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**WIGAN METROPOLITAN DEVELOPMENT COMPANY
LIMITED AND SUBSIDIARY COMPANIES**

REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2002



**WIGAN METROPOLITAN DEVELOPMENT COMPANY
LIMITED AND SUBSIDIARY COMPANIES**

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for the Year Ended 31 March 2002**

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**WIGAN METROPOLITAN DEVELOPMENT COMPANY
LIMITED AND SUBSIDIARY COMPANIES**

**COMPANY INFORMATION
for the Year Ended 31 March 2002**

DIRECTORS:

Lord P R C Smith
A B Coyle O.B.E., J.P., D.L.
J B Baldwin
A P Hardy
J E Hilton J.P.
M P Honor
S M Jones
T Sherratt
B J Strett
F B Walker
DT Molyneux
Dr D J Smith

SECRETARY:

Adrian P Hardy

REGISTERED OFFICE:

Wigan Investment Centre
Waterside Drive
Wigan
Lancashire
WN3 5BA

REGISTERED NUMBER:

1486410 (England and Wales)

AUDITORS:

Fairhurst
Registered Auditors
Chartered Accountants
Douglas Bank House
Wigan Lane
Wigan
WN1 2TB

BANKERS:

The Co-operative Bank plc
PO Box 101
1 Balloon Street
Manchester
M60 4EP

**WIGAN METROPOLITAN DEVELOPMENT COMPANY
LIMITED AND SUBSIDIARY COMPANIES**

**CHAIRMAN'S STATEMENT
for the Year Ended 31 March 2002**

Over the last three years Wigan Metropolitan Development Company has undertaken three major new investment-CT3, Acorn Business Centre and Golborne Enterprise Park – with much of the money being drawn from our own resources. Inevitably the funding of these investments has impacted upon the company's short-term profitability and for the second year there will be a small loss. All steps have been taken to minimize the loss and retained profit, at just under £1.5m, provides sufficient cover. The investments themselves will generate a financial return in the longer run and have immediately improved the facilities available for business in the borough, strengthening the local economy.

The Golborne Enterprise Park, which was formally opened during the year by Rt. Hon. Ian McCartney MP, has opened five acres of the former Golborne colliery site and was developed with the benefit of ERDF funding. It also consists of a purpose-built 10,000 square foot factory for a locally based new business.

Through its various activities the Development Company can claim to have assisted the creation of over 3,400 jobs in sectors from catering to fluid technology. It is also pleasing to note that many of the businesses that we have helped have outgrown the premises they occupied and have moved on to larger and more specialist units. Fortunately we have managed to replace them with new tenants so that the occupancy levels at our premises remain high, an average of 92% over the year. We have therefore managed to maintain a satisfactory level of rental income and kept a watchful eye on outstanding debts. A continuing programme of repairs at our units helps to improve the quality of the offer to tenants and to preserve the value of our investments.

We continue to provide our property management services to Douglas Valle Properties and have also maintained a high level of occupancy in these premises, again over 92%. The value of these lettings has enabled some £300,000 to be transferred to the Douglas Valley Community Company to continue to support community projects both in the former City Challenge area and across the borough.

Finally, on behalf of the board I should like to express our appreciation for the support of the Co-operative bank and for the work of the staff who have enabled the Development Company to support the local economy.



.....
Lord P R C Smith
Chairman

**WIGAN METROPOLITAN DEVELOPMENT COMPANY
LIMITED AND SUBSIDIARY COMPANIES**

**REPORT OF THE DIRECTORS
for the Year Ended 31 March 2002**

The directors present their report with the financial statements of the group and the company for the year ended 31 March 2002.

PRINCIPAL ACTIVITIES

The principal activities of the group and the company in the year under review were those of investment in industry and the construction of industrial premises.

REVIEW OF BUSINESS

The results for the year and financial position of the group and the company are as shown in the annexed financial statements.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2002.

DIRECTORS

The directors during the year under review were:

Lord P R C Smith
A B Coyle O.B.E., J.P., D.L.
J B Baldwin
A P Hardy
J E Hilton J.P.
M P Honor
S M Jones
T Sherratt
B J Strett
F B Walker
DT Molyneux
Dr D J Smith

EMPLOYEES AND ADMINISTRATION

The total number of permanent employees is nineteen. Of those numbers eleven are employed in connection with the management and administration of the Hindley Business Centre. A further two with Acorn Business Centre in respect of the management and administration.

The activities of the Group are still being carried out with the support of the appropriate professional or administrative services of Council staff. The cost of these services is reimbursed to the Council by the Group and the Company.

FINANCIAL POLICIES

The general policy of the Board is to invest in firms with a view to producing a commercial return, which will be available for further investment. Investment projects are appraised on the basis of their soundness and viability. Investments in the construction or adaptation of industrial premises are normally financed out of borrowings. The Group's liquid funds are invested in the money market and short-term loans in order to maximise income.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group and the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

**WIGAN METROPOLITAN DEVELOPMENT COMPANY
LIMITED AND SUBSIDIARY COMPANIES**

**REPORT OF THE DIRECTORS
for the Year Ended 31 March 2002**

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, Fairhurst, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:

.....
Adrian P Hardy - SECRETARY

Dated: 6th November 2002

**WIGAN METROPOLITAN DEVELOPMENT COMPANY
LIMITED AND SUBSIDIARY COMPANIES**

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
WIGAN METROPOLITAN DEVELOPMENT COMPANY
LIMITED AND SUBSIDIARY COMPANIES**

We have audited the financial statements of Wigan Metropolitan Development Company Limited and subsidiary companies for the year ended 31 March 2002 on pages five to seventeen. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described on page two the group and company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Report of the Directors is not consistent with the financial statements, if the group and 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 with the group and the company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 group and 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 group and company's affairs as 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.

Fairhurst

Fairhurst
Registered Auditors
Chartered Accountants
Douglas Bank House
Wigan Lane
Wigan
WN1 2TB

Dated: 18 November 2002

**WIGAN METROPOLITAN DEVELOPMENT COMPANY
LIMITED AND SUBSIDIARY COMPANIES**

**CONSOLIDATED
PROFIT AND LOSS ACCOUNT
for the Year Ended 31 March 2002**

		<u>2002</u>	<u>2001</u>
	Notes	£	£
TURNOVER		-	-
Administrative expenses		<u>506,536</u>	<u>356,934</u>
		(506,536)	(356,934)
Other operating income	2	<u>544,668</u>	<u>415,623</u>
OPERATING PROFIT	4	38,132	58,689
Interest payable and similar charges	5	<u>65,062</u>	<u>79,016</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(26,930)	(20,327)
Tax on loss on ordinary activities	6	<u>33,694</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		(60,624)	(20,327)
Retained profit brought forward		<u>1,229,003</u>	<u>1,249,330</u>
RETAINED PROFIT CARRIED FORWARD		<u><u>£1,168,379</u></u>	<u><u>£1,229,003</u></u>

CONTINUING OPERATIONS

None of the group and company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the losses for the current and previous years.

**WIGAN METROPOLITAN DEVELOPMENT COMPANY
LIMITED AND SUBSIDIARY COMPANIES**

**CONSOLIDATED
BALANCE SHEET
31 March 2002**

		2002		2001	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	8		6,348,837		5,643,919
Investments	9		-		14,459
			<u>6,348,837</u>		<u>5,658,378</u>
CURRENT ASSETS:					
Debtors	10	253,834		659,037	
Investments	11	203,001		758,601	
Cash at bank and in hand		<u>184,365</u>		<u>1,069</u>	
		641,200		1,418,707	
CREDITORS: Amounts falling due within one year	12	<u>893,464</u>		<u>1,371,980</u>	
NET CURRENT (LIABILITIES)/ASSETS:			<u>(252,264)</u>		<u>46,727</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			6,096,573		5,705,105
CREDITORS: Amounts falling due after more than one year	13		(2,897,194)		(2,445,102)
PROVISIONS FOR LIABILITIES AND CHARGES:	17		<u>(31,000)</u>		<u>(31,000)</u>
			<u>£3,168,379</u>		<u>£3,229,003</u>
RESERVES:					
Development Fund	18		2,000,000		2,000,000
Profit and loss account			<u>1,168,379</u>		<u>1,229,003</u>
	20		<u>£3,168,379</u>		<u>£3,229,003</u>

ON BEHALF OF THE BOARD:



Lord P R C Smith - DIRECTOR



A P Hardy - DIRECTOR

Approved by the Board on 18th September 2002

The notes form part of these financial statements

**WIGAN METROPOLITAN DEVELOPMENT COMPANY
LIMITED**

**COMPANY BALANCE SHEET
31 March 2002**

	<u>2002</u>		<u>2001</u>	
	£	£	£	£
FIXED ASSETS:				
Investments		676,441		676,441
CURRENT ASSETS:				
Loans to subsidiaries	1,029,477		1,029,500	
Bank account no. 1	<u>-</u>		<u>25</u>	
	<u>1,029,477</u>		<u>1,029,525</u>	
CURRENT LIABILITIES:				
Loan to group company	<u>24,375</u>		<u>24,375</u>	
	<u>24,375</u>		<u>24,375</u>	
		<u>1,005,102</u>		<u>1,005,150</u>
		<u>£1,681,543</u>		<u>£1,681,591</u>
FINANCED BY:				
RESERVES:				
Development Fund		2,000,000		2,000,000
Profit and loss account		<u>(318,457)</u>		<u>(318,409)</u>
		<u>£1,681,543</u>		<u>£1,681,591</u>

ON BEHALF OF THE BOARD:



Lord P R C Smith - DIRECTOR



A P Hardy - DIRECTOR

Approved by the Board on 18th September 2002

**WIGAN METROPOLITAN DEVELOPMENT COMPANY
LIMITED AND SUBSIDIARY COMPANIES**

**CASH FLOW STATEMENT
for the Year Ended 31 March 2002**

		<u>2002</u>		<u>2001</u>	
	Notes	£	£	£	£
Net cash inflow from operating activities	1		329,244		144,522
Returns on investments and servicing of finance	2		(65,062)		(79,016)
Taxation			5,881		(35,142)
Capital expenditure and financial investment	2		<u>(828,216)</u>		<u>(1,548,934)</u>
			(558,153)		(1,518,570)
Management of liquid resources	2		555,600		809,218
Financing	2		<u>196,796</u>		<u>680,284</u>
Increase/(Decrease) in cash in the period			<u>£194,243</u>		<u>£(29,068)</u>
<hr/>					
Reconciliation of net cash flow to movement in net debt	3				
Increase/(Decrease) in cash in the period		194,243		(29,068)	
Cash inflow from decrease in liquid resources		<u>(555,600)</u>		<u>(809,218)</u>	
Change in net debt resulting from cash flows			<u>(361,357)</u>		<u>(838,286)</u>
Movement in net debt in the period			(361,357)		(838,286)
Net (debt)/funds at 1 April			<u>(351,277)</u>		<u>487,009</u>
Net debt at 31 March			<u>£(712,634)</u>		<u>£(351,277)</u>

The notes form part of these financial statements

**WIGAN METROPOLITAN DEVELOPMENT COMPANY
LIMITED AND SUBSIDIARY COMPANIES**

**NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 31 March 2002**

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2002 £	2001 £
Operating profit	38,132	58,689
Depreciation charges	137,757	97,288
Government grants	(46,320)	(32,281)
Decrease/(Increase) in debtors	399,323	(270,978)
(Decrease)/Increase in creditors	<u>(199,648)</u>	<u>291,804</u>
Net cash inflow from operating activities	<u>329,244</u>	<u>144,522</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2002 £	2001 £
Returns on investments and servicing of finance		
Interest paid	<u>(65,062)</u>	<u>(79,016)</u>
Net cash outflow for returns on investments and servicing of finance	<u>(65,062)</u>	<u>(79,016)</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(842,675)	(1,559,219)
Loan repayments received	<u>14,459</u>	<u>10,285</u>
Net cash outflow for capital expenditure	<u>(828,216)</u>	<u>(1,548,934)</u>
Management of liquid resources		
Change in short term deposits	<u>555,600</u>	<u>809,218</u>
Net cash inflow from management of liquid resources	<u>555,600</u>	<u>809,218</u>
Financing		
Grants received	<u>196,796</u>	<u>680,284</u>
Net cash inflow from financing	<u>196,796</u>	<u>680,284</u>

The notes form part of these financial statements

**WIGAN METROPOLITAN DEVELOPMENT COMPANY
LIMITED AND SUBSIDIARY COMPANIES**

**NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 31 March 2002**

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/4/01 £	Cash flow £	At 31/3/02 £
Net cash:			
Cash at bank and in hand	1,069	183,296	184,365
Bank overdraft	<u>(10,947)</u>	<u>10,947</u>	<u>-</u>
	<u>(9,878)</u>	<u>194,243</u>	<u>184,365</u>
 Liquid resources:			
Current asset investments	<u>758,601</u>	<u>(555,600)</u>	<u>203,001</u>
	<u>758,601</u>	<u>(555,600)</u>	<u>203,001</u>
 Debt:			
Debts falling due within one year	(550,000)	-	(550,000)
Debts falling due after one year	<u>(550,000)</u>	<u>-</u>	<u>(550,000)</u>
	<u>(1,100,000)</u>	<u>-</u>	<u>(1,100,000)</u>
 Total	<u>(351,277)</u>	<u>(361,357)</u>	<u>(712,634)</u>

Analysed in Balance Sheet

Cash at bank and in hand	1,069	184,365
Current asset investments	758,601	203,001
Bank overdraft	(10,947)	-
Debts falling due within one year	(550,000)	(550,000)
Debts falling due after one year	<u>(550,000)</u>	<u>(550,000)</u>
	<u>(351,277)</u>	<u>(712,634)</u>

**WIGAN METROPOLITAN DEVELOPMENT COMPANY
LIMITED AND SUBSIDIARY COMPANIES**

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2002**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold buildings	- 2% on cost
Freehold land	- not depreciated
Leasehold land & buildings	- 2% on cost
Plant, machinery, fixtures & fittings	- at varying rates on cost

Unlisted investments are stated at the lower of cost and Directors' valuations.

Interests in land and buildings are stated at their purchase cost, together with any incidental costs of acquisition and subsequent development expenditure at cost. Grants received or receivable on qualifying expenditure are credited to a deferred income account and released to the Profit and Loss Account at the same rate as those used for depreciation. As a result, grants are effectively credited to revenue over the expected useful lives of the related assets.

The charge to the Profit and Loss Account in any period is the net cost after deduction of grants released as stated above.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pension costs

Employees of Wigan Metropolitan Development Company Limited and group companies participate in the Greater Manchester Pension Fund, part of the Local Government Pension Scheme.

The last actuarial valuation of the Fund was carried out as at 31 March 2001 by an independent firm of qualified actuaries. The market value of the Fund's assets at valuation date was £6,261m, the actuarial value of which represented 105% of the Fund's accrued liabilities allowing for expected future increases in pay and pensions once in payment.

The net pension cost has been determined by calculating the required contribution to restore the funding level to 100% over the future service lives of active members. The next actuarial valuation will be 31 March 2004

Investments

Unlisted investments are stated at the lower of cost and Director's valuation.

Development fund

The contributions to the Development Fund by the Wigan Metropolitan Borough Council are credited as capital of the Group and Company.

**WIGAN METROPOLITAN DEVELOPMENT COMPANY
LIMITED AND SUBSIDIARY COMPANIES**

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2002**

2. OTHER OPERATING INCOME

	2002	2001
	£	£
Net income from rents	435,521	288,540
Short term deposits	9,672	34,862
Other income	53,155	59,940
Grant released	<u>46,320</u>	<u>32,281</u>
	<u>544,668</u>	<u>415,623</u>

3. STAFF COSTS

	2002	2001
	£	£
Wages and salaries	103,326	66,566
Other pension costs	<u>11,033</u>	<u>14,844</u>
	<u>114,359</u>	<u>81,410</u>

The average monthly number of employees during the year was as follows:

	2002	2001
Administration	6	5
Hindley Business Centre	11	8
Acorn Business Centre	<u>2</u>	<u>-</u>
	<u>19</u>	<u>13</u>

The above costs are after recharge of employee costs to Hindley Business Centre and Acorn Business Centre.
The total charge for the year is as follows:

	2002	2001
Wages and salaries	222,028	167,542
Social security costs	14,424	18,606
Pension costs	24,827	14,844

Directors' remuneration is set out in note 7

Chairman £173 (2001:£170).

Highest paid Director £173 (2001:£173).

Other Directors: all were in the range nil and £5000, and none were paid more than £173 (2001: £170).

**WIGAN METROPOLITAN DEVELOPMENT COMPANY
LIMITED AND SUBSIDIARY COMPANIES**

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2002**

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2002	2001
	£	£
Other operating leases	5,141	-
Depreciation - owned assets	137,757	97,288
Auditors' remuneration	5,000	5,000
Grants released	<u>(46,320)</u>	<u>(32,281)</u>
 Directors' emoluments	 <u>2,076</u>	 <u>2,040</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2002	2001
	£	£
Loan interest	<u>65,062</u>	<u>79,016</u>

6. TAXATION

Analysis of the tax charge

The tax charge on the loss on ordinary activities for the year was as follows:

	2002	2001
	£	£
Current tax:		
UK Corporation tax	1,099	-
Prior years	<u>32,595</u>	<u>-</u>
Total current tax	<u>33,694</u>	<u>-</u>
 Tax on loss on ordinary activities	 <u>33,694</u>	 <u>-</u>

UK corporation tax has been charged at 14.34%

7. DIRECTORS' REMUNERATION

The emoluments of Directors were as follows:

	Year Ended 31/3/02	Year Ended 31/3/01
	£	£
Fees	2,076	2,040
Management	<u>-</u>	<u>-</u>
	<u>2,076</u>	<u>2,040</u>

**WIGAN METROPOLITAN DEVELOPMENT COMPANY
LIMITED AND SUBSIDIARY COMPANIES**

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2002**

8. TANGIBLE FIXED ASSETS

	Freehold land & buildings	Leasehold land & buildings	Plant and machinery	Totals
	£	£	£	£
COST:				
At 1 April 2001	4,403,259	1,854,506	240,174	6,497,939
Additions	<u>798,794</u>	<u>-</u>	<u>43,881</u>	<u>842,675</u>
At 31 March 2002	<u>5,202,053</u>	<u>1,854,506</u>	<u>284,055</u>	<u>7,340,614</u>
DEPRECIATION:				
At 1 April 2001	294,618	433,387	126,015	854,020
Charge for year	<u>83,421</u>	<u>37,089</u>	<u>17,247</u>	<u>137,757</u>
At 31 March 2002	<u>378,039</u>	<u>470,476</u>	<u>143,262</u>	<u>991,777</u>
NET BOOK VALUE:				
At 31 March 2002	<u>4,824,014</u>	<u>1,384,030</u>	<u>140,793</u>	<u>6,348,837</u>
At 31 March 2001	<u>4,108,641</u>	<u>1,421,119</u>	<u>114,159</u>	<u>5,643,919</u>

9. FIXED ASSET INVESTMENTS

The company's investments at the balance sheet date in the share capital of unlisted companies include the following:

Wigan Metropolitan Development Company (Investment) Limited

Nature of business: management of investments and industrial premises

	%
Class of shares:	holding
£1 Ordinary	100.00

	2002	2001
	£	£
Aggregate capital and reserves	2,164,339	2,198,883
Loss for the year	<u>(34,544)</u>	<u>(20,065)</u>

Wigan Metropolitan Development Company (Property) Limited

Nature of business: acquisition, development etc in land & buildings

	%
Class of shares:	holding
£1 Ordinary	100.00

	2002	2001
	£	£
Aggregate capital and reserves	(1,065)	24,968
Profit/(Loss) for the year	<u>7,661</u>	<u>(265)</u>

**WIGAN METROPOLITAN DEVELOPMENT COMPANY
LIMITED AND SUBSIDIARY COMPANIES**

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2002**

9. FIXED ASSET INVESTMENTS - continued

Investments (neither listed nor unlisted) were as follows:

	2002 £	2001 £
Loans	<u>-</u>	<u>14,459</u>
 SHARES IN GROUP COMPANIES - COMPANY ONLY	 £	 £
Shares in Investment company	676,414	676,414
Shares in Property company	<u>27</u>	<u>27</u>
	<u>676,441</u>	<u>676,441</u>

**10. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2002 £	2001 £
V.A.T.	7,475	-
Trade debtors	165,812	598,771
Other debtors	61,259	37,376
Prepayments & accrued income	19,288	17,009
Corporation tax refundable	<u>-</u>	<u>5,881</u>
	<u>253,834</u>	<u>659,037</u>

COMPANY

	£	£
Amounts due to Group companies	<u>-</u>	<u>-</u>

11. CURRENT ASSET INVESTMENTS

	2002 £	2001 £
Short term deposits	<u>203,001</u>	<u>758,601</u>

Market value of listed investments at 31 March 2002 - £203,000 (2001 - £758,601).

COMPANY

	2002 £	2001 £
Loans to subsidiaries	<u>1,029,477</u>	<u>1,029,500</u>

**WIGAN METROPOLITAN DEVELOPMENT COMPANY
LIMITED AND SUBSIDIARY COMPANIES**

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2002**

**12. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2002 £	2001 £
Bank loans and overdrafts (see note 14)	244,448	560,947
Other creditors	278,338	428,973
V.A.T.	-	38,833
Social security & other taxes	6,957	79,519
Taxation	33,694	-
Accrued expenses	<u>330,027</u>	<u>263,708</u>
	<u>893,464</u>	<u>1,371,980</u>

COMPANY

	2002 £	2001 £
Loan to group company	<u>24,375</u>	<u>24,375</u>

**13. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	2002 £	2001 £
Bank loans (see note 14)	855,552	550,000
Deferred government grants	<u>2,041,642</u>	<u>1,895,102</u>
	<u>2,897,194</u>	<u>2,445,102</u>

14. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	2002 £	2001 £
Amounts falling due within one year or on demand:		
Bank overdrafts	-	10,947
Bank loans	<u>244,448</u>	<u>550,000</u>
	<u>244,448</u>	<u>560,947</u>
Amounts falling due between two and five years:		
Bank loans	<u>855,552</u>	<u>550,000</u>

**WIGAN METROPOLITAN DEVELOPMENT COMPANY
LIMITED AND SUBSIDIARY COMPANIES**

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2002**

14. LOANS AND OVERDRAFTS - continued

Term loans at between 1% and 1 1/2% above base rate payable by quarterly or annual instalments.

The loans were obtained to finance development expenditure and where appropriate are secured by mortgages on the freehold or long leasehold land and buildings.

Where funds have been drawn down in advance of the planned expenditure, these funds are re-deposited with the Bank concerned and provides the security in these cases.

15. OBLIGATIONS UNDER LEASING AGREEMENTS

The following payments are committed to be paid within one year:

	Operating leases			
	Land and buildings		Other	
	2002 £	2001 £	2002 £	2001 £
Expiring:				
Between one and five years	<u>25,240</u>	<u>25,240</u>	<u>24,900</u>	<u>18,920</u>

16. SECURED DEBTS

The following secured debts are included within creditors:

	2002 £	2001 £
Bank overdrafts	-	10,947
Bank loans	<u>1,100,000</u>	<u>1,100,000</u>
	<u>1,100,000</u>	<u>1,110,947</u>

The land and buildings have been charged as security for loans to the Company.

17. PROVISIONS FOR LIABILITIES AND CHARGES

	2002 £	2001 £
Deferred taxation	<u>31,000</u>	<u>31,000</u>
	Deferred tax	
	£	
Balance at 1 April 2001	31,000	
Charge for the year		
Balance at 31 March 2002	<u>31,000</u>	

**WIGAN METROPOLITAN DEVELOPMENT COMPANY
LIMITED AND SUBSIDIARY COMPANIES**

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2002**

18. DEVELOPMENT FUND

	2002 £	2001 £
Brought forward	<u>2,000,000</u>	<u>2,000,000</u>

19. CONTINGENT LIABILITIES

The Group's banking arrangements are subject to an unlimited multilateral guarantee entered into by Wigan Metropolitan Development Company Limited, Wigan Metropolitan Development Company (Investment) Limited, and Wigan Metropolitan Development Company (Property) Limited to secure any borrowings by any of these companies.

20. RECONCILIATION OF MOVEMENTS IN RESERVES

	2002 £	2001 £
Loss for the financial year	<u>(60,624)</u>	<u>(20,327)</u>
Net reduction of reserves	(60,624)	(20,327)
Opening reserves	<u>3,229,003</u>	<u>3,249,330</u>
Closing reserves	<u>3,168,379</u>	<u>3,229,003</u>

21. DEVELOPMENT FUND

The initial funding of the Group was provided by Wigan Metropolitan Borough Council, who made contributions to the Company's Development Fund totalling £2 million. The payments are subject to the provisions of a funding agreement entered into between the Group and the Council. In the event of its winding up or dissolution the Group is required to repay the funding to the Council to the extent that resources are available or otherwise transfer it to some other institution or body as the Council may direct. The funding is consequently shown in the Group's accounts as capital.

22. GUARANTEE

The Group is a Group limited by Guarantee. At 31st March 2001 there were ten members, each of whom on a winding up has undertaken to contribute an amount not exceeding £1.

**WIGAN METROPOLITAN DEVELOPMENT COMPANY
LIMITED AND SUBSIDIARY COMPANIES**

**PROFIT AND LOSS ACCOUNT
for the Year Ended 31 March 2002**

	2002		2001	
	£	£	£	£
Income		-		-
Other income:				
Net income from rents	435,521		288,540	
Short term deposits	9,672		34,862	
Other income	53,155		59,940	
Grant released	<u>46,320</u>		<u>32,281</u>	
		<u>544,668</u>		<u>415,623</u>
		544,668		415,623
Expenditure:				
Directors' remuneration	2,076		2,040	
Staff costs	101,250		64,526	
Pensions	11,033		14,844	
Amount reimbursable to WMBC	64,449		59,818	
Rent & service charge	19,519		32,771	
Printing & stationery	5,012		5,408	
Advertising	55,945		31,157	
Travelling	9,773		6,848	
Staff training	3,334		1,227	
Project costs	4,058		10,135	
Bad debts	7,611		11,899	
Other operating leases	5,141		-	
Sundry expenses	(1,615)		6,351	
Auditors remuneration	5,000		5,000	
Computer costs	6,747		4,011	
Bank charges	3,580		1,058	
Professional fees	3,519		2,553	
Support for grant claims	60,000		-	
Insurance	<u>2,300</u>		<u>-</u>	
		<u>368,732</u>		<u>259,646</u>
		175,936		155,977
Finance costs:				
Loan interest	65,062		79,016	
Bank charges	<u>47</u>		<u>-</u>	
		<u>65,109</u>		<u>79,016</u>
Carried forward		110,827		76,961

**WIGAN METROPOLITAN DEVELOPMENT COMPANY
LIMITED AND SUBSIDIARY COMPANIES**

**PROFIT AND LOSS ACCOUNT
for the Year Ended 31 March 2002**

	<u>2002</u>		<u>2001</u>	
	£	£	£	£
Brought forward		110,827		76,961
Depreciation:				
Freehold property	83,421		52,842	
Leasehold property	37,089		37,089	
Plant & machinery	<u>17,247</u>		<u>7,357</u>	
		<u>137,757</u>		<u>97,288</u>
NET LOSS		<u>£(26,930)</u>		<u>£(20,327)</u>