

COMPANY NUMBER: 3268801

**RIDGEFORD PROPERTIES LIMITED
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2008**



RIDGEFORD PROPERTIES LIMITED
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YEAR ENDED 31 MARCH 2008

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RIDGEFORD PROPERTIES LIMITED
DIRECTOR'S REPORT
YEAR ENDED 31 MARCH 2008

DIRECTOR C T Murray

The sole director has pleasure in presenting his report and the audited financial statements for the year ended 31 March 2008.

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 £1,566,857 (2007: £813,761) 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. The project has obtained a resolution to grant planning permission, subject to a section 106 agreement on 11 January 2008. It is anticipated that the site acquisition will be completed in November 2008 with construction commencing thereafter. Various lending institutions have been briefed upon the scheme and are willing to provide debt finance once the site has been acquired by the joint venture.

AUDITORS INFORMATION

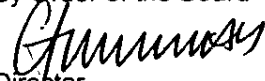
So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware and he has taken all the steps that ought to have been taken as director in order to make himself aware of any relevant audit information and to establish that the company's auditors are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

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 2008 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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 January 2007).

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 2008 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 together with financial support provided from the company's parent, City Gate International Limited. The accounts do not contain any adjustments that would result from a failure to obtain funding or from the provision of financial support to the company by City Gate International Limited. Details of the circumstances relating to the fundamental uncertainty are described in notes 12, 13 and 20. Our opinion is not qualified in this respect.

Horwath Clark Whitehill LLP

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

26 January 2009.

RIDGEFORD PROPERTIES LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2008

	Notes	2008 £	2007 £
TURNOVER	2	5,160,058	10,736,578
Cost of sales		<u>(1,814,549)</u>	<u>(8,250,020)</u>
GROSS PROFIT		3,345,509	2,486,558
Administrative expenses		<u>(1,356,239)</u>	<u>(956,491)</u>
		1,989,270	1,530,067
Other expenses		-	-
Other income		<u>124,926</u>	<u>41,913</u>
OPERATING PROFIT	3	2,114,196	1,571,980
Interest receivable		149,227	107,669
Interest payable		<u>(696,566)</u>	<u>(865,888)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,566,857	813,761
Tax on profit on ordinary activities	4	-	-
PROFIT FOR THE FINANCIAL YEAR	15	<u>1,566,857</u>	<u>813,761</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	2008 £	2007 £
Profit for the financial year	<u>1,566,857</u>	<u>813,761</u>
Total recognised gains and losses relating to the year	<u>1,566,857</u>	<u>813,761</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 2008


	Notes	2008 £	2007 £
FIXED ASSETS			
Tangible assets	7	44,993	50,478
Investments	8	202	202
		45,195	50,680
CURRENT ASSETS			
Stock and work in progress	9	19,278,562	10,182,336
Debtors	10	951,036	312,350
Cash at bank and in hand (including guarantee bond of £2,216,280 (2007: £nil) due after one year)	11	4,793,184	2,835,225
		25,022,782	13,329,911
CREDITORS: amounts falling due within one year	12	(1,664,511)	(1,502,233)
NET CURRENT ASSETS		23,358,271	11,827,678
TOTAL ASSETS LESS CURRENT LIABILITIES		23,403,466	11,878,358
CREDITORS: amounts falling due after one year	13	(28,014,429)	(18,056,178)
NET LIABILITIES		(4,610,963)	(6,177,820)
CAPITAL AND RESERVES			
Called up share capital	14	100	100
Profit and loss account	15	(4,611,063)	(6,177,920)
SHAREHOLDERS' FUNDS	16	(4,610,963)	(6,177,820)

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 January 2007).

Approved by the Board on

26 January 2009

and signed on its behalf by:



G.T. Murray

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

RIDGEFORD PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2008

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 January 2007). 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. straight line

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

Development land and buildings are 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 2008

1. ACCOUNTING POLICIES (continued)

h) Deferred Taxation cont'd

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.

2. TURNOVER

Turnover represents the net amount invoiced to customers less trade discounts, 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:

	2008	2007
	£	£
Depreciation	17,911	20,858
Auditors' remuneration	11,000	12,000
Foreign exchange (gains)/losses	(138,464)	(15,589)

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

Based on the profit for the year:

Corporation tax at 30%

-	-
-	-

There are approximately £3,429,377 (2007: £5,353,205) 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 2008

5. STAFF COSTS

	2008 £	2007 £
Staff costs, including director's remuneration, were as follows:		
Wages and salaries	675,405	493,883
Pension costs	9,600	9,600
	<u>685,005</u>	<u>503,483</u>

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

	No.	No.
Administration	<u>3</u>	<u>3</u>

6. DIRECTOR'S REMUNERATION

	2008 £	2007 £
Aggregate emoluments	<u>281,219</u>	<u>198,766</u>

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 £
Cost				
At 1 April 2007	53,801	13,723	57,169	124,693
Additions	12,426	-	-	12,426
	<u>66,227</u>	<u>13,723</u>	<u>57,169</u>	<u>137,119</u>
At 31 March 2008				
Depreciation				
At 1 April 2007	46,248	12,778	15,189	74,215
Charge for the year	6,471	945	10,495	17,911
	<u>52,719</u>	<u>13,723</u>	<u>25,684</u>	<u>92,126</u>
At 31 March 2008				
Net book value				
At 31 March 2008	<u>13,508</u>	<u>-</u>	<u>31,485</u>	<u>44,993</u>
At 31 March 2007	<u>7,553</u>	<u>945</u>	<u>41,980</u>	<u>50,478</u>
Assets held under hire purchase agreement included above:				
Net book value:				
31 March 2008				<u>31,845</u>
Depreciation for the year				<u>10,495</u>

RIDGEFORD PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2008

8. INVESTMENTS	2008	2007
	£	£
Shares in subsidiary undertakings at the beginning of the year	202	202
	202	202

Investment in subsidiary undertaking

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

(a) Ridgeford Properties Management Limited

The investment in Ridgeford 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 Ridgeford Properties Management Limited:

	2008	2007
	£	£
Aggregate amount of capital and reserves	190,200	204,930
Profit for the financial year	(14,730)	8,150

(b) Ridgeford Properties (Tokenhouse Yard) Limited

A company registered in England and Wales, comprising 100 ordinary shares of £1. The company is not listed and was dormant during the year. The company acted as nominee for a joint venture and holds 50% of the issued share capital of Tokenhouse Yard Limited and Tokenhouse Yard (trustee no. two) Limited which acted as corporate trustees in respect of the legal title to property. Ridgeford Properties (Tokenhouse Yard) Limited and its two associated companies do not trade in their own right but act as nominee and trustees respectively for Ridgeford Properties Limited. The following information relates to Ridgeford Properties (Tokenhouse Yard) Limited:

	2008	2007
	£	£
Aggregate amount of capital and reserves	100	100
Profit for the financial year	-	-

(c) Ridgeford 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 Ridgeford Consultancy Limited:

	2008	2007
	£	£
Aggregate amount of capital and reserves	33,813	18,427
Profit for the financial year	15,386	11,223

RIDGEFORD PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2008

8. INVESTMENTS (Continued)

(d) Ridgeford 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 2008. 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. Ridgeford Properties (Bolsover Street) Limited does not trade in its own right but act as nominee and trustee respectively for Ridgeford Properties Limited. The following information relates to Ridgeford Properties (Bolsover Street) Limited:

	2008 £	2007 £
Aggregate amount of capital and reserves	-	-
Profit for the financial year	-	-

Ridgeford 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 Ridgeford Properties Limited at 31 March 2008 and has been included within these financial statements. This information represents Ridgeford Properties Limited's 50% interest in Bolsover Street Limited:

	2008 £	2007 £
CURRENT ASSETS		
Stock and work in progress	9,722,172	-
Other debtors	124,727	-
CREDITORS: amounts falling due within one year		
Trade creditors	(207,102)	-
CREDITORS: amounts falling due after one year		
Bank loans	(9,614,600)	-
NET ASSETS	25,197	-
TURNOVER	-	-
Administrative expenses	(1,246)	-
Interest receivable	26,445	-
Interest payable	(2)	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	25,197	-

RIDGEFORD PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2008

9. STOCK AND WORK IN PROGRESS	2008	2007
	£	£
Development land and buildings	19,278,562	10,182,336

Interest included within development land and buildings amounted to £191,057 (2007 £nil).

10. DEBTORS	2008	2007
	£	£
Trade debtors	102,480	76,821
Amounts owed by subsidiaries	88,459	-
Other debtors	760,097	235,529
	951,036	312,350

11. CASH AT BANK AND IN HAND

Included within the cash balances are deposits of £2,576,904 (2007: £2,816,302), 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 (2007: £nil), 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

	2008	2007
	£	£
Loan from group undertakings	1,372,095	1,233,658
Trade creditors	269,265	85,438
Obligations under hire purchase agreements	7,911	7,359
Other taxes and social security costs	15,240	21,889
Amount owed to subsidiaries	-	13,631
Accruals and deferred income	-	140,258
	1,664,511	1,502,233

The loan from group undertakings is with City Gate International Limited (Parent Company) and is payable on demand. The loan is not secured. City Gate International Limited have stated that they will provide financial support to the company, where required, in order to allow the company to meet its liabilities as they fall due.

RIDGEFORD PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2008

13. CREDITORS: amounts falling due after one year	2008 £	2007 £
Bank loans	12,754,600	3,140,000
Secured deep discount bond	2,092,819	6,875,432
Other loans	13,151,075	8,016,127
Obligations under hire purchase agreements	15,935	24,619
	<u>28,014,429</u>	<u>18,056,178</u>

The bank loans of £12,754,600 (2007: £3,140,000) are comprised of the following:

The bank loan of £3,140,000 (2007: £3,140,000) is taken out with Royal Bank of Scotland and is payable in May 2009. The loan is secured by way of a first charge over the Ironmonger Row freehold property and bears an average interest rate of 6%.

The bank loan of £9,614,600 (2007: £nil) 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 8d to the financial statements). The total bank loan owing to Royal Bank of Scotland at 31 March 2008 by Bolsover Street Limited was £19,229,200, 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 £13,151,075 are comprised of the following:

Tess Investments Limited - £11,810,958 (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 January 2009.

Tess Investments Limited - £1,340,117 (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 January 2009.

RIDGEFORD PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2008

14. CALLED UP SHARE CAPITAL

	2008 £	2007 £
Authorised		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

15. PROFIT AND LOSS ACCOUNT

	2008 £
At 1 April 2007	(6,177,920)
Profit for the year	<u>1,566,857</u>
At 31 March 2008	<u>(4,611,063)</u>

16. SHAREHOLDERS FUNDS

	2008 £
At 1 April 2007	(6,177,820)
Profit for the year	<u>1,566,857</u>
At 31 March 2008	<u>(4,610,963)</u>

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 £50,500 (2007: £35,250). This amount is included within trade debtors. Ridgeford Properties Limited provided management consultancy services to Ridgeford Consulting Limited for the year ended 31 March 2008 totalling £82,500 (2007: £90,900)

Ridgeford Properties Management Limited (wholly owned subsidiary)

At the year-end the company was owed £88,459 from Ridgeford Properties Management Limited (2007: owed by Ridgeford Properties Limited to Ridgeford Properties Management Limited £13,631).

Ridgeford Properties Limited incurred director's fees and administration costs on behalf of Ridgeford Properties Management Limited and Ridgeford Consulting Limited which have not been charged to Ridgeford Properties Management Limited and Ridgeford Consulting Limited.

City Gate International Limited (parent company)

Loans from that company including interest thereon were outstanding at the year-end in the sum of £1,372,095 (2007: £1,233,658).

RIDGEFORD PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2008

18. PENSIONS ARRANGEMENT

Contributions to the scheme by the company for the year ended 31 March 2008 totalled £9,600 and employees contributed £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 consider 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. The company is confident that it can continue to renegotiate its development loans so that it can successfully complete all its current development projects. However until such loans are renegotiated there can be no certainty of this fact. 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 financial support to the company, where required, in order to allow the company to meet its liabilities as they fall due.

21. CAPITAL COMMITMENTS

The company had capital commitments at 31 March 2008 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 £29.4m (2007 £nil) of which the company, together with its joint venture partner, are jointly and severally liable for.