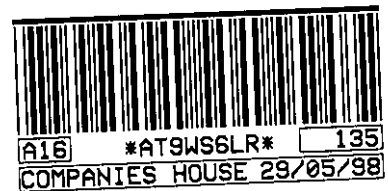


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Harlequin Estates (Twickenham) Limited

Report and Accounts

31 May 1997



Harlequin Estates (Twickenham) Limited

Registered No. 01002965

DIRECTORS

P R Pollard
D A Whiting (resigned 9 June 1997)
D M Kerr (appointed 23 September 1996)
R F Looker (appointed 23 September 1996)

SECRETARY

P R Pollard

BUSINESS ADDRESS

Stoop Memorial Ground
Langhorn Way
Twickenham
Middlesex
TW2 7SQ

AUDITORS

Ernst & Young
Becket House
1 Lambeth Palace Road
London
SE1 7EU

BANKERS

Barclays Bank PLC
8 George Street
Richmond
TW9 1JU

REGISTERED OFFICE

Fifth Floor
Julco House
26-28 Great Portland Street
London
W1N 6AS

DIRECTORS' REPORT

The directors present their report and accounts for the thirteen month period ended 31 May 1997.

RESULTS AND DIVIDENDS

The loss for the period was £6 (1996 profit : £9,883). The directors do not recommend the payment of a dividend for the period (1996: £16,206) leaving a retained loss of £6 (1996: £6,323).

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company's principal activity during the period was that of an investment holding company.

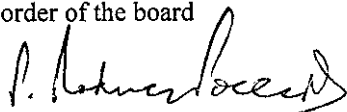
DIRECTORS AND THEIR INTERESTS

The directors in office during the period are shown on page 1. No director was interested in the share capital of the company at any time during the period.

AUDITORS

Ernst & Young were appointed auditors of the company during the period. In accordance with section 385 of the Companies Act 1985 a resolution proposing their re-appointment will be put to the members at the Annual General Meeting.

By order of the board



Secretary



Harlequin Estates (Twickenham) Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which 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 those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts 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:

REPORT OF THE AUDITORS

to the members of Harlequin Estates (Twickenham) Limited

We have audited the accounts on pages 5 to 9, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 May 1997 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young

Ernst & Young
Chartered Accountants
Registered Auditor
London

26 March 1998

Harlequin Estates (Twickenham) Limited

PROFIT AND LOSS ACCOUNT

for the thirteen months ended 31st May 1997

	Notes	1997 £	1996 £
TURNOVER			
Income from listed investments net	2	1,196	1,042
Tax credits		299	261
		<u>1,495</u>	<u>1,303</u>
Administrative expenses		(1,660)	(1,611)
OPERATING LOSS		<u>(165)</u>	<u>(308)</u>
Surplus on disposal of listed investment		-	1,388
Other interest receivable and similar income		458	64
PROFIT ON ORDINARY ACTIVITIES BEFORE EXCEPTIONAL ITEMS		<u>293</u>	<u>1,144</u>
Exceptional item	9	-	9,000
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>293</u>	<u>10,144</u>
Tax on profit on ordinary activities:	4		
Tax on UK dividends received		(273)	(225)
Overseas tax		(26)	(36)
		<u>(299)</u>	<u>(261)</u>
(LOSS) / PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>(6)</u>	<u>9,883</u>
Dividends	5	-	(16,206)
Retained profit brought forward		69,691	76,014
Retained profit carried forward		<u>69,685</u>	<u>69,691</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

The company had no recognised gains or losses during either period other than the loss (1996: profit) for the period.

Harlequin Estates (Twickenham) Limited

BALANCE SHEET

as at 31st May 1997

	Notes	1997 £	1996 £
FIXED ASSETS			
Tangible assets	6	105,238	105,238
Investments	7	11,907	11,907
		<u>117,145</u>	<u>117,145</u>
CURRENT ASSETS			
Amounts owed by parent undertaking			
- due within one year		6,892	7,006
- due after more than one year		114,000	114,000
Prepayments and accrued income		79	-
Cash at bank and in hand		11,292	11,041
		<u>132,263</u>	<u>132,047</u>
CREDITORS: amounts falling due within one year			
Amount owed to parent undertaking	8	(100)	(100)
Other creditors		(1,320)	(998)
		<u></u>	<u></u>
NET CURRENT ASSETS		<u>130,843</u>	<u>130,949</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>247,988</u>	<u>248,094</u>
CREDITORS: amounts falling due after more than one year			
Amounts owed to parent undertaking	8	178,300	178,400
		<u>69,688</u>	<u>69,694</u>
CAPITAL AND RESERVES			
Called up share capital	10	3	3
Profit and loss account	11	69,685	69,691
		<u>69,688</u>	<u>69,694</u>
Shareholder's funds - all equity interests		<u>69,688</u>	<u>69,694</u>

P. Adney
S. H. H. H. H. H.

Director

Harlequin Estates (Twickenham) Limited

NOTES TO THE ACCOUNTS

at 31 May 1997

1. ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

Depreciation

No depreciation has been charged on the leasehold property as the lease term is 999 years and it is the company's practice to maintain the property in a continual state of sound repair and extend and make improvements thereto from time to time and accordingly the directors consider that the life of the asset is so long and residual values are so high that its depreciation is insignificant.

Cashflow statement

The directors have taken advantage of the exemption available to small companies under Financial Reporting Standard 1 and have not prepared a cashflow statement as part of these financial statements as the company qualifies as a small company.

2. TURNOVER

Turnover consists of income from fixed asset quoted investments.

3. OPERATING LOSS

This is stated after charging:

	1997 £	1996 £
Auditors' remuneration	588	588

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

There is no Corporation Tax Liability (1996: Nil) on the grounds that the company is claiming group relief (under ICTA 1988 S.402) from the parent company against its profit.

Harlequin Estates (Twickenham) Limited

NOTES TO THE ACCOUNTS at 31 May 1997

5. DIVIDENDS

	1997 £	1996 £
Ordinary – final paid	-	16,206
	<u> </u>	<u> </u>

6. LONG LEASEHOLD PROPERTY

This is a 999 year lease expiring in the year 2972 of Stoop Memorial Ground, Twickenham at a cost as at 1 May 1976 of £105,238 including legal charges, stamp duty and improvements.

A bank loan to the company's parent undertaking, Harlequin Football Club Limited, is secured by way of a legal charge dated 3 April 1997 on this leasehold property.

7. INVESTMENTS

	1997 £	1996 £
Cost:		
Opening balance	11,907	12,267
Disposals	-	(360)
	<u> </u>	<u> </u>
Closing balance	11,907	11,907
	<u> </u>	<u> </u>

All the investments are listed on a recognised stock exchange. Their market value at 31 May 1997 amounts to £24,829 (1996: £23,919).

8. AMOUNTS OWED TO PARENT UNDERTAKING

	1997 £	1996 £
Repayable within five years	500	500
Repayable after five years:	177,900	178,000
	<u> </u>	<u> </u>
	178,400	178,500
	<u> </u>	<u> </u>
Included in current liabilities	(100)	(100)
	<u> </u>	<u> </u>
	178,300	178,400
	<u> </u>	<u> </u>

The company owed £178,400 to its parent undertaking, Harlequin Football Club Limited. This is repayable by 22 annual instalments of £100 with a final instalment of £176,200. The loan is interest free.

Harlequin Estates (Twickenham) Limited

NOTES TO THE ACCOUNTS at 31 May 1997

9. EXCEPTIONAL ITEMS

	1997 £	1996 £
Exceptional item	-	9,000

Twickenham Leisure Limited (the lessee) paid the company £9,000, in consideration of the company granting to the lessee licence to execute in and upon the demised premises the works as per the agreement made with the company.

10. SHARE CAPITAL

	1997 £	1996 £
Authorised :		
Ordinary shares of £1 each	100	100
Ordinary shares of £1 each :		
Allotted, issued and fully paid	3	3

11. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

	Called up Share Capital	Profit & Loss Account	Total	
	1997 £	1997 £	1997 £	1996 £
Opening balance	3	69,691	69,694	76,017
(Loss)/Profit for the period	-	(6)	(6)	9,883
Dividends paid	-	-	-	(16,206)
Closing balance	3	69,685	69,688	69,694

12. PARENT UNDERTAKING

The company's parent undertaking is Harlequin Football Club Limited, a company incorporated in England and Wales.