



Alpha Strategic PLC
Interim Report & Accounts
2007

Highlights

- **Alpha moves from loss to profit before tax of £65,000.**
- **Global Futures Fund receives regulatory approval and widens marketing territory**
- **Global Futures Fund FUM increases to \$46m**
- **Healthy cash balance maintained**

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



**Alpha Strategic PLC
("Alpha Strategic" or the "Company")
Interim Results for the period ended 30th September 2007**

Dear shareholder

I am pleased to present our interim statements for the six months ended 30th September 2007, which have been prepared for the first time under IFRS.

We have had an encouraging first half, which has seen Alpha Strategic move into profitability through strict cost controls and a period of strong performance by the Global Futures Fund (GFF) which is managed by Winton Capital Management, the \$10 billion trend following futures manager. During the period to September, all GFF share classes performed well, with net asset values rising by between 12% and 14%.

Winton's performance since 30th September 2007 continues to be excellent, although I must of course offer the usual warning that past performance is not necessarily an indicator of future results. However, we look forward to a growing income stream from this source, which should, in time, prove sufficient on its own to continue to make the company significantly profitable.

There are some promising new developments expected over the coming months. Earlier this year we announced that the Global Futures Fund had received approval under proviso from the Swiss financial regulator and the agreed amendments to the marketing documentation are shortly due for completion. The marketing territory of the Global Futures Fund is also set to expand to include Germany and Austria. We expect such developments to increase the funds under management in the GFF significantly in 2008 from their current level of \$46m.

We continue to work towards our second acquisition and during the half have seen a significant rise in the number of opportunities. We are currently engaged in further active negotiations and remain optimistic about the prospect of further transactions.

Given this rise in activity it is likely that there will be significant professional charges payable in the second half, and that this may obviously impact profitability for the full year, however we continue to maintain a healthy cash balance.

Our activities over the last two years have provided a large number of ongoing relationships with managers, investment banks and professional advisers which has put us in a good position to take advantage of opportunities as they arise.

We continue to hold patiently to our key objective of finding high quality acquisitions and we very much hope that we will be able to do so in the near future.

Colin Barrow
Chairman
17th December 2007

Alpha Strategic plc
Consolidated income statement
for the 6 months ended 30
September 2007

	Note	Six Months ended 30 September 2007 (Unaudited) £'000	Six Months ended 30 September 2006 (Unaudited) £'000	Year ended 31 March 2007 (Unaudited) £'000
Revenue		249	46	191
Administrative expenses		(243)	(213)	(445)
Operating profit/ (loss)		6	(167)	(254)
Finance income		59	54	110
Profit/(loss) before income tax		65	(113)	(144)
Income tax expense		(14)	-	-
Profit/(loss) attributable to equity holders of the Company	4	51	(113)	(144)
Basic earnings/(loss) per share	3	1.512 p	(3.5)p	(4.4)p
Diluted earnings/(loss) per share	3	1.49 p	(3.5)p	(4.4)p

Alpha Strategic plc
Consolidated balance sheet
as at 30 September 2007

	As at 30 September 2007 (Unaudited) £'000	As at 30 September 2006 (Unaudited) £'000	As at 31 March 2007 (Unaudited) £'000
Note			
ASSETS			
Non-current assets			
Intangible assets	415	415	415
Property, plant and equipment	2	-	-
	<hr/>	<hr/>	<hr/>
TOTAL NON CURRENT ASSETS	417	415	415
Current assets			
Trade and other receivables	158	54	39
Other financial assets	1,990	2,229	2,134
Cash and cash equivalents	283	172	167
	<hr/>	<hr/>	<hr/>
TOTAL CURRENT ASSETS	2,431	2,455	2,340
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	2,848	2,870	2,755
LIABILITIES			
Current liabilities			
Trade and other payables	(95)	(136)	(53)
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	(95)	(136)	(53)
	<hr/>	<hr/>	<hr/>
TOTAL NET ASSETS	4 2,753	2,734	2,702
EQUITY			
Capital & reserves attributable to the company's equity holders			
Share capital	83	83	83
Share premium reserve	2,649	2,973	2,649
Merger reserve	323	-	323
Retained losses	(302)	(322)	(353)
	<hr/>	<hr/>	<hr/>
TOTAL EQUITY	2,753	2,734	2,702
	<hr/>	<hr/>	<hr/>

Alpha Strategic plc
Consolidated cash flow statement
for the 6 months ended 30 September 2007

	Six Months ended 30 September 2007 (Unaudited) £'000	Six Months ended 30 September 2006 (Unaudited) £'000	Year ended 31 March 2007 (Unaudited) £'000
Cash flows from operating activities			
Profit/(loss) after income tax	51	(113)	(144)
Finance income	(59)	(54)	(110)
Income tax expense	14	-	-
Operating profit/(loss) before changes in working capital	6	(167)	(254)
Increase in operating receivables	(119)	(45)	(31)
Increase in operating payables	28	99	16
Cash absorbed by operations	(85)	(113)	(269)
Cash flows from investing activities			
Purchase of tangible assets	(2)	-	-
Purchase of subsidiary undertaking	-	(89)	(89)
	(2)	(89)	(89)
Cash flows from financing activities			
Interest received	59	54	110
Cash generated by financing activities	59	54	110
Net decrease in cash and cash equivalents	(28)	(148)	(248)
Cash and cash equivalents at beginning of period	2,301	2,549	2,549
Cash and cash equivalents at end of period	2,273	2,401	2,301
Cash and cash equivalents above comprises			
Other financial assets	1,990	2,229	2,134
Cash and cash equivalents	283	172	167
Cash and cash equivalents at end of period	2,273	2,401	2,301

Alpha Strategic plc
Consolidated statement of changes in shareholders' equity
for the 6 months ended 30 September 2007

Attributable to equity holders of the company

	Share Capital £'000 (Unaudited)	Share Premium £'000 (Unaudited)	Merger Reserve £'000 (Unaudited)	Retained Losses £'000 (Unaudited)	Total Equity £'000 (Unaudited)
At 1 April 2007	83	2,649	323	(353)	2,702
Profit for the period	-	-	-	51	51
At 30 September 2007	83	2,649	323	(302)	2,753

Alpha Strategic plc
Notes to the interim results
for the 6 months ended 30 September 2007

1 Basis of preparation

With effect from 1 January 2007, it became mandatory for the group to comply with International Financial Reporting Standards (IFRS).

The financial results of the group for the six months ended 30 September 2007 have been prepared on a basis which is consistent with IFRS as adopted by the European Union and which the group will apply in the annual accounts to be presented at 31 March 2008. This is the first time the group has prepared financial information in accordance with IFRS, having previously prepared its financial statements in accordance with UK GAAP. Details of the transition are given in note 4.

The financial information shown in this document is unaudited, and does not constitute statutory accounts as defined in s.240 of The Companies Act 1985. The comparative figures for the financial year ended 31 March 2007 have been abridged from the group's statutory accounts for that financial year, translated from United Kingdom Generally Accepted Accounting Principles (UK GAAP) to IFRS. Those accounts, prepared under UK GAAP, have been reported upon by the group's auditors, and have been delivered to The Registrar of Companies. The auditors' report on those accounts was unqualified, did not include any references to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain any statement under s.237(2) or (3) of The Companies Act 1985.

2 Dividends

No dividend is proposed for the six months ended 30 September 2007.

3 Earnings/(loss) per share

Basic earnings/(loss) per share has been calculated by dividing the profit for the period of £51,000 (six months to 30 September 2006: loss of £113,000; year to 31 March 2007: loss of £144,000) by the weighted average number of ordinary shares, 3,308,500 (six months to 30 September 2006: 3,221,444; year to 31 March 2007: 3,263,704) in issue during the period.

Diluted earnings per share has been calculated by dividing the profit for the period of £51,000 by the weighted average number of ordinary shares, 3,356,585 to account for the warrants in issue during the period. All warrants in issue have been used in the diluted earnings per share. The warrants in issue during the six months to 30 September 2006 and the year ended 31 March 2007 were antidilutive and have therefore been excluded from the calculation of diluted earnings/(loss) per share.

4 Transition to IFRS

The consolidated financial information for the six months ended 30 September 2006 and the year ended 31 March 2007 have been prepared in accordance with International Financial Reporting Standards (IFRS) for the first time.

The Group's transition date to IFRS is 1 April 2006. The rules for first-time adoption of IFRS are set out in IFRS 1 'First time adoption of International Financial Reporting Standards'. In preparing the IFRS financial information, these transition rules have been applied to the amounts reported previously under generally accepted accounting principles in the United Kingdom ('UK GAAP'). IFRS 1 generally requires full retrospective application of the Standards and Interpretations in force at the first reporting date. However, IFRS 1 allows certain exemptions in the application of particular Standards to prior periods in order to assist companies with the transition process.

Explanations of differences between UK GAAP and IFRS giving rise to adjustments in the reconciliations:

In accordance with IAS 38: "Intangible Assets", previous amortisation of goodwill has been written back to the income statement.

Adjustments to the cash flow statement

The transition from UK GAAP to IFRS has no effect upon the figures reported in the cash flows generated by the Group. The IFRS cash flow statement is presented in a different format from that required under UK GAAP with cash flows split into three categories of activities – operating activities, investing activities and financing activities.

Reconciliation between UK GAAP and IFRS

	Period ended 30 September 2006 (Unaudited) £'000	Year ended 31 March 2007 (Unaudited) £'000
Profit/(loss) for the period/year under UK GAAP	(125)	(173)
Goodwill amortisation written back	12	29
	<hr/>	<hr/>
Profit/(loss) for the period/year under IFRS	<u>(113)</u>	<u>(144)</u>
	<hr/>	<hr/>
Total Net Assets/Shareholders' Funds under UK GAAP	2,722	2,673
Goodwill amortisation written back	12	29
	<hr/>	<hr/>
Total Net Assets/Shareholders' Funds under IFRS	<u>2,734</u>	<u>2,702</u>

INDEPENDENT REVIEW REPORT TO ALPHA STRATEGIC PLC

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2007 which comprises the consolidated income statement, consolidated balance sheet, consolidated cash flow statement, consolidated statement of changes in shareholders' equity, and related notes.

We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market which require that the half-yearly report be presented and prepared in a form consistent with that which will be adopted in the company's annual accounts having regard to the accounting standards applicable to such annual accounts.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Our report has been prepared in accordance with the terms of our engagement to assist the company in meeting the requirements of the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market 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 our terms of engagement 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

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2007 is not prepared, in all material respects, in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

BDO Stoy Hayward LLP
Chartered Accountants and Registered Auditors
London
Date