

**OLDHAM ECONOMIC DEVELOPMENT ASSOCIATION LIMITED**

**REGISTERED NO. 1527986**

**ANNUAL REPORT**

**FOR THE YEAR ENDED 31 MARCH 2009**

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# **OLDHAM ECONOMIC DEVELOPMENT ASSOCIATION LIMITED**

## **DIRECTORS AND ADVISERS**

### **BOARD DIRECTORS**

D HIBBERT

J DILLON

J McARDLE

JF McCANN

S BASHFORTH

P DEAN

J HUDSON

### **REGISTERED AUDITORS**

STEPHEN SENIOR & COMPANY

147 UNION ST

OLDHAM

OL1 1TD

### **BOARD MEMBERS**

J MIAH

C PARKER

### **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

The assets are held for a long term development linked to the extension of the Metrolink through the town centre and general developments in the Borough

It may be opportune in the near future to look at the future of the company in light of proposals for Local Asset Backed Vehicles (LABV)

# **OLDHAM ECONOMIC DEVELOPMENT ASSOCIATION LIMITED**

## **DIRECTORS' REPORT FOR THE 12 MONTHS ENDED 31 MARCH 2009**

The Directors present their nineteenth annual report and the audited financial statements for the year ended 31 March 2009

### **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**

It may be appertune in the near future to look at the future of the company in light of proposals for Local Asset Backed Vehicles (LABV)

### **DIRECTORS**

There should be three directors in total, due to the change in membership, no meeting has been held elect the directors

### **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 2009 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 1985. 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 12 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 235 of the Companies Act 1985. 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 1985. 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.

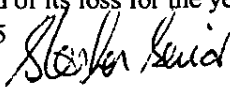
#### **Basis of audit opinion**

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 2009 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Stephen Senior & Co  
Chartered Certified Accountants and Registered Auditors  
Oldham  
[Date]

**OLDHAM ECONOMIC DEVELOPMENT ASSOCIATION LIMITED**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 MARCH 2009**

		<b>2009</b>	<b>2008</b>
	<b>NOTE</b>	<b>£</b>	<b>£</b>
Turnover General rental income	3	-	-
Operating expenses		0	0
Administrative expenses	4	(1,028)	(1,096)
Operating loss		<u>(1,028)</u>	<u>(1,096)</u>
Investment income	5	142	376
Loss on ordinary activities before tax		<u>(886)</u>	<u>(720)</u>
Tax on loss on ordinary activities	6	-	-
Loss for the year		<u><u>(886)</u></u>	<u><u>(720)</u></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 2009**

	NOTE	2009 £	2008 £
<b>Fixed Assets</b>			
Tangible assets	7	429,000	429,000
		<u>429,000</u>	<u>429,000</u>
<b>Current Assets</b>			
Debtors	9	356,830	355,655
Cash in bank and in hand		7,027	9,058
		<u>363,857</u>	<u>364,713</u>
Creditors · amounts falling due within one year	10	(29,593)	(29,563)
Net current assets		<u>334,264</u>	<u>335,150</u>
Total assets less current liabilities		<u>763,264</u>	<u>764,150</u>
Net assets		<u>763,264</u>	<u>764,150</u>
<b>Capital and Reserves</b>			
Capital Fund	12	1,215,000	1,215,000
Profit and Loss account	12	(451,736)	(450,850)
Members funds	11	<u>763,264</u>	<u>764,150</u>

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

DIRECTOR *E. J. Wigglesworth*

DATE 29 JAN 2010



## **OLDHAM ECONOMIC DEVELOPMENT ASSOCIATION LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009**

#### **1. GUARANTEE**

The Company is limited by guarantee. At 31 March 2009 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 is exempt under Section 248 of the Companies Act 1985 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 2009**

### **3. ANALYSIS OF RENTAL INCOME**

There has been no rental income for the past eight years

<b>4. ADMINISTRATION EXPENSES</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Administration expenses - Audit Fee	900	900
Administration expenses - Bank Charges	98	100
Administration expenses - Companies House Fee (OMBC)	30	-
Administration expenses - Other	-	96
	<u>1,028</u>	<u>1,096</u>

<b>5. INVESTMENT INCOME</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Income from current asset investments	142	376
Interest on short term monies loaned to parent	-	-
	<u>142</u>	<u>376</u>

### **6. TAX ON PROFIT ON ORDINARY ACTIVITIES**

The taxation charge for the year is Nil (2008 Nil)

### **7. TANGIBLE FIXED ASSETS**

	<b>£</b>	<b>£</b>
<b>VALUATION</b>		
At 31 March 2008 & 31 March 2009	429,000	429,000
<b>DEPRECIATION</b>		
At 31 March 2008 & 31 March 2009	-	-
<b>NET BOOK VALUE</b>		
AT 31 March 2008 & 31 March 2009	<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 2009**

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

# **OLDHAM ECONOMIC DEVELOPMENT ASSOCIATION LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009**

### **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.

<b>9 DEBTORS</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Amounts falling due within one year		
<i>Amounts owed by Subsidiary Undertaking (Inc VAT)</i>	6,699	5,664
Amounts owed by Parent Company	349,970	349,970
<i>Other Debtors - VAT pre year</i>	21	21
<i>Other Debtors - VAT Current year</i>	140	
	<u>356,830</u>	<u>355,655</u>

### **10 CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Accruals and other creditors	29,593	29,563
	<u>29,593</u>	<u>29,563</u>

### **11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Loss on ordinary activities after taxation	(886)	(4,075)
Opening shareholders' funds	(4,075)	0
Closing shareholders' funds	(4,961)	(4,075)

**OLDHAM ECONOMIC DEVELOPMENT ASSOCIATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2009**

**12 MOVEMENT OF CAPITAL AND RESERVES**

	<b>CAPITAL FUND</b>	<b>PROFIT and LOSS</b>
	<b>£</b>	<b>£</b>
At 1 April 2008	1,215,000	(450,850)
Loss for the year	-	(886)
At 31 March 2009	<u>1,215,000</u>	<u>(451,736)</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.