

SOUTHLINK DEVELOPMENTS LIMITED

ACCOUNTS FOR THE YEAR ENDED

31 MARCH 1997

REGISTERED NO. 2403878



SOUTHLINK DEVELOPMENTS LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 1997

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SOUTHLINK DEVELOPMENTS LIMITED

DIRECTORS AND ADVISERS

DIRECTORS

M RILEY

K G COATES

P FENTON

J BATTYE

J MATHER

J JOHNSON

REGISTERED AUDITORS

COOPERS & LYBRAND
ABACUS COURT
6 MINSHULL STREET
MANCHESTER
M1 3ED

SECRETARY & REGISTERED OFFICE

G SMITH
CIVIC CENTRE
WEST STREET
OLDHAM
OL1 1UL

SOUTHLINK DEVELOPMENTS LIMITED

CHAIRMAN'S STATEMENT

There is little for me to report as Chairman of the Company, as it has been inactive over the past year. This inactivity has been enforced to a large extent by the implications of the Government legislation on Local Companies, which means that it is no longer financially beneficial for the Council (the Company's ultimate owner) to use this Company as a development vehicle.

The Company still holds, however, the development land at Southlink and some limited development of offices is planned on the site by our parent company, OEDA Ltd. With the Metrolink looking more certain (and hence the release of the adjoining railway land), the development potential of the remainder of the site is seen as being considerably enhanced.

The future of the company in developing this land, or any other developments, will have to be determined in light of the restructuring proposals being considered for the Council's group of companies.

SOUTHLINK DEVELOPMENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 1997

The Directors present their report and the audited financial statements for the year ended 31 March 1997.

PRINCIPAL OBJECTIVES

The principal activity of the Company is that of a property developer.

RESULTS FOR THE YEAR

The loss after taxation for the year was £2,006 . This amount has been transferred from reserves.
The retained deficit carried forward to next year is £167,017.

CHANGES IN FIXED ASSETS

The movements in fixed assets during the year are set out in note 7 to the financial statements.

DIRECTORS

The Directors of the Company during 31 March 1997 are listed on page 1.
M Riley resigned on 27th November 1997 and J Johnson was appointed on 27th November 1997.
1996 1996

EMPLOYEES AND ADMINISTRATION

All necessary professional and administrative services are provided by the appropriate Council Officers.
This also applies to Council Officers who act as Directors of the Company.

FUTURE DEVELOPMENTS

The proposals for restructuring OEDA and Southlink are being progressed. This includes the transfer of assets ie. the office premises and workshops on the Southlink Business Park, from OEDA Ltd to Southlink Developments Ltd.

POST BALANCE SHEET EVENTS

Post Balance Sheet events are set out in note 14 to the financial statements.

TAXATION

The Company is liable in the the ordinary way to corporation tax on its profits or surpluses.

DIRECTORS' RESPONSIBILITY

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 as at the end of the financial year 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

SOUTHLINK DEVELOPMENTS LIMITED

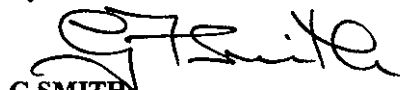
31 March 1997 the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

AUDITORS

A resolution to reappoint the auditors, Coopers & Lybrand, will be proposed at the annual general meeting.

By order of the Board

A handwritten signature in black ink, appearing to read 'G. Smith', is written over the printed name.

G SMITH
Secretary

SOUTHLINK DEVELOPMENTS LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF SOUTHLINK DEVELOPMENTS LIMITED

We have audited the financial statements on pages 6 to 11

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

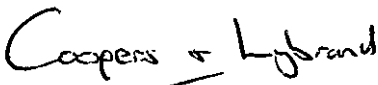
BASIS OF OPINION

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 1997 and of its loss for the year ended, and have been properly prepared in accordance with the Companies Act 1985.


Coopers & Lybrand

**Chartered Accountants and Registered Auditors
Manchester**

28 January 1998

SOUTHLINK DEVELOPMENTS LIMITED

**PROFIT AND LOSS ACCOUNT FOR THE
YEAR ENDED 31 MARCH 1997**

	Notes	1997 £	1996 £
Continuing Operations			
Administrative Expenses		2,001	1,930
Interest Payable	2	5	-
Loss on ordinary activities before taxation	3	<u>2,006</u>	<u>1,930</u>
Taxation	4	-	-
Loss on ordinary activities after taxation		<u>2,006</u>	<u>1,930</u>

SOUTHLINK DEVELOPMENTS LIMITED

BALANCE SHEET AS AT 31 MARCH 1997

	Notes	1997 £	1996 £
FIXED ASSETS			
Tangible Assets	7	880,000	880,000
Investment	8	50	50
		<u>880,050</u>	<u>880,050</u>
CREDITORS : amounts falling due within one year	9	(883,620)	(881,614)
		<u>(883,620)</u>	<u>(881,614)</u>
Net Liabilities		<u>(3,570)</u>	<u>(1,564)</u>
CAPITAL AND RESERVES			
Called up share capital	11	2,403	2,403
Profit and Loss account	12	(167,017)	(165,011)
Revaluation Reserve	12	161,044	161,044
		<u>(3,570)</u>	<u>(1,564)</u>

APPROVED BY THE BOARD:

KG COATES (DIRECTOR)

K.G. Coates -
28 Jan 1998

SOUTHLINK DEVELOPMENTS LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	1997	1996
	£	£
Loss for the financial year	(2,006)	(1,930)
Total recognized gains and losses relating to the year	<u>(2,006)</u>	<u>(1,930)</u>

NOTE OF HISTORICAL COST PROFIT AND LOSSES

Reported loss on ordinary activities before taxation	(2,006)	(1,930)
	<u>(2,006)</u>	<u>(1,930)</u>

SOUTHLINK DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1997

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important 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 Southlink Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 228 of the Companies Act 1985 from the requirement to prepare consolidated financial statements.

TANGIBLE FIXED ASSETS

The cost of fixed assets represents their purchase / development cost. Depreciation is calculated so as to write off the cost of tangible fixed assets on a straight line basis over the expected useful economic life of the assets concerned.

Freehold land is included at full valuation by independent professionally qualified valuers. Freehold land is not depreciated.

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 crystallize.

2. INTEREST PAYABLE

	1997	1996
	£	£
Interest on loans and overdraft wholly repayable within 5 years	5	-

3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Loss on ordinary activities before taxation is stated after charging :

Auditors remuneration	1,900	2,000
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4. TAXATION

Corporation tax recoverable at 25% on current profits	-	-
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SOUTHLINK DEVELOPMENTS LIMITED

5. DIRECTORS EMOLUMENTS

The Directors receive no fees

6. EMPLOYEE INFORMATION

The Company has no employees; see the Directors' Report.

7. FIXED ASSETS

	FREEHOLD LAND
	£
Valuation as at 1 April 1996	880,000
As at 31 March 1997	<u>880,000</u>

The valuation of freehold land was performed as at 31 March 1994 by Roland Gaskell FRICS (Chartered Surveyors) the basis of valuation being open market value.

8. INVESTMENTS

The long term investment relates to a 18.9% holding in the Joint Venture Company Hiretarget Ltd., a company registered in England and Wales, which operates as a property construction, development and contracting company. Southlink Developments Ltd. also holds on trust for OMBC 754,000 £1 Preference shares in Hiretarget Ltd.

9. CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	1997	1996
	£	£
Amounts owed to parent company and fellow subsidiary undertakings	881,610	879,610
Accruals	2,004	2,001
Bank Overdraft	6	3
	<u>883,620</u>	<u>881,614</u>

10. INFORMATION ON THE PARENT COMPANY

The Company is a 100% subsidiary of Oldham Economic Development Association Ltd., a company registered in England and Wales. The directors regard Oldham Metropolitan Borough Council (OMBC) as the ultimate controlling party. The principal place of business for OMBC is the Civic Centre, West Street, Oldham, OL1 1UL

SOUTHLINK DEVELOPMENTS LIMITED

11. SHARE CAPITAL

	1997 £	1996 £
AUTHORIZED		
2,000 "A" ordinary shares of £1 each	2,000	2,000
403 "B" ordinary shares of £1 each	403	403
	<u>2,403</u>	<u>2,403</u>
ALLOTTED, ISSUED AND FULLY PAID		
2,000 "A" ordinary shares of £1 each	2,000	2,000
403 "B" ordinary shares of £1 each	403	403
	<u>2,403</u>	<u>2,403</u>

The A and B shares carry the same rights and privileges.

12. RESERVES

	PROFIT AND LOSS ACCOUNT £	REVALUATION RESERVE £
At 1 April 1996	(165,011)	161,044
Charge for the year	(2,006)	-
	<u>(167,017)</u>	<u>161,044</u>

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997 £	1996 £
Loss on ordinary activities after taxation	(2,006)	(1,930)
Net addition to shareholders' funds	<u>(2,006)</u>	<u>(1,930)</u>
Opening shareholders' funds	(1,564)	366
Closing shareholders' funds	<u>(3,570)</u>	<u>(1,564)</u>

14. POST BALANCE SHEET EVENTS

NIL