

RIDGEFORD PROPERTIES MANAGEMENT LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2005



RIDGEFORD PROPERTIES MANAGEMENT LIMITED
DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2005

The director presents his report and the financial statements for the year ended 31 March 2005.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

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 those financial statements the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company 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 to 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 or other irregularities.

PRINCIPAL ACTIVITIES

The company's principal activity during the period was property management.

DIRECTOR

The director who served during the year and his beneficial interest in the company's issued share capital was:

	Ordinary shares of £1 each	
	2005	2004
C T Murray	-	-

AUDITORS

The auditors, Horwath Clark Whitehill, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

The report of the director 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 MANAGEMENT LIMITED

Horwath Clark Whitehill LLP
Chartered Accountants
St Bride's House, 10 Salisbury Square
London EC4Y 8EH, UK
Tel: +44 (0)20 7842 7100
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We have audited the financial statements of Ridgeford Management Limited for the year ended 31 March 2005 set out on pages 3 to 7.

These financial statements have been prepared with the Financial Reporting Standard for Smaller Entities (effective June 2002) under the historical cost convention and the accounting policies set out on page 5.

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 directors and auditors

As described in the Statement of Director's Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Director's Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and transactions with the company 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 United Kingdom Auditing Standards 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.

Unqualified opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

31 January 2006

Horwath Clark Whitehill LLP

Horwath Clark Whitehill LLP
Chartered Accountants
and Registered Auditors

RIDGEFORD PROPERTIES MANAGEMENT LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2005

	Notes	2005 £	2004 £
TURNOVER	1c	242,478	227,527
Administrative expenses		<u>(206,308)</u>	<u>(186,003)</u>
OPERATING PROFIT	2	36,170	41,524
Interest receivable		<u>1,838</u>	<u>1,582</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		38,008	43,106
TAX ON PROFIT ON ORDINARY ACTIVITIES	3	<u>-</u>	<u>-</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR		<u>38,008</u>	<u>43,106</u>

RIDGEFORD PROPERTIES MANAGEMENT LIMITED
BALANCE SHEET
AS AT 31 MARCH 2005

	Notes	£	2005 £	2004 £
FIXED ASSETS				
Tangible fixed assets	4		-	-
CURRENT ASSETS				
Debtors	5	156,750		258,705
Cash at bank		<u>72,840</u>		<u>28,646</u>
		229,590		287,351
CREDITORS: amounts falling due within one year	6	<u>(61,081)</u>		<u>(156,850)</u>
NET CURRENT ASSETS			168,509	130,501
TOTAL ASSETS LESS CURRENT LIABILITIES			168,509	130,501
CAPITAL AND RESERVES				
Called up share capital	7		2	2
Profit and loss account	8		<u>168,507</u>	<u>130,499</u>
SHAREHOLDERS' FUNDS			168,509	130,501

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 June 2002).

The financial statements were approved by the board on
And signed on its behalf

S. Jan Rees

G. Munday } Director

The notes on pages 5 to 7 form part of these financial statements.

RIDGEFORD PROPERTIES MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2005

1. ACCOUNTING POLICIES

a) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

b) Cash flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Small Entities (effective June 2002).

c) Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, exclusive of Value Added Tax and trade discounts.

d) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Office equipment – 25% straight line

2. OPERATING PROFIT

The operating profit is stated after charging:

	2005 £	2004 £
Depreciation of tangible fixed assets:		
- owned by the company	-	3,851
Auditors' remuneration	<u>5,465</u>	<u>4,000</u>

During the year, the director did not receive any emoluments (2004 - £nil).

3. TAXATION

UK Corporation tax

	<u>-</u>	<u>-</u>
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The taxable profits for the period have been covered by losses surrendered from a group company.

RIDGEFORD PROPERTIES MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2005

4. TANGIBLE FIXED ASSETS		Furniture fittings and equipment £
Cost		
At 1 April 2004 and 31 March 2005		<u>15,401</u>
Depreciation		
At 1 April 2004		15,401
Charge for the year		<u>-</u>
At 31 March 2004		<u>-</u>
Net book value		
At 31 March 2005		<u>-</u>
At 31 March 2004		<u>-</u>
5. DEBTORS: Due within one year	2005	2004
	£	£
Trade debtors	3,620	69,673
Amounts owed from group undertakings	153,129	180,578
Other debtors	<u>-</u>	<u>8,454</u>
	<u>156,749</u>	<u>258,705</u>
6. CREDITORS: Amounts falling due within one year		
Trade creditors	9,810	2,887
Amounts owed to group undertakings	30,830	-
Social security and other taxes	4,024	14,980
Other creditors	<u>16,417</u>	<u>138,983</u>
	<u>61,081</u>	<u>156,850</u>
7. SHARE CAPITAL		
Authorised, allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>
8. RESERVES		£
Profit and loss account		
At 1 April 2004		130,499
Profit retained for the year		<u>38,008</u>
		<u>168,507</u>

RIDGEFORD PROPERTIES MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2005

9. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

Throughout the period, the company was a subsidiary of Ridgeford Properties Limited. The amount owed by Ridgeford Properties Limited to Ridgeford Properties Management Limited at 31 March 2005 was £140,526.

The ultimate parent company of Ridgeford Properties Management Limited is City Gate International Limited a company incorporated in Canada.

RIDGEFORD PROPERTIES MANAGEMENT LIMITED
DETAILED TRADING PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2005

	2005 £	2004 £
TURNOVER	242,478	227,527
Less: OVERHEADS		
Administrative expenses	<u>(206,308)</u>	<u>(186,003)</u>
OPERATING PROFIT	36,170	41,524
Interest receivable	<u>1,838</u>	<u>1,582</u>
PROFIT FOR THE YEAR	<u>38,008</u>	<u>43,106</u>

RIDGEFORD PROPERTIES MANAGEMENT LIMITED
SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2005

	2005 £	2004 £
TURNOVER		
Sales	<u>242,478</u>	<u>227,527</u>
ADMINISTRATIVE EXPENSES		
Auditors' remuneration	5,465	4,000
Depreciation – plant and machinery	-	3,850
Staff salaries	152,316	140,301
Cleaning	2,159	-
Entertainment	1,639	-
Hotels, travel and subsistence	-	1,910
Printing and stationery	382	-
Telephone and fax	11,246	14,475
General office expenses	-	1,795
Computer software support	914	-
Legal and professional	-	1,575
Bank charges	1,896	1,084
Bad debts	-	-
Repairs and maintenance	1,109	2,803
Insurance	3,143	2,351
Pensions	2,933	-
Memberships & Subscriptions	2,543	1,435
Temporary Staff	18,777	2,542
Security Costs	-	7,882
Investigations	1,786	-
	<u>206,308</u>	<u>186,003</u>

RIDGEFORD PROPERTIES MANAGEMENT LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2005

RIDGEFORD PROPERTIES MANAGEMENT LIMITED
DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2005

The director presents his report and the financial statements for the year ended 31 March 2005.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

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 those financial statements the director is required to:

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- make judgements and estimates that are reasonable and prudent;
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The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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 or other irregularities.

PRINCIPAL ACTIVITIES

The company's principal activity during the period was property management.

DIRECTOR

The director who served during the year and his beneficial interest in the company's issued share capital was:

	Ordinary shares of £1 each	
	2005	2004
C T Murray	-	-

AUDITORS

The auditors, Horwath Clark Whitehill, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

The report of the director 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 MANAGEMENT LIMITED

Horwath Clark Whitehill LLP
Chartered Accountants
St Bride's House, 10 Salisbury Square
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Tel: +44 (0)20 7842 7100
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We have audited the financial statements of Ridgeford Management Limited for the year ended 31 March 2005 set out on pages 3 to 7.

These financial statements have been prepared with the Financial Reporting Standard for Smaller Entities (effective June 2002) under the historical cost convention and the accounting policies set out on page 5.

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 directors and auditors

As described in the Statement of Director's Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Director's Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and transactions with the company 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 United Kingdom Auditing Standards 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.

Unqualified opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Horwath Clark Whitehill LLP
Chartered Accountants
and Registered Auditors

31 January 2006

RIDGEFORD PROPERTIES MANAGEMENT LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2005

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TAX ON PROFIT ON ORDINARY ACTIVITIES	3	<u>-</u>	<u>-</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR		<u>38,008</u>	<u>43,106</u>

RIDGEFORD PROPERTIES MANAGEMENT LIMITED
BALANCE SHEET
AS AT 31 MARCH 2005

	Notes	£	2005 £	2004 £
FIXED ASSETS				
Tangible fixed assets	4		-	-
CURRENT ASSETS				
Debtors	5	156,750		258,705
Cash at bank		<u>72,840</u>		<u>28,646</u>
		229,590		287,351
CREDITORS: amounts falling due within one year	6	<u>(61,081)</u>		<u>(156,850)</u>
NET CURRENT ASSETS			<u>168,509</u>	<u>130,501</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>168,509</u>	<u>130,501</u>
CAPITAL AND RESERVES				
Called up share capital	7		2	2
Profit and loss account	8		<u>168,507</u>	<u>130,499</u>
SHAREHOLDERS' FUNDS			<u>168,509</u>	<u>130,501</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 June 2002).

The financial statements were approved by the board on
And signed on its behalf

30 Jan 2006

Gunn } Director

The notes on pages 5 to 7 form part of these financial statements.

RIDGEFORD PROPERTIES MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2005

1. ACCOUNTING POLICIES

a) Basis of preparation of financial statements

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b) Cash flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Small Entities (effective June 2002).

c) Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, exclusive of Value Added Tax and trade discounts.

d) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Office equipment – 25% straight line

2. OPERATING PROFIT

The operating profit is stated after charging:

	2005	2004
	£	£
Depreciation of tangible fixed assets:		
- owned by the company	-	3,851
Auditors' remuneration	<u>5,465</u>	<u>4,000</u>

During the year, the director did not receive any emoluments (2004 - £nil).

3. TAXATION

UK Corporation tax	<u>-</u>	<u>-</u>
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The taxable profits for the period have been covered by losses surrendered from a group company.

RIDGEFORD PROPERTIES MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2005

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Cost		
At 1 April 2004 and 31 March 2005		<u>15,401</u>
Depreciation		
At 1 April 2004		15,401
Charge for the year		<u>-</u>
At 31 March 2004		<u>-</u>
Net book value		
At 31 March 2005		<u>-</u>
<i>At 31 March 2004</i>		<u>-</u>
5. DEBTORS: Due within one year		2005 2004 £ £
Trade debtors	3,620	69,673
Amounts owed from group undertakings	153,129	180,578
Other debtors	-	8,454
	<u>156,749</u>	<u>258,705</u>
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Trade creditors	9,810	2,887
Amounts owed to group undertakings	30,830	-
Social security and other taxes	4,024	14,980
Other creditors	16,417	138,983
	<u>61,081</u>	<u>156,850</u>
7. SHARE CAPITAL		
Authorised, allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>
8. RESERVES		£
Profit and loss account		
At 1 April 2004		130,499
Profit retained for the year		<u>38,008</u>
		<u>168,507</u>

RIDGEFORD PROPERTIES MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2005

9. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

Throughout the period, the company was a subsidiary of Ridgeford Properties Limited. The amount owed by Ridgeford Properties Limited to Ridgeford Properties Management Limited at 31 March 2005 was £140,526.

The ultimate parent company of Ridgeford Properties Management Limited is City Gate International Limited a company incorporated in Canada.