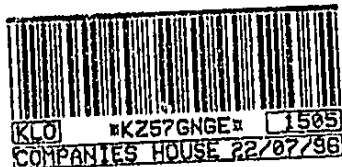


GROSVENOR CASINOS LIMITED  
(formerly Grosvenor Clubs Limited)

REG NO: 877080

REPORT AND ACCOUNTS

31 DECEMBER 1995



**GROSVENOR CASINOS LIMITED**  
(Formerly Grosvenor Clubs Limited)

**DIRECTORS**

M J Allison  
J V H Espey  
J F Garrett  
J Griffiths  
R A Mole  
M F J Stear  
T D Wood

**DIRECTORS' REPORT**

The Directors present their Report and Statement of Accounts for the 14 month period ended 31 December 1995.

**Principal Activity and Business Review**

The principal activity of the Company is the operation of clubs which provide gaming and restaurant facilities for members.

The Company's underlying business continued to trade successfully in the period under review. The Directors do not anticipate any immediate or substantial variations in the Company's current activities.

On 31 October 1995 the Company transferred the whole of the issued share capital of Playspend Limited to a fellow subsidiary.

**Change of Name**

The name of the company was changed from Grosvenor Clubs Limited on 2 January 1996.

**Dividend**

An Interim dividend of £7,000,000 was declared and paid on 1 December 1995 (1994 - £7,000,000).

**Transfer to reserves**

The retained profit for the period was £2,295,884 (1994 £221,876 loss); this has been transferred to reserves.

**Fixed Assets**

Details of fixed assets are shown in notes 6 and 7 to the accounts on pages 12 and 13.

**GROSVENOR CASINOS LIMITED**  
(formerly Grosvenor Clubs Limited)

**DIRECTORS' REPORT**

**31 DECEMBER 1995**

**Directors**

The following were Directors of the Company during the period:

M J Allison  
J V H Espey  
J F Garrett  
P H Hayward (resigned 31 January 1995)  
J Griffiths (appointed 28 July 1995)  
R A Mole  
M F J Stear  
T D Wood

**Directors' Interests**

The beneficial interests of the Directors in the Ordinary and Preference shares of The Rank Organisation Plc are set out below:-

	31st December 1995				1st November 1994 or the date of appointment if later		
	Ordinary Shares	Conv Preference Shares	Share Options	Weighted Average exercise price (p)	Ordinary Shares	Conv Preference Shares	Share Options
M J Allison	15,047	540	120,939	362.27	2,547	540	8,489
J V H Espey	-	334	67,039	353.25	3,655	334	8,489
J F Garrett	83,500	-	208,840	373.50	83,500	-	-
J Griffiths	-	-	-	-	-	-	-
R A Mole	-	-	96,599	359.45	-	-	8,489
M J F Stear	-	-	44,100	373.50	-	-	-
T D Wood	-	-	70,619	354.28	-	-	8,489

Options to subscribe for Ordinary Shares of The Rank Organisation Plc granted to and exercised by Directors in the 14 month period to 31 December 1995 or from the date of appointment if later were as follows:

	<b><u>Options Granted</u></b>	<b><u>Options Exercised</u></b>
M J Allison	112,450	-
J V H Espey	58,550	-
J F Garrett	208,840	-
J Griffiths	-	-
R A Mole	88,110	-
M J F Stear	44,100	-
T D Wood	62,130	-

The options to purchase Ordinary shares were granted under the terms of The Rank Organisation Share Savings and Executive Share Option Schemes.

GROSVENOR CASINOS LIMITED  
(formerly Grosvenor Clubs Limited)

DIRECTORS' REPORT

31 DECEMBER 1995

Directors' Interests (continued)

No options lapsed during the period. The market price of an ordinary share at 31 December 1995 was 466p and the range during 1994/95 was 358p to 466p. The options outstanding at 31 December 1995 are exercisable at varying dates between 1 May 1996 and 10 February 2005. There were no changes in Directors' Interests between 1 January 1996 and the date of this report. The Company's Register of Directors' Interests (which is open to inspection) contains full details of Directors' shareholdings and options to subscribe.

Except as stated above, none of the Directors held interests in shares or debentures of the Company, its ultimate parent undertaking or any subsidiary undertaking of that company at 1 November 1994 or the date of appointment if later or at 31 December 1995.

Personnel

The Company values the contribution that its employees make to the success of the business. Substantial investment is made in the training, development and motivation of staff with particular focus on ensuring customer satisfaction through the consistent achievement of high standards of personal care and service. The involvement of employees in the success of the business is encouraged through Company wide communications and consultation programmes.

The Company endorses the active application of equal opportunities and programmes to provide fair and equitable conditions for all employees regardless of sex, family status, religion, creed, colour, ethnic origin, age or disability.

By Order of the Board



F G N Thomas, Secretary

Registered Office  
6 Connaught Place  
London W2 2EZ

20 FEB 1996

**GROSVENOR CASINOS LIMITED**  
**(formerly Grosvenor Clubs Limited)**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

**31 DECEMBER 1995**

Company law requires the Directors to prepare financial statements 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 for that period. In preparing those financial statements, the directors are required to:

- \* select appropriate 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 financial statements 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 financial statements 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.

**GROSVENOR CASINOS LIMITED**  
(formerly Grosvenor Clubs Limited)

**REPORT OF THE AUDITORS, KPMG  
TO THE MEMBERS OF GROSVENOR CASINOS LIMITED**

We have audited the financial statements on pages 6 to 20.

**Respective responsibilities of Directors and Auditors.**

As described on page 4, the Company's Directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 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 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 Company's affairs as at 31 December 1995 and of its profit for the 14 month period then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG*

KPMG  
Chartered Accountants  
Registered Auditors  
London

*20 February 1996*

**GROSVENOR CASINOS LIMITED**  
(formerly Grosvenor Clubs Limited)

**PROFIT AND LOSS ACCOUNT**

**FOR THE 14 MONTHS ENDED 31 DECEMBER 1995**

	Note	14 months ended 31 December 1995 £	12 months ended 31 October 1994 £
Turnover - Continuing Operations	3	106,008,306	86,262,605
Operating Costs		(68,446,176)	(55,003,020)
Administrative Expenses		<u>(20,961,558)</u>	<u>(17,106,558)</u>
		(89,407,734)	(72,109,578)
Profit on ordinary activities before interest - continuing operations		16,600,572	14,153,027
Interest payable		<u>(1,677,688)</u>	<u>(3,840,946)</u>
Profit on ordinary activities before interest and taxation	2	14,922,884	10,312,081
Tax on profit on ordinary activities	4	<u>(5,627,000)</u>	<u>(3,533,957)</u>
Profit for the financial period	19	9,295,884	6,778,124
Dividends paid on ordinary shares	5	<u>(7,000,000)</u>	<u>(7,000,000)</u>
Retained profit/(loss) for the financial period		<u>2,295,884</u>	<u>(221,876)</u>

**STATEMENT OF TOTAL RECOGNISED GAINS**  
**FOR THE 14 MONTHS ENDED 31 DECEMBER 1995**

	14 months ended 31 December 1995 £	12 months ended 31 October 1994 £
Profit for the period	9,295,884	6,778,124
Unrealised surplus on revaluation of properties	24,875,868	-
Release of deferred tax provision	<u>5,140,000</u>	<u>-</u>
Total recognised gains relating to the period	<u>39,311,752</u>	<u>6,778,124</u>

The notes on pages 9 to 20 form part of these accounts.

**GROSVENOR CASINOS LIMITED**  
**(formerly Grosvenor Clubs Limited)**

**NOTE OF HISTORICAL COST PROFITS**  
**FOR THE 14 MONTHS ENDED 31 DECEMBER 1995**

	14 months ended 31 December 1995 £	12 months ended 31 October 1994 £
Reported profit on ordinary activities before taxation	14,922,884	10,312,081
Difference between historical cost depreciation charge and the actual depreciation charge of the period calculated on the revalued amount	-	89,000
Historical cost profit on ordinary activities before taxation	14,922,884	10,401,081
Historical cost profit for the period retained after taxation	9,295,884	6,867,124



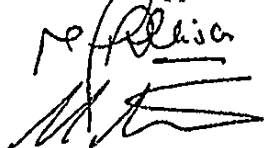
**GROSVENOR CASINOS LIMITED**  
(formerly Grosvenor Clubs Limited)

**BALANCE SHEET**

**31 DECEMBER 1995**

	Note	31 December 1995 £	31 October 1994 £
<b>FIXED ASSETS</b>			
Investments	6	-	725,956
Tangible assets	7	<u>124,812,755</u>	<u>98,022,969</u>
		124,812,755	98,748,925
<b>CURRENT ASSETS</b>			
Stocks	8	945,500	456,044
Debtors	9	18,933,870	13,200,602
Cash at bank and in hand		<u>4,582,274</u>	<u>4,929,646</u>
		24,461,644	18,586,292
<b>CREDITORS:</b>			
Amounts falling due within one year	10	<u>(16,452,872)</u>	<u>(12,359,697)</u>
<b>NET CURRENT ASSETS</b>		<u>8,008,772</u>	<u>6,226,595</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		132,821,527	104,975,520
<b>CREDITORS:</b>			
Amounts falling due after more than one year	11	(32,565,195)	(32,565,195)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	12	<u>-</u>	<u>(4,465,745)</u>
		<u>100,256,332</u>	<u>67,944,580</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	40,000,000	40,000,000
Revaluation reserve	14	47,713,280	17,757,412
Profit and loss account	14	<u>12,543,052</u>	<u>10,187,168</u>
Equity shareholders' funds		<u>100,256,332</u>	<u>67,944,580</u>

The accounts were approved by the Board on 20 FEB 1996


 )  
 ) Directors

The notes on pages 9 to 20 form part of these accounts.

**GROSVENOR CASINOS LIMITED**  
(formerly Grosvenor Clubs Limited)

**NOTES TO THE ACCOUNTS**

**31 DECEMBER 1995**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention as modified by the revaluation of certain assets on bases consistent with the previous year.

**Turnover**

Turnover comprises casino gaming win, gaming machine income before deduction of gaming duty, membership fees, guest fees and catering revenue excluding value added tax.

**Revenue recognition**

Revenue from gaming is accounted for on the basis of cash received, including collections arising from cheques dishonoured in prior years, less cheques which have become dishonoured during the period. Revenue from membership and guest fees is accounted for on the basis of cash received.

**Stocks**

Stocks are valued at the lower of cost and net realisable value.

**Land and Buildings**

Freehold land and buildings and leasehold properties with unexpired lease terms exceeding 20 years are revalued on a rolling cycle determined by the ultimate parent company and the resultant variation is included in the balance sheet.

Any revaluation deficit, calculated by reference to the previous carrying value, is recorded in the revaluation reserve to the extent that it is considered to be a temporary diminution in value. Any permanent diminution in value is charged to the profit and loss account after making any associated adjustment to the revaluation reserve.

**Depreciation**

**Properties**

No depreciation is provided on freehold land or buildings, leasehold buildings with a lease expiring after more than 20 years, or casino gaming licences. It is the Company's policy to maintain its casinos to a high standard in order to protect their trade. The Directors are therefore of the opinion that the useful lives and residual values of these assets are such that any depreciation or amortisation would be immaterial.

Cost or valuations attributable to leasehold buildings with a lease of 20 years or less are depreciated over the remaining length of the lease.

**GROSVENOR CASINOS LIMITED**  
**(formerly Grosvenor Clubs Limited)**

**NOTES TO THE ACCOUNTS**

**31 DECEMBER 1995**

**1. ACCOUNTING POLICIES (continued)**

Expenditure on major refurbishments of properties is depreciated on a straight line basis over five years.

**Other assets**

Depreciation is provided on a straight line basis to write off the cost of assets over their estimated useful lives at the following rates:

Fixtures, fittings, plant and equipment - 15% to 20% per annum. Motor vehicles - 25% per annum

**Leased assets**

Expenditure on operating leases is charged to the profit and loss account on a basis representative of the benefit derived from the asset, normally on a straight line basis.

**Deferred taxation**

Deferred taxation, computed under the liability method, is provided in respect of timing differences to the extent that it is probable that a liability will arise in the foreseeable future.

**Pension costs**

The pension costs relating to the Schemes which are of the defined benefit type, are assessed in accordance with the advice of a qualified actuary using the projected unit method. Actuarial surpluses and deficiencies are recognised over the expected average remaining service lives of the employees. The pension costs relating to the Schemes represents the contributions payable by the Company.

**Cashflow statement**

Under Financial Reporting Standard 1, the Company is exempt from the requirement to include a cashflow statement within its accounts since it is a wholly owned subsidiary undertaking.

**GROSVENOR CASINOS LIMITED**  
(formerly Grosvenor Clubs Limited)

**NOTES TO THE ACCOUNTS**

**31 DECEMBER 1995**

**2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

This is arrived at after charging/(crediting):

	14 months ended 31 December 1995 £	12 Months ended 31 October 1994 £
Auditors' remuneration in respect of:		
Audit work	52,000	65,000
Non audit services	2,750	26,385
Depreciation of tangible fixed assets	2,962,421	2,501,853
Operating leases charged		
- plant and machinery	642,626	459,310
- property	3,073,841	2,485,282
Profit on sale of fixed assets	(44,009)	(32,674)
	<u>=====</u>	<u>=====</u>

**3. TURNOVER AND PROFITS**

Turnover and profit before taxation are attributable to the one principal activity of the Company, which is carried on wholly within the U.K.

**4. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	14 months ended 31 December 1995 £	12 months ended 31 October 1994 £
United Kingdom taxation (charge)/credit:		
Corporation tax on result for the period	(4,952,745)	(3,870,000)
Deferred taxation	(674,255)	274,581
Over/(under) provision in prior periods	-	61,462
	<u>=====</u> (5,627,000)	<u>=====</u> (3,533,957)

United Kingdom corporation tax on the profit for the period has been provided at 33.0% 1994 - 33.0%).

**5. DIVIDENDS**

	14 months ended 31 December 1995 £	12 months ended 31 October 1994 £
Dividend of 17.5p per share	7,000,000	7,000,000
	<u>=====</u>	<u>=====</u>

**GROSVENOR CASINOS LIMITED**  
(formerly Grosvenor Clubs Limited)

**NOTES TO THE ACCOUNTS**

**31 DECEMBER 1995**

**6. FIXED ASSET INVESTMENT**

	Shares in group undertaking £
Shares at Cost	
At 1 November 1994	725,956
Consideration from fellow subsidiary undertaking	(721,371)
Loss recognised in profit and loss account	<u>(4,585)</u>
At 31 December 1995	<u>          -</u>

**7. TANGIBLE FIXED ASSETS**

	Licences, Properties and improvements £	Vehicles, fixtures and equipment £	Total £
<u>Cost or valuation</u>			
At 1 November 1994	96,573,415	9,575,843	106,149,258
Additions	1,448,347	2,290,056	3,738,403
Intergroup transfers	1,250,000	17,557	1,267,557
Revaluation adjustments	24,732,247	-	24,732,247
Disposals	<u>(1,278,844)</u>	<u>(1,924,126)</u>	<u>(3,202,970)</u>
At 31 December 1995	<u>122,725,165</u>	<u>9,959,330</u>	<u>132,684,495</u>
<u>Depreciation</u>			
At 1 November 1994	2,935,481	5,190,808	8,126,289
Provided for the period	1,068,219	1,894,202	2,962,421
Intergroup transfer	-	7,619	7,619
Revaluation adjustments	(143,622)	-	(143,622)
Disposals	<u>(1,218,844)</u>	<u>(1,862,123)</u>	<u>(3,080,967)</u>
At 31 December 1995	<u>2,641,234</u>	<u>5,230,506</u>	<u>7,871,740</u>

**GROSVENOR CASINOS LIMITED**  
(formerly Grosvenor Clubs Limited)

**NOTES TO THE ACCOUNTS**

**31 DECEMBER 1995**

**7. TANGIBLE FIXED ASSETS (continued)**

	Licences, Properties and improvements £	Vehicles, fixtures and equipment £	Total £
<u>Net book value</u>			
At 31 December 1995	120,083,931	4,728,824	124,812,755
At 31 October 1994	93,637,934	4,385,035	98,022,969
Analysis of cost or valuation			
At cost	81,440,332	10,157,222	91,597,554
At valuation	41,284,833	(197,892)	41,086,941
Cost or valuation at 31 December 1995	122,725,165	9,959,330	132,684,495

The property revaluation at 31 December 1995 was made by Messrs Knight Frank on the basis of Existing Use Value, having regard to trading potential, assuming where applicable the continued benefit of licences and permits. Each business has been valued as a single entity on a going concern basis and as such it is not considered appropriate to determine a split between the property and gaming licence elements.

Analysis of historic cost of  
revalued assets

Cost	81,440,332	10,157,222	91,597,554
Aggregate depreciation based on historic cost	5,903,209	5,787,197	11,690,406
Historic cost net book value	75,537,123	4,370,025	79,907,148

The gross amount of depreciable assets within licences, properties and improvements is £5,575,925

	31 December 1995 £	31 October 1994 £
Net book value of licences and properties is as follows:		
Freehold	64,427,620	53,158,716
Long leasehold	9,121,117	12,729,040
Short leasehold	46,535,194	27,750,178
	120,083,931	93,637,934

**GROSVENOR CASINOS LIMITED**  
(formerly Grosvenor Clubs Limited)

**NOTES TO THE ACCOUNTS**

**31 DECEMBER 1995**

**8. STOCKS**

	31 December 1995 £	31 October 1994 £
Raw Materials and consumables	945,500	456,044
	<u>=====</u>	<u>=====</u>

**9. DEBTORS**

	31 December 1995 £	31 October 1994 £
United Kingdom corporation tax	-	4,590,924
Amounts owed by fellow subsidiary undertakings	-	608,525
Amounts owed by ultimate parent undertaking	16,528,321	6,449,064
Other debtors	362,376	462,376
Prepayments and accrued income	<u>2,043,173</u>	<u>1,089,713</u>
	<u>18,933,870</u>	<u>13,200,602</u>
	<u>=====</u>	<u>=====</u>

All amounts are due within one year.

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

	31 December 1995 £	31 October 1994 £
Trade creditors	2,278,613	1,374,829
Amounts owed by fellow subsidiary undertakings	94,028	31,308
United Kingdom corporation tax	4,994,313	3,918,254
Other taxation and social security	1,165,842	1,104,057
Other creditors	855,197	998,831
Accruals and deferred income	<u>7,064,879</u>	<u>4,932,418</u>
	<u>16,452,872</u>	<u>12,359,697</u>
	<u>=====</u>	<u>=====</u>

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

	31 December 1995 £	31 October 1994 £
Amounts owed to ultimate parent undertaking	<u>32,565,195</u>	<u>32,565,195</u>
	<u>=====</u>	<u>=====</u>

**GROSVENOR CASINOS LIMITED**  
(formerly Grosvenor Clubs Limited)

**NOTES TO THE ACCOUNTS**

**31 DECEMBER 1995**

**12. DEFERRED TAXATION**

	£
At 1 November 1994	4,465,745
Charge for the period in profit and loss account	674,255
Release of deferred liability	<u>(5,140,000)</u>
At 31 December 1995	<u>-</u>

	As provided		Not provided	
	31 December 1995	31 October 1994	31 October 1995	31 October 1994
Accelerated capital allowances	-	(160,522)	-	-
Deferred liability related to revaluation of fixed asset	-	5,140,000	-	-
Other timing differences	<u>-</u>	<u>(513,733)</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>4,465,745</u>	<u>-</u>	<u>-</u>

No provisions are made in respect of taxation payable on capital gains which might arise if land and buildings were to be sold at the amounts at which they are carried in the balance sheet as it is intended that such properties will be retained for use in the business.

**13. SHARE CAPITAL**

	31 December 1995 £	31 October 1994 £
Authorised, issued and fully paid Ordinary shares of £1 each	<u>40,000,000</u>	<u>40,000,000</u>



**GROSVENOR CASINOS LIMITED**  
(formerly Grosvenor Clubs Limited)

**NOTES TO THE ACCOUNTS**

**31 DECEMBER 1995**

**14. RESERVES**

	Profit and Loss account £	Revaluation Reserve £
Balance at 1 November 1994	10,187,168	17,757,412
Profit for the period	2,295,884	-
Surplus on revaluation	-	24,875,868
Release of deferred tax provision	-	5,140,000
Transfer relating to revalued property	<u>60,000</u>	<u>(60,000)</u>
Balance at 31 December 1995	<u>12,543,052</u>	<u>47,713,280</u>

**15. CONTINGENT LIABILITIES**

The Company has a joint and several contingent liability in respect of VAT payable under the group registration.

**16. DIRECTORS AND EMPLOYEES**

	14 months ended 31 December 1995 £	12 months ended 31 October 1994 £
Directors' costs consist of:		
Directors' emoluments	656,046	664,058
Pension costs	63,647	64,618
Benefits in kind	<u>60,286</u>	<u>40,539</u>
	<u>779,979</u>	<u>769,215</u>
Emoluments (excluding pension contributions) of highest paid director	<u>183,151</u>	<u>195,628</u>

The table which follows shows the number of directors including the highest paid director whose emoluments during the period were within the bands stated.

**GROSVENOR CASINOS LIMITED**  
(formerly Grosvenor Clubs Limited)

**NOTES TO THE ACCOUNTS**

**31 DECEMBER 1995**

**16. DIRECTORS AND EMPLOYEES (continued)**

	14 months ended 31 <u>December 1995</u> Number	12 months ended 31 <u>October 1994</u> Number
£ 0 - £ 5,000	1	1
£ 15,001 - £ 20,000	1	-
£ 40,001 - £ 45,000	1	-
£ 70,001 - £ 75,000	-	2
£ 90,001 - £ 95,000	1	-
£105,001 - £110,000	-	1
£115,001 - £120,000	1	-
£120,001 - £125,000	1	1
£150,001 - £155,000	-	1
£175,001 - £180,000	1	-
£195,001 - £200,000	-	1
£210,001 - £215,000	<u>1</u>	<u>-</u>
	<u>8</u>	<u>7</u>

	14 months ended 31 <u>December 1995</u> £	12 months ended 31 <u>October 1994</u> £
Employee costs (including Directors) consist of:		
Wages and salaries	42,894,473	33,408,291
Social security costs	3,426,626	2,730,984
Pension costs	<u>688,253</u>	<u>1,065,583</u>
	<u>47,009,352</u>	<u>37,204,858</u>

The actual contributions paid to The Rank Organisation Pension Plan in the period to 31 December 1995 totalled £846,600 (1994 £814,000). At 31 December 1995 there was a prepayment in debtors of £508,112 (1994 nil) resulting from pension costs charged in the accounts and the amounts funded to date.

**GROSVENOR CASINOS LIMITED**  
(formerly Grosvenor Clubs Limited)

**NOTES TO THE ACCOUNTS**

**31 DECEMBER 1995**

**16. DIRECTORS AND EMPLOYEES (continued)**

The average number of employees during the period was as follows:

	14 months ended 31 <u>December 1995</u> Number	12 months ended 31 <u>October 1994</u> Number
Full time	2740	2582
Part time	<u>271</u>	<u>255</u>
	<u>3011</u>	<u>2837</u>

**17. PENSION COSTS**

Until 5 April 1991 the Company participated in defined benefit pension schemes operated by Mecca Leisure Group Plc. The benefits under these schemes were based upon contributions paid in respect of the members (linked to salary) and were revalued each period by reference to National Average Earnings. These schemes were contracted out of the State earnings related pension arrangements and were externally funded under separate trusts.

A valuation of these schemes at 31 March 1991 disclosed no material surplus or deficiency.

The schemes were merged on 6 April 1991 with the group schemes operated by The Rank Organisation Plc. Such schemes are contracted out of the State earnings related pension arrangements and are externally funded under separate trusts. Benefits under defined benefit schemes are fixed by reference to final pay.

Valuations of the funds of the schemes operated by The Rank Organisation Plc are carried out by the schemes' Actuary triennially, the last actuarial report being to 5 April 1994. That report disclosed that the funds were adequate to meet all the obligations of the schemes. Particulars of the actuarial valuation of the group schemes are contained in the accounts of The Rank Organisation Plc.

Benefits under defined contribution schemes depend on the level of contributions paid and on the emerging investment performance.

The Company's share of contributions to the group pension schemes less its share of the actuarial variation is charged against profits on ordinary activities each year. The difference between the amounts paid and the amounts charged to the profit and loss account is shown as a prepayment.

**GROSVENOR CASINOS LIMITED**  
(formerly Grosvenor Clubs Limited)

**NOTES TO THE ACCOUNTS**

**31 DECEMBER 1995**

**18. FUTURE CAPITAL EXPENDITURE**

	31 December 1995 £	31 October 1994 £
Commitment	1,712,000	1,159,498
Authorised but not contracted	<u>5,680,000</u>	<u>-</u>
	<u>7,392,000</u>	<u>1,159,498</u>

**19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	31 December 1995 £	31 October 1994 £
Profit for the period	9,295,884	6,778,124
Dividends	(7,000,000)	(7,000,000)
Other recognised gains relating to the period	30,015,868	-
New share capital subscribed	<u>-</u>	<u>30,000,000</u>
Net addition to shareholders' funds	32,311,752	29,778,124
Opening shareholders' funds	<u>67,944,580</u>	<u>38,166,456</u>
Closing shareholders' funds	<u>100,256,332</u>	<u>67,944,580</u>

**20. COMMITMENTS UNDER OPERATING LEASES**

As at 31 December 1995, the Company had annual commitments under non-cancellable operating leases as set out below:

	31 December 1995		31 October 1994	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire:				
Between two and five years	-	642,626	-	459,310
In five years or more	<u>3,073,841</u>	<u>-</u>	<u>2,485,282</u>	<u>-</u>
	<u>3,073,841</u>	<u>642,626</u>	<u>2,485,282</u>	<u>459,310</u>

GROSVENOR CASINOS LIMITED  
(formerly Grosvenor Clubs Limited)

NOTES TO THE ACCOUNTS

31 DECEMBER 1995

21. PARENT UNDERTAKING

The Company's ultimate parent undertaking is The Rank Organisation Plc a company incorporated in Great Britain and registered in England and Wales, a copy of whose consolidated accounts may be obtained from Companies House, Cardiff, CF4 3UZ.