

SOUTHLINK DEVELOPMENTS LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2001

REGISTERED NO. 2403878



SOUTHLINK DEVELOPMENTS LIMITED

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SOUTHLINK DEVELOPMENTS LIMITED

DIRECTORS AND ADVISERS

DIRECTORS

B J MATHER
Chairman

J JOHNSON

J McARDLE Appointed 17th May 2000

J B BATTYE Resigned 5th May 2000

K G COATES

P FENTON

REGISTERED AUDITORS

PRICEWATERHOUSECOOPERS
101 BARBIROLI SQUARE
LOWER MOSLEY STREET
MANCHESTER
M2 3PW

SECRETARY & REGISTERED OFFICE

G F SMITH
CIVIC CENTRE
WEST STREET
OLDHAM
OL1 1UL

SOUTHLINK DEVELOPMENTS LIMITED

CHAIRMAN'S STATEMENT

The company has remained inactive in the past year because of the restrictions which apply to companies wholly owned by a local authority.

No changes are anticipated in the financial year, ending 31 March 2002. Beyond that date however, consideration will be given to transferring assets from the company's parent company prior to a sale of a majority shareholding to a private investor.

SOUTHLINK DEVELOPMENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2001

The Directors present their report and the audited financial statements for the year ended 31 March 2001.

PRINCIPAL OBJECTIVES

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

RESULTS FOR THE YEAR

The loss for the year was £74 (2000 - Loss: £75)

The deficit carried forward to next year is £2,519

CHANGES IN FIXED ASSETS

There were no changes in fixed assets during the year.

DIRECTORS

The Directors of the Company during the year ended 31 March 2001 are listed on page 1.

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

No developments are anticipated in the financial year, ending 31 March 2002. Beyond that date, however, consideration will be given to the transfer to this company of the remaining assets from its parent company, OEDA Ltd. with a view to attracting a majority shareholding in the company from the private sector.

TAXATION

The Company is liable in 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 judgements and estimates have been made in the preparation of the financial statements for the year ended 31 March 2001. 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

SOUTHLINK DEVELOPMENTS LIMITED

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



P FENTON
Director

SOUTHLINK DEVELOPMENTS LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF SOUTHLINK DEVELOPMENTS LIMITED

We have audited the financial statements on pages 6 to 9.

Respective Responsibilities of Directors and Auditors

The directors are responsible for preparing the Annual Report. As described on page 3, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting 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 United Kingdom 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 consider the implications of our report if we become aware misstatements or material inconsistencies with the financial statements.

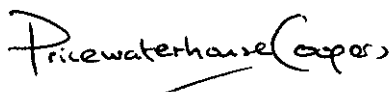
Basis of Audit Opinion

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 of significant estimates and judgements 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31 March 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers

**Chartered Accountants and Registered Auditors
Manchester**

16 January 2002

SOUTHLINK DEVELOPMENTS LIMITED

**PROFIT AND LOSS ACCOUNT FOR THE
YEAR ENDED 31 MARCH 2001**

	Notes	2001 £	2000 £
Continuing Operations			
Administrative Expenses		(74)	(75)
Loss on ordinary activities before taxation		<u>(74)</u>	<u>(75)</u>
Taxation	2	-	-
Loss for the year		<u>(74)</u>	<u>(75)</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 prepared.

There is no difference between the loss on ordinary activities before taxation and the retained loss for the year stated above and their historical cost equivalents.

SOUTHLINK DEVELOPMENTS LIMITED**BALANCE SHEET AS AT 31 MARCH 2001**

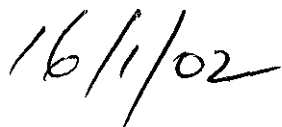
	Notes	2001 £	2000 £
FIXED ASSETS			
Investment	4	<u>50</u>	<u>50</u>
CURRENT ASSETS			
Bank		<u>29</u>	<u>10</u>
CREDITORS : amounts falling due within one year	5	<u>(195)</u>	<u>(102)</u>
Net Current Liabilities		<u>(166)</u>	<u>(92)</u>
Net Liabilities		<u>(116)</u>	<u>(42)</u>
CAPITAL AND RESERVES			
Called up share capital	7	2,403	2,403
Profit and Loss account	8	(2,519)	(2,445)
Equity Shareholders Funds	9	<u>(116)</u>	<u>(42)</u>

APPROVED BY THE BOARD:

BJ MATHER (DIRECTOR)



DATED



SOUTHLINK DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2001

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.

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. TAXATION

The taxation charge for the year is Nil (2000 : Nil)

3. DIRECTORS EMOLUMENTS

The Directors receive no fees

4. INVESTMENTS

The long term investment of £50 relates to a 18.9% holding, held in trust for OMBC in the Joint Venture Company Oldham Property Partnerships Ltd (OPP Ltd), formerly Hiretarget Ltd., a company registered in England and Wales, which operates as a property construction, development and contracting company.

Southlink Developments Ltd. has been recognised as a related party in the accounts of OPP Ltd. for the year ended 24 September 1999.

Southlink Developments Ltd. also holds on trust for OMBC 8,604,000 £1 Preference shares in OPP Ltd.

5. CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	2001	2000
	£	£
Amounts owed to parent company	195	102
	<u>195</u>	<u>102</u>

6. INFORMATION ON THE PARENT COMPANY

The Company is a 100% subsidiary of Oldham Economic Development Association Ltd. (OEDA 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.

7. SHARE CAPITAL

	2001 £	2000 £
AUTHORISED		
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>

Southlink Developments Ltd. was originally a joint venture between OEDA Ltd and Asdene & Windsor Ltd. who were issued with A & B shares respectively. A and B shares carry the same rights and privileges with regard to voting, distribution of profits and assets on dissolution. OEDA Ltd acquired all the shares in Southlink Developments Ltd when Asdene & Windsor Ltd. went into liquidation in December 1992.

8. RESERVES

	PROFIT AND LOSS ACCOUNT £
At 1 April 2000	(2,445)
Loss for the year	(74)
At 31 March 2001	<u>(2,519)</u>

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001 £	2000 £
Loss on ordinary activities after taxation	(74)	(75)
Opening shareholders' funds	(42)	33
Closing shareholders' funds	<u>(116)</u>	<u>(42)</u>

10. RELATED PARTY TRANSACTIONS

The company is controlled by Oldham Economic Development Association Ltd. (OEDA Ltd.)

	£
Administration costs paid by OEDA Ltd. on behalf of Southlink Developments Ltd.	43
Monies transferred by OEDA Ltd. to cover bank charges	50