

MOFFAT LODGE MOTOR INN LIMITED (Company No. 51272)
DIRECTORS' REPORT - YEAR ENDED 31 DECEMBER 1996

Directors: P N Atkin (resigned 30 September 1996)
 I Dyson (appointed 10 December 1996)
 A G Elkies (resigned 28 February 1997)
 S Glick (appointed 3 March 1997)
 M J Noble (appointed 30 September 1996)
 M A G Stevens (resigned 28 February 1997)

Secretary: J Singleton

Registered Office: Orchard Brae House, 30 Queensferry Road, Edinburgh,
 EH4 2HG

The directors have pleasure in presenting their report and the company's accounts for the year ended 31st December 1996.

ACCOUNTS AND DIVIDENDS

The company has not traded during the year and accordingly it has made neither a profit nor a loss. No profit and loss account has therefore been prepared and no dividend is recommended. It is not expected that the company will commence trading in the current year.

DIRECTORS

The current directors and those who served during the year are shown above.

DIRECTORS' INTERESTS

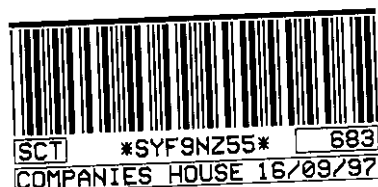
According to the register kept by the company pursuant to section 325 of the Companies Act 1985, the directors, at 31 December 1996 and their families:-

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

	31 December 1996	31 December 1995 (or when appointed)
10p ordinary shares ("shares")		
A G Elkies	370	-
M J Noble	417	1,054
M A G Stevens	1,396	686

Options to purchase shares under the terms of the 1978 share option scheme ("1978 Scheme")

I Dyson	14,454	14,454
A G Elkies	37,209	37,209
M J Noble	40,343	47,343
M A G Stevens	248,095	248,095



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DIRECTORS' INTERESTS - Continued

	31 December 1996	31 December 1995 (or when appointed)
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 ("ISOS Scheme")		
I Dyson	25,546	25,546
A G Elkies	7,000	-
M J Noble	40,000	7,000
M A G Stevens	38,498	-

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

	1978 Scheme		ISOS Scheme	
	Granted	Exercised	Granted	Exercised
A G Elkies	-	-	7,000	-
M J Noble	-	7,000	33,000	-
M A G Stevens	-	-	38,498	-

Except as shown above no director at 31 December 1996 held at that date or at 31 December 1995 or on appointment 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.

By Order of the Board



J Singleton
Secretary

12 SEP 1997

MOFFAT LODGE MOTOR INN LIMITED (Company No. 51272)
BALANCE SHEET AT 31 DECEMBER 1996

	Note	1996 £	1995 £
CURRENT ASSETS			
Debtors - amounts falling due within one year			
Amounts due from other group companies	2	90,059,090	90,059,090
CREDITORS - amounts falling due within one year			
Amounts due to other group companies	2	(310,308)	(310,308)
		<u>89,748,782</u>	<u>89,748,782</u>
CAPITAL AND RESERVES			
Called up share capital	3	90,040,000	90,040,000
Profit and loss account		(291,218)	(291,218)
		<u>89,748,782</u>	<u>89,748,782</u>

The company was dormant within the meaning of section 250 of the Companies Act 1985 throughout the financial year ended 31 December 1996.



I Dyson
 Director

12 SEP 1997

1. ACCOUNTING POLICIES

Basis of accounting

The accounts have been prepared under the historical cost convention. They have been drawn up to comply, in all material respects, with applicable UK accounting standards.

2. AMOUNTS DUE TO AND FROM GROUP COMPANIES

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

3. CALLED UP SHARE CAPITAL

	1996	1995
	£	£
Authorised, allotted, called up and fully paid		
90,040,000 ordinary shares of £1 each	<u>90,040,000</u>	<u>90,040,000</u>

4. CONTINGENT LIABILITY

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

5. RELATED PARTIES

The company's immediate parent undertaking Arbiter & Weston Ltd, 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, the accounts of which are available from the registered office of that company, at Maple Court, Central Park, Reeds Crescent, Watford, Herts, WD1 1HZ.

The company has taken advantage of provisions in FRS 8 which exempt 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.