

**RIDGEFORD PROPERTIES LIMITED  
REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 31 MARCH 2012**

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**RIDGEFORD PROPERTIES LIMITED**  
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**YEAR ENDED 31 MARCH 2012**

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**RIDGEFORD PROPERTIES LIMITED**  
**DIRECTOR'S REPORT**  
**YEAR ENDED 31 MARCH 2012**

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**DIRECTOR**                      C T Murray

The sole director has pleasure in presenting his report and the audited financial statements for the year ended 31 March 2012

**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 £856,392 (2011 profit after taxation of £177,511) 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 2011 with completion forecasted to be in November 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 2012**

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**FINANCIAL INSTRUMENTS (CONTINUED)**

Loans payable by the group are set out in notes 13 and 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 £7million for the year ended 31 March 2012 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 2012 and 2011 are included in the group profit and loss account and group balance sheet.

**CHARITABLE DONATIONS**

During the year, the group made charitable donations of £10,941 (2011: £2,624).

**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 26/11/12 and signed on its behalf



Director

C T Murray

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF RIDGEFORD PROPERTIES LIMITED  
YEAR ENDED 31 MARCH 2012**

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We have audited the financial statements of Ridgeford Properties Limited for the year ended 31 March 2012 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 2012 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 2012**

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funding Details of the circumstances relating to the fundamental uncertainty are described in note 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  
**Crowe Clark Whitehill LLP**  
Statutory Auditor  
St Bride's House  
10 Salisbury Square  
London  
EC4Y 8EH  
United Kingdom

26/11/12

**RIDGEFORD PROPERTIES LIMITED**  
**GROUP PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 MARCH 2012**

	Notes	2012 £	2011 £
<b>TURNOVER</b>	2	<b>15,353,679</b>	8,257,767
Cost of sales		<u>(9,471,563)</u>	<u>(5,802,845)</u>
<b>GROSS PROFIT</b>		<b>5,882,116</b>	2,454,922
Administrative expenses		<u>(4,088,086)</u>	<u>(1,727,907)</u>
		<b>1,794,030</b>	727,015
Other income		<u>44,784</u>	<u>111,842</u>
<b>OPERATING PROFIT</b>	3	<b>1,838,814</b>	838,857
Interest receivable		<b>126,627</b>	5,167
Interest payable	4	<u>(729,560)</u>	<u>(666,513)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>1,235,881</b>	177,511
Tax on profit / (loss) on ordinary activities	5	<u>(379,489)</u>	<u>-</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	16	<u><b>856,392</b></u>	<u>177,511</u>

**RIDGEFORD PROPERTIES LIMITED**  
**GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**YEAR ENDED 31 MARCH 2012**

	2012 £	2011 £
Profit for the financial year	<b>856,392</b>	177,511
Total recognised gains and losses relating to the year	<u><b>856,392</b></u>	<u>177,511</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 2012**  
**REGISTERED NUMBER: 3268801**

	Notes	2012 £	2011 £
<b>FIXED ASSETS</b>			
Tangible assets	8	<u>35,344</u>	<u>46,676</u>
		<u>35,344</u>	<u>46,676</u>
<b>CURRENT ASSETS</b>			
Stock and work in progress	10	12,930,453	15,733,601
Debtors	11	16,347,344	4,559,647
Cash at bank and in hand (including guarantee bond of £1,694,367 (2011 £1,694,367) due after one year)	12	<u>4,021,183</u>	<u>2,741,197</u>
		33,298,980	23,034,445
<b>CREDITORS: amounts falling due within one year</b>	13	<u>(37,282,629)</u>	<u>(8,518,477)</u>
<b>NET CURRENT ASSETS</b>		<u>(3,983,649)</u>	<u>14,515,968</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(3,948,305)</u>	<u>14,562,644</u>
<b>CREDITORS: amounts falling due after one year</b>	14	<u>(36,089)</u>	<u>(19,654,430)</u>
<b>NET LIABILITIES</b>		<u>(3,984,394)</u>	<u>(5,091,786)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	134	100
Share Premium Account	16	250,966	-
Profit and loss account	16	<u>(4,235,494)</u>	<u>(5,091,886)</u>
<b>SHAREHOLDERS' FUNDS</b>	17	<u>(3,984,394)</u>	<u>(5,091,786)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26/11/12



Director  
C T Murray

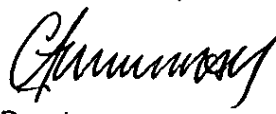
The notes on pages 9 to 21 form part of these financial statements



**RIDGEFORD PROPERTIES LIMITED**  
**COMPANY BALANCE SHEET**  
**31 MARCH 2012**  
**REGISTERED NUMBER. 3268801**

	Notes	2012 £	2011 £
<b>FIXED ASSETS</b>			
Tangible assets	8	31,981	39,951
Investments	9	<u>202</u>	<u>202</u>
		<b>32,183</b>	<b>40,153</b>
<b>CURRENT ASSETS</b>			
Stock and work in progress	10	12,930,453	15,733,601
Debtors	11	16,584,703	4,794,914
Cash at bank and in hand (including guarantee bond of £1,694,367 (2011 £1,694,367) due after one year)	12	<u>3,807,734</u>	<u>2,494,141</u>
		<b>33,322,890</b>	<b>23,022,656</b>
<b>CREDITORS: amounts falling due within one year</b>	13	<u>(37,274,055)</u>	<u>(8,457,234)</u>
<b>NET CURRENT ASSETS</b>		<u>(3,951,165)</u>	<u>14,565,422</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>(3,918,982)</b>	<b>14,605,575</b>
<b>CREDITORS: amounts falling due after one year</b>	14	<u>(36,089)</u>	<u>(19,654,430)</u>
<b>NET LIABILITIES</b>		<u>(3,955,071)</u>	<u>(5,048,855)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	134	100
Share Premium Account	16	250,966	-
Profit and loss account	16	<u>(4,206,171)</u>	<u>(5,048,955)</u>
<b>SHAREHOLDERS' FUNDS</b>	17	<u>(3,955,071)</u>	<u>(5,048,855)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26/11/12

  
Director  
C T Murray

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

The notes on pages 9 to 22 form part of these financial statements

**RIDGEFORD PROPERTIES LIMITED**  
**GROUP CASHFLOW STATEMENT**  
**YEAR ENDED 31 MARCH 2012**

	Note	2012 £	2011 £
Net cash inflow from operating activities	24	7,466,137	5,604,054
Returns on investments and servicing of finance	25	(37,555)	(160,234)
Capital expenditure	25	(6,374)	(32,923)
Taxation		(379,489)	-
Net cash inflow before financing		7,042,719	5,410,897
Financing	25	(5,762,733)	(7,241,991)
<b>INCREASE / (DECREASE) IN CASH IN THE YEAR</b>		<b>1,279,986</b>	<b>(1,831,094)</b>

**RECONCILIATION OF NET CASH FLOW  
TO MOVEMENT IN NET DEBT**  
**YEAR ENDED 31 MARCH 2012**

	2012 £	2011 £
Increase / (Decrease) in cash in the year	1,279,986	(1,831,094)
Cash flow from financing	5,762,733	7,241,991
Other non-cash changes	(565,378)	(501,112)
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	<b>6,477,341</b>	<b>4,909,785</b>
Net debt at 1 April	(22,853,159)	(27,762,944)
<b>NET DEBT AT 31 MARCH</b>	<b>(16,375,818)</b>	<b>(22,853,159)</b>

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 2012**

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**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 note 21 for further detail.

The consolidated financial statements incorporate the results of Ridgeford Properties Limited and all of its subsidiary undertakings at 31 March 2012 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 2012 the company recorded a net profit on ordinary activities after taxation of £1,012,016 (2011 net profit on ordinary activities after taxation of £213,603).

**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 2012**

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**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 2012**

**3. OPERATING PROFIT**

Operating profit is stated after charging	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Depreciation	<b>17,705</b>	20,322
Operating leases – plant and equipment	-	7,438
Amounts paid to the company's auditor		
- Audit services	<b>40,500</b>	40,740
- Taxation	<b>54,075</b>	64,380
Foreign exchange gain	<b>(44,784)</b>	<b>(43,397)</b>

**4. INTEREST PAYABLE**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Interest on bank loans	<b>164,182</b>	167,815
Interest on other loans	<b>565,378</b>	498,445
Interest on hire purchase agreements	-	253
	<b>729,560</b>	<b>666,513</b>

**5. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
<b>Analysis of tax charge in the year</b>		
<b>Current tax</b>		
UK corporation tax charge on profit for the year	<b>865,033</b>	-
<b>Deferred tax</b>		
Deferred tax credit for the year	<b>(485,544)</b>	-
<b>Tax on profit on ordinary activities</b>	<b>379,489</b>	-
Tax reconciliation		
Profit on ordinary activities before tax	<b>1,235,881</b>	<b>177,511</b>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 26% (2011 28%)	<b>321,329</b>	49,703
Effects of		
Capital allowances for year in excess of depreciation	<b>953</b>	(6,002)
Expenses not deductible for tax purposes	<b>182,463</b>	152,066
Income not taxable	<b>(11,644)</b>	-
Other timing differences	<b>520,000</b>	294
Utilisation of losses brought forward	<b>(148,068)</b>	<b>(196,061)</b>
Current tax charge for year	<b>865,033</b>	-

There are approximately £190,000 (2011 £835,000) 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 2012**

**6. STAFF COSTS**

	2012 £	2011 £
Staff costs, including director's remuneration, were as follows		
Wages and salaries	2,948,585	627,286
Social security costs	366,639	82,719
Pension costs	33,050	45,960
	<u>3,348,274</u>	<u>755,965</u>

Included within wages and salaries is a bonus pool of £2million which is to be allocated between senior management (including the director) on completion of the Bolsover project

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

	No.	No
Administration	<u>11</u>	<u>9</u>

**7. DIRECTOR'S REMUNERATION**

	2012 £	2011 £
Aggregate emoluments	<u>427,834</u>	<u>185,100</u>
Pension costs	<u>16,800</u>	<u>16,800</u>

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 £
<b>Cost</b>				
At 1 April 2011	111,297	36,158	57,169	204,624
Additions	6,374	-	-	6,374
	<u>117,671</u>	<u>36,158</u>	<u>57,169</u>	<u>210,998</u>
<b>At 31 March 2012</b>				
<b>Depreciation</b>				
At 1 April 2011	94,177	19,885	43,886	157,948
Charge for the year	8,775	5,609	3,322	17,706
	<u>102,952</u>	<u>25,494</u>	<u>47,208</u>	<u>175,654</u>
<b>At 31 March 2012</b>				
<b>Net book value</b>				
At 31 March 2012	<u>14,719</u>	<u>10,664</u>	<u>9,961</u>	<u>35,344</u>
At 31 March 2011	<u>17,120</u>	<u>16,273</u>	<u>13,283</u>	<u>46,676</u>

**RIDGEFORD PROPERTIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MARCH 2012**

**8. TANGIBLE FIXED ASSETS (Continued)**

<b>Company</b>	<b>Office Equipment £</b>	<b>Fixtures and Fittings £</b>	<b>Motor Vehicle £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 April 2011	<b>81,505</b>	<b>36,158</b>	<b>57,169</b>	<b>174,832</b>
Additions	<b>6,374</b>	<b>-</b>	<b>-</b>	<b>6,374</b>
<b>At 31 March 2012</b>	<b>87,879</b>	<b>36,158</b>	<b>57,169</b>	<b>181,206</b>
<b>Depreciation</b>				
At 1 April 2011	<b>71,110</b>	<b>19,885</b>	<b>43,886</b>	<b>134,881</b>
Charge for the year	<b>5,413</b>	<b>5,609</b>	<b>3,322</b>	<b>14,344</b>
<b>At 31 March 2012</b>	<b>76,523</b>	<b>25,494</b>	<b>47,208</b>	<b>149,225</b>
<b>Net book value</b>				
At 31 March 2012	<b>11,356</b>	<b>10,664</b>	<b>9,961</b>	<b>31,981</b>
At 31 March 2011	<b>10,395</b>	<b>16,273</b>	<b>13,283</b>	<b>39,951</b>

**Group and company**

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

<b>Net book value:</b>	
31 March 2012	<b>9,961</b>
Depreciation for the year	<b>3,321</b>

**9. INVESTMENTS**

	<b>2012 £</b>	<b>2011 £</b>
<b>Company</b>		
Shares in subsidiary undertakings	<b>202</b>	<b>202</b>

**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 2012**

**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 2012. 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	2012 £	2011 £
<b>CURRENT ASSETS</b>		
Stock and work in progress	6,994,880	9,727,080
Debtors	12,843,936	1,162,825
Cash at bank	1,884,768	491,669
<b>CREDITORS</b> amounts falling due within one year		
Trade and other creditors	(4,977,513)	(2,342,391)
Bank loans	(8,365,563)	(4,144,794)
<b>NET ASSETS</b>	<b>8,380,508</b>	<b>4,894,389</b>
<b>TURNOVER</b>	<b>14,399,631</b>	<b>7,509,814</b>
Cost of sales	(9,471,563)	(5,802,845)
Other income	157,496	69,483
Administrative expenses	(13,086)	(13,846)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>5,072,478</b>	<b>1,762,606</b>



**RIDGEFORD PROPERTIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MARCH 2012**

<b>10. STOCK AND WORK IN PROGRESS</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
<b>Group and company</b>		
Long term contract work in progress	<b>6,930,453</b>	9,733,601
Development land and buildings	<b>6,000,000</b>	6,000,000
	<b><u>12,930,453</u></b>	<b><u>15,733,601</u></b>

Interest included within stock and work in progress amounted to £806,285 (2011 £806,285)

<b>11 DEBTORS</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
<b>Group</b>		
Trade debtors	<b>143,332</b>	164,036
Amounts recoverable on long term contracts	<b>10,499,935</b>	-
Accrued income	<b>2,500,000</b>	2,500,000
Deferred tax	<b>485,544</b>	-
Other debtors	<b>2,718,533</b>	1,895,611
	<b><u>16,347,344</u></b>	<b><u>4,559,647</u></b>
<b>Company</b>		
Trade debtors	<b>22,769</b>	60,758
Amounts recoverable on long term contracts	<b>10,499,935</b>	-
Accrued income	<b>2,500,000</b>	2,500,000
Deferred tax	<b>485,544</b>	-
Amounts owed by subsidiaries	<b>446,255</b>	625,422
Other debtors	<b>2,630,200</b>	1,608,734
	<b><u>16,584,703</u></b>	<b><u>4,794,914</u></b>

**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 (2011 £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 2012**

**13. CREDITORS – amounts falling due within one year**

<b>Group</b>	<b>2012 £</b>	<b>2011 £</b>
Loan from group undertakings	1,950,348	1,795,132
Trade creditors	221,369	121,246
Corporation tax	865,033	-
Other taxes and social security costs	79,004	58,744
Accruals and other creditors	22,756,312	2,398,561
Bank loans	11,410,563	4,144,794
	<b>37,282,629</b>	<b>8,518,477</b>
<b>Company</b>		
Loan from group undertakings	1,950,348	1,795,132
Trade creditors	213,045	110,639
Corporation tax	865,033	-
Other taxes and social security costs	36,459	21,537
Accruals and other creditors	22,798,607	2,385,132
Bank loans	11,410,563	4,144,794
	<b>37,274,055</b>	<b>8,457,234</b>

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

Bank loans falling due within one year of £11,410,563 (2011 £4,144,794) and bank loans falling due after one year of £Nil (2011 £3,095,000) are comprised of the following:

A bank loan of £8,365,563 (2011 £4,144,794) was taken out with Royal Bank of Scotland and is repayable in May 2013. The bank loan has been entered into by Bolsover Street Limited as nominee and trustee for Ridgeford Properties Limited (see note 9c to the financial statements). The total bank loan owing to Royal Bank of Scotland at 31 March 2012 by Bolsover Street Limited was £16,731,126, 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

**RIDGEFORD PROPERTIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MARCH 2012**

- 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

A bank loan of £3,045,000 (2011 £3,095,000) was taken out with Royal Bank of Scotland and was originally payable in May 2012. The loan is secured by way of a first charge over the Ironmonger Row property and bears an average interest rate of 6%.

Other creditors include a deep discounted bond of £2,743,258 (2011 £2,563,792 greater than 1 year) which is secured by way of a second charge over a Central London freehold property and other loans of £14,345,462 (2011 £13,959,550 greater than 1 year) including promissory notes totalling £12,729,199 (2011 £12,412,573).

<b>14. CREDITORS: amounts falling due after one year</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
<b>Group and company</b>		
Bank loans	-	3,095,000
Secured deep discount bond	-	2,563,793
Other loans	-	13,959,548
Deposits Held	<u>36,089</u>	<u>36,089</u>
	<u><b>36,089</b></u>	<u><b>19,654,430</b></u>

**15 CALLED UP SHARE CAPITAL**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
Ordinary shares of £1 each	<u>134</u>	<u>100</u>
<b>Allotted, called up and fully paid</b>		
Ordinary shares of £1 each	<u>134</u>	<u>100</u>

An additional 34 ordinary shares of £1 each were issued on 1 July 2011 for a consideration of £251,000.

**RIDGEFORD PROPERTIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MARCH 2012**

**16. SHARE PREMIUM AND RESERVES**

	Share Premium	Profit & Loss Account
	£	£
<b>Group</b>		
At 1 April 2011	-	(5,091,886)
Profit for the year	-	856,392
Issue of shares	250,966	-
	<u>250,966</u>	<u>-</u>
At 31 March 2012	<u>250,966</u>	<u>(4,235,494)</u>
<b>Company</b>		
At 1 April 2011	-	(5,048,955)
Profit for the year	-	842,784
Issue of shares	250,966	-
	<u>250,966</u>	<u>-</u>
At 31 March 2012	<u>250,966</u>	<u>(4,206,171)</u>

**17. SHAREHOLDERS FUNDS**

	2012 £	2011 £
<b>Group</b>		
At 1 April	(5,091,786)	(5,269,297)
Profit for the year	856,392	177,511
Issue of shares	251,000	-
	<u>(3,984,394)</u>	<u>(5,091,786)</u>
At 31 March	<u>(3,984,394)</u>	<u>(5,091,786)</u>
<b>Company</b>		
At 1 April	(5,048,855)	(5,262,458)
Profit for the year	842,784	213,603
Issue of shares	251,000	-
	<u>(3,955,071)</u>	<u>(5,048,855)</u>
At 31 March	<u>(3,955,071)</u>	<u>(5,048,855)</u>

**RIDGEFORD PROPERTIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MARCH 2012**

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**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 £23,270 (2011 £3,775)  
Ridgeford Properties Limited provided management consultancy services to Ridgeford Consulting Limited for the year ended 31 March 2012 totalling £155,000 (2011 £ 80,000)

**Ridgeford Properties Management Limited (wholly owned subsidiary)**

At the year end, Ridgeford Properties Limited was owed £253,753 from Ridgeford Properties Management Limited (2011 £621,647)

**City Gate International Limited (parent company)**

Loans from that company including interest thereon were outstanding at the year-end in the sum of £1,950,348 (2011 £1,795,132)

**19. PENSIONS ARRANGEMENT**

Contributions to the scheme by the group for the year ended 31 March 2012 totalled £33,050 (2011 £45,960) and employees contributed £Nil (2011 £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 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 13 to the financial statements. The Director is confident that as the projects near completion there is sufficient working capital and facilities to finance this and significant cash generative receipts are anticipated within the specified time frame to enable the group to repay the bank loan and other third party liabilities. Whilst additional cash support is not anticipated to be required from City Gate, the director is confident there is sufficient support from related third parties not to demand repayment of loans until cash is generated from the projects to meet such liabilities. 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

**RIDGEFORD PROPERTIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MARCH 2012**

**22. COMMITMENTS**

The group and company had capital commitments at 31 March 2012 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 £19.9m (2011 £12.8m) 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 (2011 £nil).

**23. SUBSEQUENT EVENTS**

There are no material subsequent events.

**24. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2012 £	2011 £
Operating profit	1,838,814	838,857
Depreciation of fixed assets	17,706	20,322
Decrease in stock	2,803,148	2,656,114
(Increase) in debtors	(11,956,929)	(305,931)
Increase in creditors	14,512,398	2,394,692
Issue of shares	251,000	-
<b>Net cash inflow from operations</b>	<b>7,466,137</b>	<b>5,604,054</b>

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

	2012 £	2011 £
<b>Returns on investments and servicing of finance</b>		
Interest received	126,627	5,167
Interest paid	(164,182)	(165,401)
<b>Net cash outflow from returns on investments and Servicing of finance</b>	<b>(37,555)</b>	<b>(160,234)</b>
	2012 £	2011 £
<b>Capital expenditure</b>		
Purchase of fixed assets	(6,374)	(32,923)
<b>Net cash outflow from capital expenditure</b>	<b>(6,374)</b>	<b>(32,923)</b>
	2012 £	2011 £
<b>Financing</b>		
Repayment of hire purchase agreements	-	(7,471)
Repayment of loans payable	(5,762,733)	(7,234,520)
<b>Net cash outflow from financing</b>	<b>(5,762,733)</b>	<b>(7,234,520)</b>

**RIDGEFORD PROPERTIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 MARCH 2012**

**26. ANALYSIS OF NET DEBT**

	<i>At 1 April</i>	Cash	Other non-cash	<i>At 31 March</i>
	<i>2011</i>	Flow	changes	<i>2012</i>
	£	£	£	£
Net debt due within one year				
Cash at bank	2,741,197	1,279,986	-	4,021,183
	<u>2,741,197</u>	<u>1,279,986</u>	<u>-</u>	<u>4,021,183</u>
Bank loans	(4,144,794)	(4,220,769)	(3,045,000)	(11,410,563)
Other loans	(1,795,132)	9,933,502	(17,088,719)	(8,950,349)
Net debt due after one year				
Bank loan	(3,095,000)	50,000	3,045,000	-
Other loans	(16,559,430)	-	16,523,341	(36,089)
	<u>(22,853,159)</u>	<u>7,042,719</u>	<u>(565,378)</u>	<u>(16,375,818)</u>

**27. DERIVATIVES**

Bolsover Street Limited has entered in to a 3 year interest rate swap arrangement in May 2011 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