

OLDHAM ECONOMIC DEVELOPMENT ASSOCIATION LIMITED

REGISTERED NO. 1527986

ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2012

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COMPANIES HOUSE

OLDHAM ECONOMIC DEVELOPMENT ASSOCIATION LIMITED

DIRECTORS AND ADVISERS

BOARD DIRECTORS

(as at date of accounts preparation)

A JABBER

A ROUGHLEY

B BROWNRIDGE

D HIBBERT

J BATTYE

J MCMAHON

L THOMPSON

S AKHTAR

BOARD MEMBERS

C PARKER

REGISTERED AUDITORS

STEPHEN SENIOR & COMPANY

147 UNION ST

OLDHAM

OL1 1TD

SECRETARY & REGISTERED OFFICE

PAUL ENTWISTLE

PO BOX 33

CIVIC CENTRE

WEST STREET

OLDHAM

OL1 1UL

OLDHAM ECONOMIC DEVELOPMENT ASSOCIATION LIMITED

CHAIRMAN'S STATEMENT

The company has remained inactive in the past year as it has no immediate developments planned

As the company has been dormant for a number of years, the directors are exploring the possibility of formally winding up the company, advice will be sought from the Council's Solicitor and the Head of Corporate Governance

OLDHAM ECONOMIC DEVELOPMENT ASSOCIATION LIMITED

DIRECTORS' REPORT FOR THE 12 MONTHS ENDED 31 MARCH 2012

The Directors present their annual report and the audited financial statements for the year ended 31 March 2012

PRINCIPAL OBJECTIVES

The principal objective of the Company is to act as an investment and property holding company

CAPITAL FUNDING

The initial funding of the Company came from the Oldham Metropolitan Borough Council ('OMBC') The Council made a grant to the Company on 28 November 1980 of £790,000 and a further grant of £425,000 on 21 October 1988 under section 137 of the Local Government Act 1972

Over the course of the following 10 years the company undertook a development programme which required, in addition to the Council's investment, external borrowings of some £16,000,000 Scheduled repayments of the borrowings were repaid with final repayment taking place in March 2000, when the last of the Company's developed assets were sold

In the event of its winding up or dissolution, the Company will be required to repay the funding from the Council It is for this reason the funding from the Council is shown in the Company's financial statements as capital

RESULTS FOR THE YEAR

The profit and loss account is set out on page 6

FUTURE DEVELOPMENTS

As the company has been dormant for a number of years, the directors are exploring the possibility of formally winding up the company, advice will be sought from the Council's Solicitor and the Head of Corporate Governance

DIRECTORS

The directors of the Company as at the date of the accounts preparation, are listed on page 1. In accordance with the Articles of Association, the directors are drawn from the members and officers of Oldham Metropolitan Borough Council

SECRETARY

Paul Entwistle

OLDHAM ECONOMIC DEVELOPMENT ASSOCIATION LIMITED

EMPLOYEES AND ADMINISTRATION

The Board's policy with regard to the running of the Company is to work closely with the Council

The Company has no employees, therefore, all necessary professional and administrative services are obtained from appropriate Council staff. This also applies to those Council Officers who are directors of the Company

More specialised financial and taxation advice is provided by Stephen Senior & Company

TAXATION

The Company is liable in the ordinary way to corporation tax on its profits or Company surpluses. It is the objective of the Company to realise profits for further investment and the income received from the invested capital will ordinarily be liable to tax.

The Company is not a close Company within the provisions of the Income and Corporation Taxes Act 1988, and this position has not changed since the end of the financial year.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial period that 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.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the 12 months ended 31 March 2012 and that applicable accounting standards have been followed and that it is appropriate to prepare the accounts on the going concern basis.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

AUDITORS

The auditors, Stephen Senior & Company, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.



By order of the Board
Paul Entwistle (Secretary)

OLDHAM ECONOMIC DEVELOPMENT ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE BOARD DIRECTORS AND MEMBERS OF OLDHAM ECONOMIC DEVELOPMENT ASSOCIATION LIMITED

We have audited the financial statements on pages 6 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 8

This report is made solely to the company's shareholders, as a body, in accordance with Section 495 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 2006. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

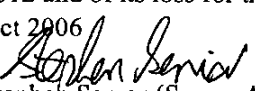
Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 2012 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 2006.


Stephen Senior (Senior Auditor)

Stephen Senior & Company

Chartered Certified Accountants and Registered Auditors

Oldham

24 September 2012

OLDHAM ECONOMIC DEVELOPMENT ASSOCIATION LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2012

	NOTE	2012 £	2011 £
Turnover General rental income	3	-	-
Operating expenses		-	-
Administrative expenses	4	(1,015)	(1,030)
Operating loss		<u>(1,015)</u>	<u>(1,030)</u>
Investment income	5	3	3
Loss on ordinary activities before tax		<u>(1,012)</u>	<u>(1,027)</u>
Tax on loss on ordinary activities	6	0	0
Loss for the year		<u>(1,012)</u>	<u>(1,027)</u>

The company has no recognised gains and losses other than those included in the loss above and, therefore, no separate statement of total recognised gains and losses has been presented

OLDHAM ECONOMIC DEVELOPMENT ASSOCIATION LIMITED

BALANCE SHEET AS AT 31 MARCH 2012

	NOTE	2012 £	2011 £
Fixed Assets			
Tangible assets	7	429,000	429,000
		<u>429,000</u>	<u>429,000</u>
Current Assets			
Debtors	9	358,919	358,627
Cash in bank and in hand		3,848	5,137
		<u>362,767</u>	<u>363,764</u>
Creditors amounts falling due within one year	10	(31,715)	(31,700)
Net current assets		<u>331,052</u>	<u>332,064</u>
Total assets less current liabilities		<u>760,052</u>	<u>761,064</u>
Net assets		<u>760,052</u>	<u>761,064</u>
Capital and Reserves			
Capital Fund	12	1,215,000	1,215,000
Profit and Loss account	12	(454,948)	(453,936)
Members funds		<u>760,052</u>	<u>761,064</u>

The financial statements on pages 6-7 were approved by the Board of Directors on and were signed on its behalf by



DAVID HIBBERT - DIRECTOR

DATE 24 September 2012

OLDHAM ECONOMIC DEVELOPMENT ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

1. GUARANTEE

The Company is limited by guarantee. At 31 March 2012 there were 9 members, each of whom on a winding up has undertaken to contribute an amount not exceeding £1.

2. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards in the United Kingdom. A summary of the accounting policies, which have been applied consistently, is set out below.

Basis of Accounting

The financial statements contain information about Oldham Economic Development Association Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption provided by the Companies Act 2006 from the requirement to prepare consolidated financial statements as the group it heads qualifies as a small group.

Cash Flow

The company and the group are exempt from the requirements of FRS1 to prepare a cash flow statement.

Tangible Fixed Assets

Tangible fixed assets, which comprise freehold land held for redevelopment, is held at valuation. Valuations are performed on a regular basis by external valuers and are reviewed in the intervening periods by internal officers. Freehold land is not depreciated.

Deferred Taxation

Deferred Taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Deferred tax assets are regarded as recoverable and recognised in the financial statements when, on the basis of available evidence, it is more likely than not that there will be suitable taxable profits from which future reversal of the timing differences can be deducted. Deferred tax assets and liabilities are not discounted.

Turnover

Turnover represents rental and service charge income net of value added tax.

OLDHAM ECONOMIC DEVELOPMENT ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

3. ANALYSIS OF RENTAL INCOME

There has been no rental income for the past nine years

4. ADMINISTRATION EXPENSES	2012 £	2011 £
Administration expenses		
- Audit Fee (OMBC)	900	900
- Bank Charges	100	103
- Companies House Fee (OMBC)	15	15
- VAT adj Prior Year	0	12
	<u>1,015</u>	<u>1,030</u>
5. INVESTMENT INCOME	2012 £	2011 £
Income from current asset investments	3	3
	<u>3</u>	<u>3</u>
6. TAX ON PROFIT ON ORDINARY ACTIVITIES		
The taxation charge for the year is Nil (2011 Nil)		
7. TANGIBLE FIXED ASSETS	2012 £	2011 £
VALUATION		
At 31 March	429,000	429,000
DEPRECIATION		
At 31 March	-	-
NET BOOK VALUE		
At 31 March	<u>429,000</u>	<u>429,000</u>

The last external valuation of the land was performed by Lambert Smith Hampton in March 2000 and supported a carrying value of £545,000. An internal valuation was performed in December 2002, which indicated that the value of the land had fallen to £429,000 and hence the carrying value was reduced

OLDHAM ECONOMIC DEVELOPMENT ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

The internal valuation has been prepared by John R Mitchell (MRICS) on the Open Market Value basis, which is defined in the Appraisal and Valuation Manual published by the Royal Institute of Chartered Surveyors.

A further review was undertaken by John Mitchell in January 2009 and adjudged that the valuation of December 2002 reflected current market value

8 FIXED ASSET INVESTMENT

The Company has a 100% subsidiary, Southlink Developments Limited, a Company registered in England and Wales, which operates as a property development company. This has been fully written down in the books of The Company.

9 DEBTORS	2012 £	2011 £
Amounts falling due within one year		
<i>Amounts owed by Subsidiary Undertaking (Inc VAT)</i>	8,949	8,206
Amounts owed by Parent Company	349,970	349,970
<i>Other Debtors - VAT pre year</i>	0	289
<i>Other Debtors - VAT Current year</i>	0	162
	<u>358,919</u>	<u>358,627</u>

10 CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Accruals and other creditors	31,715	31,700
	<u>31,715</u>	<u>31,700</u>

OLDHAM ECONOMIC DEVELOPMENT ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012	2011
	£	£
Loss on ordinary activities after taxation	(1,012)	(1,027)
Opening shareholders' funds	761,064	762,091
Closing shareholders' funds	760,052	761,064

12 MOVEMENT OF CAPITAL AND RESERVES

	CAPITAL FUND	PROFIT and LOSS
	£	£
At 1 April 2011	1,215,000	(453,936)
Loss for the year	-	(1,012)
At 31 March 2012	<u>1,215,000</u>	<u>(454,948)</u>

The initial funding of the Company came from Oldham Metropolitan Borough Council. The Council made a grant to the Company on 28 November 1980 of £790,000 and a further grant of £425,000 on 21 October 1988

13 INFORMATION ON THE PARENT COMPANY

The Company is a 100% subsidiary of Oldham Metropolitan Borough Council (OMBC). The principal place of business for OMBC is the Civic Centre, West Street, Oldham, OL1 1UL