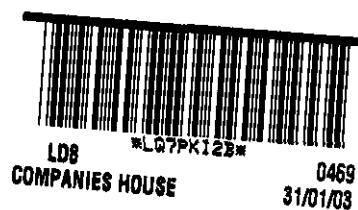


RIDGEFORD PROPERTIES MANAGEMENT LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002



Horwath Clark Whitehill
Chartered Accountants
25 New Street Square
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RIDGEFORD PROPERTIES MANAGEMENT LIMITED
DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2002

The director presents his report and the financial statements for the year ended 31 March 2002.

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	
	2002	2001
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
Chartered Accountants
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London EC4A 3LN, UK
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We have audited the financial statements of Ridgeford Management Limited for the year ended 31 March 2002 set out on pages 3 to 7.

These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000) under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors 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.

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.

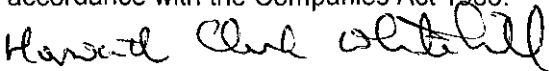
Basis of audit opinion

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.

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 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Chartered Accountants and Registered Auditors
London
Date 29/1/03

25 New Street Square
London
EC4A 3LN

RIDGEFORD PROPERTIES MANAGEMENT LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2002

	Notes	2002 £	2001 £
TURNOVER	1c	199,537	209,650
Administrative expenses		<u>(195,777)</u>	<u>(141,055)</u>
OPERATING PROFIT	2	3,760	68,595
Interest receivable		<u>4,594</u>	<u>3,331</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		8,354	71,926
TAX ON PROFIT ON ORDINARY ACTIVITIES	3	<u>-</u>	<u>(14,450)</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR	8	<u>8,354</u>	<u>57,476</u>

RIDGEFORD PROPERTIES MANAGEMENT LIMITED
BALANCE SHEET
AS AT 31 MARCH 2002

	Notes	£	2002 £	2001 £
FIXED ASSETS				
Tangible fixed assets	4		7,701	11,551
CURRENT ASSETS				
Debtors	5	75,871		67,130
Cash at bank		<u>113,087</u>		<u>267,706</u>
		188,958		334,836
CREDITORS: amounts falling due within one year	6	<u>(130,827)</u>		<u>(288,909)</u>
NET CURRENT ASSETS			<u>58,131</u>	<u>45,927</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>65,832</u>	<u>57,478</u>
CAPITAL AND RESERVES				
Called up share capital	7		2	2
Profit and loss account	8		<u>65,830</u>	<u>57,476</u>
SHAREHOLDERS' FUNDS			<u>65,832</u>	<u>57,478</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 March 2000).

The financial statements were approved by the board on 29/1/03
And signed on its behalf

 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 2002

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 March 2000).

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 March 2000).

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:

	2002	2001
	£	£
Depreciation of tangible fixed assets:		
- owned by the company	3,850	3,850
Auditors' remuneration	3,500	3,500
	<u>3,500</u>	<u>3,500</u>

During the year, the director did not receive any emoluments (2001 - £nil).

3. TAXATION

UK Corporation tax	<u>-</u>	<u>14,450</u>
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RIDGEFORD PROPERTIES MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002

4. TANGIBLE FIXED ASSETS		Furniture fittings and equipment £
Cost		
At 1 April 2001 and 31 March 2002		<u>15,401</u>
Depreciation		
At 1 April 2001		3,850
Charge for the year		<u>3,850</u>
At 31 March 2002		<u>7,700</u>
Net book value		
At 31 March 2002		<u>7,701</u>
<i>At 31 March 2001</i>		<u><i>11,551</i></u>
5. DEBTORS: Due within one year		2002 2001 £ £
Trade debtors	75,871	55,577
Other debtors	-	11,553
	<u>75,871</u>	<u>67,130</u>
6. CREDITORS: Amounts falling due within one year		
Bank loans and overdrafts	-	52,558
Trade creditors	13,399	6,502
Amounts owed to group undertakings	17,281	34,140
Corporation tax	-	14,450
Social security and other taxes	9,872	10,873
Other creditors	90,275	170,386
	<u>130,827</u>	<u>288,909</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 2001	57,476	
Profit retained for the year	<u>8,354</u>	
	<u>65,830</u>	

RIDGEFORD PROPERTIES MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002

9. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

Throughout the period, the company was a subsidiary of Ridgeford Properties Limited. The amount owed to Ridgeford Properties Limited at 31 March 2002 was £17,281.

On 7 August 2001, Ridgeford Properties Limited became a wholly owned subsidiary of City Gate International Limited. This company is registered in Canada.

The director considers City Gate International Limited to be the company's ultimate parent company.