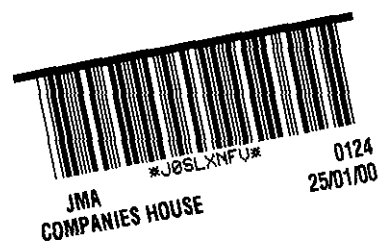


SOUTHLINK DEVELOPMENTS LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 1999

REGISTERED NO. 2403878



SOUTHLINK DEVELOPMENTS LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 1999

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SOUTHLINK DEVELOPMENTS LIMITED

DIRECTORS AND ADVISERS

DIRECTORS

J B BATTYE
Chairman

J JOHNSON

B J MATHER

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.

As indicated in the report of the parent company, *Oldham Economic Development Association Ltd.*, there are likely to be changes taking place in the financial year, ending 31 March 2000. The plan is that *Oldham Economic Development Association Ltd.*'s remaining asset, Southlink Business Park, should be transferred to this company. Following that transfer the aim is that a majority shareholding will be sold to a private investor. There is every confidence that this will be completed before the end of the financial year, ending 31 March 2000.

SOUTHLINK DEVELOPMENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 1999

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

PRINCIPAL OBJECTIVES

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

RESULTS FOR THE YEAR

The loss for the year was £63 (1998 - Profit: £3,666)

The retained deficit carried forward to next year is £2,370

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 1999 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

The proposals for restructuring the Company have been agreed in principle by Oldham Council.

This includes transferring assets and related debt back to the Company from OEDA Ltd.

It is also intended to undertake a further office development at Southlink involving the private sector utilising an ERDF grant.

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 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

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

A handwritten signature in black ink, appearing to read 'G. Smith', 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 10 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 3, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom standards.¹ 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 consider the implications of 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 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 1999 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

20 January 2000

SOUTHLINK DEVELOPMENTS LIMITED

**PROFIT AND LOSS ACCOUNT FOR THE
YEAR ENDED 31 MARCH 1999**

	Notes	1999 £	1998 £
Continuing Operations			
Administrative (Expenses) / Income		(63)	3,674
Interest Payable	2	-	(8)
(Loss)/Profit on ordinary activities before taxation		<u>(63)</u>	<u>3,666</u>
Taxation	3	-	-
(Loss) / Profit for the year		<u>(63)</u>	<u>3,666</u>

The company has no recognised gains and losses other than those included in the (loss) / profit above and, therefore, no separate statement of total recognised gains and losses has been prepared.

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

SOUTHLINK DEVELOPMENTS LIMITED

BALANCE SHEET AS AT 31 MARCH 1999

	Notes	1999 £	1998 £
CURRENT ASSETS			
Investment	5	50	50
Bank		13	46
		<u>63</u>	<u>96</u>
CREDITORS : amounts falling due within one year	6	(30)	-
		<u>(30)</u>	<u>-</u>
Net Assets		<u>33</u>	<u>96</u>
CAPITAL AND RESERVES			
Called up share capital	8	2,403	2,403
Profit and Loss account	9	(2,370)	(2,307)
Equity Shareholders Funds	10	<u>33</u>	<u>96</u>

APPROVED BY THE BOARD:

KG COATES (DIRECTOR)

K. G. Coates

DATED

July 2nd 2000

SOUTHLINK DEVELOPMENTS LIMITED

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

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. INTEREST PAYABLE

	1999	1998
	£	£
Interest on loans and overdraft wholly repayable within 5 years	-	8

3. TAXATION

The taxation charge for the year is nil (1998 : Nil)

4. DIRECTORS EMOLUMENTS

The Directors receive no fees

5. INVESTMENTS

The long term investment of £50 relates to a 18.9% holding, held in trust for OMBC 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. has been recognised as a related party in the accounts of Hiretarget Ltd. for the year ended 24 September 1998.

Southlink Developments Ltd. also holds on trust for OMBC 1,544,000 £1 Preference shares in Hiretarget Ltd.

6. CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	1999	1998
	£	£
Amounts owed to parent company and fellow subsidiary undertakings	30	-
	<u>30</u>	<u>-</u>

7. 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.

8. SHARE CAPITAL

	1999	1998
	£	£
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>
	<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	<u>403</u>	<u>403</u>
	<u>2,403</u>	<u>2,403</u>

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

9. RESERVES

	PROFIT AND LOSS ACCOUNT £
At 1 April 1998	(2,307)
Loss for the year	<u>(63)</u>
At 31 March 1999	<u>(2,370)</u>

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1999	1998
	£	£
(Loss)/Profit on ordinary activities after taxation	(63)	3,666
Opening shareholders' funds	96	(3,570)
Closing shareholders' funds	<u>33</u>	<u>96</u>