assets			
Tangible assets	11	**119**	–
Investments	13	**14,738**	–
		14,857	–
Current assets			
Stocks	14	**14,375**	1,713
Debtors	15	**6,270**	1,900
Cash at bank		**41,968**	1,813
		62,613	5,426
Creditors: amounts falling due within one year	16	**2,846**	338
Net current assets		**59,767**	5,088
Total assets less current liabilities		**74,624**	5,088
Creditors: amounts falling due after more than one year	17	**219**	–
		74,405	5,088
Capital and reserves			
Called-up equity share capital	22	**73,500**	5,000
Profit and loss account	23	**905**	88
Shareholders' funds		**74,405**	5,088

These financial statements were approved by the directors and authorised for issue on 31 July 2008, and are signed on their behalf by



J D Wilson

Consolidated cash flow

	Note	Period from 1 Jan 07 to 31 Mar 08 £000	Year to 31 Dec 06 £000
Net cash outflow from operating activities (excluding land purchases)	25	**8,580**	(491)
Land purchases		**(11,902)**	(1,713)
Net cash outflow from operating activities		**(3,322)**	(2,204)
Returns on investments and servicing of finance			
Interest received		**2,673**	23
Interest paid		**(182)**	–
Interest element of hire purchase		**(915)**	–
Net cash inflow from returns on investments and servicing of finance		**1,576**	23
Taxation		**(765)**	–
Capital expenditure			
Payments to acquire tangible fixed assets		**(5,703)**	–
Receipts from sale of fixed assets		**224**	–
Net cash outflow from capital expenditure		**(5,479)**	–
Acquisitions and disposals			
Purchase of subsidiary undertaking		**(14,738)**	–
Overdraft acquired		**(2,359)**	–
Net cash outflow from capital expenditure		**(17,097)**	–
Cash outflow before financing		**(25,087)**	(2,181)
Financing			
Issue of equity share capital		**68,500**	4,000
Capital element of hire purchase		**(5,454)**	–
Issue of loan notes		**712**	–
Increase in shareholder's loan		**440**	–
Net cash inflow from financing		**64,198**	4,000
Increase in cash	25	**39,111**	1,819

Notes to the financial statements

1 Turnover

The turnover and profit before tax are attributable to the principal activities of the group as follows

	Period from 1 Jan 07 to 31 Mar 08 £000	Year to 31 Dec 06 £000
Vehicle management and plant hire	**23,588**	-
Property development	**127**	-
	23,715	-

An analysis of turnover by geographical market is given below

	Period from 1 Jan 07 to 31 Mar 08 £000	Year to 31 Dec 06 £000
United Kingdom	**22,768**	-
EU	**947**	-
	23,715	-

2 Analysis of cost of sales and net operating expenses

	Continuing operations £000	Acquired operations £000	Total £000
Period from 1 January 2007 To 31 March 2008			
Cost of sales	**66**	**16,967**	**17,033**
Land costs	**297**	-	**297**
Administrative expenses	**1,146**	**2,928**	**4,074**
Professional fees	-	**106**	**106**
Amortisation of purchased goodwill	-	**362**	**362**
Other operating income (Note 3)	**(18)**	-	**(18)**
Net operating expenses	**1,425**	**3,396**	**4,821**

Included in the above administrative expenses in relation to continuing operations of £1,146,000 are costs of approximately £194,000 which the directors consider to be one-off or start up in nature

3 Other operating income

	Period from 1 Jan 07 to 31 Mar 08 £000	Year to 31 Dec 06 £000
Rent receivable	**18**	3

4 Operating profit/(loss)

Operating profit/(loss) is stated after charging/(crediting)

	Period from 1 Jan 07 to 31 Mar 08 £000	Year to 31 Dec 06 £000
Amortisation	**362**	–
Depreciation of owned fixed assets	**836**	–
Depreciation of assets held under hire purchase agreements	**4,943**	–
Profit on disposal of fixed assets	**(73)**	–
Operating lease costs		
Plant and equipment	**1,010**	–
Other	**205**	–
Auditor's remuneration	**38**	–

	2008 £000	2007 £000
Fees payable to the company's auditor for the audit of the annual accounts	**11**	–
Fees payable to the company's auditor for the audit of the company's subsidiaries, pursuant to legislation	**20**	–
Taxation services	**7**	–
	38	–

5 Particulars of employees

The average number of staff employed by the group during the financial period amounted to

	Period from 1 Jan 07 to 31 Mar 08 No	Year to 31 Dec 06 No
Number of production and selling staff	**269**	–
Number of management and administration staff	**45**	–
	314	–

5 Particulars of employees (continued)

The aggregate payroll costs of the above were

	Period from 1 Jan 07 to 31 Mar 08 £000	Year to 31 Dec 06 £000
Wages and salaries	**7,155**	–
Social security costs	**695**	–
Other pension costs	**167**	–
	8,017	–

6 Directors

Remuneration in respect of directors was as follows

	Period from 1 Jan 07 to 31 Mar 08 £000	Year to 31 Dec 06 £000
Emoluments receivable	**264**	–
	264	–

Emoluments of highest paid director

	Period from 1 Jan 07 to 31 Mar 08 £000	Year to 31 Dec 06 £000
Total emoluments	**95**	–

7 Interest payable and similar charges

	Period from 1 Jan 07 to 31 Mar 08 £000	Year to 31 Dec 06 £000
Interest payable on bank borrowing	**182**	–
Finance charges payable under hire purchase agreements	**915**	–
	1,097	–

8 Taxation on ordinary activities

(a) Analysis of charge in the period

	Period from 1 Jan 07 to 31 Mar 08 £000	Year to 31 Dec 06 £000
Current tax		
In respect of the period		
UK Corporation tax based on the results for the period at 30% (2006 -19%)	**1,397**	3
(Over)/under provision in prior year	**(8)**	-
Total current tax	**1,389**	3
Deferred tax		
Origination and reversal of timing differences	**(311)**	-
Tax on profit on ordinary activities	**1,078**	3

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period is higher than the standard rate of corporation tax in the UK of 30% (2006 - 19%)

	Period from 1 Jan 07 to 31 Mar 08 £000	Year to 31 Dec 06 £000
Profit on ordinary activities before taxation	**3,437**	14
Profit on ordinary activities by rate of tax	**1,115**	3
Expenses not deductible for tax purposes	**75**	-
Capital allowances for period in excess of depreciation	**207**	-
Adjustments to tax charge in respect of previous periods	**(8)**	-
Total current tax (note 8(a))	**1,389**	3

9 Profit attributable to members of the parent company

The profit dealt with in the accounts of the parent company was £817,000 (2006 - £11,000)

10 Intangible fixed assets

Group	Goodwill £000
Cost	
Additions	7,836
At 31 March 2008	**7,836**
Amortisation	
Charge for the period	**362**
At 31 March 2008	**362**
Net book value	
At 31 March 2008	**7,474**
At 31 December 2006	–

Purchased goodwill relates to the acquisition of Go Plant Limited

11 Tangible fixed assets

Group	Freehold Property & Leasehold improvements £000	Plant & Machinery £000	Fixtures & Fittings £000	Motor Vehicles £000	Computers £000	Total £000
Cost						
Additions	1	5,551	46	67	38	5,703
Disposals	–	(3,532)	–	(64)	–	(3,596)
On acquisition of subsidiary	814	45,309	40	636	–	46,799
At 31 Mar 2008	815	47,328	86	639	38	48,906
Depreciation						
Charge for the period	17	5,598	8	149	7	5,779
On disposals	–	(3,385)	–	(60)	–	(3,445)
On acquisition of subsidiary	155	21,117	33	377	–	21,682
At 31 Mar 2008	172	23,330	41	466	7	24,016
Net book value						
At 31 Mar 2008	**643**	**23,998**	**45**	**173**	**31**	**24,890**
At 31 Dec 2006	–	–	–	–	–	–

Included within the net book value of £24,890,000 is £17,866,000 (2006 - £Nil) relating to assets held under hire purchase agreements The depreciation charged to the financial statements in the period in respect of such assets amounted to £4,943,000 (2006 - £Nil)

11 Tangible fixed assets (continued)

Company	Leasehold improvements £000	Plant & Machinery £000	Fixtures & Fittings £000	Motor Vehicles £000	Computers £000	Total £000
Cost						
Additions	1	2	45	56	38	142
At 31 Mar 2008	1	2	45	56	38	142
Depreciation						
Charge for the period	–	–	7	9	7	23
At 31 Mar 2008	–	–	7	9	7	23
Net book value						
At 31 Mar 2008	**1**	**2**	**38**	**47**	**31**	**119**
At 31 Dec 2006	–	–	–	–	–	–

12 Acquisitions

On 4 June 2008 the company acquired 100% of the ordinary share capital of Go Plant Limited The acquisition was accounted for using the acquisition method of accounting The assets and liabilities of Go Plant Limited Group at the date of acquisition were as follows

	Assets acquired £000	Provisional fair value adjustments £000	Fair value £000
Fixed assets			
Tangible	25,117	–	25,117
Current assets			
Stocks	1,152	–	1,152
Debtors	7,518	–	7,518
Total assets	33,787	–	33,787
Creditors			
Bank loans and overdrafts	2,359	–	2,359
Trade creditors	1,268	–	1,268
Accruals	457	–	457
Other tax and social security	468	–	468
Corporation tax	716	–	716
Amounts due under Hire Purchase	19,665	–	19,665
Provisions			
Deferred taxation	1,952	–	1,952
Total liabilities	26,885	–	26,885
Purchased goodwill			7,836
Consideration paid			14,738
Satisfied by:			
Cash			13,400
Fees			429
Loan notes			712
Other			197
			14,738

The financial performance of Go Plant Limited and its subsidiary from 1 April 2007 to 4 June 2007 is summarised below

	£000
Turnover	4,846
Operating profit	1,324
Profit before tax	452

13 Investments

Company	Group companies £000
Cost	
Additions	**14,738**
At 31 March 2008	**14,738**
Net book value	
At 31 March 2008	**14,738**
At 31 December 2006	-

On 4 June 2007 the company acquired 100% of the share capital of Go Plant Limited who in turn hold 100% of the share capital of Shropshire Road Sweepers Limited and J&G Plant Limited Their results have been included in the consolidated financial statements

	Country of incorporation	Holding	Nature of business
Go Plant Limited	England	Ordinary shares	Supply of operated and self drive road sweeping and cleansing vehicles
Shropshire Road Sweepers Limited	England	Ordinary shares	Hire of road sweepers and jetting equipment
J & G Plant Limited	England	Ordinary shares	Dormant

At 31 March 2008 the trade and assets of Shropshire Road Sweepers were hived up into Go Plant Limited, and as such that company will be dormant in future periods

14 Stocks

	The group		The company	
	31 Mar 08 £000	31 Dec 06 £000	**31 Mar 08 £000**	31 Dec 06 £000
Raw materials	**1,299**	–	**–**	–
Work in progress	**760**	–	**760**	–
Land	**13,615**	1,713	**13,615**	1,713
	15,674	1,713	**14,375**	1,713

15 Debtors

	The group		The company	
	31 Mar 08	31 Dec 06	**31 Mar 08**	31 Dec 06
	£000	£000	**£000**	£000
Trade debtors	**6,730**	–	**11**	–
Amounts owed by group undertakings	**–**	–	**5,101**	–
Other debtors	**664**	1,900	**573**	1,900
Prepayments and accrued income	**999**	–	**585**	–
	8,393	1,900	**6,270**	1,900

The debtors above include the following amounts falling due after more than one year

	The group		The company	
	31 Mar 08	31 Dec 06	**31 Mar 08**	31 Dec 06
	£000	£000	**£000**	£000
Amounts owed by group undertakings	**–**	–	**5,000**	–

During the year Easternrange Limited loaned £5,000,000 to Go Plant Limited to fund capital expenditure This loan attracts interest at market rate

16 Creditors amounts falling due within one year

	The group		The company	
	31 Mar 08	31 Dec 06	**31 Mar 08**	31 Dec 06
	£000	£000	**£000**	£000
Trade creditors	**1,756**	17	**687**	17
Amounts owed to group undertakings	**–**	–	**198**	–
Amounts due under finance lease and hire purchase agreements	**5,428**	–	**–**	–
Corporation tax	**1,032**	3	**397**	3
Other taxation and social security	**569**	–	**71**	–
Other creditors	**1,244**	318	**1,244**	318
Accruals and deferred income	**736**	–	**249**	–
	10,765	338	**2,846**	338

17 Creditors amounts falling due after more than one year

	The group		The company	
	31 Mar 08	31 Dec 06	**31 Mar 08**	31 Dec 06
	£000	£000	**£000**	£000
Amounts due under finance lease and hire purchase agreements	**8,783**	–	**–**	–
Other creditors	**219**	–	**219**	–
	9,002	–	**219**	–

Amounts due under finance leases and hire purchase arrangements are secured on the assets to which they relate

18 Commitments under finance lease and hire purchase agreements

Future commitments under finance lease and hire purchase agreements are as follows

	The group		The company	
	31 Mar 08	31 Dec 06	**31 Mar 08**	31 Dec 06
	£000	£000	**£000**	£000
Amounts payable within 1 year	**5,428**	-	-	-
Amounts payable between 1 and 2 years	**3,833**	-	-	-
Amounts payable between 3 and 5 years	**4,949**	-	-	-
Amounts payable after more than 5 years	**2**	-	-	-
	14,212	-	-	-

19 Deferred taxation

The movement in the deferred taxation provision during the period was

	The group		The company	
	1 Jan 07 to	Year to	**1 Jan 07 to**	Year to
	31 Mar 08	31 Dec 06	**31 Mar 08**	31 Dec 06
	£000	£000	**£000**	£000
On acquisition of subsidiary	**1,952**	-	-	-
Movement in the period	**(311)**	-	-	-
Provision carried forward	**1,641**	-	-	-

The group's provision for deferred taxation consists of the tax effect of timing differences in respect of

Group

	31 Mar 08	31 Dec 06
	£000	£000
Excess of taxation allowances over depreciation on fixed assets	**1,672**	-
Other timing differences	**(31)**	-
	1,641	-

20 Commitments under operating leases

At 31 March 2008 the group had annual commitments under non-cancellable operating leases as set out below

The group	**31 Mar 08**		31 Dec 06	
	Land and buildings £000	**Other items £000**	**Land and Buildings** £000	**Other items** £000
Operating leases which expire				
Within 1 year	**25**	**110**	-	-
Within 2 to 5 years	**149**	**477**	-	-
After more than 5 years	**172**	-	-	-
	346	**587**	-	-

At 31 March 2008 the company had annual commitments under non-cancellable operating leases as set out below

The company	**31 Mar 08**		31 Dec 06	
	Land and buildings £000	**Other items £000**	**Land and Buildings** £000	**Other items** £000
Operating leases which expire				
Within 2 to 5 years	**20**	-	-	-

21 Related party transactions

At 31 March 2008 there was an amount of £750,544 (2006 - £311,250) due to D W Wilson on director's loan account No interest was paid on the loan

22 Share capital

Authorised share capital

	31 Mar 08 £000	31 Dec 06 £000
10,000,000 Ordinary shares of £1 each	-	10,000
6,700,000 Ordinary 'A' shares of £1 each	**6,700**	-
4,000,000 Ordinary 'B' shares of £1 each	**4,000**	-
65,300,000 Redeemable Preference shares of £1 each	**65,300**	-
	76,000	10,000

Allotted, called up and fully paid

	31 Mar 08 No	£000	31 Dec 06 No	£000
Ordinary shares of £1 each	-	-	5,000,000	5,000
Ordinary 'A' shares of £1 each	**4,200,000**	**4,200**	-	-
Ordinary 'B' shares of £1 each	**4,000,000**	**4,000**	-	-
Redeemable Preference shares of £1 each	**65,300,000**	**65,300**	-	-
	73,500,000	**73,500**	5,000,000	5,000

During the period the company's entire authorised ordinary share capital was redesignated into 6,000,000 'A' ordinary shares and 4,000,000 'B' ordinary shares of £1 each

By written resolution the company's authorised share capital was increased by the creation of 700,000 additional 'A' ordinary shares of £1 each and 65,300,000 redeemable preference shares of £1 each

During the period ended 31 March 2008 the company issued a further 3,200,000 'A' ordinary shares and 65,300,000 redeemable preference shares All issues were at par

The 'A' and 'B' ordinary shares rank pari passu with regards to dividend and voting rights, with the 'B' ordinary shares having preference on the winding up of the company

The redeemable preference shareholders have no rights to dividend income and are redeemable at the option of the company not the holder

23 Reserves

Group	Profit and loss account £000
At 1 January 2007	**88**
Profit for the period	**2,359**
At 31 March 2008	**2,447**

Company	Profit and loss account £000
At 1 January 2007	**88**
Profit for the period	**817**
At 31 March 2008	**905**

24 Reconciliation of movements in shareholders' funds

	31 Mar 08 £000	31 Dec 06 £000
Profit for the financial period	**2,359**	11
New ordinary share capital subscribed	**68,500**	4,000
Net addition to shareholders' funds	**70,859**	4,011
Opening shareholders' funds	**5,088**	1,077
Closing shareholders' funds	**75,947**	5,088

25 Notes to the statement of cash flows

Reconciliation of operating profit/(loss) to net cash outflow from operating activities

	Period from 1 Jan 07 to 31 Mar 08 £000	Year to 31 Dec 06 £000
Operating profit/(loss)	**1,861**	(9)
Amortisation	**362**	–
Depreciation	**5,779**	–
Profit on disposal of fixed assets	**(73)**	–
Increase in raw materials and work in progress	**(907)**	–
Decrease in debtors	**1,025**	(515)
Increase in creditors	**844**	33
Movement in provisions	**(311)**	–
Net cash outflow from operating activities (excluding land purchases)	**8,580**	(491)

25 Notes to the statement of cash flows (continued)

Reconciliation of net cash flow to movement in net funds

	31 Mar 08 £000	31 Dec 06 £000
Increase in cash in the period	39,111	1,819
Cash inflow in respect of hire purchase	5,454	–
	44,565	1,819
Change in net funds resulting from cash flows	44,565	1,819
Finance leases acquired with Go Plant Limited	(19,665)	–
Movement in net debt in the period	24,900	1,819
Net funds at 1 January 2007	1,813	(6)
Net funds at 31 March 2008	26,713	1,813

Analysis of changes in net funds

	At 1 Jan 2007 £000	Cash flows £000	In Go Plant at acquisition £000	At 31 Mar 2008 £000
Net cash				
Cash in hand and at bank	1,813	39,111	0	40,924
Debt				
Hire purchase agreements < 1 year	–	2,083	(7,511)	(5,428)
Hire purchase agreements > 1 year	–	3,371	(12,154)	(8,783)
	–	5,454	(19,665)	(14,211)
Net funds	1,813	44,565	(19,665)	26,713

26 Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £341,000 (2006 - £Nil)