

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 OR 15(d) of the Securities Exchange Act
of 1934

For the quarterly period ended March 31, 2011

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of
1934

For the transition period from to

Commission file number: 0000734089

Drayton Richdale Corporation

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of
incorporation or organization)

20-1580552

(I.R.S. Employer
Identification No.)

6130 West Flamingo Road, Suite 370
Las Vegas, Nevada 89103
(mailing address)

or

4522 West Diablo Blvd, Suite D-114
Las Vegas, Nevada 89118
(Address of principal executive offices)

Toll Free (888) 303-2806

or

Local (702) 726-2152
(Registrant's telephone number,
including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicated by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer,” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Indicated by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes No

Number of shares of common stock, without par value, outstanding as of March 31, 2011:
34,300,000

Drayton Richdale Corporation
Index

Part I – FINANCIAL INFORMATION

- Item 1. Financial Statements (Unaudited)
 - Consolidated Balance Sheets
 - Consolidated Statements of Earnings
 - Consolidated Statements of Cash Flows
 - Notes to Consolidated Financial Statements
- Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations
- Item 3. Quantitative and Qualitative Disclosures about Market Risk
- Item 4. Controls and Procedures

Part II – OTHER INFORMATION

- Item 1. Legal Proceedings
- Item 1A. Risk Factors
- Item 2. Unregistered Sales of Equity Securities and Use of Proceeds
- Item 3. Defaults upon Senior Securities
- Item 4. (Removed and Reserved)
- Item 5. Other Information
- Item 6. Exhibits

SIGNATURES

Part I Financial Information

Item 1. Financial Statements

Drayton Richdale Corporation

As of Dec. 31, 2010

ASSETS

Current Assets

Cash	\$15,128	
Investments (see Note : 1)	\$48,434	
Accounts Receivables	\$0	
Notes Receivable	\$5,000	
Inventory	\$0	
Other	\$0	
Total Current Assets		<u>\$68,562</u>

Other Assets

Plant & Equipment	\$0	
Office Equipment & Supplies	\$6,489	
Organizational Costs	\$4,500	
Intellectual Property (see Note: 2)	\$4,732,953	
Total Other Assets		<u>\$4,743,942</u>
Total Assets		<u>\$4,812,504</u>

LIABILITIES & SHAREHOLDER'S EQUITY

Current Liabilities

Short Term Debt	\$200,000	
Accounts Payable	\$22,500	
Income Taxes Payable	\$1,500	
Accrued Liabilities	\$22,000	
Total Liabilities		<u>\$246,000</u>

Shareholder's Equity

Common Stock	Par Value	\$0.00
Shares Authorized:		200,000,000
Shares Outstanding:		34,300,000
Retained Earnings		\$0
Total Shareholder's Equity		<u>\$4,566,504</u>
Total Liabilities & Shareholder's Equity		<u>\$4,812,504</u>

Notes to the Financial Statement

Note 1: These amounts are investments in intellectual properties in development with the Savant Scientific Group for future exploitation for revenues.

Note 2: This is the value of the proprietary PetroMicronic Reactor for the extraction of petroleum from shale ore. The dollar amount was derived thru the discounted cash flow model calculations utilizing the direct capitalization method equation, which is: $E(V) = \frac{NCF_1}{E(R) - g}$.

E(V) = Estimated present value for a given investment;
NCF1= Expected normalized cash flow in period 1;
E(R)= Expected rate of return for a given investment;
g= Expected long term growth rate in future net cash flow for a given investment.

Drayton Richdale Corporation Selected Financial Information

	December 31 2010	March 31 2010
REVENUE:		
Income	\$0	\$0
OPERATING EXPENSES:		
Payroll and Related Expenses	\$0	\$0
Marketing	\$5,678	\$0
Office Expenses	\$6,897	\$1,749
Office Rent	\$8,940	\$2,335
Insurance	\$2,200	\$550
TOTAL OPERATING EXPENSE	\$23,775	\$4,634
OTHER EXPENSES:		
Interest Cost (Line of Credit)	\$8,997	\$6,478
TOTAL EXPENSE	\$32,772	\$11,112

NET INCOME (LOSS)	(\$32,772)	(\$11,112)
-------------------	------------	------------

Drayton Richdale Corporation
STATEMENTS OF CASH FLOW

	YEAR ONE	YEAR TWO
NET INCOME	(\$32,772)	(\$11,112)
Amounts Included In Income That Have No Effect On Cash:		
DEPRECIATION AND AMORTIZATION	\$0	\$0
CASH PROVIDED BY OPERATIONS	(\$32,772)	(\$11,112)
OTHER SOURCES OF CASH:		
PROCEEDS FROM LINE OF CREDIT See Note:1	\$54,255	\$26,615
TOTAL CASH AVAILABLE	\$21,483	\$15,503
USES OF CASH:		
Preliminary Research & Development	\$5,867	\$0
Organization Costs	\$1,500	\$375
Other Costs 1	\$0	\$0
Other Costs 2	\$0	\$0
Other Costs 3	\$0	\$0
TOTAL CASH USED	\$7,367	\$375
NET INCREASE IN CASH	\$14,116	\$15,128
BEGINNING CASH	\$0	\$0
NET CASH AVAILABLE FOR DISTRIBUTION	\$14,116	\$15,128

Notes to the Financial Statement

Note 1: Operating Line of Credit provided by The Financial Partner & Gemelli Capital Trust to the amount of \$200,000 at an interest rate 8.75% / annum on the outstanding balance. This note is convertible to Drayton Richdale Corporation common shares at a \$2.00 / share strike point.

Note 1. Description of Business and Basis of Presentation

Drayton Richdale Corporation (“Drayton Richdale” “Company” or “Registrant”) is a holding company owning subsidiaries engaged in a number of diverse business activities. The primary focus is to acquire and exploit for profit intellectual properties. Drayton Richdale also participates in a number of other developing businesses engaged in a variety of activities, as identified herein. Drayton Richdale is domiciled in the state of Nevada, and its corporate headquarters are located in Las Vegas, Nevada. Drayton Richdale’s operating businesses are managed on an unusually decentralized basis. There are essentially no centralized or integrated business functions (such as sales, marketing, purchasing, legal, or human resources) and there is minimal involvement by Drayton Richdale’s corporate headquarters in the day-to-day business activities of the operating businesses. Drayton Richdale’s corporate office management participates in and is ultimately responsible for significant capital allocation decisions, investment activities and the selection of the Chief Executive to head each of the operating businesses.

Service Business

PetroStrata Corporation (a Drayton Richdale wholly owned subsidiary), headquartered in Las Vegas, Nevada, is engaged primarily in the business of providing cutting edge infrastructure technology for the petroleum industry. PetroStrata acquires and utilizes patented technologically advanced methods for our oil and gas exploration projects. PetroStrata is currently engaged in the development and application of the PetroMicronic Process with Savant Scientific Group for the extraction of oil from shale ore.

Manufacturing Business

The manufacturing business of PetroStrata Corporation (a Drayton Richdale wholly owned subsidiary) is limited to the manufacturing and production of the proprietary PetroMicronic Reactor and the design, build and operation of the PetroStrata Shale Oil Extraction Plant.

Note 2. Consolidated Financial Statements

The accompanying unaudited Consolidated Financial Statements include the accounts of Drayton Richdale Corporation as of the financial statement date. Reference is made to Drayton Richdale’s most recently issued Annual Report on Form 10-K (“Annual Report”) that included information necessary or useful to understanding Drayton Richdale’s business and financial statement presentations. Financial information in this Report reflects any adjustments (consisting only of normal recurring adjustments) that are, in the opinion of management, necessary to a fair statement of results for the interim period in accordance with accounting principles generally accepted in the United States (“GAAP”).

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with our consolidated financial statements, notes to those statements, Management's Discussion and Analysis of Financial Condition and Results of Operations from the 2010 Form 10-K and the other financial information appearing elsewhere in this report. The risks and uncertainties described in this Form 10-Q and our 2010 Form 10-K are not the only risks facing our Company. Additional risks and uncertainties that we are not presently aware of, or that we currently consider immaterial, may also affect our business operation. Our business, financial condition or results of operations could suffer if the concerns set for are realized.

Financial Condition

There has been no changes in the Company's financial condition since the December 31, 2010 10-K Filing.

Contractual Obligations

The Company has not entered into any contractual obligations.

Critical Accounting Policies

The Company's accounting policies have remained the same since the December 31, 2010 10-K Filing

Forward-Looking Statements

Investors are cautioned that certain statements contained in this document as well as some statements in periodic press releases and some oral statements of Drayton Richdale officials during presentations about Drayton or its subsidiaries are "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Act"). Forward-looking statements include statements which are predictive in nature, which depend upon or refer to future events or conditions, which include words such as "expects," "anticipates," "intends," "plans," "believes," "estimates" or similar expressions. In addition, any statements concerning future financial performance (including future revenues, earnings or growth rates)' ongoing business strategies or prospects and possible future Drayton Richdale actions, which may be provided by management, are also forward-looking statements as defined by the Act. Forward-looking statements are based on current expectations and projections about future events and are subject to risks, uncertainties and assumptions about Drayton Richdale, economic and market factors and other things. These statements are not guaranties of future performance and we have no specific intention to update these statements.

Actual events and results may differ materially from those expressed or forecasted in forward-looking statements due to a number of factors. The principal important risk factors that could cause our actual performance and future events and actions to differ materially from such forward-looking statements include, but are not limited to, changes in market prices of our investments in fixed maturity and equity securities, losses realized from derivative contracts, the occurrence of one or more catastrophic events, such as an earthquake, hurricane or act of

terrorism that causes losses insured by our insurance subsidiaries, changes in laws or regulations affecting our insurance, railroad, utilities, energy and finance subsidiaries, changes in federal income tax laws, and changes in general economic and market factors that affect the prices of securities or the industries in which we do business.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Reference is made to Drayton Richdale's Annual 10-K Report and in particular the "Market Risk Disclosures" included in "Management's Discussion and Analysis of Financial Condition and Results of Operations." As of March 31, 2011, there are no material changes in the market risks described in Drayton Richdale's Annual Report on Form 10-K for the year ended December 31, 2010.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We have established disclosure controls and procedures to ensure that material information relating to our company is made known to the officers who certify our financial reports and to the members of senior management and the board of directors.

Based on management's evaluation as of March 31, 2011, our Chief Executive Officer and President believe our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as amended) are effective to ensure that the information required to be disclosed by our company in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms.

Changes in Internal Control over Financial Reporting

There was no change to our internal control over financial reporting during the quarter ended March 31, 2011 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Part II. Other Information

Item 1. Legal Proceedings

Our company and our officers are not currently subject to any material legal proceedings.

Item 1A. Risk Factors

There have been no material changes from the risk factors disclosed in the "Risk Factors" section of our Annual Report on Form 10-K for the year ended December 31, 2010 filed with the SEC on March 14, 2011.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None

Item 4. [Removed and Reserved.]

Item 5. Other Information

None.

Item 6. Exhibits

The following exhibits are included as part of this report:

Exhibit 31 Certification Pursuant to Securities Exchange Act Rule 13(a)-14(a), as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Antonio Arnel Maquera, President and Chief Executive Officer)

Exhibit 32 Certification Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Antonio Arnel Maquera, President and Chief Executive Officer)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Drayton Richdale Corporation

Dated: March 31, 2011

By: /s/ Antonio A. Maquera

President and Chief Executive Officer