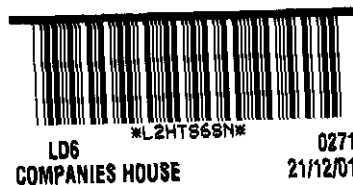


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**RIDGEFORD PROPERTIES LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2001**



**HORWATH**  
**CLARK WHITEHILL**

*Chartered Accountants*

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**RIDGEFORD PROPERTIES LIMITED**  
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**YEAR ENDED 31 MARCH 2001**

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**RIDGEFORD PROPERTIES LIMITED**  
**DIRECTOR'S REPORT**  
**YEAR ENDED 31 MARCH 2001**

---

**DIRECTOR**      C T Murray

The sole director has pleasure in presenting his report and the audited financial statements for the year ended 31 March 2001.

**RESULTS**

The profit after taxation, amounted to £813,568 (2000-£585,494)

**ACTIVITIES**

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

**DIRECTOR AND HIS INTERESTS**

The director has no beneficial interest in the share capital of the company.

**DONATIONS**

During the year the group made donations totalling £4,911 to various charitable organisations.

**AUDITORS**

In accordance with section 385 of the Companies Act 1985 a resolution proposing the reappointment of Horwath Clark Whitehill as auditors to the company will be put to the annual general meeting.

By Order of the Board

  
Secretary

**RIDGEFORD PROPERTIES LIMITED**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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Company law requires the director to prepare accounts for each financial year which give a true and fair view of the company's state of affairs at the end of the year and of the profit or loss for that period. In preparing those accounts the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.
- prepare the accounts 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 them to ensure that the accounts 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.

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CLARK WHITEHILL**  
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**AUDITORS' REPORT  
TO THE SHAREHOLDERS OF  
RIDGEFORD PROPERTIES LIMITED**



We have audited the financial statements on pages 4 to 6 which have been prepared under the accounting policies set out on page 7.

**Respective responsibilities of directors and auditors**

As described on page 2 the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

**Basis of opinion**

We conducted our audit in accordance with 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 judgements made by the directors in the preparation of the accounts 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 accounts 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 the information in the accounts.

**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 2001 and of its profit for the year ended and have been properly prepared in accordance with the Companies Act 1985.

21 December 2001

A handwritten signature in dark ink, appearing to read 'Horwath Clark Whitehill'.

Chartered Accountants  
and Registered Auditors

**RIDGEFORD PROPERTIES LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 MARCH 2001**

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	Notes	2001 £	2000 £
<b>TURNOVER</b>	2	<b>14,729,428</b>	<b>8,445,671</b>
<b>COST OF SALES</b>		<u><b>(13,300,712)</b></u>	<u><b>(7,252,200)</b></u>
<b>GROSS PROFIT</b>		<b>1,428,716</b>	<b>1,193,471</b>
<b>ADMINISTRATIVE EXPENSES</b>		<u><b>(339,807)</b></u>	<u><b>(391,511)</b></u>
		<b>1,088,909</b>	<b>801,960</b>
<b>OTHER INCOME</b>		<u><b>4,387</b></u>	<u><b>41,567</b></u>
<b>OPERATING PROFIT</b>	3	<b>1,093,296</b>	<b>843,527</b>
Interest receivable		<b>23,224</b>	<b>4,843</b>
Interest payable		<u><b>(34,190)</b></u>	<u><b>(3,061)</b></u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>1,082,330</b>	<b>845,309</b>
Tax on profit on ordinary activities	4	<u><b>(268,762)</b></u>	<u><b>(259,815)</b></u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	16	<u><b>813,568</b></u>	<u><b>585,494</b></u>

The profit and loss account contains all the gains and losses of the company recognised in the current and proceeding year and the result in these years represent the only movement in shareholders funds.

The notes on pages 7 to 14 form part of these financial statements.

**RIDGEFORD PROPERTIES LIMITED**  
**BALANCE SHEET**  
**31 MARCH 2001**

	Notes	2001 £	2000 £
<b>FIXED ASSETS</b>			
Tangible assets	7	38,645	50,006
Investments	8	2	2
<b>CURRENT ASSETS</b>			
Stock and work in progress	9	7,347,557	12,802,059
Debtors	10	310,925	491,696
Cash at bank and in hand		<u>1,242,970</u>	<u>974,128</u>
		8,901,452	14,267,883
<b>CREDITORS: amounts falling due within one year</b>	11	<u>(1,944,226)</u>	<u>(14,008,674)</u>
<b>NET CURRENT ASSETS</b>		<u>6,957,226</u>	<u>259,209</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		6,995,873	309,217
<b>CREDITORS: amounts falling due after one year</b>	12	<u>(5,892,572)</u>	<u>(19,484)</u>
<b>NET ASSETS</b>		<u>1,103,301</u>	<u>289,733</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	100	100
Profit and loss account	16	<u>1,103,201</u>	<u>289,633</u>
<b>SHAREHOLDERS' FUNDS – All equity</b>	17	<u>1,103,301</u>	<u>289,733</u>

Approved by the Board on 21 December 2001  
and signed on its behalf by:

 } Directors

The notes on pages 7 to 14 form part of these financial statements.

**RIDGEFORD PROPERTIES LIMITED**  
**CASH FLOW STATEMENT**  
**YEAR ENDED 31 MARCH 2001**

	Notes	2001 £	2000 £
<b>Net cash inflow from operating activities</b>	18	<b>6,440,037</b>	<b>757,623</b>
<b>Returns on investments and servicing of Finance</b>	19	<b>(10,964)</b>	<b>1,782</b>
<b>Taxation</b>		<b>(268,809)</b>	<b>-</b>
<b>Capital expenditure and financial investment</b>	19	<b>(21,023)</b>	<b>(45,494)</b>
Cash inflow before use of liquid Resources and financing		<b>6,139,241</b>	<b>713,911</b>
<b>Financing</b>	19	<b>(5,960,445)</b>	<b>153,491</b>
<b>Increase in cash in the year</b>		<b>178,796</b>	<b>867,402</b>

The notes on pages 13 and 14 form part of the cash flow statement



**RIDGEFORD PROPERTIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2001**

---

**1. ACCOUNTING POLICIES**

**a) Basis of Accounting**

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

**b) 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
Horse Stock	- 25% p.a. straight line

**c) 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.

**d) Stock and Work in Progress**

Development land and buildings are stated at the lower of cost, which includes interest and a proportion of administration expenses incurred on specific projects, and net realisable value.

**e) 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.

**f) Operating Leases**

Rentals application to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account as incurred.

**g) Deferred Taxation**

Provision is made, if necessary, for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

**h) 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.

**RIDGEFORD PROPERTIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**YEAR ENDED 31 MARCH 2001**

**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	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Depreciation	<b>16,983</b>	<b>15,463</b>
Auditors remuneration	<b>6,000</b>	<b>5,000</b>

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

Based on the profit for the year:		
Corporation tax at 30%	<b>259,769</b>	<b>259,815</b>
Underprovision from previous year	<b>8,993</b>	<b>-</b>
	<b>268,762</b>	<b>259,815</b>

**5. STAFF COSTS**

Staff costs, including directors' remuneration, were as follows:

Wages and salaries	<b>128,365</b>	<b>252,024</b>
Pension costs	<b>11,801</b>	<b>5,040</b>
Social security costs	<b>12,366</b>	<b>18,458</b>
	<b>152,532</b>	<b>275,522</b>

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

	<b>No.</b>	<b>No.</b>
Administration	<b>5</b>	<b>4</b>

**6. DIRECTORS' REMUNERATION**

	<b>£</b>	<b>£</b>
Aggregate emoluments	<b>51,041</b>	<b>100,644</b>

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

**RIDGEFORD PROPERTIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**YEAR ENDED 31 MARCH 2001**

**7. TANGIBLE FIXED ASSETS**

	Horse Stock	Office Equipment £	Fixtures and Fittings £	Motor Vehicle £	Total £
<b>Cost</b>					
At 1 April 2000	-	33,727	3,725	29,995	67,447
Additions	7,800	13,223	-	-	21,023
Disposals	-	(20,535)	-	-	(20,535)
<b>At 31 March 2001</b>	<b>7,800</b>	<b>26,415</b>	<b>3,725</b>	<b>29,995</b>	<b>67,935</b>
<b>Depreciation</b>					
At 1 April 2000	-	11,377	2,561	3,503	17,441
Charge for the year	1,950	6,603	931	7,499	16,983
Disposals	-	(5,134)	-	-	(5,134)
<b>At 31 March 2001</b>	<b>1,950</b>	<b>12,846</b>	<b>3,492</b>	<b>11,002</b>	<b>29,290</b>
<b>Net book value</b>					
<b>At 31 March 2001</b>	<b>5,850</b>	<b>13,569</b>	<b>233</b>	<b>18,993</b>	<b>38,645</b>
At 31 March 2000	-	22,350	1,164	26,492	50,006

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

<b>Net book value:</b>	
31 March 2001	<u>18,993</u>
Depreciation for the year	<u>7,499</u>

**RIDGEFORD PROPERTIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**YEAR ENDED 31 MARCH 2001**

8. INVESTMENTS	2001 £	2000 £
Shares in subsidiary undertaking at cost	<u>2</u>	<u>2</u>

The investment in the subsidiary undertaking represents shares in a wholly owned subsidiary Ridgeford Properties Management Limited, a company registered in England and Wales, comprising 2 ordinary Share of £1 each. The company is not listed.

The following information relates to Ridgeford Properties Management Limited:

Aggregate amount of capital and reserves	57,478	2
Profit for the financial year	<u>57,476</u>	<u>-</u>

**9. STOCK AND WORK IN PROGRESS**

Development land and buildings	<u>7,347,557</u>	<u>12,802,059</u>
--------------------------------	------------------	-------------------

Development land and buildings, includes attributable interest, which amounts to £178,681 (2000: £668,186).

**10. DEBTORS**

Trade debtors	13,075	186,530
Amounts owed by group undertakings	34,140	-
Other debtors	258,486	294,687
Prepayments	<u>5,224</u>	<u>10,479</u>
	<u>310,925</u>	<u>491,696</u>

**RIDGEFORD PROPERTIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**YEAR ENDED 31 MARCH 2001**

**11. CREDITORS - amounts falling due within one year**

	2001 £	2000 £
Bank overdraft	90,045	-
Bank loans (secured on property)	-	5,583,615
Other loans (secured on property)	1,546,289	7,798,609
Trade creditors	4,334	18,620
Obligations under hire purchase agreements	4,879	2,477
Other taxes and social security costs	28,741	77,273
Corporation tax	259,769	259,816
Other creditors	5,169	11,518
Accruals and deferred income	5,000	256,746
	<u>1,944,226</u>	<u>14,008,674</u>

**12. CREDITORS: amounts falling due after one year**

Secured deep discount bond	4,426,228	-
Bank loans (secured on property)	1,450,048	-
Obligations under hire purchase agreements	16,296	19,484
	<u>5,892,572</u>	<u>19,484</u>

Included within the above are amounts falling due as follows:

Secured deep discount bond	4,426,228	-
Bank loan instalments	1,450,048	-
Obligations under hire purchase agreement	16,296	19,484

The bank loan is wholly repayable on 27 February 2003 and interest is charged at a variable Rate, based on LIBOR, 'London Interbank Offer Rates'.

The redemption date for the deep discount bond (which is secured on property) is 1 June 2003 for the sum of £5,216,864.

**13. CALLED UP SHARE CAPITAL**

**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>
--------------------------------	------------	------------

**14. ULTIMATE PARENT COMPANY**

Astor Investments Limited, a company registered in the British Virgin Islands, is the parent company of Ridgeford Properties Limited.

**RIDGEFORD PROPERTIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**YEAR ENDED 31 MARCH 2001**

**15. RELATED PARTIES**

Ridgeford Properties Management Limited is a wholly owned subsidiary of Ridgeford Properties Limited.

The amount owed from Ridgeford Properties Management Limited as at 31 March 2001 was £34,140.

**16. PROFIT AND LOSS ACCOUNT**

	2001 £
At 1 April 2000	289,633
Profit for the year	<u>813,568</u>
At 31 March 2001	<u>1,103,201</u>

**17. SHAREHOLDERS FUNDS**

At 1 April 2000	289,733
Profit for the year	<u>813,568</u>
At 31 March 2001	<u>1,103,301</u>

**18. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2001 £	2000 £
Operating profit	1,093,296	843,527
Depreciation of tangible fixed assets	16,983	15,463
Profit on disposal of tangible fixed assets	-	(1,507)
Decrease/(increase) in debtors	214,911	(328,917)
Decrease in stocks	5,454,502	214,062
(Decrease)/increase in creditors	<u>(339,655)</u>	<u>14,995</u>
Net cash inflow from operating activities	<u>6,440,037</u>	<u>757,623</u>

**RIDGEFORD PROPERTIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENT (CONTINUED)**  
**YEAR ENDED 31 MARCH 2001**

**19. ANALYSIS OF CASH FLOWS FOR HEADINGS  
NETTED IN THE CASH FLOW STATEMENT**

	2001 £	2000 £
<b>Returns on investments and servicing of finance</b>		
Interest received	23,224	4,843
Interest paid	<u>(34,188)</u>	<u>(3,061)</u>
<b>Net cash outflow/(inflow) for returns on investments and servicing of finance</b>	<u>(10,964)</u>	<u>1,782</u>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(21,023)	(56,994)
Sale of tangible fixed assets	<u>-</u>	<u>11,500</u>
<b>Net cash outflow for capital expenditure</b>	<u>(21,023)</u>	<u>(45,494)</u>
<b>Financing</b>		
Repayment of loans	(5,959,659)	139,384
Capital element of finance lease rentals	<u>(786)</u>	<u>14,107</u>
<b>Net cash (inflow)/outflow from financing</b>	<u>(5,960,445)</u>	<u>153,491</u>

**20. RECONCILIATION OF NET CASH FLOW TO MOVEMENT  
IN NET CASH**

<b>Increase in cash in the period</b>	178,796	867,402
Cash inflow from increase/(decrease) in debt and lease financing	<u>5,960,445</u>	<u>(153,489)</u>
<b>Movement in net cash in the period</b>	6,139,241	1,713,913
<b>Net debt at 1 April 2000</b>	<u>(12,430,055)</u>	<u>(13,143,968)</u>
<b>Net debt at 31 March 2001</b>	<u>(6,290,814)</u>	<u>(12,430,055)</u>

**RIDGEFORD PROPERTIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENT (CONTINUED)**  
**YEAR ENDED 31 MARCH 2001**

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**21. ANALYSIS OF NET CASH**

	<i>1 April 2000</i>	<i>Cash flows</i>	<i>31 March 2001</i>
	£	£	£
<b>Net cash</b>			
Cash at bank and in hand	<u>974,128</u>	<u>178,797</u>	<u>1,152,925</u>
<b>Debt:</b>			
Debt due within one year	(13,384,700)	7,407,306	(5,977,394)
Debt due after one year	<u>(19,484)</u>	<u>(1,446,861)</u>	<u>(1,466,345)</u>
	<u>(13,404,184)</u>	<u>5,960,445</u>	<u>(7,443,739)</u>
<b>Net debt</b>	<u>(12,430,056)</u>	<u>6,139,242</u>	<u>(6,290,814)</u>