



Redwing Construction Limited

Financial Statements

for the year ended

31st March 2007

Redwing Construction Limited

Officers and professional advisors

Directors

Stephen Pope
Vince Callari
Alistair Sloan

Managing director
Commercial director
Non executive director

Secretary

Alistair Sloan

Registered office

2 Amberley Court
Whitworth Road
Crawley
West Sussex
RH11 7XL

Auditors

Baker Tilly (resigned 31st March 2007)
Chartered Accountants
12 Gleneagles Court
Brighton Road
Crawley
West Sussex
RH10 6AD

Baker Tilly UK Audit LLP (appointed 1st April 2007)
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 year ended 31st March 2007.

Principal activities

The principal activity of the company during the year 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 relatively young, the directors have many years' experience at board level in both privately owned and publicly quoted national contractors. That experience has enabled the company to trade profitably and with healthy cash balances during its first two years.

During our second year we successfully completed a complex project for the refurbishment and fitting out of Restaurant Gordon Ramsay in Chelsea, the only restaurant in London holding the coveted three Michelin stars. Despite a very tight contract programme and a substantial increase in the volume of work, the restaurant opened on time with a very happy client.

We have recently completed our second major education project for the London Borough of Hillingdon and in total we have now completed ten education schemes covering schools, colleges and universities in both the public sector and the private sector. We believe that the success that we have had to date will enable us to build our portfolio of education projects. We also believe that this should enable us to increase our workload in other public sector markets.

Our other projects have been for industrial and commercial clients. During the year we successfully completed a number of new build, refurbishment and fitting out projects and we have recently been awarded our third fitting out scheme by a major international property company.

We would like to take this opportunity to thank our staff, our clients and our suppliers. Our staff have worked exceptionally hard for us and we hope that we have provided a rewarding and stimulating experience. Our clients have shown loyalty to us and we are delighted that many of our subcontractors and suppliers have now worked on a large number of our jobs.

Dividends

The directors do not recommend a final dividend on the ordinary shares. During the year an interim dividend of 25p per share was paid. Two shareholders, Alistair Sloan and Richard Williams declined to take the offered dividend totalling £6,250. In total, dividends of £5,000 were paid leaving a profit of £9,696 to be retained.

Directors

The following directors have held office since 1st April 2006:-

Stephen Pope
Richard Williams
Vince Callari
Alistair Sloan

Resigned 29th September 2006
Appointed 28th February 2007

Redwing Construction Limited

Directors' report

Directors' interests in shares

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

	Ordinary shares of £1 each	
	31.03.07	01.04.06*
Stephen Pope	20,000	20,000
Alistair Sloan	20,000	20,000
Vince Callari	0	0
Richard Williams	5,000	5,000

* or date of appointment if later

Auditors

The directors, having been notified of the cessation of the partnership known as Baker Tilly, resolved that Baker Tilly UK Audit LLP be appointed as successor auditor with effect from 1st April 2007, in accordance with the provisions of the Companies Act 1989 s26(5). Baker Tilly UK Audit LLP has indicated its willingness to continue in office, and a resolution to reappoint Baker Tilly UK Audit LLP, 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 has 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

17 October 2007

Redwing Construction Limited

Directors' responsibilities in the preparation of financial statements

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 13.

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. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report (if applicable, the Chairman's Statement, the Operating and Financial Review, specify any other). We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 31 March 2007 and of its profit for the year 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 UK AUDIT LLP
Registered Auditor
Chartered Accountants
12 Gleneagles Court, Brighton Road
Crawley RH10 6AD

22 October 2007

Redwing Construction Limited

Profit and loss account
for the year ended 31st March 2007

	Notes	2007 £	2006 £
Turnover	1	3,580,309	1,702,348
Cost of sales		(3,184,957)	(1,462,644)
Gross profit		<u>395,352</u>	<u>239,704</u>
Administrative expenses		(379,692)	(223,996)
Operating profit		<u>15,660</u>	<u>15,708</u>
Bank interest received		2,036	2,652
Profit on ordinary activities before taxation		<u>17,696</u>	<u>18,360</u>
Taxation	4	(3,000)	(3,108)
Profit on ordinary activities after taxation		<u>14,696</u>	<u>15,252</u>

The operating profit for the period arose 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

As at 31st March 2007

	Notes	2007 £	2006 £
Fixed Assets			
Tangible assets	6	<u>4,140</u>	<u>7,500</u>
Current assets			
Debtors	7	751,930	382,206
Cash at bank and in hand		278,240	211,677
		<u>1,030,170</u>	<u>593,883</u>
Creditors			
Amounts falling due within one year	8	(914,362)	(541,131)
Net current assets		<u>115,808</u>	<u>52,752</u>
Total assets less current liabilities		119,948	60,252
Creditors			
Amounts falling due after more than one year	9	(50,000)	0
Net assets		<u>69,948</u>	<u>60,252</u>
Capital and reserves			
Called up share capital	10	45,000	45,000
Profit and loss account	11	24,948	15,252
Shareholders' funds	12	<u>69,948</u>	<u>60,252</u>

The financial statements on page 6 to 13 were approved by the board of directors and authorised for issue on 17 October 2007 and are signed on its behalf by:

Alistair Sloan
Director

Redwing Construction Limited

Cashflow statement

for the year ended 31st March 2007

	<i>Notes</i>	2007 £	2006 £
Cash flow from operating activities	13	24,209	175,879
Returns on investments and servicing of finance			
Interest received		2,036	2,652
Taxation		(3,204)	0
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(1,478)	(11,854)
Equity dividends paid		(5,000)	0
Cash inflow before management of liquid resources and financing		<u>16,563</u>	<u>166,667</u>
Financing			
Issue of share capital		0	45,000
Director's loan account		50,000	0
Increase in cash in the year		<u>66,563</u>	<u>211,677</u>

Redwing Construction Limited

Notes to the financial statements
for the year ended 31st March 2007

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 three years
Computer equipment	Between two and five years 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 invoiced value, net of Value Added Tax, of goods sold and services provided to customers.

Redwing Construction Limited

Notes to the financial statements
for the year ended 31st March 2007

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	2007	2006
	£	£

Profit on ordinary activities before taxation is stated after charging

Depreciation and amounts written off tangible assets

Charge for the period:

Owned assets	4,838	4,354
Operating lease rentals		
Land and buildings	8,174	11,879
Auditors' remuneration		
As auditors	6,000	6,000
Other services	1,000	1,000

3 Employees

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

	2007	2006
	No.	No.
Office and management	10	7

Staff costs for the above persons

	2007	2006
	£	£
Wages and salaries	393,109	209,218
Social security costs	44,092	23,767

Directors' remuneration

	437,201	232,985
Emoluments	129,665	87,845
Fees	0	19,134
	<u>129,665</u>	<u>106,979</u>

Redwing Construction Limited

Notes to the financial statements
for the year ended 31st March 2007

4	Taxation	2007 £	2006 £
	Current tax:		
	UK corporation tax on profits of year	2,904	3,108
	Undercharge from previous year	96	0
		<u>3,000</u>	<u>3,108</u>
	Deferred tax:		
	Origination and reversal of timing differences	<u>0</u>	<u>0</u>
	Tax on profit on ordinary activities	<u>3,000</u>	<u>3,108</u>
	Factors affecting the tax charge for the year		
	The tax assessed for the year is lower than the standard rate of corporation tax for small companies (19%) as explained below:		
	Profit on ordinary activities before taxation	<u>17,696</u>	<u>18,360</u>
	Profit on ordinary activities multiplied by the standard rate of corporation tax for small companies (19%)	3,362	3,488
	Effects of:		
	Expenses not deductible for tax purposes	704	971
	Capital allowances in excess of depreciation	441	(74)
	Undercharge from previous year	96	-
	Other adjustments	(1,603)	-
	Marginal relief	-	(1,277)
	Current tax charge for the year	<u>3,000</u>	<u>3,108</u>
5	Dividends	2007 £	2006 £
	Interim Dividend	<u>5,000</u>	<u>0</u>

An interim dividend of 25p per share was paid on 02 March 2007. Two shareholders, Alistair Sloan and Richard Williams, declined to take the offered dividend. This reduced the amount of the dividend paid by £6,250 from £11,250 to £5,000.

Redwing Construction Limited

Notes to the financial statements
for the year ended 31st March 2007

6 Tangible Fixed Assets	Fixtures & Fittings £	Computer Equipment £	Total £
Cost			
1 st April 2006	3,405	8,449	11,854
Additions	0	1,478	1,478
31 st March 2007	3,405	9,927	13,332
Depreciation			
1 st April 2006	1,105	3,249	4,354
Charged in year	1,105	3,733	4,838
31 st March 2007	2,210	6,982	9,192
Net book value			
31 st March 2007	1,195	2,945	4,140
31 st March 2006	2,300	5,200	7,500
7 Debtors		2007	2006
		£	£
Due within one year:			
Amounts recoverable on contracts		637,302	302,523
Trade debtors		94,617	77,763
Other debtors		3,373	1,245
Prepayments and accrued income		16,638	675
		751,930	382,206
8 Creditors: amounts falling due within one year		2007	2006
		£	£
Trade creditors		198,423	105,728
Corporation tax		2,904	3,108
Other taxation and social security costs		95,507	43,162
Other creditors		157,953	157,953
Accruals and deferred income		459,575	231,180
		914,362	541,131
9 Creditors: amounts falling due greater than one year		2007	2006
		£	£
Loan		50,000	50,000

The loan was made by Alistair Sloan, a director of Redwing Construction Limited, and bears no interest. The loan is not repayable without twelve months prior notice in writing from the lender to the company.

Redwing Construction Limited

Notes to the financial statements
for the year ended 31st March 2007

10	Share Capital	2007	2006
		£	£
	Authorised: 50,000 ordinary shares of £1 each	50,000	50,000
	Allotted, issued and fully paid 45,000 ordinary shares of £1 each	<u>45,000</u>	<u>45,000</u>
11	Profit and loss account	2007	2006
		£	£
	Opening balance	15,252	0
	Retained profit for the year	14,696	15,252
	Dividend paid in year	(5,000)	0
	Closing balance	<u>24,948</u>	<u>15,252</u>
12	Reconciliation of the movement in shareholders' funds	2007	2006
		£	£
	Opening balance	60,252	0
	Retained profit for the year	14,696	15,252
	Dividend paid in year	(5,000)	0
	Issue of share capital	0	45,000
	Closing balance	<u>69,948</u>	<u>60,252</u>
13	Cashflows	2007	2006
		£	£
	Reconciliation of operating profit to net cash inflow from operating activities		
	Operating profit	15,660	15,708
	Depreciation	4,838	4,354
	Increase in debtors	(195,205)	(382,206)
	Increase in creditors	198,916	538,023
		<u>24,204</u>	<u>175,879</u>

14 Related Party Transactions

Alistair Sloan, a director and shareholder of the company, has made an interest free loan to the company during the year ended 31 March 2007 amounting to £50,000 as detailed in note 9 above. The amount due by the company at 31 March 2007 was £50,000 (2006 - £0).