

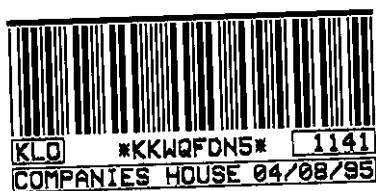
RANK LEISURE INVESTMENTS LIMITED
Registered No.1916907

DIRECTORS' REPORT

AND

ACCOUNTS

31ST OCTOBER 1994



RANK LEISURE INVESTMENTS LIMITED

Directors

M.B. Gifford
B.C. Owers
N.V. Turnbull
D.M. Yates

DIRECTORS' REPORT

The Directors present their Report and Accounts for the year ended 31st October 1994.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company has not traded during the year under review.

DIVIDEND

An interim dividend of £132,279,000 was declared and paid on 31st October 1994 (1993 - £nil).

DIRECTORS

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

M.B. Gifford
B.C. Owers
N.V. Turnbull
D.M. Yates

DIRECTORS' INTERESTS

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

	<u>31st October 1994</u>			<u>1st November 1993</u>	
	Ordinary Shares	Share Options	Weighted average exercise price (p)	Ordinary Shares	Share Options
M.B. Gifford	87,400	119,890	255.61	87,400	391,672
B.C. Owers	17,142	-	-	6,197	122,237
N.V. Turnbull	13,506	76,614	253.37	10,737	181,491
D.M. Yates	19,514	8,205	222.92	9,460	186,217

Options to subscribe for Ordinary shares of The Rank Organisation Plc granted to and exercised by Directors in the year to 31st October 1994 were as follows:

	<u>Options Granted</u>	<u>Options Exercised</u>
M.B. Gifford	-	271,782
B.C. Owers	-	122,237
N.V. Turnbull	-	104,877
D.M. Yates	-	178,012

RANK LEISURE INVESTMENTS LIMITED

DIRECTORS' REPORT

(Continued)

DIRECTORS' INTERESTS (Continued)

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

As at 1st November 1993 and 31st October 1994, Mr. N. V. Turnbull had a beneficial interest in 500 Ordinary shares of 5p each in A. Kershaw & Sons, Plc, a fellow subsidiary company.

In November 1993 the number of shares under option and the option prices were adjusted, with the approval of the Inland Revenue, as a result of the Enhanced Share Alternative. In March 1994, in a capital reorganisation, every 25p share was subdivided into a 10p share. The tables above have been adjusted for these changes, with 1993 figures restated, to provide a clearer understanding of the movements in holdings over the year.

No option lapsed during the year. The market price of an ordinary share at 31st October 1994 was 404p and the range during 1993/94 was 327p to 445p. The options outstanding at 31st October 1994 are exercisable at varying dates between 8th March 1994 and 8th March 2001.

Options to subscribe for Ordinary shares of The Rank Organisation Plc granted to and exercised by Directors between 1st November 1994 and the date of this report, were as follows:-

	<u>Options Granted</u>	<u>Options Exercised</u>
M.B. Gifford	351,230	-
B.C. Owers	-	-
N.V. Turnbull	161,680	-
D.M. Yates	208,840	-

The company's Register of Directors' Interests (which is open to inspection) contains full details of directors' shareholdings and options to subscribe.

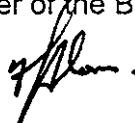
Except as stated above, none of the Directors held interests in shares or debentures of the company, its ultimate parent undertaking or any subsidiary undertaking of that company at 1st November 1993 or at 31st October 1994.

AUDITORS

The Company's Auditors changed the name of their practice to KPMG from KPMG Peat Marwick on 6th February 1995.

KPMG will continue in office pursuant to an Elective Resolution passed on 20th July 1994.

By Order of the Board



F.G.N. Thomas
Secretary

Registered Office
6 Connaught Place
London W2 2EZ

17 FEB 1995

RANK LEISURE INVESTMENTS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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;
- * 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.

AUDITORS' REPORT TO THE MEMBERS OF RANK LEISURE INVESTMENTS LIMITED

We have audited the accounts on pages 5 to 9.

Respective responsibilities of Directors and Auditors

As described on page 3 the Company's Directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

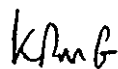
Basis of opinion

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 the Company's affairs as at 31st October 1994 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



KPMG
Chartered Accountants
Registered Auditors

16 March 1995

London

RANK LEISURE INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST OCTOBER 1994

	Note	<u>1994</u> £'000	<u>1993</u> £'000
OPERATING PROFIT/(LOSS)			
Continuing operations	2	-	(124)
Discontinued operations	3	3	-
		<hr/>	<hr/>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		3	(124)
Taxation	4	-	1,024
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	6	3	900
Dividend paid		(132,279)	-
		<hr/>	<hr/>
RETAINED (LOSS)/PROFIT	6	(132,276)	900
		<hr/>	<hr/>

There have been no recognised gains or losses other than profit or loss for the period.

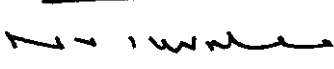

The notes to the accounts are on pages 7 to 9.

RANK LEISURE INVESTMENTS LIMITED

BALANCE SHEET AT 31ST OCTOBER 1994

	<u>Note</u>	<u>1994</u> £'000	<u>1993</u> £'000
CURRENT ASSETS			
Debtors: Amounts owed by parent undertaking falling due within one year		231,523	363,799
		<hr/>	<hr/>
NET ASSETS		231,523	363,799
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up Share Capital	5	117,396	117,396
Share premium account	6	41,216	41,216
Other reserves	6	72,907	72,907
Profit and loss account	6	4	132,280
		<hr/>	<hr/>
		231,523	363,799
		<hr/>	<hr/>

These accounts were approved by the Board of Directors on **17 FEB 1995**

 , N. TURNBULL
) Directors
) B. C. OWENS

The notes to the accounts are on pages 7 to 9.

RANK LEISURE INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS AT 31ST OCTOBER 1994

1. Accounting policies

(i) Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards and on a basis consistent with the previous year.

(ii) Consolidation

Under the provisions of Section 228 of the Companies Act 1985, the Company is exempt from the obligation to prepare and deliver group accounts. The Company is a wholly owned subsidiary of The Rank Organisation Plc, a company incorporated in Great Britain and registered in England and Wales.

(iii) Cash flow statement

The Company is exempt from the requirement to include a cash flow statement within its accounts since it is a wholly owned subsidiary undertaking of The Rank Organisation Plc whose consolidated accounts include a consolidated cash flow statement dealing with the cash flows of the group.

2. Operating loss - continuing operations

	1994 £'000	1993 £'000
Amounts written off investments in subsidiary undertakings	-	(124)
	<hr/>	<hr/>

3. Operating profit - discontinued operations

	1994 £'000	1993 £'000
Release of provision against cost of investment	3	-
	<hr/>	<hr/>

RANK LEISURE INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS AT 31ST OCTOBER 1994

(Continued)

4. Taxation

	1994 £'000	1993 £'000
Adjustment to provision	-	(1,024)

5. Share capital

	1994 £'000	1993 £'000
Authorised: 1,750,000,000 Ordinary shares of 10p each	175,000	175,000
Allotted, called up, issued and fully paid: 1,173,963,984 Ordinary shares of 10p each	117,396	117,396

6. Reserves

	1994 £'000	1993 £'000
Share premium account	41,216	41,216
Other reserves:		
Special reserve	26,899	26,899
Merger reserve	46,008	46,008
	72,907	72,907
Profit and loss account	4	132,280

RANK LEISURE INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS AT 31ST OCTOBER 1994

(Continued)

6. Reserves (Continued)

The movements on these reserves are shown below. The merger reserve arises in respect of share issues for the acquisition of Pleasurama Plc for which merger relief has been taken in accordance with Section 131 of the Companies Act 1985.

The special reserve arose from the cancellation of the Company's share premium account in 1987.

	Share premium account £'000	Other reserves Special reserve £'000	Merger reserve £'000	Profit and loss account £'000
At 31st October 1993	41,216	26,899	46,008	132,280
Profit for the year	-	-	-	3
Dividend paid	-	-	-	(132,279)
At 31st October 1994	41,216	26,899	46,008	4

7. Shareholders' funds

There has been no movement in shareholders' funds other than the movement on profit and loss account set out on page 5.

8. Directors and employees

The Directors' emoluments were £nil (1993 - £nil) and the company had no employees during the year (1993 - nil).

9. Ultimate 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.