

Company Registration No. 01002965 (England and Wales)

HARLEQUIN ESTATES (TWICKENHAM) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

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HARLEQUIN ESTATES (TWICKENHAM) LIMITED

COMPANY INFORMATION

Directors Charles Jillings (Resigned 28 August 2009)
Andrew Vander Meersch
M J Evans
M Wall (appointed 28 August 2009)

Secretary J K Dingle

Company number 01002965

Registered office Twickenham Stoop Stadium
Langhorn Drive
Twickenham
Great Britain
TW2 7SX

Auditors Felton Pumphrey
1 The Green
Richmond
Surrey
TW9 1PL

Business address Twickenham Stoop Stadium
Langhorn Drive
Twickenham
Great Britain
TW2 7SX

HARLEQUIN ESTATES (TWICKENHAM) LIMITED

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HARLEQUIN ESTATES (TWICKENHAM) LIMITED

Company number 1002965

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2009

The directors present their report and financial statements for the year ended 30 June 2009

Principal activities and review of the business

The principal activity of the company continued to be that of property management. The company's registered number is 01002965

Results and dividends

The results for the year are set out on page 5

Directors

The following directors have held office since 1 July 2008

Charles Jillings (resigned 28 August 2009)

Andrew Vander Meersch

M J Evans

M Wall (appointed 28 August 2009)

Auditors

In accordance with the Company's Articles, a resolution proposing that Felton Pumphrey be reappointed as auditors of the company will be put at a General Meeting

Statement of directors' responsibilities

The directors are responsible for preparing the directors' report and financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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. In preparing these financial statements, the directors are required to

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

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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

HARLEQUIN ESTATES (TWICKENHAM) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2009

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board

A handwritten signature in black ink, appearing to read 'J K Dingle', is written over the printed name.

J K Dingle

Secretary

23 December 2009

HARLEQUIN ESTATES (TWICKENHAM) LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HARLEQUIN ESTATES (TWICKENHAM) LIMITED

We have audited the financial statements of Harlequin Estates (Twickenham) Limited for the year ended 30 June 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Group's and the Company's affairs as at 30 June 2009 and of its loss for the year then ended,
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

HARLEQUIN ESTATES (TWICKENHAM) LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Going Concern

In forming our opinion we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the company's reliance on the continued support of its principal shareholder. In view of the significance of the support outlined in Note 1 we consider that this matter should be brought to your attention, but our opinion is not qualified in this respect.



John Hamblin
Senior Statutory auditor

for and on behalf of Felton Pumphrey

8 January 2010

Statutory Auditors and Chartered Accountants

1 The Green
Richmond
Surrey
TW9 1PL

HARLEQUIN ESTATES (TWICKENHAM) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2009

	Notes	2009 £	2008 £
Turnover	2	632,004	350,000
Administrative expenses		(803,796)	(400,109)
		<hr/>	<hr/>
Operating loss	3	(171,792)	(50,109)
Profit on sale of land	3	200,000	-
		<hr/>	<hr/>
Profit on ordinary activities before interest		28,208	(50,109)
Interest payable	4	(471,414)	-
		<hr/>	<hr/>
Profit(Loss) on ordinary activities before taxation		(443,206)	(50,109)
Tax on loss on ordinary activities	5	-	9,714
		<hr/>	<hr/>
Loss for the year	11	(443,206)	(40,395)
		<hr/>	<hr/>

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

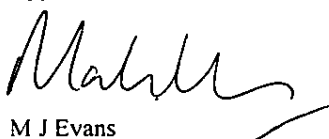
HARLEQUIN ESTATES (TWICKENHAM) LIMITED

BALANCE SHEET

AS AT 30 JUNE 2009

	Notes	2009 £	2008 £
Fixed assets			
Tangible assets	6	19,922,271	20,412,509
Current assets			
Debtors amounts falling due within one year		-	-
Creditors: amounts falling due within one year	7	-	-
Net current assets		-	-
Total assets less current liabilities		19,922,271	20,412,509
Creditors, amounts falling due after more than one year	8	(12,787,015)	(12,834,047)
		<u>7,135,256</u>	<u>7,578,462</u>
Capital and reserves			
Called up share capital	9	3	3
Revaluation reserve	10	4,588,962	4,588,962
Profit and loss account	10	2,546,291	2,989,497
Shareholders' funds	11	<u>7,135,256</u>	<u>7,578,462</u>

Approved by the Board and authorised for issue on 23 December 2009



M J Evans
Director

HARLEQUIN ESTATES (TWICKENHAM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings

1.2 Going concern

Mosaic Limited, the company's principal shareholder has confirmed that it currently intends to provide financial support to enable the company to meet its liabilities as and when they fall due over the next twelve months. The directors believe that Mosaic Limited has adequate resources to provide a sufficient level of support and therefore consider it appropriate to prepare the accounts on the going concern basis

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows

Leasehold Land	Nil
Leasehold Buildings and Improvements	over 5 and 50 years straight line
Plant and machinery	over 3 to 10 years straight line
Fixtures, fittings & equipment	over 10 years straight line

The cost of the West Stand includes all expenses of development, including attributable interest. Interest capitalised is calculated by reference to the rate of interest payable on borrowings drawn down to finance the development

The costs relating to the development of the South Stand have been shown within "assets in the course of

1.5 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted. No provision has been made for deferred tax on gains recognised on revaluing property to its market value as the company does not intend to sell the revalued assets

A deferred tax asset is regarded as recoverable and therefore recognized only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on a non-discounted basis at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom

HARLEQUIN ESTATES (TWICKENHAM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2009

3 Operating loss	2009	2008
	£	£
Operating loss is stated after charging		
Depreciation of tangible assets	553,880	300,416

The profit on the sale of land in 2008/09 of £200,000 represents additional consideration for the sale of land in 2006

4 Interest Payable	2009	2008
	£	£
	471,414	-

Interest represents the interest payable by the holding company, Blue Sky Leisure Limited, on loans taken out to finance the West Stand

5 Taxation	2009	2008
	£	£
Domestic current year tax		
Adjustment for prior years	-	(9,714)
Current tax charge	-	(9,714)
Factors affecting the tax charge for the year		
Profit/(Loss) on ordinary activities before taxation	(443,206)	(50,109)
Profit/(Loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2008 29.50%)	(124,098)	(14,782)
Effects of		
Adjustments to previous periods	-	(9,714)
Depreciation in excess of capital allowances	133,761	
Utilization of tax losses	(9,663)	
Other tax adjustments	-	14,782
	124,098	5,068
Current tax charge	-	(9,714)

No provision has been made for deferred tax on gains recognised on revaluing the property to its market value as such tax would become payable only if the property were sold without it being possible to claim rollover relief. The total amount unprovided is £2,052,967 (2008 £2,162,947). At present it is not envisaged that any tax will become payable in the foreseeable future. A deferred tax asset in respect of depreciation in excess of capital allowances of £576,642 has not been recognised because, at present, it is not sufficiently certain that there will be future taxable profit from which reversal of underlying losses can be deducted.

HARLEQUIN ESTATES (TWICKENHAM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 30 JUNE 2009**

6 Tangible fixed assets

	Freehold Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost or valuation			
At 1 July 2008	18,943,405	2,314,839	21,258,244
Additions	42,105	21,537	63,642
	<hr/>	<hr/>	<hr/>
At 30 June 2009	18,985,510	2,336,376	21,321,886
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 July 2008	455,931	389,804	845,735
Charge for the year	382,063	171,817	553,880
	<hr/>	<hr/>	<hr/>
At 30 June 2009	837,994	561,621	1,399,615
	<hr/>	<hr/>	<hr/>
Net book value			
At 30 June 2009	18,147,516	1,774,755	19,922,271
	<hr/>	<hr/>	<hr/>
At 30 June 2008	18,487,474	1,925,035	20,412,509
	<hr/>	<hr/>	<hr/>

On 30 June 2006 the land was valued by external valuers, Vail Williams, on the basis of depreciated replacement cost in accordance with the appraisal and valuation manual of the Royal Institution of Chartered Surveyors at £4,685,000. The valuers consider that the property falls under the definition of "specialised" and accordingly consider that depreciated replacement cost is an appropriate method of valuation. No provision has been made for additional corporation tax of £2,162,947 which would arise if the land and buildings were disposed of at their revalued amount as there is currently no intention to dispose of the property. The cost of land and buildings includes £64,267 of finance costs capitalised during the course of development of the West Stand. The net book value at 30 June 2009 includes £354,465 (2008: £342,429) relating to assets in the course of construction.

HARLEQUIN ESTATES (TWICKENHAM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2008

7	Creditors amounts falling due within one year	2009	2008
		£	£
	Other creditors	-	-
		<u> </u>	<u> </u>
8	Creditors amounts falling due after more than one year	2009	2008
		£	£
	Other loans	12,787,015	12,834,047
		<u> </u>	<u> </u>
	Analysis of loans		
	Not wholly repayable within five years other than by instalments	12,787,015	12,834,047
		<u> </u>	<u> </u>
		12,787,015	12,834,047
		<u> </u>	<u> </u>
	Loan maturity analysis		
	In more than five years	12,787,015	12,834,047
		<u> </u>	<u> </u>
	Security		
	Bank loans amounting to £6,331,013 have been obtained by the parent company, Blue Sky Leisure Limited and are secured over the assets of the group including a charge over the property owned by Harlequins Estates (Twickenham) Ltd		
9	Share capital	2009	2008
		£	£
	Authorised		
	100 ordinary shares of £1 each	100	100
		<u> </u>	<u> </u>
	Allotted, called up and fully paid		
	3 ordinary shares of £1 each	3	3
		<u> </u>	<u> </u>
10	Statement of movements on reserves	Revaluation reserve	Profit and loss account
		£	£
	Balance at 1 July 2008	4,588,962	2,989,497
	Profit(Loss) for the year	-	(443,206)
	Transfers	-	-
		<u> </u>	<u> </u>
	Balance at 30 June 2009	4,588,962	2,546,291
		<u> </u>	<u> </u>

HARLEQUIN ESTATES (TWICKENHAM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2009

11 Reconciliation of movements in shareholders' funds	2009	2008
	£	£
Loss for the financial year	(443,206)	(40,395)
Opening shareholders' funds	7,578,462	7,618,857
	<hr/>	<hr/>
Closing shareholders' funds	7,135,256	7,578,462
	<hr/>	<hr/>

12 Contingent liabilities

Bank loans amounting to £6,331,013 have been obtained by the parent company, Blue Sky Leisure Limited and are secured over the assets of the group including a charge over the property owned by Harlequins Estates (Twickenham) Ltd

13 Employees

Number of employees

There were no employees during the year apart from the directors

14 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the parent company

15 Capital Commitments	2009	2008
	£	£
As at 30 June 2009, the company had capital commitments as follows	2,546,000	-
	<hr/>	<hr/>

16 Ultimate Parent Company

The company's immediate parent undertaking is Blue Sky Leisure Ltd, a company registered in England & Wales. The company is ultimately controlled by a Malaysian company, Union Mutual Pension Fund (L) Limited