



Alpha Strategic PLC
Results for year
ended 31st March 2007

Financial Highlights

- **First acquisition of Winton Advisors completed.**
- **First income received.**
- **Global Futures Fund grows over 300% to over \$41m.**
- **Net assets up 6%.**
- **Loss per share halved, significant progress towards profitability.**
- **Healthy cash balance maintained at £2.3 million.**

To obtain a copy of this report, and for comprehensive information on the Company and its Directors, please visit our website at:

www.alphastrategic.co.uk

Contents

Directors and Advisers	3
Chairman's Statement	4
Directors' Report	5
Independent Auditor's Report	8
Consolidated Profit and Loss Account	11
Consolidated Balance Sheet	12
Company Balance Sheet	13
Consolidated Cash Flow Statement	14
Notes to the Financial Statements	15

Directors and Advisers

Executive Directors:	Colin Barrow – Chairman Kit Malthouse – Chief Executive
Non Executive Directors:	Colin Clark Nicola Meaden
Secretary and Registered Office:	Kit Malthouse 8 Barton Street London SW1P 3NE
Nominated Advisers:	Strand Partners Limited 26 Mount Row London W1K 3SQ
Nominated Brokers:	Teather and Greenwood Limited Beaufort House 15 St Botolph Street London EC3A 7QR
Registrars:	Capita IRG plc The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
Registered Auditors:	BDO Stoy Hayward LLP 8 Baker Street London W1U 3LL
Legal Advisers:	SJ Berwin LLP 10 Queen Street Place London EC4R 1BE
Bankers:	HSBC plc 69 Pall Mall London SW1Y 5EY



Chairman's Statement

Our first full financial year has been one of steady progress.

We completed our first transaction with Winton Capital Management Limited in May last year, through the acquisition of Winton Advisors Limited, which has now changed its name to Alpha Winton Limited. This has provided us with a strong foundation for future transactions. These accounts show the first fruits of that acquisition with both management and incentive fees being received and an increase in net assets as a result.

We continue to await approval from the regulators for more public distribution of the Global Futures Fund in Switzerland but even in the absence of this and the concomitant limits on marketing, assets in the fund have grown from \$11.5 million to over \$41million since we completed the transaction.

Winton has shown solid performance during the period and continues to outperform its main competitor.

We have successfully contained overheads for the first full year, and maximized income from our healthy cash balance of £2.3m.

We continue to pursue a number of promising conversations with other high quality hedge fund managers only, and I am confident that we will effect further transactions soon.

Our first transaction should yield sufficient income to move us into profit and positive cash flow, and this gives us the head room to source the right kind of transaction.

It is undoubtedly the case that, as we educate the industry, and managers see the ill effects of other capital events such as IPOs or stake sales to large institutions, momentum is building around your company. We believe we have a superior model which brings together hedge fund managers and outside investors in the least contentious and most valuable way for both sides.

We have been very encouraged by our progress in the last year. With the growth in funds under management combined with continuing performance levels from Winton, we anticipate being able to report significant progress towards profitability at our interims to be published in December.

Colin Barrow, Chairman.

Directors' Report

The Directors present their report and the audited financial statements for the year ended 31st March 2007.

Principal Activities

The principal activity of the Group and the Company is to acquire shares in, or enter joint ventures with, or provide services to, hedge fund management businesses, so as to acquire a high quality diversified revenue stream.

Review of the Business and Future Activities

Details of the Group's key performance indicators are set on in the Financial Highlights on page 1. Details of the review of the business and future activities are set out in the Chairman's Statement on page 4. The profit and loss account is set out on page 11.

During the year the Company has pursued the objectives laid out in the admission document, and approved by the shareholders at the Annual General Meeting.

Acquisition

On 22nd May 2006 the Company announced the acquisition of the entire share capital of Winton Advisors Limited, which has now changed its name to Alpha Winton Limited. Consideration for the purchase was £327,010 satisfied by the issue of 308,500 ordinary shares of 1 pence each at a price of £1.06 per share. The shares were admitted to trading on AIM on 26th May 2006.

Dividends

The Directors do not recommend the payment of a dividend for the year ended 31st March 2007.

Directors and their interests

The names of the Directors of the Company at 31st March 2007 and of those who served during the year, and details of their beneficial shareholdings, are listed below.

Current Directors		At 1st April 2006 and 31st March 2007
Colin Barrow	Ordinary Shares of 1p A Ordinary Shares of £24.75	500,000 1,000
Kit Malthouse	Ordinary Shares of 1p A Ordinary Shares of £24.75	50,000 1,000
Colin Clark	Ordinary Shares of 1p	100,000
Nicola Meaden	Ordinary Shares of 1p	100,000

Employees

There were no employees of the Company other than the Directors during or at the end of the financial year.

Substantial Shareholders

At 31st March 2007 the substantial shareholders of the Company were as follows:

Colin Barrow	15.00%
David Harding	11.25%
Roy Nominees Ltd	10.00%
Auvergne & Bourgogne	9.07%
IPGL Limited	8.33%
MOX Securities Nominees Ltd	5.01%
Malcolm Easey	5.00%
Horizon Management DP Ltd	4.50%
HSDL Nominees Ltd	3.45%
Colin Martin Clark	3.02%
Nicola Marie Meaden	3.02%

Creditors Payment Policy

It is the Company's policy to pay creditors when they fall due for payment. Terms of payment are agreed with suppliers when negotiating each transaction and the policy is to abide by those terms, provided that the suppliers also comply with all relevant terms and conditions.

Corporate Governance

The Directors fully support the recommendations of the Combined Code on Corporate Governance. As the Company continues to grow, the Directors will review their compliance with the Code from time to time and will adopt such of the provisions as the Directors consider being appropriate to the size of the Company.

International Financial Reporting Standards

It is a requirement that all AIM quoted companies adopt International Financial Reporting Standards ("IFRS") for reporting their group results for financial years beginning on or after 1st January 2007. Both the Group's September 2007 interim results and March 2008 full year results will therefore be presented under IFRS. This is purely an accounting change and will not affect the Group's business operations or underlying cash flows.

Financial instruments

The Group's financial instruments comprise, for the purpose of FRS 13, cash and investments. The main risks arising from the Company's instruments are market risk, interest rate risk and liquidity risk. The Company is not directly exposed to foreign currency risk. The policies for managing each of these risks are summarized in note 14 to the accounts.

Auditors

The Directors, having prepared the financial statements, have requested the Auditors to take whatever steps and to undertake whatever inspections they consider appropriate for the purposes of giving their reports. Each Director has responsibility for ensuring that as far as he/she is aware, there is no relevant audit information of which the Auditors are unaware, and that he/she has taken all the steps that he/she ought to have taken to make himself/herself aware of any relevant audit information (that is, relevant to the preparation of the Auditors' reports) and to establish that the Company's Auditors are aware of that information. During the year the Directors confirm that they have performed their responsibilities as stated.

In accordance with s. 385 of the Companies Act 1985, a resolution is to be proposed at the Annual General Meeting for the reappointment of BDO Stoy Hayward LLP as auditor of the Company. A resolution will also be proposed authorising the Directors to determine the auditor's remuneration.

By Order of the Board

Kit Malthouse
Company Secretary
13th June 2007

Statement of Directors' responsibilities in respect of the 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 the Group at the end of the period, and of the profit or loss of the Group for that period. In preparing financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for ensuring the operation of systems of internal control and for taking responsible steps to safeguard the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the Group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's Report to the shareholders of Alpha Strategic PLC

We have audited the Group and Parent Company financial statements (the "financial statements") of Alpha Strategic Plc for the year ended 31st March 2007 which comprise the Group Profit and Loss Account, the Group and Company Balance Sheets, the Group and Company Statement of Movement in Shareholders' Funds, the Group Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of Directors and auditors

The Directors' responsibilities for preparing 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 have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with those 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.

We read other information contained in the Report and Accounts and consider whether it is consistent with the audited financial statements. The other information comprises only the Financial Highlights, the Chairman's Statement, the Directors' Report, and the Statement of Directors' Responsibilities. 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.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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 judgments 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.

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 Group financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Group's affairs as at 31st March 2007 and of its loss for the year then ended;
- the Parent Company financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Parent Company's affairs as at 31st March 2007;
- 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.

BDO STOY HAYWARD LLP

*Chartered Accountants
and Registered Auditors*
London

13th June 2007

Consolidated Profit and Loss Account

For the year ended 31st March 2007

	Notes	Year to 31 st March 2007		Period from Incorporation to 31 st March 2006
		£'000	£'000	£'000
Turnover				
Acquisitions	2		191	-
Administrative expenses				
Continuing operations		(451)		(282)
Acquisitions		(23)		-
Total administrative expenses			(474)	(282)
Operating (loss)/profit				
Continuing operations	3	(451)		(282)
Acquisitions	3	168		-
Total operating loss			(283)	(282)
Interest receivable and similar income			110	73
Loss on ordinary activities before and after tax			(173)	(209)
Basic and diluted loss per share (pence)	7		(5.30)p	(11.62)p

Consolidated Balance Sheet

As at 31st March 2007

	Notes	31 st March 2007 £'000	31 st March 2006 £'000
Fixed Assets			
Intangible assets – goodwill	8	386	-
Current assets			
Debtors	10	39	8
Investments	11	2,134	2,476
Cash		167	73
		2,340	2,557
Creditors: amounts falling due within one year	12	(53)	(37)
Net current assets		2,287	2,520
Net assets		2,673	2,520
Capital and reserves			
Called up share capital	13	83	80
Share premium account	13	2,649	2,649
Merger reserve	13	323	-
Profit and loss account	13	(382)	(209)
Shareholders' funds		2,673	2,520

Reconciliation of movement in shareholders' funds	Year to 31 st March 2007 £'000	Period from Incorporation to 31 st March 2006 £'000
Loss for the financial year/period	(173)	(209)
Issue of Ordinary Shares	326	2,950
Issue of A shares	-	50
Share issue expenses	-	(271)
Net addition to shareholders' funds	153	2,520
Shareholders' funds at the start of the year/period	2,520	Nil
Shareholders' funds at the end of the year/period	2,673	2,520

The financial statements were approved by the board and authorized for issue on 13th June 2007.

Kit Malthouse
Director

The notes on pages 16 to 24 form part of these financial statements

Company Balance Sheet

As at 31st March 2007

	Notes	31 st March 2007 £'000	31 st March 2006 £'000
Fixed Assets			
Investment in subsidiary	9	415	-
Current assets			
Debtors	10	38	8
Investments	11	2,134	2,476
Cash		63	73
		2,235	2,557
Creditors: amounts falling due within one year	12	(116)	(37)
Net current assets		2,119	2,520
Net assets		2,534	2,520
Capital and reserves			
Called up share capital	13	83	80
Share premium account	13	2,649	2,649
Merger reserve	13	323	-
Profit and loss account	13	(521)	(209)
Shareholders' funds		2,534	2,520

Reconciliation of movement in shareholders' funds	Company Year to 31 st March 2007 £'000	Company Period from Incorporation to 31 st March 2006 £'000
Loss for the financial year/period	(312)	(209)
Issue of Ordinary Shares	326	2,950
Issue of A shares	-	50
Share issue expenses	-	(271)
Net addition to shareholders' funds	14	2,520
Shareholders' funds at the start of the year/period	2,520	Nil
Shareholders' funds at the end of the year/period	2,534	2,520

The financial statements were approved by the board and authorized for issue on 13th June 2007.

Kit Malthouse
Director

The notes on pages 16 to 24 form part of these financial statements

Consolidated Cash Flow Statement for the year to 31st March 2007

	Note	Year to 31 st March 2007 £'000	Period from Incorporation to 31 st March 2006 £'000
Net cash outflow from operating activities			
Operating loss		(283)	(282)
Increase in debtors		(31)	(8)
Increase in creditors		16	37
Depreciation and amortization		29	-
<hr/>			
Net cash outflow from operating activities		(269)	(253)
Net cash inflow from returns on investment and servicing of finance		110	73
Acquisition of subsidiary undertaking	16	(89)	-
<hr/>			
Net cash outflow before use of liquid resources and financing		(248)	(180)
Management of liquid resources			
Sale of current asset investments		342	24
Purchase of current asset investments		-	(2,500)
<hr/>			
Net cash inflow/(outflow) before financing		94	(2,656)
Financing			
Issue of A shares		-	50
Issue of Ordinary Shares		-	2,950
Share issue costs		-	(271)
<hr/>			
Net cash inflow from financing		94	2,729
<hr/>			
Increase in cash	17	94	73
<hr/>			
Reconciliation of net cash flow to movement in net funds			
		Year to 31 st March 2007 £'000	Period from Incorporation to 31 st March 2006 £'000
Increase in cash		94	73
Net (inflow)/outflow from changes in liquid resources		(342)	2,476
<hr/>			
Movement in net cash and liquid resources		(248)	2,549
Opening net cash and liquid resources		2,549	-
<hr/>			
Closing net cash and liquid resources		2,301	2,549

The notes on pages 16 to 24 form part of these financial statements

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

1. Accounting Policies

Basis of preparation

The financial statements were approved by the Directors on 13th June 2007 and have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Basis of consolidation

The Group accounts consolidate the accounts of the Company and its subsidiary undertakings. Unless otherwise stated, the acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

Goodwill

Goodwill arising on an acquisition of a subsidiary undertaking is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. It is amortised through the Profit and Loss account over a period of 12 years. Impairment tests on the carrying value of goodwill are undertaken at the end of the first full financial year following acquisition or in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Impairment of goodwill

The need for any fixed asset impairment write down is assessed by comparison of the carrying value of the assets against the higher of realisable value and value in use.

Turnover

Turnover represents fees and revenue share receivable for advisory and administrative services provided during the year and arising from continuing activities. Income is recognised when performance of contractual obligations is substantially complete.

Deferred Tax

Deferred tax balances are recognized in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the Company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing difference. Deferred tax balances are not discounted.

Liquid Resources

For the purposes of the cash flow statement, liquid resources are defined as current asset investments and short term deposits.

Financial Instruments

Financial instruments are recognised initially and subsequently at cost. The Group does not use derivative financial instruments for trading purposes or to manage risk.

Investments

Investments held as fixed assets are stated at cost less provision for impairment in value.

Current Asset Investments

Current asset investments are stated at the lower of cost and net realisable value.

2. Turnover

The Group's entire turnover is generated in the UK from the one business class of providing services to hedge fund management businesses. The Group has no geographical or business segments.

3. Operating (Loss)/Profit

Operating (loss)/profit is stated after charging:

		Year to 31 st March 2007	Period from Incorporation to 31 st March 2006
	Note	£'000	£'000
Staff costs	5		
Fees payable to the Company's auditor for the audit of the Company's annual accounts		10	10
Fees payable to the Company's auditor for tax services		2	1
Fees paid to the Company's auditor for the audit of the Company's subsidiaries, pursuant to legislation		2	-
Amortisation of goodwill		29	-

Fees paid to the Company's auditors for non-audit services in the period ending 31st March 2006 also included a fee of £12,500 for corporate finance services in respect of share issue costs. This fee was charged against the share premium reserve.

4. Loss for the year attributable to the members of Alpha Strategic PLC

	Year to 31 st March 2007	Period from Incorporation to 31 st March 2006
	£'000	£'000
Dealt with in the financial statements of the Parent Company	(312)	(209)

The Company has taken advantage of the exemption allowed under section 230 of the Companies Act 1985 and has not presented its own profit and loss account in these financial statements.

5. Directors and Employees

Amounts paid to the Directors during the year were:

	Year to 31 st March 2007	Period from Incorporation to 31 st March 2006
	£'000	£'000
Directors' emoluments	212	159
Highest paid director	113	75

Other than the Directors there were no other employees during the year.

6. Taxation

There is no charge due to the loss incurred in the year. The tax assessed for the year varies from the standard rate of corporation tax in the UK. The differences are explained below:

	Year to 31 st March 2007	Period from Incorporation to 31 st March 2006
	£'000	£'000
Loss on ordinary activities before taxation	(173)	(209)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 30%	(52)	(63)
Effect of		
Expenses not deductible for tax purposes	-	1
Losses carried forward	52	62
Current tax charge	-	-

At 31st March 2007 the Company had a deferred tax asset of £114,000 (2006 - £62,000) relating to tax losses carried forward which have not been provided for in the financial statements.

7. Loss per share

The loss per share is calculated on the loss on ordinary activities after tax of £173,000 (period ended 31st March 2006 - £209,027) and using the weighted average number of Ordinary Shares in issue during the year of 3,264,549 (period ended 31st March 2006 - 1,798,259). At 31st March 2007, the conversion of the A Shares and the warrants in issue are anti-dilutive in calculating the loss per share based on the loss after taxation.

8. Intangible fixed assets – Goodwill

	Note	Goodwill £'000
Cost		
Additions and at 31 st March 2007	16	415
Amortisation		
Charge for the year and at 31 st March 2007		29
Net Book Amount		
At 1 st April 2006		-
At 31 st March 2007		386

9. Fixed Asset Investments

	Subsidiary undertaking £'000
Cost	
Additions and at 31 st March 2007	415

The following was a subsidiary undertaking held directly by Company at the end of the year:

Name	Country of incorporation	Proportion of voting rights and ordinary share capital held	Nature of business
Alpha Winton Limited	England	100%	Fund services

10. Debtors

	Group 31 st March 2007	Company 31 st March 2007	Group and Company 31 st March 2006
	£'000	£'000	£'000
Trade debtors	27	-	-
Amounts due from Group undertakings	-	26	-
Prepayments	12	12	6
Taxation and social security	-	-	2
	39	38	8

11. Current Asset Investments

The Company holds the bulk of its cash as an investment in a sterling currency fund in order to maximize earnings. During the year shares in the fund were sold to provide working capital. At 31st March 2007 the cost and value of this holding was £2,134,280 (2006 - £2,475,685).

12. Creditors falling due within one year

	Group 31 st March 2007	Company 31 st March 2007	Group and Company 31 st March 2006
	£'000	£'000	£'000
Trade creditors	38	38	27
Amounts due from Group undertakings	-	63	-
Accruals	10	10	10
Taxation and social security	5	5	-
	53	116	37

13. Share capital and reserves

	Group and Company 31 st March 2007		Allotted, called up and fully paid	
	Number	£'000	Number	£'000
Equity share capital				
Ordinary shares of 1p each	10,050,000	100	3,308,500	33
A Shares of £24.75 each	2,000	50	2,000	50

	Group and Company 31 st March 2006		Allotted, called up and fully paid	
	Number	£'000	Number	£'000
Equity share capital				
Ordinary shares of 1p each	10,050,000	100	3,000,000	30
A Shares of £24.75 each	2,000	50	2,000	50

	Group 31 st March 2007				
	Ordinary Shares	Company A Shares	Share premium	Merger reserve	Profit & loss account
	£'000	£'000	£'000	£'000	£'000
At 1 st April 2006	30	50	2,649	-	(209)
Issue of Ordinary Shares	3	-	-	323	-
Retained loss for the year	-	-	-	-	(173)
At 31st March 2007	33	50	2,649	323	(382)

	Company 31 st March 2007				
	Ordinary Shares	Company A Shares	Share premium	Merger reserve	Profit & loss account
	£'000	£'000	£'000	£'000	£'000
At 1 st April 2006	30	50	2,649	-	(209)
Issue of Ordinary Shares	3	-	-	323	-
Retained loss for the year	-	-	-	-	(312)
At 31st March 2007	33	50	2,649	323	(521)

During the year the Company issued 308,500 ordinary shares of 1 pence each in relation to the acquisition of Winton Advisors Limited. The details of the acquisition are in note 16. The Company has taken advantage under the Companies Act 1985 in respect of the merger and consequent acquisition accounting of Winton Advisors Limited. Accordingly, the premium on issue of the shares for the merger has been credited to the merger reserve in both the Company and the Group.

13. Share capital and reserves (continued)

The holders of A Shares do not have the right to vote at general meetings and do not have the right to be paid any dividend. Conditional on the market price of each ordinary share being double the placing price for 30 consecutive business days within the period between the first and fifth anniversary of admission to AIM and thereafter the market price of each ordinary share being three times the placing price for 30 consecutive business days, a holder of A Shares may exercise in whole or in part the conversion rights attaching to the A Shares held. On conversion of all or part of the A Shares, each share shall convert into Ordinary Shares as equals 0.005% of the fully diluted equity. All A Shares which are in issue and remain unconverted after the tenth anniversary of the date of admission to AIM shall be converted into deferred shares.

On 1st August 2005, the Company granted a warrant to subscribe for Ordinary Shares in the Company. The principal terms of the warrant are as follows:

- The holders will be entitled to subscribe at the placing price of £1 for such number of Ordinary Shares which are equivalent to one per cent. of the issued Ordinary Share capital of the Company at the time of exercise, excluding any Ordinary Shares created as a result of conversion of the 'A' Shares and excluding Ordinary Shares issued as a result of prior exercise of the warrant;
- The warrant may be exercised at any time during the period of five years from the date of Admission of 11th August 2005;
- Ordinary Shares issued on the exercise of the warrant will rank for dividends or other distributions declared, made or paid by the Company after the date of exercise, but not before such date, and otherwise equally in all respects with the Ordinary Shares in issue on the date of such exercise;
- The number of Ordinary Shares issued on exercise of the warrant and the subscription price will be adjusted upon a capitalisation of reserves, a rights issue or on a sub-division or consolidation of share capital; and
- If a takeover offer is made to all holders of Ordinary Shares, the Company will use reasonable endeavours to procure a comparable offer to the holder of the option.

On 1st August 2005, the Company granted a warrant to subscribe for Ordinary Shares. The principal terms of the warrant are as follows:

- The holder will be entitled to subscribe at the Placing Price for 15,000 Ordinary Shares;
- The warrant may be exercised at any time during the period of five years from the date of Admission;
- Ordinary Shares issued on the exercise of the holder of the warrant will rank for dividends or other distributions declared, made or paid by the Company after the date of exercise, but not before such date, and otherwise equally in all respects with the Ordinary Shares in issue on the date of such exercise;
- The number of Ordinary Shares issued on exercise of the warrant and the subscription price will be adjusted upon a capitalisation of reserves, a rights issue or on a sub-division or consolidation of share capital; and
- If a takeover offer is made to all holders of Ordinary Shares, the Company will use reasonable endeavours to procure a comparable offer to the holder of the option.

14. Financial Instruments

The Company's financial instruments comprise, for the purpose of FRS 13, cash and investments. The main risks arising from the Company's instruments are market risk, interest rate risk and liquidity risk. The Company is not directly exposed to foreign currency risk. The policies for managing each of these risks are summarised below.

As permitted by FRS 13, no disclosures have been made in respect of short term debtors and creditors.

Market risk

Market risk is the risk of loss arising from adverse movements in the level or volatility of market prices of current asset investments. The Company monitors market risk on a regular basis.

Interest rate risk

Nil rate financial assets comprise:

	31 st March 2007	31 st March 2006
	£'000	£'000
Investment in subsidiary	415	-

Floating rate financial assets comprise:

	31 st March 2007	31 st March 2006
	£'000	£'000
Cash	167	73
Current Asset Investments	2,134	2,476
	2,301	2,549

There are no material differences between the book values and fair values of financial assets.

Interest is received on the cash at bank at variable rates based upon LIBOR. No interest is received on the investments but additional shares in the fund are allocated in lieu of interest. There are no fixed rate financial assets.

Liquidity risk

The Company's financial assets were due within one year throughout the year.

Credit risk

Credit risk represents the loss that the Group would incur if a counterparty failed to perform its contractual obligations. Credit risk is monitored by the Group's management on a regular basis and appropriate exposure limits are set.

Undrawn bank facilities

The Group had no undrawn committed bank borrowing facilities available to it.

15. Related party transactions

During the year, the Company has accounted for costs of £40,000 (2006 - £33,333) for use of services and occupation of premises owned by Colin Barrow, a director of the Company. At 31st March 2007, £12,118 (2006 - £10,000) had been accrued in respect of rent to be paid to Colin Barrow.

16. Acquisition

Winton Advisors Limited

On 23rd May 2006, the Company acquired the entire issued share capital of Winton Advisors Limited, which has now changed its name to Alpha Winton Limited. Consideration for the purchase was £327,010 which was satisfied by the issue of 308,500 ordinary shares of 1 pence each ("Ordinary Shares") in the Company at a price of £1.06 per share.

The table below shows the financial effect of the acquisition:

	£'000
Current assets	
Cash	-
Net assets	-
As represented by:	
Shares issued	326
Cost of acquisition	89
Net assets acquired	-
Goodwill arising on acquisition	415

Prior to acquisition, Winton Advisors Limited had not undertaken any business activities.

17. Analysis of cash and liquid resources

	At 1 st April 2007	Cash flow	At 31 st March 2007
	£'000	£'000	£'000
Cash at bank and in hand	73	94	167
Other liquid resources	2,476	(342)	2,134
Total	2,549	(248)	2,301

18. Copies of the results

Copies of the results will be sent to shareholders in due course and can be obtained by contacting the company secretary at London House, 8 Barton Street, London SW1P 3NE or by visiting the Company website, www.alphastrategic.co.uk where they are available for download.