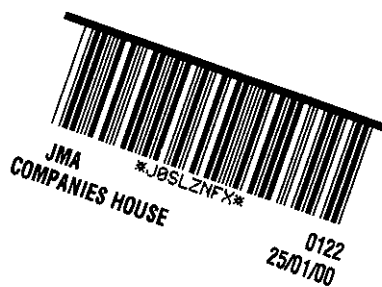


OLDHAM ECONOMIC DEVELOPMENT ASSOCIATION LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 1999

REGISTERED NO. 1527986



OLDHAM ECONOMIC DEVELOPMENT ASSOCIATION LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 1999

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OLDHAM ECONOMIC DEVELOPMENT ASSOCIATION LIMITED

DIRECTORS AND ADVISERS

DIRECTORS

JB BATTYE
Chairman

N E BENNETT

A J DILLON

J JOHNSON

H MC DONALD

B J MATHER

C SMITH
Finance

G F SMITH

SECRETARY & REGISTERED OFFICE

G F SMITH
CIVIC CENTRE
WEST STREET
OLDHAM
OL1 1UL

REGISTERED AUDITORS

PRICEWATERHOUSECOOPERS
101 BARBIROLI SQUARE
LOWER MOSLEY STREET
MANCHESTER
M2 3PW

OLDHAM ECONOMIC DEVELOPMENT ASSOCIATION LIMITED

CHAIRMAN'S STATEMENT

In making this statement I recognise that the year ending 31 March 2000 is likely to be the last full year of activity for this company. Following the legislation which restricted the role of local authority owned companies we set out a strategy for disposing of the company's assets and at December 1999 we were close to completing that strategy.

Over the past year the VIP Centre and the Prince of Wales Estate were transferred to the Council at market value and borrowings were reduced in consequence. The company now retains only the Southlink Business Park.

At Southlink we completed what could be the final phase of the company's development programme when the new office block came on stream. The Southlink site is now 'taking off' and attracting a strong interest. As always anticipated it will become a prime location when the adjoining railway land can be incorporated (when Metrolink is operational) and the site will have a main road frontage.

There are plans for the development of a further office block at Southlink and an ERDF grant has been secured. The intention is, however, that the Southlink site, and that development opportunity, should be transferred to our wholly owned subsidiary, Southlink Developments Ltd. The majority shareholding in Southlink will be sold to a private partner. We are confident that this will be achieved before the end of the financial year, ending 31 March 2000.

This statement has been concerned essentially with setting out our plans for running down the company's operations. I should emphasise, however, the valuable role which the company played in the economic regeneration of the Borough; being responsible for creating more new floorspace than any other developer over the past decade. That has assisted many local companies to expand and assisted in attracting jobs to the Borough.

OLDHAM ECONOMIC DEVELOPMENT ASSOCIATION LIMITED

DIRECTORS' REPORT FOR THE 12 MONTHS ENDED 31 MARCH 1999

The Directors present their fifteenth annual report and the audited financial statements for the year ended 31 March 1999.

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 an investment in the Company on 28 November 1980 of £790,000 and a further investment of £425,000 on 21 October 1988.

To finance the development programme that has taken place since 1990, which attracted ERDF grant aid, it has been necessary to arrange external borrowings. Overall, these amounted to £16.025M and were arranged with Deutsche Bank AG (formerly Morgan Grenfell) and the Company's bankers National Westminster Bank PLC for £13.0M and £3.025M respectively. The Deutsche Bank loan was guaranteed by the Council whilst the National Westminster Bank loan was secured on the Company's assets.

Scheduled repayments of the loans have been made over the years, primarily from the sale of Company assets and at the commencement of this financial year, following a re-financing package, the amounts still outstanding were £2.0M in respect of the Deutsche Bank (with repayment on or before 25th March 2000) and £1.95M in respect of the National Westminster Bank (with repayment of £0.7M on or before 30th September 1999 and £1.25M by monthly installments up to 31st March 2008).

During the course of the 1999 financial year the capital funding activities have included:

- the completion of the development of the second office block at Southlink Business Park with funding provided by ERDF grant aid and the utilisation of retained proceeds from the earlier sale of assets;
- the further disposal of assets (Prince of Wales Business Park, VIP Centre and land at Overens Street); and
- the utilisation of the sale proceeds, amounting to some £2.2M, in further debt repayment.

Please refer to note 22 for more details.

This further significant repayment brings the Company's borrowings down to £1.706M (Deutsche Bank £0.55M, National Westminster £1.156M) with repayment due in March 2000 and 2008 respectively.

The Company is required to use the funding in accordance with its Memorandum of Association for the purposes of its objectives. In the event of its winding up or dissolution, the Company will be required to repay all outstanding loans including 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.

The rental income for the year included in the profit and loss account is £398,974 (1998 - £868,883)

Expenditure on administration and depreciation amounted to £170,532 (1998 - £191,345)

CHANGES IN FIXED ASSETS

The movements in fixed assets during the year are set out in notes 11 and 12 to the financial statements.

DIRECTORS

The directors of the Company during 31 March 1999, 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.

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. A proportion of the relevant employment costs are reimbursed by the Company to the Council. This also applies to those Council Officers who are directors of the Company. The amount shown in the financial statements for directors remuneration consequently includes additional sums in respect of management. These are paid not to the directors themselves but to the Council.

More specialised financial and taxation advice is provided by PricewaterhouseCoopers.

FUTURE DEVELOPMENTS

The development of another office block at Southlink Business Park is planned having secured further ERDF grant aid. To enable this to proceed it is intended to transfer the overall Southlink asset to the Company's wholly owned subsidiary, Southlink Development Ltd., with a view to attracting a majority shareholding in Southlink Development Ltd from the private sector.

It is anticipated this will be achieved before the end of the next financial year and will address the repayment of the Deutsche Bank loan in March 2000.

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.

YEAR 2000

The year 2000 issue, which stems from computer programs written using two digits rather than four to define the applicable year, could result in processing faults on the change of century, producing a wide range of consequences.

The company has reviewed its computer systems that were and remain Y2K compliant. The total costs of the review have been charged to the profit and loss account in accordance with UITF20 and were insignificant compared with the activities of the company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the profit or loss for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgments and estimates have been made in the preparation of the financial statements for the year ended 31 March 1999. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared 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, PricewaterhouseCoopers, 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
G F SMITH (Secretary)



OLDHAM ECONOMIC DEVELOPMENT ASSOCIATION LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF OLDHAM ECONOMIC DEVELOPMENT ASSOCIATION LIMITED

We have audited the financial statements on pages 6 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 8 and in accordance with the special provisions of the Companies Act relating to small companies and groups.

Respective Responsibilities of Directors and Auditors

The directors are responsible for preparing the Annual Report. As described on page 4, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom standards. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

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. We also report to you if, in our opinion, the director's 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 director's remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and considered the implications on our report if we become aware of misstatements or material inconsistencies with the financial statements.

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 made by the directors in the preparation of the financial statements, and 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.

Fundamental Uncertainty

In forming our opinion, we have considered the adequacy of the disclosure made in note 23 to the financial statements concerning the property disposal plans of the company, and its wholly owned subsidiary, and the impact on the company's business, assets and liabilities. The financial statements have been prepared on a going concern basis and the validity of this depends on the successful completion of the company's plans.

The financial statements do not include any adjustments that would result should the company be unable to continue in operational existence. Our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31 March 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers
PricewaterhouseCoopers

Chartered Accountants and Registered Auditors
Manchester

20 January 2000

OLDHAM ECONOMIC DEVELOPMENT ASSOCIATION LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 1999

	NOTE	1999 £	1999 £	1998 £	1998 £
Turnover: General rental income	3		398,974		868,883
Continuing Operations		138,180		98,039	
Discontinued Operations		<u>260,794</u>		<u>770,844</u>	
Operating expenses			(181,458)		(535,748)
Continuing Operations		(156,836)		(388,488)	
Discontinued Operations		<u>(24,622)</u>		<u>(147,260)</u>	
Administrative expenses	4		(128,401)		(98,798)
Depreciation	4		(42,131)		(92,547)
Amortisation of deferred income	4		6,725		24,680
Operating profit			<u>53,709</u>		<u>166,470</u>
Profit on sale of fixed assets	9		174,431		1,703,927
Investment income	7		13,280		78,218
Interest payable	8		(287,509)		(740,081)
(Loss)/Profit on ordinary activities before tax	9		<u>(46,089)</u>		<u>1,208,534</u>
Tax on profit on ordinary activities	10		-		-
Retained (Loss)/Profit for the year			<u>(46,089)</u>		<u>1,208,534</u>

Statement of movement on reserves

Balance brought forward	(441,186)	(1,649,720)
(Loss)/Profit for the Year	(46,089)	1,208,534
	<u>(487,275)</u>	<u>(441,186)</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 1999

	NOTE	1999 £	1998 £
Fixed Assets			
Tangible assets	11,12	2,615,323	2,414,845
Assets held for resale	11,12	-	2,941,490
		<u>2,615,323</u>	<u>5,356,335</u>
Current Assets			
Debtors	14	28,865	380,249
Cash in Bank and in hand		168,059	277,359
		<u>196,924</u>	<u>657,608</u>
Creditors : amounts falling due within one year	15	(1,760,064)	(4,096,613)
Net current liabilities		<u>(1,563,140)</u>	<u>(3,439,005)</u>
Total assets less current liabilities		<u>1,052,183</u>	<u>1,917,330</u>
Accruals and deferred income	17	(324,458)	(1,143,516)
Net Assets		<u>727,725</u>	<u>773,814</u>
Capital and Reserves			
Capital Fund	20	1,215,000	1,215,000
Profit and Loss account	20	(487,275)	(441,186)
Shareholders funds	19	<u>727,725</u>	<u>773,814</u>

In preparation of the company's annual financial statements advantage has been taken of special exemptions applicable to small companies and groups conferred by part 1 of Schedule 8 to the Companies Act 1985, because, as it meets the conditions, the company is entitled to those exemptions as a small company.

The financial statements on pages 6 to 14 were approved by the Board of Directors on and were signed on its behalf by :

DIRECTORS

g d h h a t t y g

DATE

20.1.2000

OLDHAM ECONOMIC DEVELOPMENT ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999

1. GUARANTEE

The Company is limited by guarantee. At 31 March 1999 there were 12 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 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 are prepared in accordance with the historical cost convention.

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 is exempt from the requirements of FRS1 to prepare a cash flow statement.

Tangible fixed assets

The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition. The cost of land and building includes interest paid on funds specifically taken out to finance assets in the course of construction.

Depreciation is calculated so as to write off the cost of tangible fixed assets on a straight line basis over the expected useful economic lives of the assets concerned. Freehold buildings are depreciated over 50 years.

Freehold land is not depreciated. Assets held for resale have been valued at the lower of cost or net realisable value.

Investment Income

Investment income represents bank interest receivable and interest receivable on a mortgage held by Oldham Engineering. The latter was redeemed in full during the year.

Government Grants and Other Contributions

Grants and other contributions that relate to specific capital expenditure are treated as deferred income which is then credited to the profit and loss account over the related assets useful life.

Deferred Taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

OLDHAM ECONOMIC DEVELOPMENT ASSOCIATION LIMITED

3. ANALYSIS OF RENTAL INCOME

The analysis by property of the Company's rental income is set out below :

	Continuing Operations 1999 £	Discontinued Operations 1999 £	Total 1999 £	As restated Continuing Operations 1998 £	As restated Discontinued Operations 1998 £	Total 1998 £
Property :						
VIP Centre	-	74,610	74,610	-	53,339	53,339
Acorn Centre	-	-	-	-	(504)	(504)
Brookside Business Park	-	951	951	-	464,188	464,188
Southlink Offices, Phase 1	93,813	-	93,813	64,738	-	64,738
Holroyd & Meek	-	-	-	-	124,245	124,245
Prince of Wales Business Park	-	185,233	185,233	-	129,576	129,576
Southlink Workshops	44,367	-	44,367	33,301	-	33,301
	138,180	260,794	398,974	98,039	770,844	868,883

4. OTHER OPERATING EXPENSES

The analysis of the Company's operating expenses is set out below :

	Continuing Operations 1999 £	Discontinued Operations 1999 £	Total 1999 £	Continuing Operations 1998 £	Discontinued Operations 1998 £	Total 1998 £
Administration Expenses	(59,273)	(69,128)	(128,401)	(11,148)	(87,650)	(98,798)
Depreciation	(42,131)	-	(42,131)	(18,120)	(74,427)	(92,547)
Amortised Deferred Income	6,725	-	6,725	5,053	19,627	24,680

5. DIRECTORS' EMOLUMENTS

	1999 £	1998 £
Fees	<u>5,000</u>	<u>5,000</u>
Fees include amounts paid to :		
The Chairman	<u>-</u>	<u>-</u>
The highest paid Director	<u>5,000</u>	<u>5,000</u>

Fees paid for management purposes represent the total amount reimbursable to OMBC in respect of the employment costs of those Council Officers who are Directors. The amount paid in respect of the highest paid Director does not represent a personal fee, but is wholly reimburseable to OMBC.

6. EMPLOYEE INFORMATION

The Company has no employees ; see the directors' report.

OLDHAM ECONOMIC DEVELOPMENT ASSOCIATION LIMITED

7. INVESTMENT INCOME	1999	1998
	£	£
Income from current asset investments	5,975	47,706
Income from mortgage	7,305	30,512
	<u>13,280</u>	<u>78,218</u>
8. INTEREST PAYABLE	1999	1998
	£	£
Interest on loans not repayable by instalment and due wholly within 5 years.	147,551	588,971
Interest on loans repayable by instalment and due greater than 5 years	139,958	151,110
	<u>287,509</u>	<u>740,081</u>
9. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	1999	1998
	£	£
Loss on ordinary activities before taxation is stated after charging expenditure relating to:		
Auditors' remuneration for:		
Audit	5,000	9,850
Other Services	5,000	5,000
Reimbursement to OMBC in respect of all professional and staff costs, including related overheads.	125,115	136,116
Diminution in value of Prince of Wales Business Park	-	2,608
Diminution in value of Southlink Business Park	23,653	308,708
and crediting income relating to:		
Profit on the sale of Castle Iron Works Land	(10,000)	-
Profit on sale of Prince of Wales Business Park	(115,000)	-
Profit on sale of VIP Centre	(49,431)	
Profit on sale of Brookside Business Park	-	(1,703,927)
	<u></u>	<u></u>
10. TAX ON PROFIT ON ORDINARY ACTIVITIES		
The taxation charge for the year is Nil (1998: Nil)		

OLDHAM ECONOMIC DEVELOPMENT ASSOCIATION LIMITED

11.

		ASSETS HELD FOR RESALE				TANGIBLE FIXED ASSETS				
	VIP Centre	Price of Wales Business Park	Castle Iron Works	Total		Southlink Land	Southlink Offices Phase 1	Southlink Offices Phase 2	Southlink Workshops	Total
	£	£	£	£		£	£	£	£	£
COST/VALUATION										
At 1 April 1998	758,413	2,425,733	30,000	3,214,146		672,500	923,049	586,175	331,026	2,512,750
Additions	-	-	-	-		-	38,495	227,266	500	266,261
Disposals	-758,413	-2,425,733	-30,000	-3,214,146		-	-	-	-	-
Provision for diminution in value	-	-	-	-		-	-23,653	-	-	-23,653
At 31 March 1999	-	-	-	-		672,500	937,891	813,441	331,526	2,755,358
DEPRECIATION										
At 1 April 1998	115,975	156,681	-	272,656		-	73,384	11,364	13,156	97,904
Charge for year	-	-	-	-		-	19,231	16,269	6,631	42,131
Disposal	-115,975	-156,681	-	-272,656		-	-	-	-	-
At 31 March 1999	-	-	-	-		-	92,615	27,633	19,787	140,035
NET BOOK VALUE										
AT 31 MARCH 1999	-	-	-	-		672,500	845,276	785,808	311,739	2,615,323
NET BOOK VALUE										
AT 31 MARCH 1998	642,438	2,269,052	30,000	2,941,490		672,500	849,664	574,811	317,870	2,414,845

Unamortised ERDF grants relating to assets are as follows:-

Southlink Business Park Phase 1 £105,277
Southlink Business Park Phase 2 £219,181

OLDHAM ECONOMIC DEVELOPMENT ASSOCIATION LIMITED

12. CHANGES IN FIXED ASSETS

Southlink Business Park was written down by £23,653 to reflect the open market value of the property.

13. 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.

	1999 £	1998 £
Share of net assets of Southlink Developments Ltd.	33	96
Share of profits/(losses) of Southlink Development Ltd. for the year ended 31 March 1999.	(64)	3,666

Although the cost of the investment was written-off during the year ended 31 March 1998, the Company still owns the shares in Southlink Development Ltd.

14. DEBTORS	1999 £	1998 £
Amounts falling due within one year :		
Trade Debtors	28,835	93,406
Amounts owed by Subsidiary Undertaking	30	-
Other Debtors	-	74,580
	<u>28,865</u>	<u>167,986</u>
Amounts falling due after one year :		
Other Debtors	-	212,263
	<u>28,865</u>	<u>380,249</u>

The change in Other Debtors represents the redemption in full of a mortgage.

15. CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	1999 £	1998 £
Bank Loans	1,706,124	3,950,000
Trade Creditors	12,811	39,997
Other Creditors	2,221	55,046
Accrued Expenditure and Income	38,908	51,570
	<u>1,760,064</u>	<u>4,096,613</u>

OLDHAM ECONOMIC DEVELOPMENT ASSOCIATION LIMITED

16. BANK LOANS AND OVERDRAFTS

	1999	1998
	£	£
Repayable as follows:		
In one year or less	727,494	85,251
Between one and two years	177,494	2,791,770
Between two and five years	177,494	319,597
In five years or more	623,642	753,382
	<u>1,706,124</u>	<u>3,950,000</u>

The bank loans represent:

A loan outstanding of £550,000 with Deutsche Bank AG which is repayable on or before 25 March 2000 which is guaranteed by Oldham MBC. The interest rate charged is LIBOR plus 0.65% plus mandatory liquid asset costs.

A loan outstanding of £1,156,124 with National Westminster Bank which is repayable over 9 years and is secured on Southlink Business Park. The interest rate charged is 7.505% fixed.

The loans are disclosed as being repayable within one year due to the banks having the technical right to repayment on demand.

17. ACCRUALS AND DEFERRED INCOME

	ERDF GRANTS £
As at 1st April 1998	1,233,980
Released in year on sale of an asset	(981,331)
Received in Year	<u>83,588</u>
	<u>336,237</u>
Amortisation	
As at 1st April 1998	90,464
Released in year	6,725
Released in year on sale of asset	<u>(85,410)</u>
	<u>11,779</u>
Net Book Value as at 31 March 1999	<u>324,458</u>
Net Book Value as at 31 March 1998	<u>1,143,516</u>

18. CAPITAL COMMITMENTS

	1999	1998
	£	£
Capital expenditure that has been contracted for, but not provided for in the financial statements	<u>31,084</u>	<u>291,042</u>

OLDHAM ECONOMIC DEVELOPMENT ASSOCIATION LIMITED

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1999 £	1998 £
(Loss)/Profit on ordinary activities after taxation	(46,089)	1,208,534
Opening shareholders' funds	773,814	(434,720)
Closing shareholders' funds	<u>727,725</u>	<u>773,814</u>

20. MOVEMENT OF CAPITAL AND RESERVES

	CAPITAL FUND £	PROFIT AND LOSS £
At 1 April 1998	1,215,000	(441,186)
Movement in the year	-	(46,089)
At 31 March 1999	<u>1,215,000</u>	<u>(487,275)</u>

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

21. 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.

22. RELATED PARTY TRANSACTIONS

The company is controlled by OMBC.
Amounts paid to OMBC by the company.

	£
Salary recharges	125,115
General Estate management costs ie. maintenance, repairs and rates	25,479
	<u>150,594</u>

Amounts paid to the company by OMBC

Income from units let to OMBC	20,744
Sale of Prince of Wales and VIP Business Centres	<u>2,220,000</u>
	<u>2,240,744</u>

23. GOING CONCERN

The company traded at a loss during the year ended 31 March 1999 and has continued to make losses since that date. To enable the company to meet the obligations to repay borrowings (see note 16) the directors have embarked on a programme of property disposals. The only significant property asset remaining is Southlink Business Park which will be sold either to a private buyer or OMBC. The company's ability to carry on in operational existence for the foreseeable future is dependent on the continued support of their bankers and OMBC as providers of services to the company, which in turn is dependent on the plans to realise property disposals.

OLDHAM ECONOMIC DEVELOPMENT ASSOCIATION LIMITED

REPORT OF THE AUDITORS TO THE DIRECTORS OF OLDHAM ECONOMIC DEVELOPMENT ASSOCIATION LTD. UNDER SECTION 248 (3) OF THE COMPANIES ACT 1985

We have examined the financial statements of the company and each of its subsidiaries for the year ended 31 March 1999. The scope of our work for the purpose of this report was limited to confirming that the company is entitled to the exemption conferred by Section 248 of the Companies Act 1985 from preparing group financial statements.

In our opinion, the company is entitled to the exemption from preparing group financial statements conferred by Section 248 of the Companies Act 1985.

PricewaterhouseCoopers

**Chartered Accountants and Registered Auditors
Manchester**