

**RIDGEFORD PROPERTIES LIMITED
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2011**



RIDGEFORD PROPERTIES LIMITED
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YEAR ENDED 31 MARCH 2011

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RIDGEFORD PROPERTIES LIMITED
DIRECTOR'S REPORT
YEAR ENDED 31 MARCH 2011

DIRECTOR C T Murray

The sole director has pleasure in presenting his report and the audited financial statements for the year ended 31 March 2011

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Director's report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they 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 company will continue in business

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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 £177,511 (2010 loss after taxation of £1,451,054) and was transferred to reserves. The director does not recommend the payment of a dividend.

PRINCIPAL ACTIVITY, BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The principal activity of the group is that of property managers, traders 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 use scheme on an acre site in London W1. Construction on the site commenced in December 2007 on Phase I of the development and was completed in November 2009. Phase II of the development started in October 2010 with completion forecasted to be in May 2012. Phase II consists of 44 high quality private apartments, 16 affordable apartments and a prime office. The Royal Bank of Scotland has provided a debt funding facility for the development of Phase II totalling £33 million.

FINANCIAL INSTRUMENTS

The group's principal financial instruments comprise bank balances, loans, trade debtors and trade creditors. The main purpose of these instruments is to raise funds for the group's operations.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility. The group makes use of money market facilities where funds are available.

RIDGEFORD PROPERTIES LIMITED
DIRECTOR'S REPORT
YEAR ENDED 31 MARCH 2011

FINANCIAL INSTRUMENTS (CONTINUED)

Loans payable by the group are set out in note 14 to the financial statements. The group has entered into an interest rate swap arrangement in order to fix a portion of its interest repayments on these loans. The group manages the liquidity risk by ensuring there are sufficient funds to meet loan repayments due.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. Trade creditors liquidity risk is managed by ensuring there are sufficient funds available to meet the amounts due.

RISKS AND UNCERTAINTIES

The principal risks and uncertainties of the group relate to ensuring there are sufficient funds to meet its debts and liabilities as they fall due. In this respect the director has obtained sufficient funding for the next twelve months. The group has achieved a net cash inflow from operations of £1.5 million for the year ended 31 March 2011 and the director is confident that the group will continue in the future to generate sufficient cash flow from operations on a sustained basis so as to extinguish the deficiency in shareholders' funds.

KEY PERFORMANCE INDICATORS

The director considers the key performance indicators of the group to be as follows,

- Turnover
- Gross profit
- Net current assets

The results achieved by the group for the years ended 31 March 2011 and 2010 are included in the group profit and loss account and group balance sheet.

CHARITABLE DONATIONS

During the year, the group made charitable donations of £2,624 (2010: £6,620).

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 Crowe Clark Whitehill LLP as auditors to the company will be put to the Annual General Meeting.

This report was approved by the board on 23 December 2011 and signed on its behalf



Director

C T Murray

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF RIDGEFORD PROPERTIES LIMITED
YEAR ENDED 31 MARCH 2011**

We have audited the financial statements of Ridgeford Properties Limited for the year ended 31 March 2011 which comprise the Group Profit and Loss Account, the Group and Parent Company Balance Sheet, the Group Cash Flow Statement, the Group Statement of Total Recognised Gains and Losses and the related notes numbered 1 to 27

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Director's Responsibilities, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion, the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2011 and of the group's loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Emphasis of Matter - Going concern

In forming our opinion we have considered the adequacy of the disclosures made in the accounts concerning the group and company's term and revolving loans. The accounts have been prepared on a going concern basis, validity of which depends on funding continuing to be available from existing lenders. The accounts do not contain any adjustments that would result from a failure to obtain

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF RIDGEFORD PROPERTIES LIMITED
YEAR ENDED 31 MARCH 2011**

funding Details of the circumstances relating to the fundamental uncertainty are described in notes 14 and 21 Our opinion is not qualified in this respect

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Stacy Eden
Senior Statutory Auditor
For and on behalf of
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Statutory Auditor
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23/12/11

RIDGEFORD PROPERTIES LIMITED
GROUP PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2011

	Notes	2011 £	2010 £
TURNOVER	2	8,257,767	10,997,228
Cost of sales		<u>(5,802,845)</u>	<u>(10,264,683)</u>
GROSS PROFIT		2,454,922	732,545
Administrative expenses		<u>(1,727,907)</u>	<u>(1,581,872)</u>
		727,015	(849,327)
Other income		<u>111,842</u>	<u>20,252</u>
OPERATING PROFIT / (LOSS)	3	838,857	(829,075)
Interest receivable		5,167	16,527
Interest payable	4	<u>(666,513)</u>	<u>(638,506)</u>
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		177,511	(1,451,054)
Tax on profit / (loss) on ordinary activities	5	<u>-</u>	<u>-</u>
PROFIT / (LOSS) FOR THE FINANCIAL YEAR	16	<u>177,511</u>	<u>(1,451,054)</u>

RIDGEFORD PROPERTIES LIMITED
GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31 MARCH 2011

	2011 £	2010 £
(Loss) / profit for the financial year	<u>177,511</u>	<u>(1,451,054)</u>
Total recognised gains and losses relating to the year	<u>177,511</u>	<u>(1,451,054)</u>

The profit and loss account contains all the gains and losses of the group 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 9 to 21 form part of these financial statements

RIDGEFORD PROPERTIES LIMITED
GROUP BALANCE SHEET
31 MARCH 2011
REGISTERED NUMBER: 3268801

	Notes	2011 £	2010 £
FIXED ASSETS			
Tangible assets	8	46,676	34,075
		<u>46,676</u>	<u>34,075</u>
CURRENT ASSETS			
Stock and work in progress	10	15,733,601	18,389,715
Debtors	11	4,559,647	4,253,716
Cash at bank and in hand (including guarantee bond of £1,694,367 (2010 £1,694,367) due after one year)	12	<u>2,741,197</u>	<u>4,572,291</u>
		23,034,445	27,215,722
CREDITORS: amounts falling due within one year	13	<u>(8,518,477)</u>	<u>(13,301,009)</u>
NET CURRENT ASSETS		<u>14,515,968</u>	<u>13,914,713</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		14,562,644	13,948,788
CREDITORS: amounts falling due after one year	14	<u>(19,654,430)</u>	<u>(19,218,085)</u>
NET LIABILITIES		<u>(5,091,786)</u>	<u>(5,269,297)</u>
CAPITAL AND RESERVES			
Called up share capital	15	100	100
Profit and loss account	16	<u>(5,091,886)</u>	<u>(5,269,397)</u>
SHAREHOLDERS' FUNDS	17	<u>(5,091,786)</u>	<u>(5,269,297)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 December 2011



Director
C T Murray

The notes on pages 9 to 21 form part of these financial statements

RIDGEFORD PROPERTIES LIMITED
COMPANY BALANCE SHEET
31 MARCH 2011
REGISTERED NUMBER· 3268801

	Notes	2011 £	2010 £
FIXED ASSETS			
Tangible assets	8	39,951	23,989
Investments	9	<u>202</u>	<u>202</u>
		<u>40,153</u>	<u>24,191</u>
CURRENT ASSETS			
Stock and work in progress	10	15,733,601	18,389,715
Debtors	11	4,794,914	4,423,106
Cash at bank and in hand (including guarantee bond of £1,694,367 (2010 £1,694,367) due after one year)	12	<u>2,494,141</u>	<u>4,389,951</u>
		<u>23,022,656</u>	<u>27,202,772</u>
CREDITORS . amounts falling due within one year	13	<u>(8,457,234)</u>	<u>(13,271,336)</u>
NET CURRENT ASSETS		<u>14,565,422</u>	<u>13,931,436</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		14,605,575	13,955,627
CREDITORS amounts falling due after one year	14	<u>(19,654,430)</u>	<u>(19,218,085)</u>
NET LIABILITIES		<u>(5,048,855)</u>	<u>(5,262,458)</u>
CAPITAL AND RESERVES			
Called up share capital	15	100	100
Profit and loss account	16	<u>(5,048,955)</u>	<u>(5,262,558)</u>
SHAREHOLDERS' FUNDS	17	<u>(5,048,855)</u>	<u>(5,262,458)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 December 2011



Director
C T Murray

The notes on pages 9 to 21 form part of these financial statements

RIDGEFORD PROPERTIES LIMITED
GROUP CASHFLOW STATEMENT
YEAR ENDED 31 MARCH 2011

	Note	2011 £	2010 £
Net cash inflow from operating activities	24	5,604,054	1,541,006
Returns on investments and servicing of finance	25	(160,234)	(134,507)
Capital expenditure	25	(32,923)	(16,555)
Taxation		-	-
		<hr/>	<hr/>
Net cash inflow before financing		5,410,897	1,389,944
Financing	25	(7,241,991)	(1,873,088)
		<hr/>	<hr/>
(DECREASE) IN CASH IN THE YEAR		(1,831,094)	(483,144)

**RECONCILIATION OF NET CASH FLOW
TO MOVEMENT IN NET DEBT**
YEAR ENDED 31 MARCH 2011

	2011 £	2010 £
(Decrease) in cash in the year	(1,831,094)	(483,144)
Cash flow from financing	7,241,991	1,873,088
Other non-cash changes	(501,112)	(487,473)
		<hr/>
MOVEMENT IN NET DEBT IN THE YEAR	4,909,785	902,471
Net debt at 1 April	(27,762,944)	(28,665,415)
		<hr/>
NET DEBT AT 31 MARCH	(22,853,159)	(27,762,944)

The notes on pages 9 to 21 from part of these financial statements

RIDGEFORD PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2011

1 ACCOUNTING POLICIES

a) Basis of Accounting

The financial statements are prepared under the historical cost convention. The director has prepared these financial statements on a going concern basis. Refer to notes 14 and 21 for further detail.

The consolidated financial statements incorporate the results of Ridgford Properties Limited and all of its subsidiary undertakings at 31 March 2011 using the acquisition method of accounting. The results of subsidiary undertakings are included from the date of acquisition.

In accordance with Section 408 of the Companies Act 2006 a separate profit and loss account for the company has not been presented. For the year to 31 March 2011 the company recorded a net profit on ordinary activities after taxation of £213,603 (2010 net loss on ordinary activities after taxation of £1,246,009).

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, professional fees and a proportion of 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.

RIDGEFORD PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2011

1. ACCOUNTING POLICIES (continued)

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

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) Operating leases

Rentals under operating leases are charged on a straight line basis over the lease term. Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

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 group's main activity within the United Kingdom. The turnover achieved through the group's joint venture, Bolsover Street Limited, is included at note 9 (c) to the financial statements

RIDGEFORD PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2011

3. OPERATING PROFIT / (LOSS)

Operating profit / (loss) is stated after charging	2011	2010
	£	£
Depreciation	20,322	15,706
Operating leases – plant and equipment	7,438	7,458
Auditors' remuneration	40,740	30,700
Foreign exchange losses	(43,397)	261,933

4. INTEREST PAYABLE

	2011	2010
	£	£
Interest on bank loans	167,815	150,227
Interest on other loans	498,445	487,472
Interest on hire purchase agreements	253	807
	666,513	638,506

5. TAX ON (LOSS) / PROFIT ON ORDINARY ACTIVITIES

	2011	2010
	£	£
Based on the (loss) / profit for the year		
UK corporation tax	-	-
	-	-
Tax reconciliation		
(Loss) / Profit on ordinary activities before tax	177,511	(1,451,054)
(Loss) / Profit on ordinary activities at the standard rate of corporation tax in the UK of 28% (2009 28%)	49,703	(406,295)
Effects of		
Capital allowances for year in excess of depreciation	(6,002)	(273)
Expenses not deductible for tax purposes	152,066	298,606
Other timing differences	294	
Tax losses not recognised	-	107,962
Utilisation of losses brought forward	(196,061)	-
Current tax (credit) / charge for year	-	-

There are approximately £835,000 (2010 £1,105,000) 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 2011

6. STAFF COSTS

	2011	2010
	£	£
Staff costs, including director's remuneration, were as follows		
Wages and salaries	627,286	620,769
Social security costs	82,719	83,591
Pension costs	45,960	55,815
	755,965	760,175

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

	No.	No
Administration	9	8

7. DIRECTOR'S REMUNERATION

	2011	2010
	£	£
Aggregate emoluments	185,100	210,510
Pension costs	16,800	16,800

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

8. TANGIBLE FIXED ASSETS

Group	Office Equipment £	Fixtures and Fittings £	Motor Vehicle £	Total £
Cost				
At 1 April 2010	98,599	15,933	57,169	171,701
Additions	12,698	20,225	-	32,923
	111,297	36,158	57,169	204,624
At 31 March 2011				
Depreciation				
At 1 April 2010	83,892	14,276	39,458	137,626
Charge for the year	10,285	5,609	4,428	20,322
	94,177	19,885	43,886	157,948
At 31 March 2011				
Net book value				
At 31 March 2011	17,120	16,273	13,283	46,676
At 31 March 2010	14,707	1,657	17,711	34,075

RIDGEFORD PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2011

8 TANGIBLE FIXED ASSETS (Continued)

Company	Office Equipment £	Fixtures and Fittings £	Motor Vehicle £	Total £
Cost				
At 1 April 2010	68,807	15,933	57,169	141,909
Additions	12,698	20,225	-	32,923
At 31 March 2011	81,505	36,158	57,169	174,832
Depreciation				
At 1 April 2010	64,186	14,276	39,458	117,920
Charge for the year	6,924	5,609	4,428	16,961
At 31 March 2011	71,110	19,885	43,886	134,881
Net book value				
At 31 March 2011	10,395	16,273	13,283	39,951
<i>At 31 March 2010</i>	<i>4,621</i>	<i>1,657</i>	<i>17,711</i>	<i>23,989</i>

Group and company

Assets held under hire purchase agreement included above:

Net book value.	
31 March 2011	<u>13,283</u>
Depreciation for the year	<u>4,428</u>

9. INVESTMENTS

Company	2011 £	2010 £
Shares in subsidiary undertakings	<u>202</u>	<u>202</u>

Investment in subsidiary undertakings

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

RIDGEFORD PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2011

9. INVESTMENTS (Continued)

(b) 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.

(c) 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 2011. 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.

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 14 and 22 to the financial statements.

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

Group and company	2011	2010
	£	£
CURRENT ASSETS		
Stock and work in progress	9,727,080	10,072,562
Debtors	1,162,825	1,001,240
Cash at bank	491,669	1,016,696
CREDITORS amounts falling due within one year		
Trade and other creditors	(2,342,391)	(4,717)
Bank loans	(4,144,794)	(11,271,150)
CREDITORS amounts falling due after one year		
Bank loans	-	-
NET ASSETS	4,894,389	814,631
TURNOVER	7,509,814	10,503,562
Cost of sales	(5,802,845)	(10,264,683)
Other income	69,483	-
Administrative expenses	(13,846)	-
Interest receivable	-	-
Interest payable	-	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1,762,606	238,879

RIDGEFORD PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2011

10. STOCK AND WORK IN PROGRESS	2011	2010
	£	£
Group and company		
Long term contract work in progress	9,733,601	12,389,715
Development land and buildings	6,000,000	6,000,000
	<u>15,733,601</u>	<u>18,389,715</u>

Interest included within stock and work in progress amounted to £806,285 (2010 £806,285) A provision against development land and buildings has been included in the profit and loss account for the year ended 31 March 2011 of £nil (2010 £nil)

11 DEBTORS	2011	2010
	£	£
Group		
Trade debtors	164,036	126,408
Amounts recoverable on long term contracts	-	869,987
Accrued income	2,500,000	2,500,000
Other debtors	1,895,611	757,321
	<u>4,559,647</u>	<u>4,253,716</u>
Company		
Trade debtors	60,758	36,582
Amounts recoverable on long term contracts	-	869,987
Accrued income	2,500,000	2,500,000
Amounts owed by subsidiaries	625,422	350,506
Other debtors	1,608,734	666,031
	<u>4,794,914</u>	<u>4,423,106</u>

12. CASH AT BANK AND IN HAND

Included within the group and company cash balances are deposits of which are held by the company's bankers as additional security in respect of development loans

Included within the group and company cash balances is a guarantee bond of £1,694,367 (2010 £1,694,367), 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

RIDGEFORD PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2011

13. CREDITORS – amounts falling due within one year

Group	2011	2010
	£	£
Loan from group undertakings	1,795,132	1,838,529
Trade creditors	121,246	77,561
Obligations under hire purchase agreements	-	7,471
Other taxes and social security costs	58,744	36,260
Accruals and other creditors	2,398,561	70,038
Bank loans	<u>4,144,794</u>	<u>11,271,150</u>
	<u>8,518,477</u>	<u>13,301,009</u>
 Company		
Loan from group undertakings	1,795,132	1,838,529
Trade creditors	110,639	72,850
Obligations under hire purchase agreements	-	7,471
Other taxes and social security costs	21,537	25,826
Accruals and other creditors	2,385,132	55,510
Bank loans	<u>4,144,794</u>	<u>11,271,150</u>
	<u>8,457,234</u>	<u>13,271,336</u>

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

Details of bank loans payable at year end are included in note 14 to the financial statements.

14 CREDITORS: amounts falling due after one year	2011	2010
	£	£
Group and company		
Bank loans	3,095,000	3,145,000
Secured deep discount bond	2,563,793	2,396,068
Other loans	13,959,548	13,677,017
Deposits Held	<u>36,089</u>	<u>-</u>
	<u>19,654,430</u>	<u>19,218,085</u>

Bank loans falling due within one year of £4,144,794 (2010 £11,271,150) and bank loans falling due after one year of £3,095,000 (2010 £3,145,000) are comprised of the following:

A bank loan of £3,095,000 (2010 £3,145,000) was taken out with Royal Bank of Scotland and is payable in May 2012. The loan is secured by way of a first charge over the Ironmonger Row freehold property and bears an average interest rate of 6%.

RIDGEFORD PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2011

14. CREDITORS: amounts falling due after one year (Continued)

Other loans include promissory notes and a working capital loan

Promissory Notes totalling £12,412,573 is payable on demand. It has been confirmed that this loan will not be called upon within 12 months from December 2011. These promissory notes are not secured.

A working capital loan of £1,547,085 is payable on demand. This loan is not secured.

The deep discounted bond is secured by way of a second charge over a Central London freehold property.

A bank loan of £4,144,794 (2010 £11,271,150) was taken out with Royal Bank of Scotland and was repayable in May 2010. The bank loan has been entered into by Bolsover Street Limited as nominee and trustee for Ridgford Properties Limited (see note 9c to the financial statements). The total bank loan owing to Royal Bank of Scotland at 31 March 2011 by Bolsover Street Limited was £8,289,588, of which Ridgford Properties Limited is joint and severally liable together with its joint venture partner. See note 23 to the financial statements for further details of the settlement and renegotiation of this loan. 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

15. CALLED UP SHARE CAPITAL

	2011	2010
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>

RIDGEFORD PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2011

16. PROFIT AND LOSS ACCOUNT	2011 £
Group	
At 1 April 2010	(5,269,397)
Profit for the year	<u>177,511</u>
At 31 March 2011	<u>(5,091,886)</u>
Company	
At 1 April 2010	(5,262,558)
Profit for the year	<u>213,603</u>
At 31 March 2011	<u>(5,048,955)</u>

17. SHAREHOLDERS FUNDS	2011 £	2010 £
Group		
At 1 April	(5,269,297)	(3,818,243)
Profit / (Loss) for the year	<u>177,511</u>	<u>(1,451,054)</u>
At 31 March	<u>(5,091,786)</u>	<u>(5,269,297)</u>
Company		
At 1 April	(5,262,458)	(4,016,449)
Profit / (Loss) for the year	<u>213,603</u>	<u>(1,246,009)</u>
At 31 March	<u>(5,048,855)</u>	<u>(5,262,458)</u>

18. 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 £3,775 (2010 £1,500)
Ridgeford Properties Limited provided management consultancy services to Ridgeford Consulting Limited for the year ended 31 March 2011 totalling £80,000 (2010 £65,000)

Ridgeford Properties Management Limited (wholly owned subsidiary)

At the year end, Ridgeford Properties Limited was owed £621,647 from Ridgeford Properties Management Limited (2010 £349,006)

City Gate International Limited (parent company)

Loans from that company including interest thereon were outstanding at the year-end in the sum of £1,795,132 (2010 £1,838,529)

RIDGEFORD PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2011

19. PENSIONS ARRANGEMENT

Contributions to the scheme by the group for the year ended 31 March 2011 totalled £45,960 (2010 £55,815) and employees contributed £Nil (2010 £nil)

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

20. 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.

21. GOING CONCERN AND DEVELOPMENT FUNDING

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

The group and company therefore have 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 on other loans are disclosed at note 14 to the financial statements. The Director is confident that the group and company can continue to renegotiate its development loans so that it can successfully complete all its current development projects. The Director is satisfied that the group and 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.

22. COMMITMENTS

The group and company had capital commitments at 31 March 2011 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 £12.8m (2010 £1m) of which the company, together with its joint venture partner, are jointly and severally liable. The group and company had operating lease commitments with regard to plant and machinery of £nil (2010 £nil).

23. SUBSEQUENT EVENTS

There are no material subsequent events.

RIDGEFORD PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2011

24. NET CASH FLOW FROM OPERATING ACTIVITIES

	2011	2010
	£	£
Operating profit/(loss)	838,857	(829,075)
Depreciation of fixed assets	20,322	15,706
Decrease in stock	2,656,114	910,173
(Increase)/Decrease in debtors	(305,931)	1,552,619
Increase/(Decrease) in creditors	2,394,692	(108,417)
Net cash inflow from operations	<u>5,604,054</u>	<u>1,541,006</u>

25. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2011	2010
	£	£
Returns on investments and servicing of finance		
Interest received	5,167	16,527
Interest paid	(165,401)	(151,034)
Net cash outflow from returns on investments and servicing of finance	<u>(160,234)</u>	<u>(134,507)</u>
Capital expenditure		
Purchase of fixed assets	(32,923)	(16,555)
Net cash outflow from capital expenditure	<u>(32,923)</u>	<u>(16,555)</u>
Financing		
Repayment of hire purchase agreements	(7,471)	(8,464)
Repayment of loans payable	(7,234,520)	(1,864,624)
Net cash (outflow) from financing	<u>(7,241,991)</u>	<u>(1,873,088)</u>

RIDGEFORD PROPERTIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2011

26. ANALYSIS OF NET DEBT

	<i>At 1 April</i>	Cash	Other non-cash	At 31 March
	<i>2010</i>	Flow	changes	2011
	£	£	£	£
Net debt due within one year				
Cash at bank	4,572,291	(1,831,094)	-	2,741,197
	<u>4,572,291</u>	<u>(1,831,094)</u>		<u>2,741,197</u>
Bank loan	(11,271,150)	7,126,356		(4,144,794)
Net obligations under hire purchase agreements	(7,471)	7,471		-
Other loans	(1,838,529)	43,397		(1,795,132)
Net debt due after one year				
Bank loan	(3,145,000)	50,000		(3,095,000)
Other loans	(16,073,085)	14,767	(501,112)	(16,559,430)
Net debt	<u>(27,762,944)</u>	<u>5,410,897</u>	<u>(501,112)</u>	<u>(22,853,159)</u>

27. DERIVATIVES

Bolsover Street Limited has entered in to a 3 year interest rate swap arrangement in May 2010 in order to reduce the volatility of interest paid on bank loans. 50% of the development funding on the Bolsover Street development is hedged by this swap facility.