

SOUTHLINK DEVELOPMENTS LIMITED

ACCOUNTS FOR THE YEAR ENDED

31 MARCH 1996

REGISTERED NO. 2403878



SOUTHLINK DEVELOPMENTS LIMITED

**ANNUAL REPORT
FOR THE YEAR ENDED 31 MARCH 1996**

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SOUTHLINK DEVELOPMENTS LIMITED

DIRECTORS AND ADVISERS

DIRECTORS

M RILEY

K G COATES

P FENTON

J BATTYE

J MATHER

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

The company has remained inactive over the past year pending the review of the impact of the implementation of the Local Authority (Companies) Order 1995. That review has been completed and the strategy that is being proposed for Council companies is likely to result in significant changes in Southlink Developments Ltd, as outlined in the Director's Report on future developments.

I anticipate, therefore, that at this time next year we will be reporting on a substantially more active year.

SOUTHLINK DEVELOPMENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 1996

The Directors present their report and the audited financial statements for the year ended 31 March 1996

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 £1,930 . This amount has been transferred from reserves
The retained deficit carried forward to next year is £165,011

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 at 31 March 1996 are listed on page 1.

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

It is anticipated that over the next year substantial assets will be transferred from OEDA Ltd to Southlink Developments Ltd. These assets will include the office premises and workshops on the Southlink Business Park. The aim then will be to further develop the site.

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 1996 . 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, 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



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.

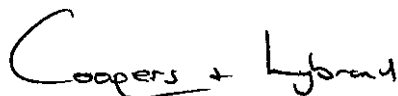
BASIS OF OPINION

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 judgments 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 1996 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**

29 January 1997

SOUTHLINK DEVELOPMENTS LIMITED**PROFIT AND LOSS ACCOUNT FOR THE
YEAR ENDED 31 MARCH 1996**

	Notes	1996 £	1995 £
Continuing Operations			
Administrative Expenses		1,930	2,244
Interest Payable	2	-	3
Loss on ordinary activities before taxation	3	<u>1,930</u>	<u>2,247</u>
Taxation	4	-	-
Loss on ordinary activities after taxation		<u>1,930</u>	<u>2,247</u>

SOUTHLINK DEVELOPMENTS LIMITED

BALANCE SHEET AS AT 31 MARCH 1996

	Notes	1996 £	1995 £
FIXED ASSETS			
Tangible Assets	7	880,000	880,000
Investment	8	50	50
		<u>880,050</u>	<u>880,050</u>
CURRENT ASSETS			
Bank		-	59
		<u>880,050</u>	<u>880,109</u>
CREDITORS : amounts falling due within one year	9	(881,614)	879,743
		<u>(1,564)</u>	<u>366</u>
CAPITAL AND RESERVES			
Called up share capital	11	2,403	2,403
Profit and Loss account	13	(165,011)	163,081
Revaluation Reserve	13	161,044	161,044
		<u>(1,564)</u>	<u>366</u>

APPROVED BY THE BOARD:

K. G. Coates
KG COATES (DIRECTOR)

297H JANUARY 1997

SOUTHLINK DEVELOPMENTS LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	1996 £	1995 £
Loss for the financial year	(1,930)	2,247
Total recognized gains and losses relating to the year	<u>(1,930)</u>	<u>2,247</u>

NOTE OF HISTORICAL COST PROFIT AND LOSSES

Reported loss on ordinary activities before taxation	(1,930)	2,247
Realization of property revaluation gains of previous year	-	7,300
	<u>(1,930)</u>	<u>5,053</u>

SOUTHLINK DEVELOPMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1996**

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

	1996	1995
	£	£
Interest on loans and overdraft wholly repayable within 5 years	-	3

3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Loss on ordinary activities before taxation is stated after charging :		
Auditors remuneration	2,000	2,000

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 1995	880,000
As at 31 March 1996	<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 50% 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.

9. CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	1996	1995
	£	£
Amounts owed to parent company and fellow subsidiary undertakings	879,610	876,160
Accruals	2,001	3,583
Bank Overdraft	3	-
	<u>881,614</u>	<u>879,743</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.

SOUTHLINK DEVELOPMENTS LIMITED

11. SHARE CAPITAL

	1996 £	1995 £
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 1995	(163,081)	161,044
Charge for the year	(1,930)	-
	<u>(165,011)</u>	<u>161,044</u>

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1996 £	1995 £
Loss on ordinary activities after taxation	(1,930)	(2,247)
Net addition to shareholders' funds	<u>(1,930)</u>	<u>(2,247)</u>
Opening shareholders' funds	366	2,613
Closing shareholders' funds	<u>(1,564)</u>	<u>366</u>

14. POST BALANCE SHEET EVENTS

NIL