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HARLEYFORD GOLF ACADEMY LIMITED

Company Registration Number: 3105930

REPORT AND ACCOUNTS

31st March 1999



— GRIFFIN STONE, MOSCROP & C —
— CHARTERED ACCOUNTANTS-REGISTERED AUDITORS —

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HARLEYFORD GOLF ACADEMY LIMITED

Registered Office: Harleyford Estate, Henley Road, Marlow, Bucks SL7 2DX

REPORT AND ACCOUNTS - 31ST MARCH 1999

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HARLEYFORD GOLF ACADEMY LIMITED

REPORT OF THE DIRECTORS

The directors present their report with the accounts of the company for the year ended 31st March 1999.

Principal activity

The principal activity of the company in the year under review was that of a golf academy, supervising, providing and arranging training lessons for the development of golfing skills. There was no change in this activity during the year.

Results

The profit and loss account is set out on page 3 of these accounts. The profit before taxation for the year under review was £5,478. The directors consider the state of affairs of the company at 31st March 1999 to be satisfactory.

Dividend

The directors propose a dividend in respect of the year totalling £4,320 on the 'B' shares of the company.

Directors

Directors who have served during the year have been as follows:-

B. S. Folley Esq.
Mrs. S. P. Folley
Mrs. A. S. Marsh

No director had a beneficial interest in the shares of the company.

Mr. B. S. Folley is also a director of the company's parent company, Harleyford Golf p.l.c., and his interests in the shares of that company at 31st March 1999 are shown in the report of its directors.

Throughout the year ended 31st March 1999 Mrs. A. S. Marsh owned 12,000 £1 ordinary shares in the company's parent company.

Continued/.....

HARLEYFORD GOLF ACADEMY LIMITED

REPORT OF THE DIRECTORS (Continued)

Directors' responsibilities in respect of the preparation of accounts

Company law requires the directors to prepare accounts for each financial period 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.

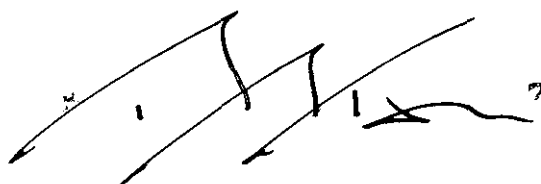
Year 2000 issue

The directors have assessed the impact of the Year 2000 issue and have developed plans in order to remedy this problem. The directors do not consider that the costs to remedy the problem will be significant to the business.

Auditors

A resolution to re-appoint Griffin Stone, Moscrop & Co., Chartered Accountants and Registered Auditors, as auditors of the company will be proposed at the annual general meeting.

Approved by the board of directors on 22nd December 1999 and signed on its behalf by:-



B. S. FOLLEY
Director

HARLEYFORD GOLF ACADEMY LIMITEDPROFIT AND LOSS ACCOUNT

<u>FOR THE PERIOD</u>		<u>YEAR ENDED</u> <u>31ST MARCH 1999</u>	<u>1ST AUGUST 1997</u> <u>TO 31ST MARCH 1998</u>
	<u>Note</u>		
Turnover	1 b)	12,031	12,155
Cost of sales		(3,213)	(6,681)
Gross profit		8,818	5,474
Administrative expenses		(3,307)	(1,639)
Operating profit		5,511	3,835
Bank interest paid		(33)	-
Profit on ordinary activities before taxation		5,478	3,835
Taxation			
Corporation tax - current period at 21% (1998 - the same)		(1,150)	(749)
Profit on ordinary activities after taxation	6	4,328	3,086
Dividend proposed - 'B' shares		(4,320)	(2,470)
		8	616
Balance, 31st March 1998, brought forward		172	(444)
Balance, 31st March 1999, carried forward		£ 180	172

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial periods.

Total recognised gains and losses


The company had no recognised gains or losses other than the profit or loss for the above two financial periods.

The attached notes form part of these accounts.

HARLEYFORD GOLF ACADEMY LIMITED

<u>BALANCE SHEET</u>		<u>31ST MARCH 1999</u>	<u>1998</u>
	<u>Note</u>		
<u>Current assets</u>			
Debtors	3	506,264	617
Cash at bank		1,786	392,685
		<hr/>	<hr/>
		508,050	393,302
<u>Deduct:</u>			
Creditors: amounts falling due within one year	4	9,870	30,130
		<hr/>	<hr/>
Net current assets		£ 498,180	363,172
		<hr/>	<hr/>
<u>Capital and reserves</u>			
Called up share capital	5	498,000	363,000
Profit and loss account		180	172
		<hr/>	<hr/>
Shareholders' funds	6	£ 498,180	363,172
		<hr/>	<hr/>

Approved by the board of directors on 22nd December 1999 and signed on its behalf by:-



 B. S. FOLLEY)

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) DIRECTOR

The attached notes form part of these accounts.

HARLEYFORD GOLF ACADEMY LIMITEDNOTES TO THE ACCOUNTS - 31ST MARCH 19991. Accounting policies

- a) The accounts have been prepared in accordance with applicable accounting standards and under the historical cost convention.

In accordance with Financial Reporting Standard No.1, the company is exempt from the requirement to prepare a cash flow statement as the company's parent company, Harleyford Golf p.l.c., prepares consolidated accounts which include the cash flows of Harleyford Golf Academy Limited.

- b) Turnover, which arises wholly within the United Kingdom, represents fees received, net of value added tax, and is attributable to the principal activity of the company.

2. <u>Operating profit</u>	<u>1999</u>	<u>1998</u>
This is stated after charging:		
Auditors' remuneration		
For audit work	£ 1,275	1,250
For non audit work	10	299
	<hr/>	<hr/>
3. <u>Debtors</u>	<u>1999</u>	<u>1998</u>
Amount owed by parent company (see Note 7)	506,264	-
Other debtor	-	617
	<hr/>	<hr/>
	£ 506,264	617
	<hr/>	<hr/>
4. <u>Creditors: amounts falling due within one year</u>	<u>1999</u>	<u>1998</u>
Trade creditor	-	1,428
Amount owed to parent company (see Note 7)	-	18,356
Corporation tax	1,768	1,366
V.A.T. payable	282	10
Other creditors	6,320	7,470
Accrual	1,500	1,500
	<hr/>	<hr/>
	£ 9,870	30,130
	<hr/>	<hr/>

HARLEYFORD GOLF ACADEMY LIMITEDNOTES TO THE ACCOUNTS - 31ST MARCH 1999 (Continued)

5. <u>Share capital</u>	<u>1999</u>	<u>1998</u>
Authorised:		
1,000 'A' shares of £1 each	1,000	1,000
1,000 'B' shares of £1,000 each	1,000,000	1,000,000
	<hr/>	<hr/>
	£ 1,001,000	1,001,000
	<hr/>	<hr/>
Allotted, issued, called up and fully paid:		
1,000 'A' shares of £1 each	1,000	1,000
497 (1998 - 362)'B' shares of £1,000 each	497,000	362,000
	<hr/>	<hr/>
	498,000	363,000
	<hr/>	<hr/>

135 'B' shares were allotted at par during the financial year.

6. <u>Reconciliation of movements in shareholders' funds</u>	<u>1999</u>	<u>1998</u>
Opening shareholders' funds, 31st March 1998, brought forward	363,172	247,556
Profit for the financial period after taxation	4,328	3,086
Dividend payable	(4,320)	(2,470)
Shares issued during the financial period	135,000	115,000
	<hr/>	<hr/>
Closing shareholders' funds, 31st March 1999, carried forward	£ 498,180	363,172
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7. Parent company and ultimate controlling party

The company's parent company is Harleyford Golf p.l.c. which owns 100% of the allotted 'A' shares in Harleyford Golf Academy Limited.

In accordance with Financial Reporting Standard No.8, transactions between the company and its parent company do not require disclosure as the parent company prepares consolidated accounts for the group.

The ultimate controlling party is Mr. B. S. Folley, who owns 51.998% of the total issued share capital of Harleyford Golf p.l.c.

REPORT OF THE AUDITORS TO THE MEMBERS OF HARLEYFORD GOLF ACADEMY LIMITED

We have audited the accounts on pages 3 to 6 which have been prepared under the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

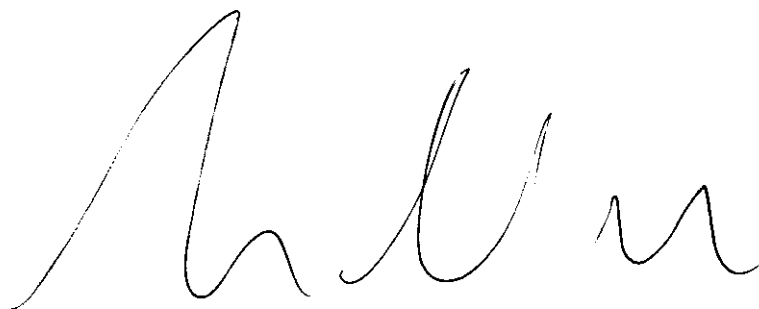
Basis of opinion

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 the company's affairs as at 31st March 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



GRIFFIN STONE, MOSCROP & CO.
CHARTERED ACCOUNTANTS
AND REGISTERED AUDITORS

41, Welbeck Street,
LONDON W1M 8HD.

22nd December 1999