

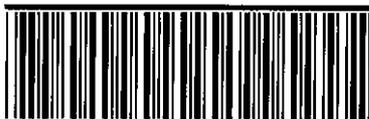
GROSVENOR CASINOS LIMITED

REG NO: 877080

REPORT AND ACCOUNTS

31 DECEMBER 1996

AUDITORS: PRICE WATERHOUSE



KLO *KJLNKYB* 2911
COMPANIES HOUSE 26/08/97

GROSVENOR CASINOS LIMITED

DIRECTORS

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

DIRECTORS' REPORT

The directors present their Report and Statement of Accounts for the 12 month period ended 31 December 1996.

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.

Dividend

An Interim dividend of £12,000,000 was declared and paid on 3 October 1996 (1995 £7,000,000).

Transfer to reserves

The retained loss for the period was £12,603,965 (1995 £2,295,884 profit); this has been transferred to reserves.

Fixed Assets

Details of fixed assets are shown in notes 7 and 8 to the accounts on pages 14, 15 and 16.

GROSVENOR CASINOS LIMITED

DIRECTORS' REPORT

31 DECEMBER 1996

Directors

The following were Directors of the Company during the year:

M J Allison
D A Boden (appointed 16 January 1996)
J V H Espey
J F Garrett
J M Griffiths
R A Mole
M F J Stear
T D Wood (removed 30 November 1996)

Directors' Interests

Directors' Interests relate to the ordinary and convertible preference shares of The Rank Organisation Plc up to and including 6 October 1996 and to the ordinary and convertible preference shares of The Rank Group Plc thereafter. Under a scheme of arrangement pursuant to Section 425 of the Companies Act 1985 ordinary and convertible preference shares in The Rank Organisation Plc were replaced by an identical number of ordinary and convertible preference shares in The Rank Group Plc.

Following the scheme of arrangement certain options over shares in The Rank Organisation Plc were replaced by options over ordinary shares in The Rank Group Plc. Other options over ordinary shares in The Rank Organisation Plc remain outstanding which, if exercised, will result in the allotment of ordinary shares in The Rank Group Plc. The last date for exercise of such options is 2 April 1997, but the relevant option holders may elect to exchange options outstanding under executive share option schemes over ordinary shares in The Rank Organisation Plc for options over an equal number of ordinary shares in The Rank Group Plc on this date.

The Directors' interests in shares or stocks of The Rank Group Plc, or The Rank Organisation Plc, including options to purchase Ordinary shares under the terms of the Group's Executive Share Option Schemes ("ESOS") and Share Saving Schemes ("SAYE") were as noted in Table 'A' on page 3 (options relating to Ordinary shares in The Rank Group Plc are headed "RG" and options relating to Ordinary shares in The Rank Organisation Plc are headed "RO").

Options to subscribe for Ordinary shares of The Rank Group Plc (and where applicable The Rank Organisation Plc) granted to and exercised by Directors, or which lapsed, in the year ended 31 December 1996 are set out in Table 'B' on page 4.

GROSVENOR CASINOS LIMITED

DIRECTORS' REPORT

31 DECEMBER 1996

Directors' Interests (continued)

The market price of an ordinary share at 31 December 1996 was 435.50p and the range during the preceding 12 months was 403.5 to 545p. For the preceding twelve months the options outstanding at 31 December 1996 were exercisable at varying dates between 2 October 1996 and 26 March 2006 (on the assumption that options over Ordinary shares in The Rank Organisation Plc outstanding under executive share option schemes are replaced by options over Ordinary shares in The Rank Group Plc). There were no changes in Directors' interests between 1 January 1997 and the date of this report.

In addition to the above interests, pursuant to the requirements of the Companies Act 1985, each Director is deemed to be interested in the ordinary shares and options over ordinary shares of The Rank Group Plc held by The Rank Group Plc Employee Benefit Trust. As at the date of this report and 31st December 1996, the interest was in a total of 145,739 ordinary shares and an option over 3,500,000 ordinary shares and at 1st January 1996 it was in nil shares and nil options.

Except as stated above, none of the Directors had an interest in the shares, share options, stocks or debentures of the Company, its ultimate parent undertaking or any subsidiary of that company at 1 January 1996 or at 31 December 1996.

TABLE 'A'

DIRECTORS' INTERESTS

	31 December 1996						1 January 1996 (or date of appointment if later)		
	Ordinary Shares	ESOS RG	ESOS RO	SAYE RG	SAYE RO	Exercise Price (p)	Ordinary Shares	ESOS	SAYE
M J Allison	7,989	112,450				373.50	15,047	112,450	8,489
					3,047	226.20			
D A Boden	-	69,400				373.50		69,400	
J V H Espey	-	58,550				373.50		58,550	8,489
					3,047	226.20			
J F Garrett	83,500	208,840				373.50	83,500	208,840	-
J M Griffiths	-	44,071				476.50	-		
R A Mole	-	88,110				373.50	-	88,110	8,489
					3,047	226.20			
M F J Stear	-	44,100				373.50	-	44,100	-

As at 1 January 1996 and 31 December 1996 Mr M J Allison had a beneficial interest in 540 Convertible Cumulative Preference shares of 20p each, and Mr J V H Espey had a beneficial interest in 334 Convertible Cumulative Preference shares of 20p each.

GROSVENOR CASINOS LIMITED

DIRECTORS' REPORT

31 DECEMBER 1996

Directors' Interests (continued)

TABLE 'B'

Options to subscribe for Ordinary shares granted to and exercised by Directors, and lapsed, in the year ended 31 December 1996 are included in the table below.

	GRANTED		LAPSED		EXERCISED		Price Per Option (P)	Market Price At Date of Exercise (P)
	ESOS	SAYE	ESOS	SAYE	ESOS	SAYE		
M J Allison						5,442	206.56	539.5
J V H Espey						5,442	206.56	539
J M Griffiths	44,071						476.50	
R A Mole						5,442	206.56	519

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 policies and programmes to provide fair and equitable conditions for all employees regardless of sex, family status, religion, creed, colour, ethnic origin, age or disability.

Policy on the Payment of Suppliers

The Company agrees terms and conditions for its business transactions with its suppliers. Payment is then made on these terms, subject to the terms and conditions being met by the supplier.

GROSVENOR CASINOS LIMITED

DIRECTORS' REPORT

31 DECEMBER 1996

Directors' Interests (continued)

Auditors

KPMG Audit Plc resigned during the year and Price Waterhouse were appointed to fill the casual vacancy.

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

By Order of the Board



F G N Thomas, Secretary

Registered Office
6 Connaught Place
London
W2 2EZ

18 February 1997

GROSVENOR CASINOS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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.

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

We have audited the financial statements on pages 8 to 22 which have been prepared under the historical cost convention and the accounting policies set out on pages 10 to 12.

Respective responsibilities of Directors and Auditors.

As described on page 6, 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 financial 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 1996 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Price Waterhouse
Chartered Accountants
Registered Auditor

Southwark Towers
32 London Bridge
London
SE1 9SY

18 February 1997

GROSVENOR CASINOS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE 12 MONTHS ENDED 31 DECEMBER 1996

	Note	12 months ended 31 December 1996 £	14 months ended 31 December 1995 £
Turnover - Continuing Operations	4	104,564,873	106,008,306
Operating Costs		(66,983,703)	(68,446,176)
Administrative Expenses		<u>(32,206,946)</u>	<u>(20,961,558)</u>
Operating profit from continuing operations		5,374,224	16,600,572
Non Operating items			
Profit on disposal of property		<u>689,800</u>	-
Profit on ordinary activities before interest - continuing operations		6,064,024	16,600,572
Interest payable	3	<u>(1,369,424)</u>	<u>(1,677,688)</u>
Profit on ordinary activities before taxation	2	4,694,600	14,922,884
Tax on profit on ordinary activities	5	<u>(5,298,565)</u>	<u>(5,627,000)</u>
(Loss)/Profit for the financial period		(603,965)	9,295,884
Dividends paid on ordinary shares	6	<u>(12,000,000)</u>	<u>(7,000,000)</u>
Retained (loss)/profit for the financial period	15	<u>(12,603,965)</u>	<u>2,295,884</u>

The notes on pages 10 to 22 form part of these accounts.

There are no recognised gains and losses other than profit or loss for the financial period.

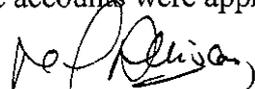
GROSVENOR CASINOS LIMITED

BALANCE SHEET

31 DECEMBER 1996

	Note	31 December 1996 £	As restated 31 December 1995 £
FIXED ASSETS			
Investments	7	1,483,120	-
Tangible assets	8	<u>120,473,408</u>	<u>126,606,341</u>
		121,956,528	126,606,341
CURRENT ASSETS			
Stocks	9	675,157	945,500
Debtors	10	12,419,829	18,933,870
Cash at bank and in hand		<u>5,175,619</u>	<u>4,582,274</u>
		18,270,605	24,461,644
CREDITORS:			
Amounts falling due within 1 year	11	<u>(18,215,985)</u>	<u>(16,452,872)</u>
NET CURRENT ASSETS			
		<u>54,620</u>	<u>8,008,772</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		122,011,148	134,615,113
CREDITORS:			
Amounts falling due after more than 1 year	12	<u>(32,565,195)</u>	<u>(32,565,195)</u>
NET ASSETS			
		<u>89,445,953</u>	<u>102,049,918</u>
CAPITAL AND RESERVES			
Called up share capital	13	40,000,000	40,000,000
Revaluation reserve	14	49,506,866	49,506,866
Profit and loss account	14	<u>(60,913)</u>	<u>12,543,052</u>
Equity shareholders' funds		89,445,953	102,049,918

The accounts were approved by the Board on 18 February 1997

 M J ALLISON
)Directors
 M F J STEAR

The notes on pages 10 to 22 form part of these accounts.

GROSVENOR CASINOS LIMITED

NOTES TO THE ACCOUNTS

31 DECEMBER 1996

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 are valued at historical cost or valuation at the date of acquisition by the ultimate parent undertaking.

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.

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

GROSVENOR CASINOS LIMITED

NOTES TO THE ACCOUNTS

31 DECEMBER 1996

1. ACCOUNTING POLICIES (continued)

Depreciation (continued)

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 which are of the deferred contribution type represent 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 on the grounds that it is a wholly owned subsidiary undertaking.

GROSVENOR CASINOS LIMITED

NOTES TO THE ACCOUNTS

31 DECEMBER 1996

1. ACCOUNTING POLICIES (continued)

Change in accounting policy

The Directors have decided to change the accounting policy used for determining the carrying values of land and buildings. Land and buildings will now be stated at either historical cost or Directors' valuation at the date of acquisition of the Company by The Rank Organisation Plc, with subsequent additions recorded at cost. The Directors believe that the cost of full regular professional valuations is not currently justified.

The effect of this change, which is shown as a prior year adjustment in the movement in Shareholders' Funds, Note 14, is to reduce Shareholders' Funds at that date by £1,793,586.

The change in policy to historical cost basis decreased profits for the year by £110,000.

GROSVENOR CASINOS LIMITED

NOTES TO THE ACCOUNTS

31 DECEMBER 1996

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

This is arrived at after charging/(crediting):

	12 months ended 31 December 1996 £	14 months ended 31 December 1995 £
Auditors' remuneration in respect of:		
Audit work	28,000	52,000
Non audit services	40,000	2,750
Depreciation of tangible fixed assets	2,669,079	2,962,421
Operating leases charged		
- plant and machinery	517,169	642,626
- property	2,777,684	3,073,841
Profit on sale of fixed assets	(121,359)	(44,009)
Permanent Impairment of fixed assets	10,520,236	-
	=====	=====

3. INTEREST PAYABLE

	12 months ended 31 December 1996 £	14 months ended 31 December 1995 £
Interest payable to		
parent undertaking	1,350,927	1,677,688
Interest on other loans fully		
repayable within 5 years	<u>18,497</u>	<u>-</u>
	1,369,424	1,677,688
	=====	=====

4. 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 UK.

GROSVENOR CASINOS LIMITED

NOTES TO THE ACCOUNTS

31 DECEMBER 1996

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	12 months ended 31 December 1996 £	14 months ended 31 December 1995 £
United Kingdom taxation charge:		
Corporation tax on result for the period	4,950,000	4,952,745
Deferred taxation	-	674,255
Under provision in prior periods	<u>348,565</u>	<u>-</u>
	<u>5,298,565</u>	<u>5,627,000</u>

United Kingdom corporation tax on the profit for the period has been provided at 33.0% (1995 - 33.0%).

6. DIVIDENDS

	12 months ended 31 December 1996 £	14 months ended 31 December 1995 £
Dividend paid	<u>12,000,000</u>	<u>7,000,000</u>

7. FIXED ASSET INVESTMENT

	Shares in group undertaking £
Shares at Cost	
At 1 January 1996	-
Additions	<u>1,483,120</u>
At 31 December 1996	<u>1,483,120</u>

The following were subsidiary companies at the end of the year and are now dormant.

Name

Society Club (Swansea) Limited
Kingsway Casinos Limited

The subsidiary companies are wholly owned and incorporated in Great Britain and registered in England and Wales. The Company is exempt from the obligation to prepare and deliver group accounts. The Company is included in the consolidated accounts of The Rank Group Plc, a company incorporated in Great Britain and registered in England and Wales.

GROSVENOR CASINOS LIMITED

NOTES TO THE ACCOUNTS

31 DECEMBER 1996

8. TANGIBLE FIXED ASSETS

	Licences, Properties and improvements £	Vehicles, fixtures and equipment £	Total £
<u>Cost or valuation</u>			
At 31 December 1995	122,725,165	9,959,330	132,684,495
Prior year adjustment (see note 14)	<u>1,793,586</u>	<u>-</u>	<u>1,793,586</u>
At 31 December 1995 restated	124,518,751	9,959,330	134,478,081
Additions	1,283,170	3,471,058	4,754,228
Intergroup transfers	(2,590,648)	(528,991)	(3,119,639)
Transfer to current assets	(1,076,885)	(168,316)	(1,245,201)
Disposals	<u>(295,890)</u>	<u>(926,131)</u>	<u>(1,222,021)</u>
At 31 December 1996	<u>127,019,794</u>	<u>12,864,932</u>	<u>139,884,726</u>
<u>Depreciation</u>			
At 31 December 1995	2,641,234	5,230,506	7,871,740
Prior year adjustment	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 1995 restated	2,641,234	5,230,506	7,871,740
Provided for the period	844,461	1,824,618	2,669,079
Intergroup transfers	6,247	99,581	105,828
Provision for permanent impairment	10,520,236	-	10,520,236
Transfer to current assets	(857,901)	(100,425)	(958,326)
Disposals	<u>(148,536)</u>	<u>(648,696)</u>	<u>(797,232)</u>
At 31 December 1996	<u>13,005,741</u>	<u>6,405,584</u>	<u>19,411,325</u>
<u>Net book value</u>			
At 31 December 1996	<u>114,014,053</u>	<u>6,459,348</u>	<u>120,473,401</u>
At 31 December 1995	<u>121,877,517</u>	<u>4,728,824</u>	<u>126,606,341</u>

The Directors, under advice from Messrs Knight Frank, Chartered Surveyors, considered the net book amounts of individual properties at 31 December 1996 and have decided to write the net book amounts of certain properties down by a further £10,520,236 in respect of permanent diminution in value.

GROSVENOR CASINOS LIMITED

NOTES TO THE ACCOUNTS

31 DECEMBER 1996

8. TANGIBLE FIXED ASSETS (continued)

	31 December 1996 £	31 December 1995 £
Net book value of licences and properties is as follows:		
Freehold	63,170,774	64,427,620
Long leasehold	8,958,726	9,121,117
Short leasehold	<u>41,884,553</u>	<u>46,535,194</u>
	114,014,053	120,083,931
	=====	=====

Land and buildings with a net book amount of £8,958,726 (1995 £9,121,117) are not depreciated. The change of accounting policy for Land and buildings to historical cost basis decreased profits for the year by £110,000.

9. STOCKS

	31 December 1996 £	31 December 1995 £
Raw Materials and consumables	675,157	945,500
	=====	=====

10. DEBTORS

	31 December 1996 £	31 December 1995 £
Amounts owed by fellow subsidiary undertakings	13,906	-
Amounts owed by ultimate parent undertaking	7,072,801	16,528,321
Other debtors	3,347,830	362,376
Prepayments and accrued income	<u>1,985,292</u>	<u>2,043,173</u>
	12,419,829	18,933,870
	=====	=====

All amounts are due within one year.

GROSVENOR CASINOS LIMITED

NOTES TO THE ACCOUNTS

31 DECEMBER 1996

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 1996 £	31 December 1995 £
Trade creditors	1,939,568	2,278,613
Amounts owed to fellow subsidiary undertakings	1,575,473	94,028
United Kingdom corporation tax	2,129,558	4,994,313
Advanced corporation tax	3,000,000	-
Other taxation and social security	1,019,946	1,165,842
Other creditors	1,303,347	855,197
Loan note	641,890	-
Accruals and deferred income	<u>6,606,203</u>	<u>7,064,879</u>
	18,215,985	16,452,872
	=====	=====

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 December 1996 £	31 December 1995 £
Amounts owed to ultimate parent undertaking	32,565,195	32,565,195
	=====	=====

13. SHARE CAPITAL

	31 December 1996 £	31 December 1995 £
Authorised, issued and fully paid Ordinary shares of £1 each	40,000,000	40,000,000
	=====	=====

GROSVENOR CASINOS LIMITED

NOTES TO THE ACCOUNTS

31 DECEMBER 1996

14. RESERVES

	Profit and Loss account £	Restated Revaluation Reserve £
Balance at 31 December 1995 as originally reported	12,543,052	47,713,280
Prior year adjustment	—	<u>1,793,586</u>
Balance at 31 December 1995 - restated	12,543,052	49,506,866
Loss for period	<u>(12,603,965)</u>	—
Balance at 31 December 1996	<u>(60,913)</u>	<u>49,506,866</u>

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 December 1996 £	Restated 31 December 1995 £
Opening shareholders' funds as originally reported		67,944,580
Prior year adjustment		<u>31,749,454</u>
Opening shareholders' fund as restated	102,049,918	99,694,034
(Loss)/Profit transferred to reserves	<u>(12,603,965)</u>	<u>2,355,884</u>
Closing shareholders' funds	<u>89,445,953</u>	<u>102,049,918</u>

The profit transferred to reserves in 1995 has been restated as the historical cost profit, as set out below:

	£
Profit as originally reported	2,295,884
Realised gain on sale of property	<u>60,000</u>
Profit as restated	<u>2,355,884</u>

16. CONTINGENT LIABILITIES

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

GROSVENOR CASINOS LIMITED

NOTES TO THE ACCOUNTS

31 DECEMBER 1996

17. DIRECTORS AND EMPLOYEES

	12 months ended 31 December 1996 £	14 months ended 31 December 1995 £
Directors' costs consist of:		
Directors' emoluments	901,364	656,046
Pension costs	88,025	63,647
Benefits in kind	58,691	60,286
Compensation for loss of office	<u>142,000</u>	<u>-</u>
	1,190,080	779,979
Emoluments (excluding pension contributions)	=====	=====
include amounts paid to:		
The Chairman and highest paid director	215,328	183,151
	=====	=====

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

	12 months ended 31 December 1996 Number	14 months ended 31 December 1995 Number
£ 0 - £ 5,000	1	1
£ 15,001 - £ 20,000	-	1
£ 40,001 - £ 45,000	-	1
£ 85,001 - £ 90,000	1	-
£ 90,001 - £ 95,000	-	1
£105,001 - £110,000	2	-
£110,001 - £115,000	1	-
£115,001 - £120,000	-	1
£120,001 - £125,000	-	1
£155,001 - £160,000	1	-
£165,001 - £170,000	1	-
£175,001 - £180,000	-	1
£210,001 - £215,000	-	1
£215,001 - £220,000	<u>1</u>	<u>-</u>
	8	8
	==	==

GROSVENOR CASINOS LIMITED

NOTES TO THE ACCOUNTS

31 DECEMBER 1996

17. DIRECTORS AND EMPLOYEES (continued)

	12 months ended 31 December 1996 £	14 months ended 31 December 1995 £
Employee costs (including Directors) consist of:		
Wages and salaries	40,346,832	42,894,473
Social security costs	3,301,158	3,426,626
Pension costs	<u>532,385</u>	<u>688,253</u>
	<u>44,180,375</u>	<u>47,009,352</u>

The actual contributions paid to The Rank Group Pension Plan in the period to 31 December 1996 totalled £1,083,963 (1995 £846,600). At 31 December 1996 there was a prepayment in debtors of £1,080,747 (1995 £529,169) resulting from pension costs charged in the accounts and the amounts funded to date.

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

	12 months ended 31 December 1996 Number	14 months ended 31 December 1995 Number
Full time	2,836	2,740
Part time	<u>280</u>	<u>271</u>
	<u>3,116</u>	<u>3,011</u>

GROSVENOR CASINOS LIMITED

NOTES TO THE ACCOUNTS

31 DECEMBER 1996

18. 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 Group 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 Group 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 Group 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.

19. FUTURE CAPITAL EXPENDITURE

	12 months ended 31 December 1996 £	14 months ended 31 December 1995 £
Commitment	1,774,000	1,712,000
Authorised but not contracted	<u>-</u>	<u>5,680,000</u>
	<u>1,774,000</u>	<u>7,392,000</u>
	=====	=====

GROSVENOR CASINOS LIMITED

NOTES TO THE ACCOUNTS

31 DECEMBER 1996

20. COMMITMENTS UNDER OPERATING LEASES

As at 31 December 1996, the Company had annual commitments under non-cancellable operating leases as set out below:

	31 December 1996		31 December 1995	
	Land and buildings	Other	Land and building	Other
	£	£	£	£
Operating leases which expire:				
Between 2 - 5 years	-	517,169	-	642,626
In 5 years or more	<u>2,919,154</u>	<u>-</u>	<u>3,073,841</u>	<u>-</u>
Other timing differences	2,919,154	517,169	3,073,841	642,626
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

21. PARENT UNDERTAKING

The Company's ultimate parent undertaking is The Rank Group 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.