

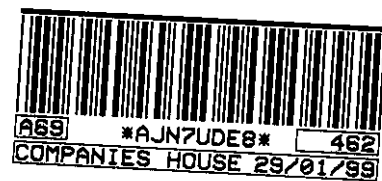
TANDULE LIMITED
Registered No. 3137390

DIRECTORS' REPORT

AND

ACCOUNTS

31 DECEMBER 1997



TANDULE LIMITED

Directors

C.B.A. Cormick
S.A. Watkins

DIRECTORS' REPORT

The Directors present their Report and Accounts for the year ended 31 December 1997.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company is an investment company with a major direct interest in Jasmine Plc. The profit for the year was £nil (1996: £Nil).

DIVIDEND

The Directors do not recommend the payment of a dividend (1996: £Nil).

DIRECTORS

The following were Directors of the Company during the year:-

L. Hurst (resigned 3 August 1998)

Subsequent to the year under review the following changes in directors took place:

L. Hurst	resigned 3 August 1998
C.B.A. Cormick	appointed 3 August 1998
S.A. Watkins	appointed 3 August 1998

DIRECTORS' INTERESTS

The director serving at 31 December 1997 had no beneficial interest in the shares of the Company at 1 January 1997 or 31 December 1997.

FIXED ASSETS

Details of fixed assets investments are shown in note 4 to the accounts on page 8.

REGISTERED OFFICE

On 3 August 1998 the Company moved its registered office from Beaufort House, 15 St Botolph Street, London, EC3A 7EE.

TANDULE LIMITED
DIRECTORS' REPORT
(Continued)

AUDITORS

Price Waterhouse resigned on 20 October 1998 and PricewaterhouseCoopers were appointed to fill the casual vacancy.

In accordance with Section 386(2) of the Companies Act 1985 PricewaterhouseCoopers will continue as Auditors of the Company under the terms of an elective resolution passed by the Company.

By Order of the Board


S.A. Watkins
Secretary

Registered Office
6 Connaught Place
London W2 2EZ

21 JAN 1999

TANDULE LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 apply them consistently;
- make reasonable and prudent judgements and estimates;
- state that all applicable accounting standards have been followed, save as disclosed in the notes to the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to do so.

The Directors are responsible for ensuring that the Company keeps accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

AUDITORS' REPORT TO THE MEMBERS OF TANDULE LIMITED

We have audited the accounts on pages 5 to 10 which have been prepared under the historical cost convention and 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 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 31 December 1997 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers, London
Chartered Accountants
Registered Auditors

28 January 1998

TANDULE LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 1997

	<u>Note</u>	<u>1997</u> <u>12 months</u> <u>£</u>	<u>Period</u> <u>13.12.95 to</u> <u>13.12.96</u> <u>£</u>
Interest receivable	2	141,178	8,822
Interest payable	3	(141,178)	(8,822)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX		-	-
Tax on profit on ordinary activities		-	-
		<hr/>	<hr/>
RESULT FOR THE YEAR		-	-
		<hr/>	<hr/>

There have been no recognised gains or losses other than profit or loss for the year.



The notes to the accounts are on pages 7 to 10.

TANDULE LIMITED
BALANCE SHEET AT 31ST DECEMBER 1997

	<u>Note</u>	<u>1997</u> <u>31 December</u> <u>£</u>	<u>1996</u> <u>31 December</u> <u>£</u>
FIXED ASSETS			
Investments	4	1	1,000,001
CURRENT ASSETS			
Debtors	5	500,003	508,825
CREDITORS: Amounts falling due within one year	6	-	(8,822)
NET CURRENT ASSETS		500,003	500,003
Total Assets Less Current Liabilities		500,004	1,500,004
CREDITORS: Amounts falling due after more than one year	7	(1)	(1,000,001)
NET ASSETS	8	500,003	500,003
Share Capital		500,003	500,003
Reserves		-	-
SHAREHOLDERS' FUNDS		500,003	500,003
Equity interests	8	2	2
Non-equity interests	8	500,001	500,001
		500,003	500,003

These accounts were approved by the Board of Directors on **21 JAN 1999**

C.B.A. Cormick
S.A. Watkins

) 
) Directors 

The notes to the accounts are on pages 7 to 10.

TANDULE LIMITED

NOTES TO THE ACCOUNTS AT 31ST DECEMBER 1997

1. Accounting policies

(i) Basis of preparation

The accounts are prepared under the historical cost convention and comply with applicable accounting standards generally accepted in the United Kingdom on a basis consistent with the previous year.

(ii) Cash flow statement

Under Financial Reporting Standard 1, (revised 1996), the Company is exempt from the requirement to include a cash flow statement within its accounts since it is a wholly owned subsidiary undertaking.

2. Interest Receivable

	<u>1997</u> <u>12 months</u> <u>£</u>	<u>1996</u> <u>13 months</u> <u>£</u>
Interest on loan note	150,000	408,822
Interest waived	(8,822)	(400,000)
	141,178	8,822

Jasmine Plc issued a loan note to Tandule on 22 April 1996. £3.5 million of the loan was repaid on 9 December 1996 with the remainder in the year under review. Tandule agreed to waive £400,000 of interest in 1996 and £8,822 in 1997.

3. Interest Payable

	<u>1997</u> <u>12 months</u> <u>£</u>	<u>1996</u> <u>13 months</u> <u>£</u>
Interest paid	150,000	408,822
Interest waived	(8,822)	(400,000)
	141,178	8,822

Tandule issued a £4 million loan note to Rank Leisure Holdings Plc on 22 April 1996. Final redemption date is 6 February 2006. £3.5 million of the note was repaid on 9 December 1996 with the remainder in the year under review. Rank Leisure Holdings Plc agreed to waive £400,000 of interest in 1996 and £8,822 in 1997.

TANDULE LIMITED

NOTES TO THE ACCOUNTS AT 31ST DECEMBER 1997

(Continued)

4. Fixed Assets Investments

	<u>1997</u> <u>12 months</u> £	<u>1996</u> <u>13 months</u> £
At 31 December 1996	1,000,001	0
Additions	-	4,500,001
Repayments	1,000,000	(3,500,000)
	<hr/>	<hr/>
As at 31 December 1997	1	1,000,001
	<hr/>	<hr/>

Investments comprise one £1 'A' share in Jasmine Plc.

5. Debtors

	<u>1997</u> <u>31 December</u> £	<u>1996</u> <u>31 December</u> £
Other debtors	500,003	500,003
Prepayments and accrued income	-	8,822
	<hr/>	<hr/>
	500,003	508,825
	<hr/>	<hr/>

6. Creditors - amounts falling due within one year

	<u>1997</u> <u>31 December</u> £	<u>1996</u> <u>31 December</u> £
Accruals and deferred income	-	8,822
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7. Creditors - amounts falling due after more than one year

	<u>1997</u> <u>31 December</u> £	<u>1996</u> <u>31 December</u> £
12% loan notes due 2006	-	500,000
Other creditors	1	500,001
	<hr/>	<hr/>
	1	1,000,001
	<hr/>	<hr/>

TANDULE LIMITED

NOTES TO THE ACCOUNTS AT 31ST DECEMBER 1997

(Continued)

8. Called Up Share Capital

	<u>1997</u> <u>31 December</u> <u>£</u>	<u>1996</u> <u>31 December</u> <u>£</u>
Authorised	500,101	500,101
<hr/>		
Allotted and fully paid:		
500,000 cumulative redeemable preference shares of £1 each	500,000	500,000
1 "A" share of £1	1	1
Allotted and not yet fully paid		
2 Ordinary shares of £1	2	2
	<hr/>	<hr/>
	500,003	500,003
	<hr/>	<hr/>

Non equity shareholders' funds relate entirely to the cumulative redeemable preference shares and the "A" share.

Ordinary Shares

There is no entitlement in respect of any sum payable to, paid to, or received by the Company in respect of the Jasmine preference shares or the Jasmine "A" share.

Cumulative Redeemable Preference Shares

- rank in priority to Ordinary shares on payment of dividends and any return of capital.
- right to receive a dividend of an aggregate amount equal to all dividends and interest paid to the Company in a period by Jasmine plc in respect of the Jasmine plc Preference Shares.
- carry no rights to receive notice of, or to attend or vote at any general meeting of the Company.

"A" Share

- ranks in priority to Ordinary shares on payment of dividends and any return of capital.
- right to receive a dividend of an aggregate amount equal to all dividends and interest paid to the Company in that year by Jasmine plc in respect of the Jasmine plc "A" share.
- carries no rights to receive notice of or to attend or vote at any general meeting of the Company.

TANDULE LIMITED

NOTES TO THE ACCOUNTS AT 31ST DECEMBER 1997

(Continued)

9. Directors and employees

The Directors received no remuneration in the year (1996: £Nil). There were no employees of the Company during the year (1996: Nil).

Information relating to the Directors' shareholdings and share options is given in the Directors' Report on pages 1 and 2.

10. Ultimate parent undertaking

At 31 December 1997, the Company's ultimate parent undertaking was Barclays Bank Plc, a company incorporated in Great Britain.

Barclays Bank Plc headed the largest and smallest higher group of undertaking for which group accounts were drawn up and of which the Company was a member.

On 3 August 1998, the Company became a wholly owned subsidiary of Rank Leisure Holdings Plc, a company incorporated in Great Britain. From 3 August 1998, the Company's ultimate parent undertaking is The Rank Group Plc, a company incorporated in Great Britain.

The Rank Group Plc heads the largest and smallest higher group of undertakings for which group accounts are drawn up and of which the Company is a member.