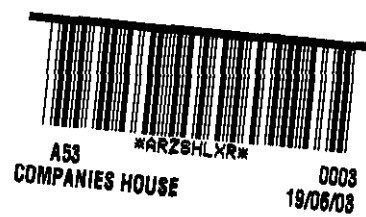


**Grosvenor Casinos Limited**  
(Registered Number: 877080)

**Annual Report for the year ended 31 December 2002**

(Revised Accounts)



# Grosvenor Casinos Limited

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# **Grosvenor Casinos Limited**

## **Directors' report for the year ended 31 December 2002**

The Directors present their Report and Statement of Accounts for the year ended 31 December 2002.

### **Principal activities and business review**

The principal activities of the Company throughout the year were the operation of clubs, providing 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.

### **Results and dividends**

The results of the Company for the year are set out on page 7. The Directors do not recommend the payment of a dividend (2001: £nil).

### **Directors and their interests**

The following were Directors of the Company during the year:

Mr D Boden  
Mr P McCann  
Mr R A Mole (resigned 16 December 2002)  
Mr D Walcott

# Grosvenor Casinos Limited

## Directors' report for the year ended 31 December 2002 (continued)

### Directors' and their interests (continued)

The Directors' interests in shares or stocks of The Rank Group Plc, including options to purchase Ordinary shares under the terms of the Group's Executive Share Option Schemes ("ESOS") and Share Savings Schemes ("SAYE") were as follows:

	31 December 2002				1 January 2002 (or date of appointment if later)		
	Ordinary shares	ESOS	SAYE	Exercise Price (p)	Ordinary shares	ESOS	SAYE
D Boden	-	69,507	-	372.92p	-	230,986	6,870
	-	33,144	-	346.96p	-	-	-
	-	47,236	-	338.72p	-	-	-
	-	81,099	-	222.75p	-	-	-
	-	117,494	-	271.00p	-	-	-
	-	-	6,870	141.00p	-	-	-
P McCann	2,690	38,289	-	372.92p	2,690	91,462	6,870
	-	11,131	-	346.96p	-	-	-
	-	42,042	-	222.75p	-	-	-
	-	50,738	-	271.00p	-	-	-
	-	-	6,870	141.00p	-	-	-
D Walcott	-	4,588	-	435.82p	-	54,494	-
	-	8,487	-	338.72p	-	-	-
	-	29,472	-	222.75p	-	-	-
	-	11,947	-	274.75p	-	-	-
	-	50,738	-	271.00p	-	-	-

Note: In addition to the above, D Boden has been granted conditional awards totalling 336,116 Ordinary shares, P McCann has been granted conditional awards totalling 147,266 Ordinary shares and D Walcott has been granted conditional awards totalling 137,310 Ordinary shares under the terms of the Rank Group 2000 Long Term Incentive Plan.

Options to subscribe for Ordinary shares of The Rank Group Plc granted to and exercised by Directors in the year ended 31 December 2002 are set out below. Except as stated, no options lapsed during the year.

	Granted		Lapsed		Exercised		Price per Option (p)	Market Price at date of exercise (p)
	ESOS	SAYE	ESOS	SAYE	ESOS	SAYE		
D Boden	117,494	-	-	-	-	-	271.00	
P McCann	50,738	-	-	-	-	-	271.00	
D Walcott	50,738	-	-	-	-	-	271.00	

# **Grosvenor Casinos Limited**

## **Directors' report for the year ended 31 December 2002** (continued)

### **Directors' and their interests** (continued)

The market price of an ordinary share at 31 December 2002 was 266.50p and the range during the preceding 12 months was 226p to 303p. Options outstanding at 31 December 2002 are exercisable at various dates between 10 February 1998 and 23 May 2012.

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 of The Rank Group Plc held by The Rank Group Plc Employee Benefit Trust. At 1 January 2002 the interest was in a total of 1,224,389 Ordinary shares and at 31 December 2002 the interest was in a total of 3,897,157 Ordinary shares.

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 had any 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 2002 or at 31 December 2002.

### **Human resources**

The Company recognises that the contribution made by its employees is crucial to the success of each of its businesses. Substantial investment is therefore made in the training, development and motivation of staff with particular attention to ensuring customer satisfaction through the consistent achievement of high standards of service and delivery of quality products.

Employee involvement in the direction and objectives of the business is encouraged through the use of incentive schemes to focus employees on the key performance indicators of each business. In addition, communication and consultation programmes exist at site, company and group level.

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, disability or sexual orientation.

### **Payment of suppliers**

The Company agrees terms and conditions for its business transactions with its suppliers, and suppliers are made aware of these terms and conditions. Payment is then made on these terms, subject to the terms and conditions being met by the supplier. The number of days' purchases outstanding at 31 December 2002 is calculated at 25 days (2001: 35 days).

# Grosvenor Casinos Limited

## Directors' report for the year ended 31 December 2002 (continued)

### Statement of Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2002 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements 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.

### Auditors

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 23 January 2003 and the directors appointed its successor, PricewaterhouseCoopers LLP, as auditors. A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

By order of the Board

  
CM Duffill  
Secretary

Registered Office:  
6 Connaught Place  
London  
W2 2EZ.

5 June 2003

# **Grosvenor Casinos Limited**

## **Independent auditors' report to the members of Grosvenor Casinos Limited**

We have audited the financial statements, which comprise the profit and loss account, the statement of recognised gains and losses, the balance sheet and the related notes.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises the directors' report.

### **Basis of audit 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.

## Grosvenor Casinos Limited

### Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers LLP**  
Chartered Accountants and Registered Auditors  
St Albans

3 June 2003



# Grosvenor Casinos Limited

## Profit and loss account for the year ended 31 December 2002

	Note	2002 £'000	2001 Restated £'000
Turnover		163,276	140,572
Operating profit	2	25,708	21,147
Loss on disposal of closed sites		(563)	(65)
Profit on ordinary activities before interest	4	25,145	21,082
Interest payable	5	(36)	(3,172)
Interest receivable	6	1,129	3,324
Profit on ordinary activities before taxation		26,238	21,234
Tax on profit on ordinary activities	7	(9,569)	(6,850)
Profit on ordinary activities after taxation	17	16,669	14,384
Retained profit brought forward		46,380	31,996
Retained profit carried forward		63,049	46,380

All turnover and operating profits arise from continuing operations.

There is no difference between the result as disclosed in the profit and loss account and that on an unmodified historical cost basis.

## Statement of Recognised Gains and Losses for the year ended 31 December 2002

	2002 £'000	2001 Restated £'000
Profit for the financial year	16,669	14,384
Total recognised gains and losses relating to the year	16,669	14,384
Prior year adjustment	280	
Total gains and losses recognised since last annual report	16,949	

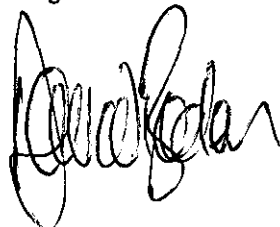
# Grosvenor Casinos Limited

## Balance sheet at 31 December 2002

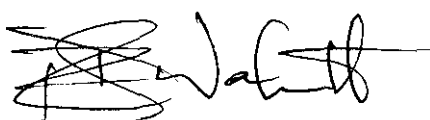
	Note	2002 £'000	2001 £'000 Restated
<b>Fixed assets</b>			
Tangible assets	8	164,194	150,971
Investments in subsidiary undertakings	9	14,779	14,779
		178,973	165,750
<b>Current assets</b>			
Stocks	10	646	562
Debtors due within one year	11	5,466	59,793
Cash at bank and in hand		14,255	13,730
		20,367	74,085
Creditors: amounts falling due within one year	12	(28,156)	(39,756)
<b>Net current assets</b>		(7,789)	34,329
<b>Total assets less current liabilities</b>		171,184	200,079
Creditors: amounts falling due after more than one year	13	(16,590)	(63,538)
Provisions for liabilities and charges	14,15	(2,038)	(654)
<b>Net assets</b>		152,556	135,887
<b>Capital and reserves</b>			
Called up share capital	16	40,000	40,000
Revaluation reserve	17	49,507	49,507
Profit and loss account	17	63,049	46,380
<b>Total shareholders' funds (all equity interests)</b>	18	152,556	135,887

The financial statements on pages 7 to 20 were approved by the Board of Directors on 3 June 2003 and were signed on its behalf by:

D Boden  
Director



D Walcott  
Director



# Grosvenor Casinos Limited

## Notes to the accounts for the year ended 31 December 2002

### 1 Accounting policies

#### a) Basis of preparation

The accounts are prepared under the historical cost convention as modified by the revaluation of certain casino licences, and in accordance with applicable accounting standards on a basis consistent with the previous year, except as noted below.

#### Change in accounting policy:

The Company has implemented Financial Reporting Standard ("FRS") 19 "Deferred Tax" during 2002.

FRS 19 requires deferred tax to be accounted for on a full provision basis rather than a partial provision basis as in 2001 and earlier years. This change in accounting policy has been accounted for as a prior period adjustment and accordingly the results reported for 2001 have been restated. The effect of implementing FRS 19 is shown in notes 7 & 15.

#### b) Turnover

Turnover represents casino gaming win, gaming machine income before deduction of gaming duty, membership fees, guest fees and catering revenue and is stated net of value added tax. The Company's business operates solely in the United Kingdom.

#### c) 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.

#### d) Taxation

Current tax is applied to taxable profits at the rates ruling in the relevant country.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences are expected to reverse.

The Company's previous accounting policy was to recognise a deferred tax liability to the extent that it was likely to crystallise in the future.

# Grosvenor Casinos Limited

## Notes to the accounts for the year ended 31 December 2002

### e) Fixed assets

No depreciation is provided on freehold land.

Casino properties are depreciated over the useful economic life of the physical properties to their residual values. Both the initial carrying amount and residual value take into account the trading potential of the property with the benefit of the casino licences. In view of the high residual values, casino properties are reviewed annually for potential impairment.

Other assets are depreciated at following rates:

Fixtures, fittings, plant and equipment	– 10% to 20% per annum, straight-line basis.
Motor vehicles	– 25% per annum, straight-line basis.

### f) Leased assets

Operating lease payments are charged to the profit and loss account as incurred.

Provision is made for onerous leases, including those which relate to surplus properties where the unavoidable lease costs exceed the economic benefits expected to be derived from the property

### g) Stocks

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

### h) Pensions

The pension costs relating to the UK defined benefit scheme are assessed in accordance with the advice of a qualified actuary using the attained age valuation method. Actuarial surpluses and deficiencies are amortised on a straight-line basis over the expected average remaining service lives of the employees. The pension costs relating to the UK defined contribution scheme represent the contributions payable by the Company.

### i) Cash flow statement, related party disclosures and preparation of group accounts

The Company is a wholly owned subsidiary of The Rank Group Plc and is included in the consolidated financial statements of The Rank Group Plc, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996). The Company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of The Rank Group Plc group or investees of The Rank Group Plc group. The Company also takes advantage of the exemption from the obligation to prepare and deliver group accounts.

# Grosvenor Casinos Limited

## Notes to the accounts for the year ended 31 December 2002

### 2 Operating profit

	2002 £'000	2001 £'000
Turnover	163,276	140,572
Operating costs	(93,661)	(82,471)
Selling and distribution costs	(5,153)	(4,299)
Administrative expenses	(38,754)	(32,655)
Operating profit	25,708	21,147

### 3 Directors and employees

	2002 £'000	2001 £'000
Total Directors' costs consist of:		
Emoluments	587	595
Contributions to pension schemes	50	80
Total	637	675
Emoluments of highest paid Director	202	203
Contributions to pension schemes of highest paid Director	14	30
Total	216	233

Accrued pension benefits as at 31 December 2002 for the highest paid Director are £67,000 (2001: £47,000).

None of the directors are paid directly by the company. The figures shown represent the proportion of Directors' emoluments relevant to the time allocated to Grosvenor Casinos Limited.

Retirement benefits were accruing under the Rank Group defined benefit pension scheme for two of the Directors as at 31 December 2002 (2001: three).

	2002 £'000	2001 £'000
Employee costs (including Directors) consist of:		
Wages and salaries	52,619	48,192
Social security costs	4,155	3,654
Pension and other related costs	1,738	1,703
Total	58,512	53,549

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

	2002	2001
Full time	2,940	2,652
Part time	374	345
Total	3,314	2,997

# Grosvenor Casinos Limited

## Notes to the accounts for the year ended 31 December 2002

### 4 Profit on ordinary activities before interest

This is stated after charging the following items:

	2002 £'000	2001 £'000
Depreciation of tangible fixed assets	5,430	5,274
Operating lease payments – land and buildings	4,761	3,904
– plant and machinery	2,074	1,035
Auditors' remuneration – for audit work	37	44
Redundancy costs	13	40
Profit on disposal of properties from continuing operations	-	(46)
Loss on disposal of fixed assets	563	161

### 5 Interest payable

	2002 £'000	2001 £'000
Interest payable to group companies	34	3,172
Other interest payable	2	-
<b>Total interest payable</b>	<b>36</b>	<b>3,172</b>

### 6 Interest receivable

	2002 £'000	2001 £'000
Interest receivable from group companies	1,127	3,306
Other interest receivable	2	18
<b>Total interest receivable</b>	<b>1,129</b>	<b>3,324</b>

# Grosvenor Casinos Limited

## Notes to the accounts for the year ended 31 December 2002

### 7 Tax on profit on ordinary activities

#### a) Analysis of charge in period

	2002 £'000	2001 £'000 As Restated
<b>Current tax:</b>		
UK corporation tax on profits of the period	8,262	6,530
Adjustments in respect of previous periods	-	-
<b>Total current tax (note 7b)</b>	<b>8,262</b>	<b>6,530</b>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	1,307	320
<b>Total deferred tax (note 15)</b>	<b>1,307</b>	<b>320</b>
<b>Tax on profit on ordinary activities</b>	<b>9,569</b>	<b>6,850</b>

#### b) Factors affecting tax charge for period

The tax assessed for the period differs from the standard rate of corporation tax in the UK (30%). The differences are explained below;

	2002 £'000	2001 £'000 As Restated
<b>Profit on ordinary activities before tax</b>	<b>26,238</b>	<b>21,234</b>
<b>Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2001: 30%)</b>	<b>7,872</b>	<b>6,370</b>
<b>Effects of:</b>		
Permanent differences	-	(213)
Expenses not deductible for tax purposes/non-taxable income	1,017	797
Capital allowances for period in excess of depreciation	(627)	(424)
Other timing differences	-	-
Adjustments to tax charge in respect of previous periods	-	-
<b>Current tax charge for period (note 7a)</b>	<b>8,262</b>	<b>6,530</b>

# Grosvenor Casinos Limited

## Notes to the accounts for the year ended 31 December 2002

### 7 Tax on profit on ordinary activities (continued)

#### c) Implementation of FRS 19

The adoption of FRS 19 "Deferred Tax" has resulted in changes in the method of accounting for deferred tax. FRS 19 requires, subject to certain exemptions, that deferred tax be recognised in respect of all timing differences that have originated but not reversed by the balance sheet date.

As a result of this change in accounting policy, comparatives have been restated as follows:

#### Profit & Loss Account

	2001 £'000
Tax on profit on ordinary activities – as reported	6,530
Implementation of FRS 19	320
Tax on profit on ordinary activities – as restated	6,850

In the current year, the effect of this change of accounting policy has been to increase the total tax charge for the year by £1,307,000.

#### Balance Sheet

	2001 £'000
Deferred tax asset – as reported	-
Implementation of FRS 19	(280)
Deferred tax asset – as restated	(280)

#### d) Factors that may affect future tax charges

The company expects the effective rate of tax to continue to exceed the statutory rate of tax by virtue of expenses not deductible for tax purposes.



# Grosvenor Casinos Limited

## Notes to the accounts for the year ended 31 December 2002

### 8 Tangible fixed assets

	Licences, Freehold Land & Buildings £'000	Licences, Leasehold Land & Buildings £'000	Vehicles, Fixtures, and Equipment £'000	Total £'000
<b>Cost or valuation</b>				
At 1 January 2002	69,086	73,221	33,433	175,740
Reclassification	283	760	(1,043)	-
Additions	426	7,755	10,986	19,167
Intra group transfers	(76)	(132)	25	(183)
Disposals	(270)	(1,178)	(2,545)	(3,993)
<b>At 31 December 2002</b>	<b>69,449</b>	<b>80,426</b>	<b>40,856</b>	<b>190,731</b>
<b>Depreciation</b>				
At 1 January 2002	1,201	11,074	12,494	24,769
Reclassification	41	76	(117)	-
Intra group transfers	-	-	42	42
Charge for the period	481	627	4,322	5,430
Depreciation on disposals	(286)	(988)	(2,430)	(3,704)
<b>At 31 December 2002</b>	<b>1,437</b>	<b>10,789</b>	<b>14,311</b>	<b>26,537</b>
<b>Net book amount</b>				
<b>At 31 December 2002</b>	<b>68,012</b>	<b>69,637</b>	<b>26,545</b>	<b>164,194</b>
<b>At 31 December 2001</b>	<b>67,885</b>	<b>62,147</b>	<b>20,939</b>	<b>150,971</b>

Land with a net book amount of £7,754,000 (2001: £8,636,000) is not being depreciated.

The net book amount of leasehold properties comprises:

	2002 £'000	2001 £'000
Long leasehold properties	8,812	9,402
Short leasehold properties	60,825	52,745
	<b>69,637</b>	<b>62,147</b>

# Grosvenor Casinos Limited

## Notes to the accounts for the year ended 31 December 2002

### 9 Investments in subsidiary undertakings

	2002 £'000	2001 £'000
Shares at Cost	14,779	14,779

As at 31 December 2002, the Company owned the entire share capital of the following group companies:

Name of Company	Holding	Proportion of voting rights and shares held
Society Club (Swansea) Limited	Ordinary Shares	100%
Kingsway Casinos Limited	Ordinary Shares	100%
Casino Royale Club (Newcastle) Limited	Ordinary Shares	100%
Zealcastle Limited	Ordinary Shares	100%

### 10 Stocks

	2002 £'000	2001 £'000
Raw materials and consumables	646	562

### 11 Debtors due within one year

	2002 £'000	2001 Restated £'000
Amounts owed by fellow subsidiary undertakings	496	55,659
Other debtors	275	328
Deferred tax asset	-	280
Prepayments and accrued income	2,788	1,619
Prepaid pension contributions	1,907	1,907
Total	5,466	59,793

# Grosvenor Casinos Limited

## Notes to the accounts for the year ended 31 December 2002

### 12 Creditors: amounts falling due within one year

	2002 £'000	2001 £'000
Trade creditors	3,865	2,976
Amounts owed to fellow subsidiary undertakings	6,464	22,792
Other tax and social security	9,049	1,081
Other creditors	3,037	2,360
Accruals and deferred income	5,741	10,547
<b>Total</b>	<b>28,156</b>	<b>39,756</b>

Amounts due to group undertakings are unsecured, repayable on demand and subject to interest at 1.5% above the National Westminster Bank Plc base rate.

### 13 Creditors: amounts falling due after more than one year

	2002 £'000	2001 £'000
Amounts owed to fellow subsidiary undertaking	16,590	63,538

### 14 Provisions for liabilities and charges

	Onerous Leases £'000
Balance at 1 January 2002	654
Additional provisions made in year	556
Utilised in the year	(59)
Provision released during the year	(140)
<b>Balance at 31 December 2002</b>	<b>1,011</b>

The provision above is in respect of onerous leases, including those which relate to surplus properties where the unavoidable lease costs exceed the economic benefits expected to be derived from the property. The provision is due to be utilised over the unexpired term of the leases.

# Grosvenor Casinos Limited

## Notes to the accounts for the year ended 31 December 2002

### 15 Deferred taxation

	2002 £'000	2001 £'000 As Restated
Accelerated capital allowances / excess depreciation	1,027	(638)
Other timing differences	-	358
Provision for deferred tax	1,027	(280)
Deferred tax asset at 1 January 2001		(600)
Adjustment in respect of previous period		(104)
Deferred tax charge for period		424
Deferred tax asset at 31 December 2001		(280)
Adjustment in respect of previous period		680
Deferred tax charge for period		627
Deferred tax liability at 31 December 2002		1,027

### 16 Share capital

	2002 Authorised £'000	2002 Issued and fully paid £'000	2001 Authorised £'000	2001 Issued and fully paid £'000
Ordinary shares of £1 each	40,000	40,000	40,000	40,000

### 17 Reserves

	Revaluation Reserve £'000	Profit and loss account £'000
Balance at 1 January 2002	49,507	46,100
Prior year FRS 19 adjustment	-	280
Balance at 1 January 2002 (restated)	49,507	46,380
Profit for the financial year	-	16,669
Balance at 31 December 2002	49,507	63,049

# Grosvenor Casinos Limited

## Notes to the accounts for the year ended 31 December 2002

### 18 Reconciliation of movement in shareholders' funds

	2002	2001
	£'000	Restated £'000
Shareholders' funds as at 1 January	135,607	120,903
Deferred tax asset	280	600
Shareholders' funds as at 1 January (restated)	135,887	121,503
Profit for the financial year	16,669	14,384
Shareholders' funds as at 31 December	152,556	135,887

### 19 Pension commitments

The Company and its United Kingdom subsidiary undertakings participate in group pension schemes operated by The Rank Group Plc. The Group has two pension schemes for UK employees, both of which are contracted out of the State Earnings Related Pension arrangements. The schemes are externally funded under separate trusts and the funds' assets are held separately from Group assets.

The Rank Pension Plan scheme is a defined benefit scheme and is closed to new entrants. However, the contributions paid by the Company are accounted as if the scheme were a defined contribution scheme, as the company is unable to identify its share of the underlying assets and liabilities in the scheme. The cost of contributions to the group defined benefit scheme amount to £1,264,000 (2001: £1,235,000) and are based on pension costs across the group as a whole. An actuarial valuation of the Rank Pension Plan scheme, using the attained age valuation method, was undertaken on 5 April 2001 and a surplus of £36.5million (as at 1<sup>st</sup> January 2001) was identified. At 31 December 2002 there was a prepayment in debtors of £1,907,000 (2001: £1,907,000) resulting from the difference between pension costs charged in the accounts and the amounts funded to date. Full details of the valuation and FRS17 disclosure requirements are contained in the accounts of the Rank Group Plc.

The Rank Money Purchase Pension Scheme is a defined contribution scheme with benefits which depend on the contribution levels and the emerging investment performance. Company contributions to this scheme in the year to 31 December 2002 totalled £419,000 (2001: £302,000).

### 20 Capital commitments

	2002	2001
	£'000	£'000
Authorised and contracted	7,636	8,472
Authorised not contracted	7,545	9,638
Total future capital expenditure	15,181	18,110

# Grosvenor Casinos Limited

## Notes to the accounts for the year ended 31 December 2002

### 21 Financial commitments

As at 31 December 2002 the Company had annual commitments under non-cancellable operating leases expiring as follows:

	2002		2001	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Within one year	120	-	-	-
Within two to five years	569	2,074	690	1,035
After five years	4,072	-	2,892	-
Total	4,761	2,074	3,582	1,035

### 22 Ultimate parent undertaking

The immediate parent undertaking is Rank Group Gaming Division Limited. The ultimate parent undertaking and controlling party is The Rank Group Plc, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of The Rank Group Plc consolidated financial statements can be obtained from the Company Secretary at 6 Connaught Place, London, W2 2EZ.