

**RIDGEFORD PROPERTIES LIMITED  
REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2009**

WEDNESDAY



L38 \*LPRL01RV\* 358  
31/03/2010  
COMPANIES HOUSE

**RIDGEFORD PROPERTIES LIMITED**  
**CONTENTS**  
**YEAR ENDED 31 MARCH 2009**

---

	Page
Director's Report	1
Auditors' Report	2
Profit and Loss Account	3
Balance Sheet	4
Notes to the Financial Statements	5-13
Detailed Trading Profit and Loss Account	14-15
Stock and Work in Progress	16

**RIDGEFORD PROPERTIES LIMITED**  
**DIRECTOR'S REPORT**  
**YEAR ENDED 31 MARCH 2009**

---

**DIRECTOR** C T Murray

The sole director has pleasure in presenting his report and the audited financial statements for the year ended 31 March 2009

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The director is 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 director 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 these financial statements, the director is required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the entity will continue in business

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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

**RESULTS**

The profit after taxation amounted to £519,514 (2008 £1,566,857) and was transferred to reserves. The director does not recommend the payment of a dividend.

**PRINCIPAL ACTIVITY AND BUSINESS REVIEW**

The principal activity of the company is that of property managers and developers.

Ridgeford Properties Limited, via Ridgeford Properties (Bolsover Street) Limited, and Manhattan Loft Corporation have entered into a 50% Joint Venture to develop a mixed used scheme on an acre site in W1. Construction on the site commenced in December 2007 and Phase 1 of the development was completed in November 2009. The Royal Bank of Scotland has provided a debt funding facility for the development totalling £45m.

**AUDITORS INFORMATION**

So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware and he has taken all the steps that ought to have been taken as director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

In accordance with section 485 of the Companies Act 2006 a resolution proposing the reappointment of Horwath Clark Whitehill LLP as auditors to the company will be put to the Annual General Meeting.

The director's report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By Order of the Board

  
Director

19 MARCH 2010

## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF RIDGEFORD PROPERTIES LIMITED**

We have audited the financial statements of Ridgeford Properties Limited for the year ended 31 March 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes numbered 1 to 22. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective April 2008).

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of the director and auditors**

As described in the Statement of Director's Responsibilities the company's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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, the financial statements are properly prepared in accordance with the Companies Act 1985 and 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 director's remuneration and other transactions is not disclosed.

We read the Director's Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **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 director 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 applicable to Smaller Entities, of the state of the company's affairs as at 31 March 2009 and of its profit for the year then ended, and
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the director's report is consistent with the financial statements.

### **Emphasis of Matter - Going concern**

In forming our opinion we have considered the adequacy of the disclosures made in the accounts concerning the possible outcome of renegotiation of the company's term and revolving loans. The accounts have been prepared on a going concern basis, validity of which depends on future funding being available from existing lenders. The accounts do not contain any adjustments that would result from a failure to obtain funding. Details of the circumstances relating to the fundamental uncertainty are described in notes 13 and 20. Our opinion is not qualified in this respect.



**Horwath Clark Whitehill LLP**  
Chartered Accountants and Registered Auditors  
St Bride's House  
10 Salisbury Square  
London EC4Y 8EH

Date 19 March 2010

**RIDGEFORD PROPERTIES LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 MARCH 2009**

	Notes	2009 £	2008 £
<b>TURNOVER</b>	2	<b>7,651,708</b>	<b>5,160,058</b>
Cost of sales		<u>5,319,602</u>	<u>(1,814,549)</u>
<b>GROSS PROFIT</b>		<b>2,332,106</b>	<b>3,345,509</b>
Administrative expenses		<u>(1,159,720)</u>	<u>(1,356,239)</u>
		<b>1,172,386</b>	<b>1,989,270</b>
Other expenses		-	-
Other income		<u>33,011</u>	<u>124,926</u>
<b>OPERATING PROFIT</b>	3	<b>1,205,397</b>	<b>2,114,196</b>
Interest receivable		<b>79,742</b>	<b>149,227</b>
Interest payable		<u>(690,625)</u>	<u>(696,566)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>594,514</b>	<b>1,566,857</b>
Tax on profit on ordinary activities	4	<u>-</u>	<u>-</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	15	<b><u>594,514</u></b>	<b><u>1,566,857</u></b>

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

	2009 £	2008 £
Profit for the financial year	<u>594,514</u>	<u>1,566,857</u>
Total recognised gains and losses relating to the year	<u>594,514</u>	<u>1,566,857</u>

The profit and loss account contains all the gains and losses of the company recognised in the current and preceding year and the result in these years represent the only movement in shareholders' funds  
All activities were derived from continuing operations

**The notes on pages 5 to 13 form part of these financial statements**

**RIDGEFORD PROPERTIES LIMITED**  
**BALANCE SHEET**  
**31 MARCH 2009**  
**COMPANY NUMBER: 3268801**

	Notes	2009 £	2008 £
<b>FIXED ASSETS</b>			
Tangible assets	7	32,989	44,993
Investments	8	<u>202</u>	<u>202</u>
		<u>33,191</u>	<u>45,195</u>
<b>CURRENT ASSETS</b>			
Stock and work in progress	9	19,299,888	19,278,562
Debtors	10	5,632,536	951,036
Cash at bank and in hand (including guarantee bond of £2,216,280 (2008 £2,216,280) due after one year)	11	<u>4,999,465</u>	<u>4,793,184</u>
		<u>29,931,889</u>	<u>25,022,782</u>
<b>CREDITORS: amounts falling due within one year</b>	12	<u>(1,845,738)</u>	<u>(1,664,511)</u>
<b>NET CURRENT ASSETS</b>		<u>28,086,151</u>	<u>23,358,271</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>28,119,342</u>	<u>23,403,466</u>
<b>CREDITORS: amounts falling due after one year</b>	13	<u>(32,135,791)</u>	<u>(28,014,429)</u>
<b>NET LIABILITIES</b>		<u>(4,016,449)</u>	<u>(4,610,963)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	100	100
Profit and loss account	15	<u>(4,016,549)</u>	<u>(4,611,063)</u>
<b>SHAREHOLDERS' FUNDS</b>	16	<u>(4,016,449)</u>	<u>(4,610,963)</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Approved by the Board on 19 March 2010

and signed on its behalf by

  
C T Murray

The notes on pages 5 to 13 from part of these financial statements

**RIDGEFORD PROPERTIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2009**

---

**1. ACCOUNTING POLICIES**

**a) Basis of Accounting**

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) The director has prepared these financial statements on a going concern basis Refer to note 12, 13 and 20 for further detail

**b) Investments**

Investments are valued at cost less provision for impairment

**c) Depreciation**

Depreciation is provided on all tangible fixed assets in use, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows

Office equipment	- 25% p a straight line
Fixtures and fittings	- 25% p a straight line
Motor vehicle	- 25% p a diminishing value

**d) Foreign Currencies**

Transactions denominated in foreign currency are translated into sterling at the rate of exchange ruling at the date of the transaction Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates ruling at the balance sheet date All exchange differences are taken to the profit and loss account

**e) Stock and Work in Progress**

Stock and work in progress is stated at the lower of cost, which includes interest, exchange gains and losses on a foreign currency loan, professional fees and a proportion of administration expenses incurred on specific projects, and net realisable value

**f) Hire Purchase**

Assets obtained under hire purchase contracts are capitalised as tangible fixed assets Assets acquired by hire purchase are depreciated over their useful lives Hire purchase leases are those where substantially all of the benefits and risks of ownership are assumed by the company Obligations under such agreements are included in creditors net of the finance charge allocated to future periods The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period

**g) Pension Costs**

The cost of providing retirement pensions and related benefits is charged to the Profit and Loss Account over the periods benefiting from the employees' services

**h) 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

Deferred tax assets are recognised only to the extent that the director considers that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

**RIDGEFORD PROPERTIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MARCH 2009**

**1. ACCOUNTING POLICIES (continued)**

**h) Deferred Taxation (continued)**

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 at the balance sheet date

**i) Deep Discount Bonds**

The premium on redemption of deep discount bonds is calculated and charged to the profit and loss account each year on the basis of the company's maximum liability should the bonds be redeemed at the balance sheet date. The bonds are categorised by year of falling due for redemption, in accordance with the earliest redemption dates available to the bondholders

**j) Exemption From Consolidation**

The company is exempt from the requirement to prepare group accounts by virtue of section 248 of the Companies Act 1985. These accounts therefore represent information about the company as an individual undertaking and not about its group entities

**k) Long term contracts**

Where the outcome of a long term contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately

**2. TURNOVER**

Turnover represents the amount invoiced to customers plus amounts recognised with regard to long term contracts and property development fees, excluding value added tax and sales of fixed assets. The turnover is wholly attributable to the company's main activity within the United Kingdom

**3. OPERATING PROFIT**

Operating profit is stated after charging	<b>2009</b>	<b>2008</b>
	£	£
Depreciation	<b>13,686</b>	<b>17,911</b>
Auditors' remuneration	<b>16,000</b>	<b>11,000</b>
Foreign exchange losses	<b>204,500</b>	<b>138,464</b>
	<hr/>	<hr/>

**4. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	<b>2009</b>	<b>2008</b>
	£	£
Based on the profit for the year		
UK corporation tax	-	-
	<hr/>	<hr/>
	-	-

There are approximately £1,100,000 (2008 £2,400,000) of tax losses which may be utilised against future trading profits. The company has not recognised a potential deferred tax asset in this regard. In accordance with FRS 19, the director will continue to assess in the future whether deferred tax assets should be recognised in respect of this item



**RIDGEFORD PROPERTIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MARCH 2009**

**5. STAFF COSTS**

	<b>2009</b>	<b>2008</b>
	£	£
Staff costs, including director's remuneration, were as follows		
Wages and salaries	<b>432,959</b>	675,405
Pension costs	<b>22,157</b>	9,600
	<b>455,116</b>	<b>685,005</b>

The average monthly number of employees, including the director during the year was as follows

	<b>No.</b>	<b>No</b>
Administration	<b>3</b>	<b>3</b>

**6. DIRECTOR'S REMUNERATION**

	<b>2009</b>	<b>2008</b>
	£	£
Aggregate emoluments	<b>178,175</b>	<b>281,219</b>

CT Murray was the only director who served during the year and the director's remuneration relates solely to him

**7. TANGIBLE FIXED ASSETS**

	Office Equipment £	Fixtures and Fittings £	Motor Vehicle £	Total £
<b>Cost</b>				
At 1 April 2008	66,227	13,723	57,169	137,119
Additions	1,682	-	-	1,682
	<b>67,909</b>	<b>13,723</b>	<b>57,169</b>	<b>138,801</b>
<b>Depreciation</b>				
At 1 April 2008	52,719	13,723	25,684	92,126
Charge for the year	5,815	-	7,871	13,686
	<b>58,534</b>	<b>13,723</b>	<b>33,555</b>	<b>105,812</b>
<b>Net book value</b>				
At 31 March 2009	<b>9,375</b>	<b>-</b>	<b>23,614</b>	<b>32,989</b>
At 31 March 2008	<b>13,508</b>	<b>-</b>	<b>31,485</b>	<b>44,993</b>

**Assets held under hire purchase agreement included above:**

<b>Net book value</b>	
31 March 2009	<b>23,614</b>
Depreciation for the year	<b>7,871</b>

**RIDGEFORD PROPERTIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MARCH 2009**

8. INVESTMENTS	2009 £	2008 £
Shares in subsidiary undertakings at the beginning of the year	202	202

**Investment in subsidiary undertaking**

The investment in the subsidiary undertakings represents shares in the following wholly owned subsidiaries

**(a) Ridgford Properties Management Limited**

The investment in Ridgford Properties Management Limited, a company registered in England and Wales, comprises 2 ordinary shares of £1 each. The company is not listed and its main activity is that of property management. The following information relates to Ridgford Properties Management Limited

	2009 £	2008 £
Aggregate amount of capital and reserves	149,970	190,200
Loss for the financial year	(40,230)	(14,730)

**(b) Ridgford Consultancy Limited**

A company registered in England and Wales, comprising 100 ordinary shares of £1. The company's principal activity during the year was property development consultancy. The following information relates to Ridgford Consultancy Limited

	2009 £	2008 £
Aggregate amount of capital and reserves	48,438	33,813
Profit for the financial year	14,625	15,386

**(c) Ridgford Properties (Bolsover Street) Limited**

A company registered in England and Wales, comprising 100 ordinary shares of £1, which was not called up at 31 March 2009. The company is not listed and was dormant during the year. The company acts as nominee for a joint venture and holds 50% of the issued share capital of Bolsover Street Limited which acts as corporate trustee in respect of the legal title to property. Ridgford Properties (Bolsover Street) Limited does not trade in its own right but act as nominee and trustee respectively for Ridgford Properties Limited. The following information relates to Ridgford Properties (Bolsover Street) Limited

	2009 £	2008 £
Aggregate amount of capital and reserves	-	-
Profit for the financial year	-	-

**RIDGEFORD PROPERTIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MARCH 2009**

**8. INVESTMENTS (Continued)**

**(c) Ridgford Properties (Bolsover Street) Limited (Continued)**

Ridgford Properties Limited has provided a guarantee to Bolsover Street Limited with regard to the obligations of Bolsover Street Limited. Details of these obligations are included in notes 13 and 21 to the financial statements.

The following information relates to transactions entered into by Bolsover Street Limited as nominee and trustee for Ridgford Properties Limited and has been included within these financial statements. This information represents Ridgford Properties Limited's 50% interest in Bolsover Street Limited.

	2009 £	2008 £
<b>CURRENT ASSETS</b>		
Stock and work in progress	11,040,700	9,722,172
Debtors	2,500,507	124,727
Cash at bank	533,460	-
<b>CREDITORS</b> amounts falling due within one year		
Trade creditors	(96,208)	(207,102)
<b>CREDITORS</b> amounts falling due after one year		
Bank loans	<u>(13,402,708)</u>	<u>(9,614,600)</u>
<b>NET ASSETS</b>	<u>575,751</u>	<u>25,197</u>
<b>TURNOVER</b>	4,646,453	-
Cost of sales	(4,070,702)	-
Administrative expenses	-	(1,246)
Interest receivable	-	26,445
Interest payable	<u>(25,198)</u>	<u>(2)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<u>550,553</u>	<u>25,197</u>

**9 STOCK AND WORK IN PROGRESS**

	2009 £	2008 £
Long term contract work in progress	13,299,888	12,029,662
Development land and buildings	6,000,000	7,248,900
	<u>19,299,888</u>	<u>19,278,562</u>

Interest included within stock and work in progress amounted to £751,762 (2008 £191,057). A provision against development land and buildings has been included in the profit and loss account for the year ended 31 March 2009 of £1,248,900 (2008 £nil).

**RIDGEFORD PROPERTIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MARCH 2009**

<b>10 DEBTORS</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Trade debtors	44,926	102,480
Amounts recoverable on long term contracts	2,435,941	-
Accrued income	2,500,000	-
Amounts owed by subsidiaries	276,505	88,459
Other debtors	375,164	760,097
	<u>5,632,536</u>	<u>951,036</u>

**11. CASH AT BANK AND IN HAND**

Included within the cash balances are deposits of £2,783,185 (2008 £2,576,904), which are held by the company's bankers as additional security in respect of development loans

Included within the cash balances is a guarantee bond of £2,216,280 (2008 £2,216,280), in favour of Paddington Churches Housing Association. The bond relates to property acquired and being developed by Bolsover Street Limited. The company has provided a guarantee to Paddington Churches Housing Association with regard to obligations owed by Bolsover Street Limited

**12. CREDITORS – amounts falling due within one year**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Loan from group undertakings	1,576,595	1,372,095
Trade creditors	154,147	269,265
Obligations under hire purchase agreements	8,464	7,911
Other taxes and social security costs	28,345	15,240
Accruals and other creditors	78,187	-
	<u>1,845,738</u>	<u>1,664,511</u>

The loan from group undertakings is with City Gate International Limited (Parent Company) and is payable on demand. The loan is not secured.

**RIDGEFORD PROPERTIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MARCH 2009**

	2009	2008
	£	£
<b>13. CREDITORS:</b> amounts falling due after one year		
Bank loans	16,542,708	12,754,600
Secured deep discount bond	2,239,316	2,092,819
Other loans	13,346,296	13,151,075
Obligations under hire purchase agreements	7,471	15,935
	<u>32,135,791</u>	<u>28,014,429</u>

The bank loans of £16,542,708 (2008 £12,754,600) are comprised of the following

A bank loan of £3,140,000 (2008 £3,140,000) is taken out with Royal Bank of Scotland and is payable in May 2010. The loan is secured by way of a first charge over the Ironmonger Row freehold property and bears an average interest rate of 6%.

A bank loan of £13,402,708 (2008 £9,614,000) is taken out with Royal Bank of Scotland and is repayable in May 2010. The bank loan has been entered into by Bolsover Street Limited as nominee and trustee for Ridgeford Properties Limited (see note 8c to the financial statements). The total bank loan owing to Royal Bank of Scotland at 31 March 2009 by Bolsover Street Limited was £26,805,416, of which Ridgeford Properties Limited is joint and severally liable together with its joint venture partner. The loan is secured as follows in favour of the Royal Bank of Scotland and bears an average interest rate of 1.5% over the LIBOR rate,

- First fixed charge over the property being developed by Bolsover Street Limited
- Charge over the shares of Bolsover Street Limited
- Charge over any shares owned by Bolsover Street Limited in any subsidiary company
- Fixed and floating charge over all the present and future assets of Bolsover Street Limited and any subsidiary company
- Subordination of any related party loans in relation to Bolsover Street Limited
- Assignment of insurance policies in relation to the property being developed by Bolsover Street Limited
- Assignment of the acquisition agreement in relation to the property being developed by Bolsover Street Limited
- Assignment of sales contracts/affordable housing contracts in relation to the property being developed by Bolsover Street Limited
- Fixed charge over deposits or stage payments under sales contracts/affordable housing contracts in relation to the property being developed by Bolsover Street Limited
- Assignment of hedging documents in relation to Bolsover Street Limited
- Charge over all bank accounts in relation to Bolsover Street Limited

The deep discount bond is taken out with Tess Investments Limited and bears an average interest rate of 6%. The bond is secured by way of a second charge over the Ironmonger Row freehold property.

Other loans of £13,346,296 are comprised of the following

Tess Investments Limited - £11,937,190 (Promissory Notes) payable on demand. The promissory notes are not secured. Tess Investments Limited has confirmed that it will not call upon the promissory notes within 12 months from March 2010.

Tess Investments Limited - £1,409,106 (working capital loan) payable on demand and bearing an interest rate of approximately 6%. The loan is not secured. Tess Investments Limited has confirmed that it will not call upon the working capital loan within 12 months from March 2010.

**RIDGEFORD PROPERTIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MARCH 2009**

**14 CALLED UP SHARE CAPITAL**

	2009	2008
	£	£
<b>Authorised</b>		
100 Ordinary shares of £1 each	<b>100</b>	<b>100</b>
<b>Allotted, called up and fully paid</b>		
100 Ordinary shares of £1 each	<b>100</b>	<b>100</b>

**15 PROFIT AND LOSS ACCOUNT**

	2009
	£
At 1 April 2008	<b>(4,611,063)</b>
Profit for the year	<b>594,514</b>
At 31 March 2009	<b>(4,016,549)</b>

**16. SHAREHOLDERS FUNDS**

	2009	2008
	£	£
At 1 April 2008	<b>(4,610,963)</b>	<b>(6,177,820)</b>
Profit for the year	<b>594,514</b>	<b>1,566,857</b>
At 31 March 2009	<b>(4,016,449)</b>	<b>(4,610,963)</b>

**17. RELATED PARTY TRANSACTIONS**

During the year the group entered into transactions, in the ordinary course of business, with other related parties as follows

**Ridgeford Consulting Limited (wholly owned subsidiary)**

At the year end that company owed Ridgeford Properties Limited £nil (2008 £50,500) This amount is included within trade debtors Ridgeford Properties Limited provided management consultancy services to Ridgeford Consulting Limited for the year ended 31 March 2009 totalling £80,000 (2008 £82,500)

**Ridgeford Properties Management Limited (wholly owned subsidiary)**

At the year-end the company was owed £276,505 from Ridgeford Properties Management Limited (2008 £88,459)

**City Gate International Limited (parent company)**

Loans from that company including interest thereon were outstanding at the year-end in the sum of £1,576,595 (2008 £1,372,095)

**RIDGEFORD PROPERTIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MARCH 2009**

---

**18. PENSIONS ARRANGEMENT**

Contributions to the scheme by the company for the year ended 31 March 2009 totalled £22,157 (2008 £9,600) and employees contributed £Nil (2008 £nil)

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. The assets of the scheme are held in a separate, trustee-administered fund.

**19. ULTIMATE PARENT COMPANY**

Ridgeford Properties Limited is a wholly owned subsidiary of City Gate International Limited a company incorporated in Canada. The Director of Ridgeford Properties Limited considers City Gate International Limited to be the ultimate parent company. The only financial statements into which the results of Ridgeford Properties Limited are consolidated are the financial statements of the ultimate parent company.

**20. GOING CONCERN AND DEVELOPMENT FUNDING**

The company has a deficiency of assets and relies significantly on short term revolving loans or term loans expiring at the end of the development period to fund its development.

The company therefore has to frequently renegotiate its loan facilities or extend them if the construction or sale of the development project is delayed. Repayment terms regarding amounts owing to Tess Investments Limited are disclosed at note 13. In addition, the company expects that the full amount of the bank loans payable via Bolsover Street Limited will be repaid by May 2010 and anticipates that new financing terms will be agreed in the short term with regard to the provision of further financing to allow for the completion of development projects. The company is currently in negotiation with the bank in this respect and there is a strong indication that future finance required will be secured. The Director is satisfied that the company can trade profitably in the future and thus the deficiency in shareholders' funds will be extinguished. City Gate International Limited, parent company, have stated that they will provide support to the company with regard to the implementation of its strategies and development plan.

**21. CAPITAL COMMITMENTS**

The company had capital commitments at 31 March 2009 in conjunction with transactions entered into by Bolsover Street Limited as nominee and trustee for the company. Bolsover Street Limited had total capital commitments of approximately £18.9m (2008 £29.4m) of which the company, together with its joint venture partner, are jointly and severally liable for.

**22. SUBSEQUENT EVENTS**

Subsequent to the year end, the company has renegotiated the repayment terms of the bank loan owed of £3,140,000 at 31 March 2009. The renegotiated terms of this loan allow for the amount owing to the bank to be repaid over a period of 3 years.