

SOUTHLINK DEVELOPMENTS LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2002

REGISTERED NO. 2403878



SOUTHLINK DEVELOPMENT LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2002

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SOUTHLINK DEVELOPMENT LIMITED

DIRECTORS AND ADVISERS

BOARD DIRECTORS

B J MATHER
Chairman

J JOHNSON

J A McARDLE

P FENTON

REGISTERED AUDITORS

PRICEWATERHOUSECOOPERS
101 BARBIROLI SQUARE
LOWER MOSLEY STREET
MANCHESTER
M2 3PW

BOARD MEMBER

J MITCHELL Appointed 16th January 2002

SECRETARY & REGISTERED OFFICE

A B HARWOOD
PO BOX 33
CIVIC CENTRE
WEST STREET
OLDHAM
OL1 1UL

SOUTHLINK DEVELOPMENT LIMITED

CHAIRMAN'S STATEMENT

The continued inactivity of the Company is the result of the restrictions, which apply to companies wholly owned by a local authority. The Company has only a limited amount of development land remaining and has no significant income earning assets. In view of these factors it is felt that consideration should now be given to the future of the Company in its present form, however, no final decision has been made in this respect and hence the Directors consider it appropriate to prepare the accounts on a going concern basis.

SOUTHLINK DEVELOPMENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2002

The Directors present their report and the audited financial statements for the year ended 31 March 2002.

PRINCIPAL OBJECTIVES

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

RESULTS FOR THE YEAR

The results for the year are a loss of £38, incurred in the administration of the Company's accounts for the financial year. The loss is limited to £38 because the parent Company incurred the costs in respect of audit and other services.

FUTURE DEVELOPMENTS

There are no developments planned in the financial year, ending 31 March 2003, the Company now having been inactive in undertaking developments for several years. Consideration is being given to maintaining the Company in its current form.

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 2002 are listed on page 3.

During the period between 1st April 2002 and the date of this report, the following resignations and appointment were made:

J A McArdle	Resigned 17th May 2002
P Fenton	Resigned 6th September 2002

K Pendlebury	Appointed 17th May 2002
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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.

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 2002 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

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, a resolution to appoint the new firm, PricewaterhouseCoopers LLP, as auditors to the company will be proposed at the annual general meeting.

By order of the Board

A handwritten signature in dark ink, appearing to read 'A B Harwood', written in a cursive style.

A B HARWOOD (Secretary)

SOUTHLINK DEVELOPMENT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS AND MEMBERS OF SOUTHLINK DEVELOPMENTS LIMITED

We have audited the financial statements, which comprise the profit and loss account, the balance sheet and the related notes.

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.

This opinion has been prepared for and only for the company's members in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

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.

SOUTHLINK DEVELOPMENT LIMITED

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 2002 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

27 January 2003

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SOUTHLINK DEVELOPMENT LIMITED

**PROFIT AND LOSS ACCOUNT FOR THE
YEAR ENDED 31 MARCH 2002**

	Notes	2002 £	2001 £
Continuing Operations			
Administrative Expenses		(38)	(74)
Loss on ordinary activities before taxation		<u>(38)</u>	<u>(74)</u>
Taxation	2	-	-
Loss for the year		<u>(38)</u>	<u>(74)</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 DEVELOPMENT LIMITED

BALANCE SHEET AS AT 31 MARCH 2002

	Notes	2002 £	2001 £
FIXED ASSETS			
Investment	4	<u>50</u>	<u>50</u>
CURRENT ASSETS			
Bank		<u>0</u>	<u>29</u>
CREDITORS : amounts falling due within one year	5	<u>(204)</u>	<u>(195)</u>
Net Current Liabilities		<u>(204)</u>	<u>(166)</u>
Net Liabilities		<u>(154)</u>	<u>(116)</u>
CAPITAL AND RESERVES			
Called up share capital	7	2,403	2,403
Profit and Loss account	8	(2,557)	(2,519)
Equity Shareholders Funds	9	<u>(154)</u>	<u>(116)</u>

The financial statements on pages 9 to 13 were approved by the Board of Directors on and were signed on its behalf by:



DIRECTOR

DATE: 20 January 2003

SOUTHLINK DEVELOPMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002**

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 have also been prepared on the going concern basis as the Company has the support of its parent Company, Oldham Economic Development Association Limited.

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 (2001: 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. also holds on trust for OMBC 8,604,000 £1 Preference shares in OPP Ltd issued to reflect the value of land owned by the Council and subsequently invested in OPP Ltd.

SOUTHLINK DEVELOPMENT LIMITED

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002	2001
	£	£
Amounts owed to parent company	204	195
	<u>204</u>	<u>195</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

	2002	2001
	£	£
AUTHORISED		
2,000 "A" Ordinary Shares of £1 each	2,000	2,000
403 "B" Ordinary Shares of £1 each	<u>403</u>	<u>403</u>
	2,403	2,403
ALLOTTED, ISSUED AND FULLY PAID		
2,000 "A" Ordinary Shares of £1 each	2,000	2,000
403 "B" Ordinary Shares of £1 each	<u>403</u>	<u>403</u>
	2,403	2,403

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.

SOUTHLINK DEVELOPMENT LIMITED

8. RESERVES

	PROFIT AND LOSS ACCOUNT
	£
At 1 April 2001	(2,519)
Loss for the year	<u>(38)</u>
At 31 March 2002	<u>(2,557)</u>

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002	2001
	£	£
Loss on ordinary activities after taxation	(38)	(74)
Opening shareholders' funds	(116)	(42)
Closing shareholders' funds	<u>(154)</u>	<u>(116)</u>