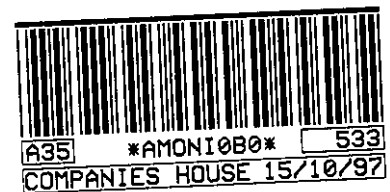


16-7393

Report and Accounts

Wembley International Hotel Limited

31 December 1996



Wembley International Hotel Limited

Registered No. 1647393

DIRECTORS

M J Noble (appointed 30 September 1996)
S Glick (appointed 3 March 1997)
P N Atkin (resigned 30 September 1996)
A G Elkies (resigned 28 February 1997)
M A G Stevens (resigned 28 February 1997)
I Dyson (appointed 30 September 1996)

SECRETARY

J Singleton

AUDITORS

Ernst & Young
Becket House
1 Lambeth Palace Road
London SE1 7EU

REGISTERED OFFICE

Maple Court
Central Park
Reeds Crescent
Watford
Hertfordshire WD1 1HZ

Wembley International Hotel Limited

DIRECTORS' REPORT

The directors present their report and audited accounts for the year ended 31 December 1996.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The accounts for the year show a result of £nil (1995 – surplus of £31,610).

FIXED ASSETS

Movements in respect of fixed assets during the year together with valuations of land and buildings are detailed in note 6 of the accounts.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year ended 31 December 1996 were as shown on page 1.

According to the register kept by the company pursuant to section 325 of the Companies Act 1985 the directors at 31 December 1996 and their families:

(a) Had the following interests in shares and debentures of Ladbroke Group PLC:

	<i>31 December 1996</i>	<i>31 December 1995 or at date of appointment</i>
10p ordinary shares ("Shares")		
A G Elkies	370	–
M A G Stevens	1,396	686
M J Noble	417	1,054
Options to purchase shares under the terms of the 1978 share option scheme ("1978 Scheme")		
A G Elkies	37,209	37,209
M A G Stevens	248,095	248,095
I Dyson	14,454	14,454
M J Noble	40,343	47,343
Shares under the terms of the 1979 employee share scheme		
A G Elkies	–	370
M A G Stevens	–	710
Options to purchase shares under the terms of the 1983 savings related share option scheme ("1983 Scheme")		
M J Noble	2,746	2,746
Options to purchase shares under the terms of the International share option scheme ("International Scheme")		
A G Elkies	7,000	–
M A G Stevens	38,498	–
I Dyson	25,546	25,546
M J Noble	40,000	7,000

Wembley International Hotel Limited

DIRECTORS' REPORT

DIRECTORS AND THEIR INTERESTS (continued)

- (b) Were granted or exercised, during the year or period since appointment, options for the following shares of Ladbroke Group PLC:

	<i>Shared under the terms of the 1978 Scheme</i>		<i>International Scheme</i>	
	<i>Granted</i>	<i>Exercised</i>	<i>Granted</i>	<i>Exercised</i>
A G Elkies	-	-	7,000	-
M A G Stevens	-	-	38,498	-
M J Noble	-	7,000	33,000	-

Except as shown above, no director at 31 December 1996 held at that date or at 31 December 1995 (or when appointed) any interest in, or during the year or period since appointment was granted or exercised a right to subscribe for, the shares or debentures of this company or of Ladbroke Group PLC or its subsidiaries.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

During the year Ladbroke Group PLC purchased and maintained on behalf of the company liability insurance for its directors and officers as permitted by section 310(3) of the Companies Act 1985.

By order of the board


Secretary

3 - OCT 1997

Wembley International Hotel Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE AUDITORS

to the members of Wembley International Hotel Limited

We have audited the accounts on pages 6 to 10, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

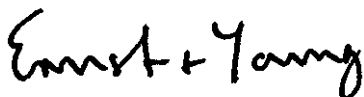
Basis of opinion

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 affairs of the company as at 31 December 1996 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Chartered Accountants
Registered Auditor
London

3 - OCT 1997

Wembley International Hotel Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 December 1996

	<i>Notes</i>	<i>1996</i> £	<i>1995</i> £
Interest receivable	4	—	31,610
PROFIT ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION		<u>—</u>	<u>31,610</u>
PROFIT RETAINED FOR THE FINANCIAL YEAR	11	<u>—</u>	<u>31,610</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses attributable to shareholders of the company in the year ended 31 December 1996 (1995 – profit of £31,610).

Wembley International Hotel Limited

BALANCE SHEET at 31 December 1996

	Notes	1996 £	1995 £
FIXED ASSETS			
Tangible assets	6	142,500	142,500
		<u> </u>	<u> </u>
CURRENT ASSETS			
Debtors	7	492,940	492,940
CREDITORS: amounts falling due within one year	8	76,580	76,580
		<u> </u>	<u> </u>
		416,360	416,360
		<u> </u>	<u> </u>
NET CURRENT ASSETS LESS CURRENT LIABILITIES		558,860	558,860
		<u> </u>	<u> </u>
CAPITAL AND RESERVES			
Called up share capital	10,11	100,000	100,000
Profit and loss account	11	458,860	458,860
		<u> </u>	<u> </u>
EQUITY SHAREHOLDERS' FUNDS		558,860	558,860
		<u> </u>	<u> </u>


Director

3 - OCT 1997

Wembley International Hotel Limited

NOTES TO THE ACCOUNTS at 31 December 1996

1. ACCOUNTING POLICIES

The accounts have been prepared under the historical cost convention in accordance with applicable accounting standards, with the exception of the non-depreciation of the freehold property.

Depreciation

Freehold land	-	is not depreciated.
Freehold property	-	Depreciation has not been provided on the freehold property as the directors are of the opinion that the length of the life and residual value are such that any depreciation would be immaterial.

Deferred taxation

No provision for deferred taxation has been made, as an undertaking has been received from the company's ultimate parent undertaking Ladbroke Group PLC, that the latter will assume all liabilities for taxation, including these amounts arising as a result of the reversal of timing differences.

2. DIRECTORS' REMUNERATION

The directors of the company are also directors of other undertakings within the Ladbroke Group. The directors' remuneration for the year was paid by the other undertakings. The directors do not believe that it is practicable to apportion this amount between their services as directors of the company and their services as directors of the fellow subsidiary undertakings.

3. STAFF COSTS

All operations of the company during 1996 have been undertaken by employees of other group undertakings. A charge of £nil has been included in these accounts in respect of their services (1995 - £nil).

4. INTEREST RECEIVABLE

	1996 £	1995 £
Tax repayment supplement	-	31,610

5. AUDITORS' REMUNERATION

The remuneration of auditors was borne entirely by other undertakings within the Ladbroke Group and is disclosed as appropriate in the accounts of those undertakings.

Wembley International Hotel Limited

NOTES TO THE ACCOUNTS at 31 December 1996

6. TANGIBLE FIXED ASSETS

	<i>Freehold property £</i>
Cost and valuation:	
At 31 December 1995	142,500
At 31 December 1996	142,500
Representing assets stated at: Valuation 1996	142,500
Net book value:	
At 31 December 1996	142,500
At 31 December 1995	142,500

- (a) The amount of land and buildings determined according to the historical cost accounting rules is as follows:

	<i>1996 £</i>	<i>1995 £</i>
Cost	142,500	142,500

- (b) The 1996 valuation of £142,500 was determined by the directors at 31 December 1996. The basis of valuation was the open market for existing use of the staff house.

7. DEBTORS

	<i>1996 £</i>	<i>1995 £</i>
Amounts due from group undertakings (note 9)	492,940	492,940

8. CREDITORS: amounts falling due within one year:

	<i>1996 £</i>	<i>1995 £</i>
Other taxes and social security costs	76,580	76,580

9. AMOUNTS DUE FROM GROUP UNDERTAKINGS

Amounts due from group undertakings are included under amounts falling due within one year where there are no specified terms as to their repayment and recoverability. While amounts due from group undertakings are technically repayable on demand, the directors are of the opinion that in the ordinary course of business, repayment within such a time scale would not be required.

Wembley International Hotel Limited

NOTES TO THE ACCOUNTS at 31 December 1996

10. SHARE CAPITAL

	1996 £	1995 £
Authorised, allotted, called up and fully paid: 100,000 ordinary shares of £1 each	100,000	100,000

11. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share capital £	Profit and loss account £	Total £
At 1 January 1995	100,000	427,250	527,250
Profit for the year	—	31,610	31,610
At 31 December 1995	100,000	458,860	558,860
Profit for the year	—	—	—
At 31 December 1996	100,000	458,860	588,860

12. CASH FLOW STATEMENT

The company has taken advantage of provisions within FRS1 which exempts wholly owned subsidiaries from preparing a cash flow statement. The ultimate parent undertaking Ladbroke Group PLC has included the required consolidated cash flow statement within its consolidated financial statements.

13. CONTINGENT LIABILITIES

The company has jointly and severally guaranteed the value added tax liability of certain other Ladbroke Group undertakings within the group registration, amounting to approximately £5,456,000 at 31 December 1996 (1995 – £3,896,000).

14. RELATED PARTIES

The company's immediate parent undertaking is Comfort Hotels Limited, a company registered in England and Wales. The ultimate parent undertaking and the only undertaking for which group accounts are prepared is Ladbroke Group PLC, a company registered in England and Wales, accounts for which can be obtained from the follow address:

Maple Court, Central Park, Reeds Crescent, Watford, Hertfordshire WD1 1HZ.

The company has taken advantage of provisions in FRS 8 which exempts subsidiary undertakings from disclosing transactions with other entities within the group. The ultimate parent undertaking Ladbroke Group PLC, has included the required related party disclosures within its group accounts.