

STALLION PROPERTIES LIMITED
Registered No. 1916339

DIRECTORS' REPORT

AND

ACCOUNTS

31 DECEMBER 1999



STALLION PROPERTIES LIMITED

DIRECTORS

Mrs F M de Miguel
Mr S A Watkins

DIRECTORS' REPORT

The Directors present their Report and Statement of Accounts for the year ended 31 December 1999.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company did not trade during the year under review.

DIVIDEND

The Directors do not recommend the payment of a dividend.

DIRECTORS

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

Mrs F M de Miguel
Mr S A Watkins

DIRECTORS' INTERESTS

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 1999			1 January 1999		
	Ordinary Shares	ESOS	SAYE	Exercise Price (p)	Ordinary Shares	ESOS	SAYE
F de Miguel	-	-	5,412	179.00p	-	-	3,589
S A Watkins	-	26,190 8,118 13,209	5,412	400.88p 338.72p 222.75p 179.00p	-	34,308	3,589

Options to subscribe for Ordinary shares of The Rank Group Plc granted to and exercised by Directors in the year ended 31 December 1999 are set out below. Except as stated, no options lapsed during the year.

STALLION PROPERTIES LIMITED

DIRECTORS' REPORT

(Continued)

DIRECTORS' INTERESTS (Continued)

	Granted		Lapsed		Exercised			
	ESOS	SAYE	ESOS	SAYE	ESOS	SAYE	Price per Option (p)	Market Price at date of exercise (p)
F de Miguel	-	5,412	-	3,589	-	-	271.58p 179.00p	
S A Watkins	13,209	5,412	-	3,589	-	-	222.75p 271.58p 179.00p	

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 1999 and 31 December 1999 the interest was in a total of 390,000 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 1999 or at 31 December 1999.


YEAR 2000

The Company experienced no disruption or malfunctions since the turn of the year arising from its own computer systems or equipment with embedded date-reliant computer chips.

AUDITORS

In accordance with s386(2) of the Companies Act 1985, PricewaterhouseCoopers will continue as auditors of the Company under the terms of an elective resolution passed by the Company.

By order of the Board


S A Watkins
Secretary

Registered Office:
6 Connaught Place
London
W2 2EZ

19 June 2000

STALLION PROPERTIES LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

Auditors' report to the members of Stallion Properties Limited

We have audited the financial statements on pages 5 to 6 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 3, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. 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.


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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 31 December 1999 and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers, London
Chartered Accountants and Registered Auditors

19 JUNE 2000

STALLION PROPERTIES LIMITED

BALANCE SHEET AT 31 DECEMBER 1999

	<u>Note</u>	<u>1999</u> <u>31 December</u> £	<u>1998</u> <u>31 December</u> £
CURRENT ASSETS			
Debtors: Amounts falling due within one year owed by parent undertaking		113,879	113,879
CAPITAL AND RESERVES			
Called up Share Capital	4	160,000	160,000
Profit and Loss Account		(46,121)	(46,121)
SHAREHOLDERS' FUNDS		113,879	113,879

All shareholders' funds are attributable to equity interests.

These accounts were approved by the Board of Directors on 19 June 2000

F.M. de Miguel)
S.A. Watkins) Directors



The notes to the accounts are on page 6.

STALLION PROPERTIES LIMITED

NOTES TO THE ACCOUNTS AT 31 DECEMBER 1999

1. Accounting policy

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

2. Profit and loss account

The Company did not trade during the year ended 31 December 1999, has received no income and incurred no expenditure and consequently no profit and loss account has been prepared.

3. Shareholders' funds

There has been no movement in shareholders' funds during the year.

4. Share capital

	<u>1999</u> <u>31 December</u> <u>£</u>	<u>1998</u> <u>31 December</u> <u>£</u>
Authorised, allotted, called up, issued and fully paid:		
160,000 Ordinary shares of £1 each	160,000	160,000

5. Directors and employees

The Directors received no remuneration in the year (1998: £nil). There were no employees of the Company during the year (1998: nil).

Information relating to the Directors' shareholdings and share options is given in the Directors' Report on pages 1, 2 and 3.

6. Ultimate parent undertaking

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.