



Redwing Construction Limited

Financial Statements

for the period ended

31st March 2006

Redwing Construction Limited

Officers and professional advisors

Directors

Stephen Pope
Richard Williams
Alistair Sloan

Managing director
Commercial director
Non executive director

Secretary

Alistair Sloan

Registered office

10 Raleigh Court
Rutherford Way
Crawley
West Sussex
RH10 9PD

Auditors

Baker Tilly
Chartered Accountants
12 Gleneagles Court
Brighton Road
Crawley
West Sussex
RH10 6AD

Redwing Construction Limited

Directors' report

The directors submit their report and the financial statements of Redwing Construction Limited for the period ended 31st March 2006.

Incorporation and commencement of trading

The company was incorporated on 23 March 2005 and commenced trading on 11 April 2005.

Principal activities

The principal activity of the company during the period was building contracting.

Review of the business

The company commenced trading in April 2005 as a contractor specialising in new build, refurbishment and fitting out contracts in the south east of England. Although the business is new, the directors have many years' experience at board level in both privately owned and publicly quoted national contractors. This experience has enabled the company to trade profitably and with healthy cash balances during its first year.

We secured and commenced our first project after four months. To date we have completed four schemes. Each one has been profitable and delivered on time. We have focussed on providing a quality service for our clients and on developing a very strong supply chain. We are already enjoying the fruits of that effort through a high level of repeat business and from the fact that several subcontractors have now worked on most of our jobs.

We enter our second year of trading with a strong order book and huge levels of enthusiasm. We have secured a prestigious scheme for the refurbishment and fitting out of Gordon Ramsay's flagship restaurant in Chelsea and a negotiated project for the refurbishment of a major industrial unit near Gatwick Airport for a national property developer. This should enable us to achieve our plan of carefully controlled growth.

We would like to take this opportunity to thank our staff. They have worked exceptionally hard for us and in return we hope that we have provided a rewarding and stimulating environment. We would also like to thank our suppliers and subcontractors. We have set out to look after our supply chain with clear guidance, regular work and prompt payment. We are confident that those relationships will continue for many years to come.

Finally we would like to thank our clients. Giving work to a new contractor could easily be seen as a risk. We are delighted to have secured work from small private sector clients, major private sector clients and public sector clients. We believe that their faith in our people has been rewarded with a series of top quality projects, delivered on time and without fuss.

Dividends

The directors do not recommend the payment of a dividend.

Redwing Construction Limited

Directors' report

Directors

The following directors have held office since 23rd March 2005:-

Stephen Pope	
Richard Williams	Appointed 17 th February 2006
Alistair Sloan	
Martin Brackpool	Resigned 17 th February 2006

Directors' interests in shares

Directors' interests in the shares of the company, including family interests, were as follows:-

	Ordinary shares of £1 each	
	31.03.06	23.03.05*
Stephen Pope	20,000	-
Alistair Sloan	20,000	-
Richard Williams	5,000	-

* or date of appointment if later

Auditors

A resolution to reappoint Baker Tilly, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

Statement as to disclosure of information to auditors

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

By order of the board

Alistair Sloan

Secretary

19 May 2006

Redwing Construction Limited

Directors' responsibilities in the preparation of financial statements

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 affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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 keeping 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 requirements of 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.

Independent auditor's report to the members of Redwing Construction Ltd

We have audited the financial statements on pages 6 to 14.

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 auditors

The directors' responsibilities for preparing the Annual Report and 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, and whether the information given in the Directors' Report is consistent with the financial statements. We also 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.

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 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

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 at 31st March 2006 and of its profit for the period then ended and 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.

BAKER TILLY
Registered Auditor
Chartered Accountants
12 Gleneagles Court, Brighton Road
Crawley RH10 6AD

19 May 2006

Redwing Construction Limited

Profit and loss account
for the period ended 31st March 2006

	<i>Notes</i>	2006 £
Turnover	1	1,702,348
Cost of sales		(1,462,644)
Gross profit		<hr/> 239,704
Administrative expenses		(223,996)
Operating profit		<hr/> 15,708
Bank interest received		2,652
Profit on ordinary activities before taxation	2	<hr/> 18,360
Taxation	4	(3,108)
Profit on ordinary activities after taxation	9	<hr/> 15,252

The operating profit for the period arises from the company's continuing operations.

No separate statement of total recognised gains and losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

Redwing Construction Limited

Balance sheet
31st March 2006

	<i>Notes</i>	2006 £
Fixed assets		
Tangible assets	5	<u>7,500</u>
Current assets		
Debtors	6	382,206
Cash at bank and in hand		211,677
		<u>593,883</u>
Creditors		
Amounts falling due within one year	7	(541,131)
Net current assets		<u>52,752</u>
Total assets less current liabilities		<u>60,252</u>
Capital and reserves		
Called up share capital	8	45,000
Profit and loss account	9	15,252
Shareholders' funds	10	<u>60,252</u>

The financial statements on pages 6 to 14 were approved by the board of directors and authorised for issue on 19 May 2006 and are signed on its behalf by:

Alistair Sloan
Director

Redwing Construction Limited

Cashflow statement
for the period ended 31st March 2006

	<i>Notes</i>	2006 £
Cash flow from operating activities	11	175,879
Returns on investments and servicing of finance		
Interest received		2,652
Capital expenditure and financial investment		
Purchase of tangible fixed assets		(11,854)
Cash inflow before management of liquid resources and financing		<hr/> 166,667
Financing		
Issue of share capital		45,000
Increase in cash in the period		<hr/> 211,677 <hr/>

Redwing Construction Limited

Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Tangible fixed assets

Fixed assets are stated at historical cost.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows: -

Fixtures and fittings	Over 3 years
Computer equipment	Between 2 and 4 years

Amounts recoverable on contracts

Amounts recoverable on contracts are valued at fair value including the proportion of expected recovery on each contract for work completed at the balance sheet date.

Leased assets and obligations

All leases are "operating leases" and the annual rentals are charged to profit and loss on a straight line basis over the lease term.

Turnover

Turnover represents the value, net of Value Added Tax, of services provided to customers.

Redwing Construction Limited

Notes to the financial statements
for the period ended 31st March 2006

1 Turnover and profit on ordinary activities before taxation

The company's turnover and profit before taxation were all derived from its principal activity. All sales were made in the United Kingdom

2 Profit on ordinary activities before taxation	2006 £
---	-----------

Profit on ordinary activities before taxation is stated after charging:

Depreciation and amounts written off tangible fixed assets:

Charge for the period: owned assets	4,354
--	-------

Operating lease rentals: Land and buildings	11,879
--	--------

Auditors' remuneration As auditors	6,000
Other services	1,000

3 Employees	2006 No.
-------------	-------------

The average monthly number of persons (including directors) employed by the company during the period was:

Office and management	7
-----------------------	---

Staff costs for the above persons:	2006 £
------------------------------------	-----------

Wages and salaries	209,218
Social security costs	23,767

232,985

Directors' remuneration

Emoluments	87,845
Fees	19,134

Total emoluments	106,979
------------------	---------

Redwing Construction Limited

Notes to the financial statements
for the period ended 31st March 2006

4	Taxation	2006 £
	Current tax:	
	UK corporation tax on profits of period	3,108
	Total current tax	<u>3,108</u>
	Deferred tax:	
	Origination and reversal of timing differences	0
	Total deferred tax	<u>0</u>
	Tax on profit on ordinary activities	<u>3,108</u>
	Factors affecting the tax charge for the period	
	The tax assessed for the period is lower than the standard rate of corporation tax for small companies (19%) as explained below:	
	Profit on ordinary activities before tax	18,360
		<u>18,360</u>
	Profit on ordinary activities multiplied by the standard rate of corporation tax for small companies (19%)	3,488
	Effects of:	
	Expenses not deductible for tax purposes	971
	Capital allowances in excess of depreciation	(74)
	Marginal relief	(1,277)
	Current tax charge for the period	<u>3,108</u>

Redwing Construction Limited

Notes to the financial statements
for the period ended 31st March 2006

5 Tangible fixed assets

	Fixtures and Fittings £	Computer Equipment £	Total £
Cost			
23 rd March 2005	0	0	0
Additions	3,405	8,449	11,854
31 st March 2006	<u>3,405</u>	<u>8,449</u>	<u>11,854</u>
Depreciation			
23 rd March 2005	0	0	0
Charged in the period	1,105	3,249	4,354
31 st March 2006	<u>1,105</u>	<u>3,249</u>	<u>4,354</u>
Net book value			
31 st March 2006	<u>2,300</u>	<u>5,200</u>	<u>7,500</u>
23 rd March 2005	<u>0</u>	<u>0</u>	<u>0</u>

6 Debtors

Due within one year:

Amounts recoverable on contracts	302,523
Trade debtors	77,763
Other debtors	1,245
Prepayments and accrued income	675
	<u>382,206</u>

7 Creditors: amounts falling due within one year

Trade creditors	105,728
Corporation tax	3,108
Other taxation and social security costs	43,162
Other creditors	157,953
Accruals and deferred income	231,180
	<u>541,131</u>

Redwing Construction Limited

Notes to the financial statements
for the period ended 31st March 2006

8 Share capital	2006 £
Authorised: 50,000 ordinary shares of £1 each	50,000
	<hr/>
Allotted, issued and fully paid: 45,000 ordinary shares of £1 each	45,000
	<hr/>
<p>On 11 April 2005 the company issued 45,000 ordinary shares of £1 each at par for cash.</p>	
9 Profit and loss account	2006 £
23 rd March 2005	0
Retained profit for the period	15,252
31 st March 2006	<hr/> 15,252
10 Reconciliation of the movement in shareholders' funds	2006 £
Profit for the financial period	15,252
Issue of share capital	45,000
Net additions to shareholders' funds	<hr/> 60,252
Opening shareholders' funds	0
Closing shareholders' funds	<hr/> <hr/> 60,252
11 Cashflows	2006 £
a) Reconciliation of operating profit to net cash inflow from operating activities	
Operating profit	15,708
Depreciation	4,354
Increase in debtors	(382,206)
Increase in creditors	538,023
Net cashflow from operating activities	<hr/> 175,879
b) Reconciliation of net cash flow to movement in net funds	
Increase in cash in the period	211,677
Net funds at 23 rd March 2005	-
Net funds at 31 st March 2006	<hr/> 211,677

Redwing Construction Limited

Notes to the financial statements
for the period ended 31st March 2006

11 Cashflows (continued)

c) Analysis of change in net funds	At 23 March 2005 £	Cash Flows £	At 31 March 2006 £
Cash at bank and in hand	-	211,677	211,677

12 Commitments under operating leases

2006
£

At 31 March 2006 the company had annual commitments under non-cancellable operating leases as follows:

Plant and machinery	
Expiring within 1 year	-
Expiring between 2 and 5 years	-
Land and buildings	
Expiring between 2 and 5 years	12,948
	<hr/> 12,948 <hr/>