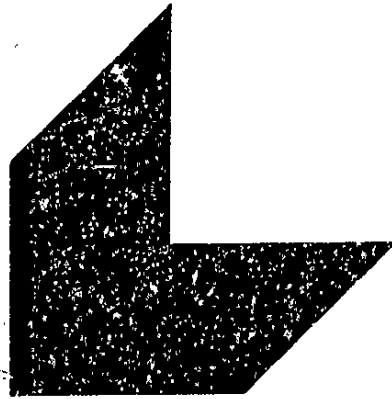
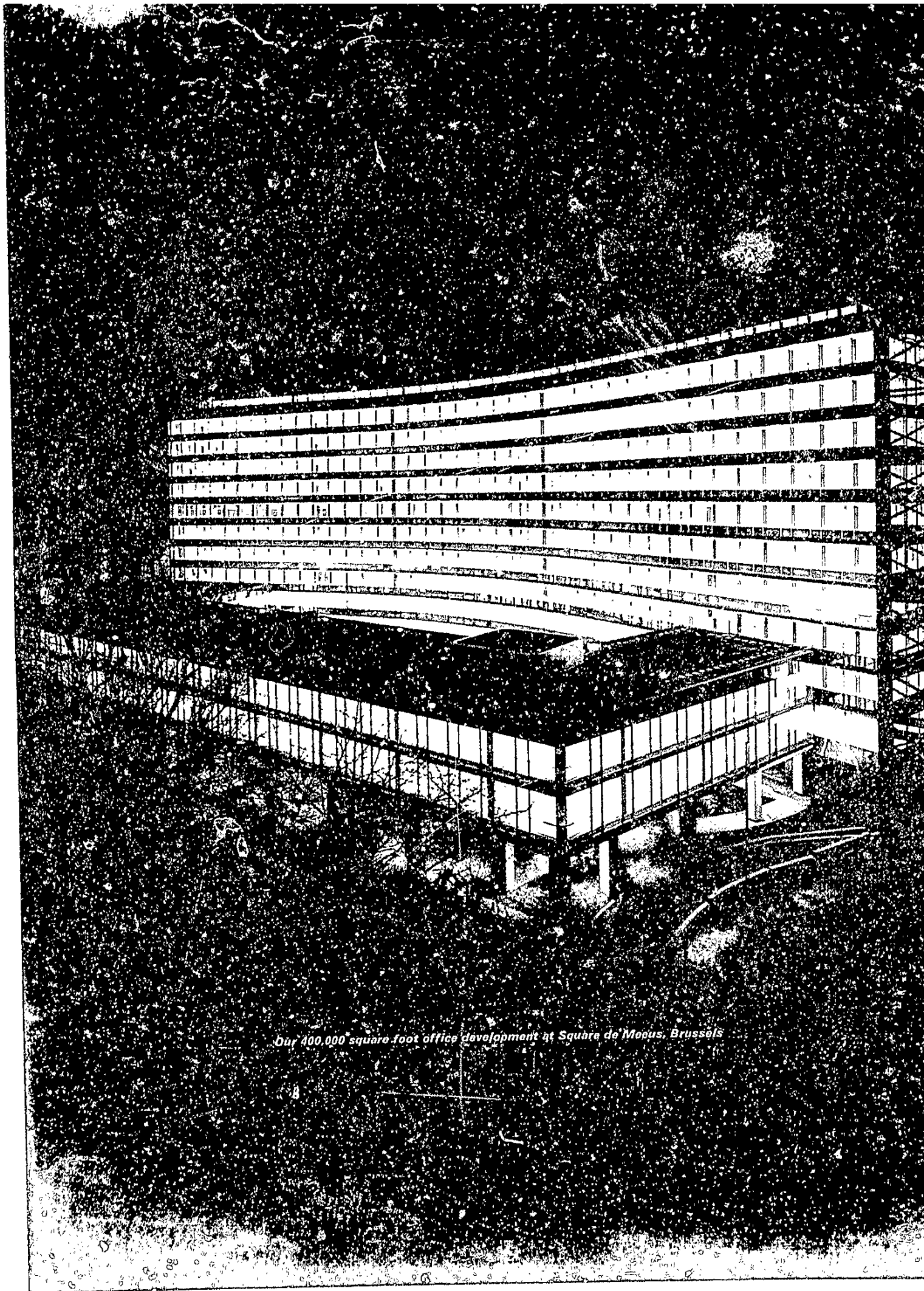


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**Ladbroke
Group
Limited**

**Report
and Accounts
1976**



Our 400,000 square foot office development at Square de Meeus, Brussels

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Ladbroke Group Limited

Directors

Cyril Stein
Chairman and Managing Director
Eric William MacAdie, FCA
Deputy Chairman and Financial Director
Kenneth Russell Cork, FCA
Derek James Sate, FCA
Geoffrey Leonard Spreckley

Secretary

Christopher Henry Andrews, ACIS

Registered Office

Chancel House, Neasden Lane, London NW10 2XE
Telephone: 01-459 8031 Telex: 22274
Cables: Ladgroup, London NW10

Registered Number

London 566221

**Registrars and
Transfer Office**

Williams & Glyn's Registrars Limited,
16 Old Broad Street, London EC2N 1DL
Telephone: 01-588 6234

Auditors

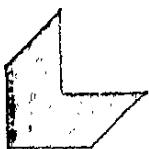
Turquands Barton Mayhew & Co., Chartered Accountants,
Lynton House, 7 Tavistock Square, London WC1H 9LS

Principal Bankers

National Westminster Bank Limited
Barclays Bank Limited

The Year in Brief

	1976	1975	1976 Increase over 1975
	£000	£000	%
Turnover	319,139	268,598	19
Profit before taxation	15,321	12,380	24
Profit available for distribution	6,814	5,770	18
Dividend cost	2,107	1,483	42
Profit retained	4,707	4,176	13
<hr/>			
Earnings per 10p share	14.63p	13.10p	12
Dividend per 10p share	4.5295p	4.1178p	10
Dividend cover	3.2	3.9	
Share price (high/low)	117/64p	99/29p	
<hr/>			



**Ladbroke
Group
Limited**

From the Chairman

Dear Shareholder,

In many ways 1976 was a vital period for the group, after meteoric progress in successive years. We had to break into a new profit league mainly through organic growth. We had in terms of profit to justify our policy of diversification away from the reliance on a single industry. We had, with the completion of the major part of our property portfolio, to justify these investments.

That I am now able to report turnover increased by 19% to £319.14m and profit by 24% to £15.32m speaks for itself. The betting divisions which contributed 100% of UK profits in 1970, now produce only around one third of very much larger group profits, the substantial difference being that we now operate in six other industries. The decision taken after much deliberation to strengthen the group balance sheet through property investment can now be seen to have been correct. Concentration on the industrial sector in the UK has been successful from the outset and our developments in Brussels, Paris and Holland are complete and largely let.

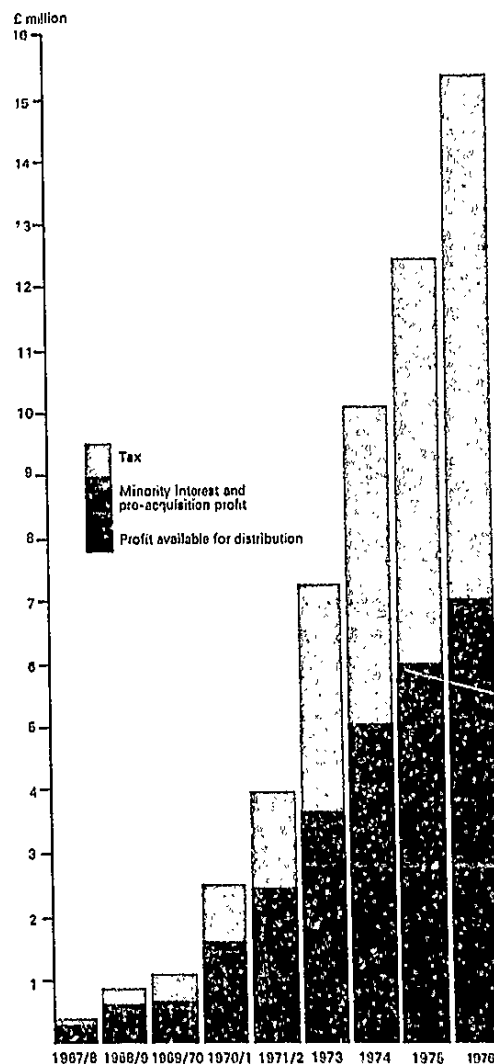
We again present in this report and accounts an easily understood but comprehensive analysis of the financial affairs of the group. Shareholders can see at a glance on page 9 turnover analysis, the important areas of operational costs, dividends and profit retained. We have produced a set of figures in current cost accounting terms and supporting notes on pages 31 to 33. While these show the company in a favourable light compared with indications of other businesses, I believe it to be far too early to comment until the business community decides on the final formulae to be adopted universally to identify the effects of inflation on company profits and values.

Earnings per Share and Dividends

Earnings per share at 14.63p allow for a slightly higher tax provision, minority interests, pre-acquisition profits and the

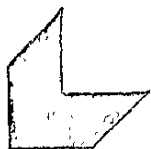
effect for a full year of the one for one rights issue at 10p made in September 1975. We are proposing a final dividend of 2.5055p per share, payable on 26th May, making a total for 1976 of 4.5295p (see also page 10). The dividend cover is 3.2 and it is the directors' intention to recommend a substantial dividend increase as soon as legislation allows.

Profits before tax, after tax and available for distribution



Consolidated Balance Sheet

Group assets now total £115m, the outstanding change in the year being



**Ladbroke
Group
Limited**

From the Chairman

investment properties which increased by £17m to £44m. These properties are still included at cost pending revaluation which is expected to show a substantial surplus. Goodwill on consolidation of £5.9m is excluded although this continues to be worth at least this amount.

Betting and gaming licences are again only included at cost although their market value is ever increasing.

The group continues to be in a strong liquid position with over £5m cash on deposit, in hand and in government securities at the year end. Although current liabilities exceed current assets by £1.49m, £2.7m cash has been applied in temporarily reducing loan capital to save interest costs.

Gearing excluding the property division but including the long term financing of our hotels has decreased again and is now at a comparatively low level of 0.54 : 1. After taking into account £8.376m for additions to our investment properties and allowing for the adjustments arising out of currency fluctuations, total group gearing is 1.91 : 1. Our property investments are almost wholly financed by long-term borrowing at reasonable levels of interest. There is no currency risk attached.

Trading Divisions

Racing

The division maintained its position as the "brand leader" having increased its share of the market turnover to 14%. "Trading up" is pursued consistently, our shops having to be as attractive to the consumer as any other type of retail outlet. The pace of resiting to city centre and High street locations is constantly accelerating. 52 branches have been newly opened or acquired during 1976 and a further 50 will be resited in the first half of 1977. Planning for the future has resulted in a policy of operating "small stores" which have a minimum of 1,000

square feet available. There are now 75 units of this size.

Credit betting continues to offer its services to those who wish to bet in substantial amounts by telephone or on the racecourse. Visitors from overseas have become an important source of business as has betting on world wide political and sporting events.

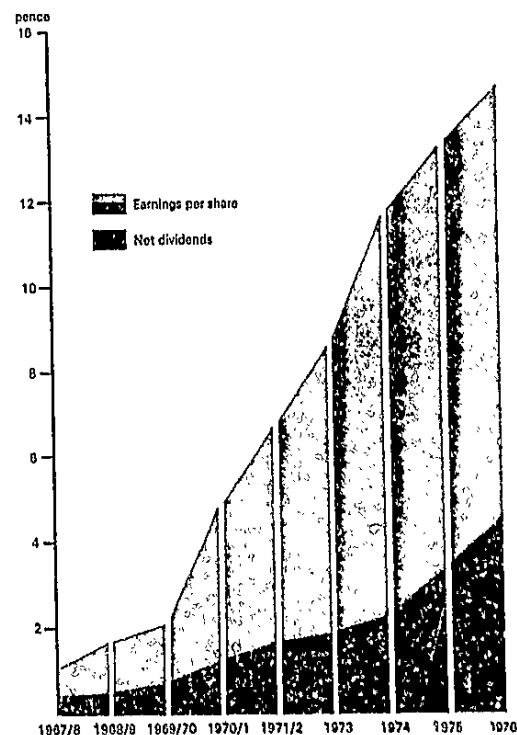
Casinos

The UK casino industry provides facilities unequalled anywhere in the world.

Its standard of operations is used as a model by the many countries who now see casinos as a pre-requisite to attracting tourists. Certainly they play an essential part in bringing the wealthier overseas visitors to London, providing substantial direct and indirect foreign currency earnings.

As the leading operator in the industry with four casinos in London's prime tourist area, we are well placed to take

**Earnings per share and
net dividends**



From the Chairman

advantage of the inflow of visitors and the move this month of the De Vere club to a superb new location at the Park Tower Hotel, Knightsbridge is opportune.

In December, the Liverpool casino was relocated to excellent new premises at the Adelphi Hotel. Casinos are also in operation in 5 other major provincial areas.

The outstanding success of the division is due in large measure to the dedication of the executive led by the managing director, Alex Alexander.

Entertainments

During the last two years, £2m has been spent on refurbishing our bingo and social clubs and in creating additional catering and bar outlets within the clubs. This investment is now reaping rewards and over 2,000 new members are being enrolled every week. The static performance of the division before refurbishment is being replaced by excellent figures now that many of our larger clubs are first-rate places of entertainment.

Cesars Palace Theatre Club has earned the accolade of "Club of the Year".

Hotels

Although we are comparatively small in the industry, we are distinguished through our hotels at Bristol, Leeds and Middlesbrough being the most highly regarded in their areas. Our London hotel, the Ladbroke Belgravia, is now a first class operation and a worthy flagship. It is one of the few modern freehold hotels in the metropolis. We should like to increase the size of the division but the demand for good hotel accommodation in London has currently forced up sale prices to peak levels.

Holidays

This is a most successful division, our reputation having been built on providing good accommodation at reasonable

prices. In a year when most holiday operations made little progress in terms of occupancy, our centres were in great demand.

With three holiday centres owned by Ladbroke Courage Holidays Limited, and the acquisition in January 1977 of Carmarthen Bay Holiday Village, we now offer a choice of 17 Ladbroke holidays from boating to "5 star" camping.

An interesting development is the September "group package" which we sell through major industrial companies, societies and organisations.

Racecourse Management

Our youngest division with all but one of its operations coming on stream in 1976. In terms of public appeal, the Grand National, the most exciting steeplechase in the world, takes pride of place and under our management the Grand National meeting has become the highlight of the National Hunt season. Lingfield Park, an all year racecourse, maintains its popularity with southern racegoers and 1976 saw further increases in crowd levels. The 7 greyhound stadia, which combined have approximately a 1,000 meetings a year, provide the bulk of the division's profit. The many improvements being made, particularly in areas of customer satisfaction and marketing, will provide a base for increased profitability.

Property

In my 1975 report to shareholders I indicated that substantial lettings of our overseas developments could be anticipated during 1976. In the event over half of our Brussels office building was pre-let and rent became payable in September. Letting of the balance of the development is under negotiation. The office project in Paris is almost wholly let, the only remaining floor being under offer. In Kalverstraat, Amsterdam the office development is fully let and only

From the Chairman

one unit of the shopping development remains available for occupation. In the UK we completed and sold the larger part of our industrial site at Luton, the other industrial developments being let almost as soon as they were completed. Home building is proving successful, and we will keep to our policy of small sites in good areas. We will shortly begin construction of "Hyde Park Towers," a block of 62 luxury flats facing London's famous park. We purchased the site some years ago but only now has the project become viable and a fixed-price contract signed. 40% of the flats have been sold or are under offer at the asking prices, all to overseas residents.

Our people

At head office and in the divisions, management is in the hands of outstanding and enthusiastic people. To a considerable extent this arises from the policy of promotion from within the group and, although there are occasions when senior positions are externally advertised, our people at all levels are encouraged by the success of their peers. Outstanding examples during 1976 were the appointments of Geoff Spreckley to the group board and of Peter George and Peter Thompson who became managing directors of the retail betting and race-course management divisions respectively; John Jarvis has become responsible for hotel in addition to the holiday operations.

To my colleagues at head office, to the managing directors of the divisions, to members of divisional boards and to all our staff, I offer my sincere appreciation for their efforts.

Shareholders' privileges

Together with this report are details of favourable terms available to shareholders.

Annual general meeting

The meeting will be held this year at the Ladbroke Belgravia Hotel, Chesham Place, London SW1 at 11 am on 25th May and I look forward to seeing shareholders there.

1977

We enter our 75th trading year confident in the knowledge that the company is stronger than ever before. In trading operations, asset backing and management skills we constantly strive for improvement and it is no accident that our performance in 1976 brought us into the elite group of the top 4% of UK quoted companies in terms of profits. There is, however, no complacency in our group; we know that our shareholders expect us to achieve constant and impressive growth and our management at all levels look for the opportunity to rise to new challenges. We therefore intend to maintain our reputation of being "conservatively aggressive". To us that means pushing ahead at minimal risk.

You will be pleased to know group profits to date are excellent.

Yours sincerely,

Cyril Stein






25th April 1977



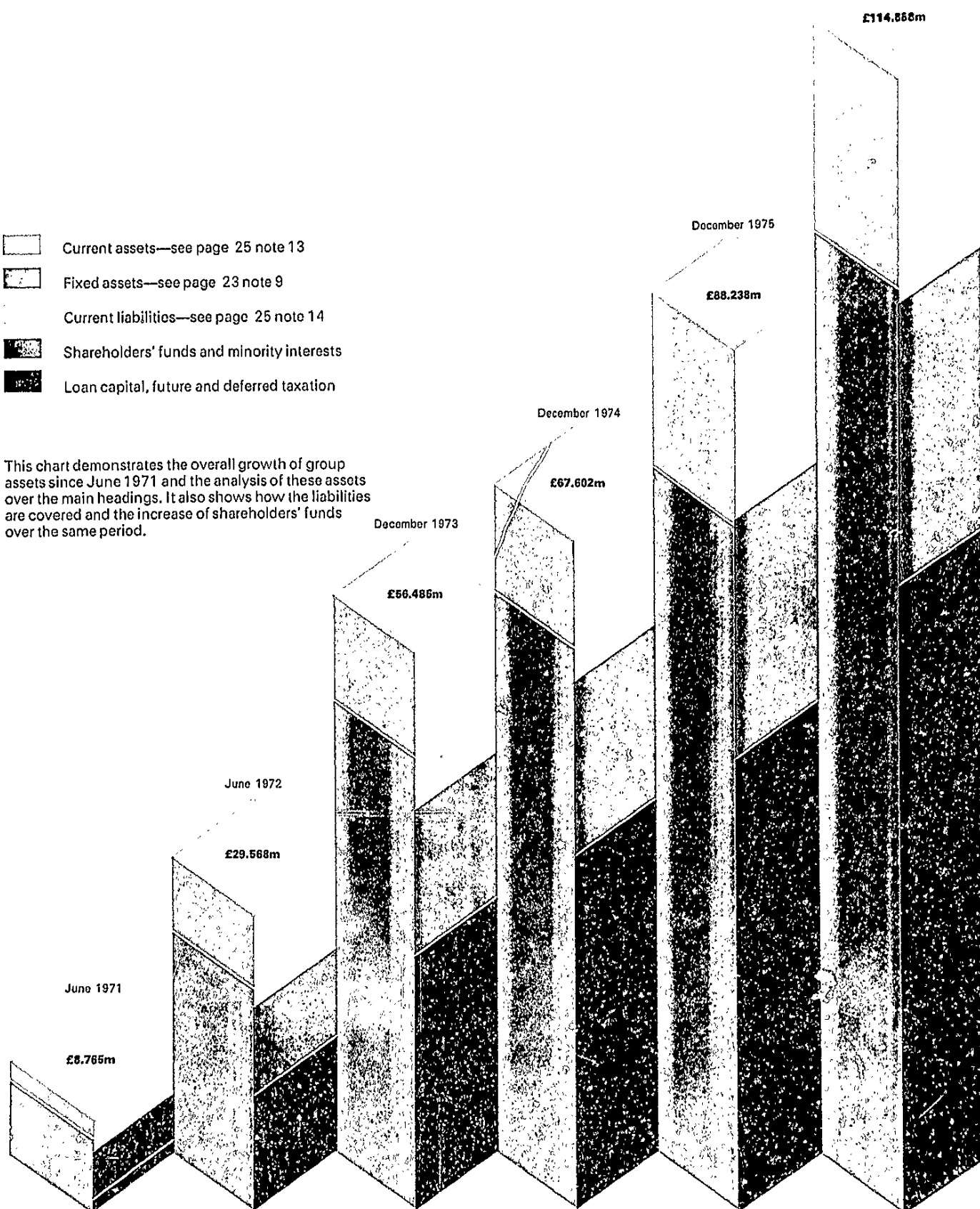
**Ladbroke
Group
Limited**

Allocation of Total Assets

December 1976

-  Current assets—see page 25 note 13
-  Fixed assets—see page 23 note 9
-  Current liabilities—see page 25 note 14
-  Shareholders' funds and minority interests
-  Loan capital, future and deferred taxation

This chart demonstrates the overall growth of group assets since June 1971 and the analysis of these assets over the main headings. It also shows how the liabilities are covered and the increase of shareholders' funds over the same period.



Simplified Accounts

For the year ended 28th December 1976

	£000	£000	For every £1 of turnover, the follow- ing pence were paid out
The divisions of our group produced turnover as follows:			
Betting and casinos		278,040	
Hotels, holidays, entertainments, racecourse management and spot-ball		37,205	
Property sales and rents		3,894	
		<u>319,139</u>	
The cost of materials, food and betting winnings etc, net of VAT was		232,107	72.7
leaving a balance from these activities of		87,032	
from which the following items were deducted:			
Interest	444		0.1
Staff remuneration net of statutory deductions	18,816		5.9
Allowance for wear and tear of equipment and fixtures	2,376		0.8
Other costs including rent, insurance, travelling, communications etc.—net of VAT	18,948		5.9
		<u>40,584</u>	12.7
leaving a surplus income of		46,448	
From this amount we have deducted the following sums paid or payable as required by government:			
Betting and gaming duties and levy	21,866		6.9
Rates, VAT, statutory salary deductions and other taxes	9,261		2.9
Corporation tax	8,295		2.6
		<u>39,422</u>	12.4
which has left available a net profit of		7,026	
An interim dividend already paid to shareholders cost	938		0.3
We propose to pay a final dividend which will cost	1,169		0.3
and we must deduct taxed profits earned by new subsidiary companies prior to being acquired together with taxed profits attributable to shares in subsidiaries not owned by the group of	212		0.1
		<u>2,319</u>	0.7
leaving a balance of		4,707	1.5
which increases the net worth of your company		<u><u>4,707</u></u>	<u><u>1.5</u></u>

The complete statement of accounts commences on page 15.

Report of the Directors

Dividends and Profits

The directors propose the payment on 26th May 1977 of a final dividend of 2.5055p on each of the 10p ordinary shares entitled thereto and in issue on 19th April 1977, making a total for the year to 28th December 1976 of 4.5295p per share (equivalent to 6.9685p per share gross based on the present rate of advance corporation tax). If the rate of advance corporation tax should be reduced retrospectively after the final dividend has been paid, it would be the directors' intention that the company should make an additional payment in order to maintain the equivalent gross distribution for the year. The resolution to be proposed at the annual general meeting will enable this to be done.

The consolidated profit and loss account for the year shows a profit before taxation of £15,321,000 and a profit after taxation of £8,875,000 which includes £212,000 relating to minority interests and pre-acquisition profits. After deducting deferred tax of £1,849,000 there is a profit of £6,814,000 available for distribution which is equivalent to 14.63p per share.

Changes in Share and Loan Capital Shares

During the year the following fully paid ordinary shares of 10p each were issued:—

211,540 as part consideration for the acquisition of all the issued share capital of Totalisators and Greyhound Holdings Limited

61,676 as part consideration for the acquisition of all the issued share capital of Perry Barr Stadium Limited

8,035 on exercise of subscription warrant rights.

Loan Stock and Warrants

£158,454 of 8% guaranteed unsecured loan stock 1990/2 ("8% loan stock") was issued in 1976 as part consideration for the acquisition of all the issued share capital of Perry Barr Stadium Limited.

£267,922 of 8% loan stock with warrants attached was issued after the year end in final satisfaction of the consideration payable for the acquisition of the Essoldo bingo halls in 1973, pursuant to a court order which is under appeal.

Acquisitions and Disposals

A list of subsidiaries acquired or incorporated during the year is given on page 30 together with principal subsidiaries and their activities.

The cash element of the consideration for the acquisition of all the issued share capital of Totalisators and Greyhound Holdings Limited and Perry Barr Stadium Limited was £1,036,430 and £459,670 respectively.

Under a joint venture agreement with Courage Limited (a subsidiary of Imperial Group Limited), Ladbroke Courage Holidays Limited was established as an equally owned joint company, to which were transferred the group's Perran Sands holiday centre in Cornwall, together with the Courage Limited centres at Hayle in Cornwall and Teignmouth in Devon. The £160,000 cost of acquiring the interest of a third party in the Teignmouth centre was borne equally by the parties.

£325,000 was paid for the repayment of loans, the termination of the joint venture agreement and Ramada Europe Inc's 50% shareholding in Ladbroke Dragonara International Hotels Limited which owns 25% of the company controlling the Ladbroke Belgravia Hotel.

Subsidiaries have acquired for cash the licence goodwill, properties and fixtures and fittings of 17 licensed betting offices. Successful applications were made for 35 new or transferred betting office licences and 83 betting offices have been sold, closed or resited.

A casino was opened at the Adelphi Hotel, Liverpool as part of an agreement with British Transport Hotels Limited, and another casino elsewhere in Liverpool was closed.

During the year one bingo hall was sub-let, one was compulsorily acquired by the local authority for redevelopment and two others were closed.

Property developments in the UK and Holland were sold for a total of £2,661,000 and properties for development in the UK were purchased for a total of £274,000.

Report of the Directors

Value of Group Properties

Investment and dealing properties have been included in these accounts at cost plus rolled up interest or at market value whichever is the lower.

Operating properties in the trading divisions have been included at cost or valuation (where incorporated in prior years) as the directors are of the opinion that the current value of these properties to the company is not less than the book value.

Shareholders

A summary of fully paid shareholdings is provided on page 12.

Directors

G. L. Spreckley was appointed a director on 25th October 1976 and R. S. Upsdell resigned as a director on 31st December 1976.

In accordance with the company's articles of association, no director retires by rotation but G. L. Spreckley, having been appointed a director since the last annual general meeting, retires and offers himself for re-election.

Directors' Other Interests

Since 30th December 1975, D. J. Sate, has reduced his holding of warrants to subscribe for shares from 11,323½ to 10,323½. No director had any interests in the shares or debentures of any subsidiaries in 1976 or subsequently.

Except as disclosed, none of the directors had any other interest whatsoever in any contract entered into by the company or its subsidiaries, in the 8% loan stock or in the warrants and no other change has taken place up to 6th April 1977.

Employees

At 28th December 1976 the total number of full-time and part-time employees in the UK was 13,028. The average number of full-time employees during the year was approximately 9,810 and there was an average of approximately 4,160 part-time employees. Total remuneration of all employees amounted to £25,970,000 for the year.

Group Turnover and Profits

An analysis is given on page 20 and a definition of turnover is given on page 19.

Exports

Goods exported during the year amounted to £79,000; 1975 £62,000.

Charitable and Political Contributions

During the year group companies in the UK made payments to charitable organisations of £17,000; 1975 £16,000. No contributions were made to any political organisations.

Annual General Meeting

At the meeting on 25th May 1977, there will be proposed a special resolution to amend the executive share incentive scheme so that, in line with other holders of shares under the scheme, executives who cease to be employed within three years of shares being allotted cannot be required to pay a call which, with the initial payment, is greater than the adjusted market price as defined in the scheme rules.

Auditors

The auditors, Turquands Barton Mayhew & Co., have expressed their willingness to continue in office.

By order of the board
C. H. Andrews, ACIS
Secretary
25th April 1977

Directors' and Other Shareholdings

The following is a summary of the holdings of fully paid 10p ordinary shares of the company in issue at:

		28th December 1976			30th December 1975		
		Holdings	Shares	%	Holdings	Shares	%
Directors (1)							
C. Stein	(a)	4	2,157,316	4.6	4	2,207,316	4.8
E. W. MacAdie		2	28,602	0.1	1	25,602	—
K. R. Cork		1	41,000	0.1	1	60,804	0.1
D. J. Sate	(b)	2	30,342	0.1	2	43,842	0.1
G. L. Spreckley	(c)	1	42,000	0.1	1	42,000	0.1
R. S. Upsdell		—	Nil	—	1	2,000	—
Directors (2)							
E. W. MacAdie	(a)	3	3,712,812	7.9	3	3,867,812	8.3
C. Stein and E. W. MacAdie	(b)	1	123,854	0.3	1	123,854	0.3
		14	6,135,926	13.2	14	6,373,230	13.7
Directors of subsidiaries (3)		18	1,054,778	2.3	21	1,430,335	3.1
Insurance companies		68	1,551,582	3.3	45	1,499,173	3.2
Investment companies		65	1,686,880	3.6	68	1,889,045	4.1
Pension funds		21	1,450,416	3.1	27	1,457,270	3.1
Banks and bank nominee companies		454	10,792,923	23.1	392	10,047,190	21.7
Other companies		396	5,342,520	11.5	373	5,597,004	12.1
Universities, schools and other corporate bodies		20	381,722	0.8	18	475,122	1.0
Individuals		13,011	18,266,518	39.1	11,195	17,613,645	38.0
Total in issue and fully paid		14,067	46,663,265	100.0	12,153	46,382,014	100.0

(1)—Shares in which group directors and their wives and infant children were interested beneficially or under settlements other than those referred to below.

(a) Since 28th December 1976 20,000 of these shares have been sold.

(b) 25,602 of these shares were effectively acquired in 1971 from the trustees of the employee directors incentive scheme, who are C. Stein and E. W. MacAdie, but these shares are not included in those shown against their names. A balance of £5,090 was payable in respect of these shares but since the year end 5,000 shares have been sold and the loan has been repaid, 4,740 other shares have also been sold.

Under the 1971 executive share incentive scheme 43,750 partly paid shares are held but are not included above.

(c) 40,000 of these shares were effectively acquired in 1975 from the trustees of the 1974 share incentive scheme, who are C. Stein and E. W. MacAdie, but these shares are not included in those shown against their names. A balance of £25,104 is payable in respect of these shares (on which the dividends for 1976 have been waived) between 1978 and 1980.

The comparative holding shown is at date of appointment as a group director.

(2)—Shares held by group directors as trustees and in which they were not beneficially interested.

(a) Since 28th December 1976 340,000 of these shares have been sold.

(b) Shares held as trustees of the 1974 share incentive scheme. 120,000 shares were effectively acquired in 1975 by executives other than group directors and £75,312 is payable in respect of these shares (on which the dividends for 1976 have been waived) between 1978 and 1980.

(3)—Shares in which directors of subsidiaries and their wives and infant children were interested beneficially or under settlements or as trustees, but excluding shares included in group (2). During the year holders of 216,514 shares ceased to be directors and non-executive directors sold 151,499 shares.

1,115,625 partly paid shares were also in issue under the 1971 executive share incentive scheme (see note 15(b) on page 26).

Except as disclosed above, no changes in the group directors' shareholdings have taken place between 28th December 1976 and 6th April 1977.

At the date of this report, as far as the registrar is aware and except as disclosed above, no individual shareholder holds more than 5% of the issued share capital, except as disclosed. The company is not a party to any arrangement enabling group directors to exercise control through the acquisition of shares in this or any other company, nor is it a close company.

Notice of Meeting

Notice is hereby given that the annual general meeting of LADBROKE GROUP LIMITED will be held at the Ladbroke Belgravia Hotel, 20 Chesham Place, London SW1X 8HQ on Wednesday 25th May 1977 at 11 am for the following purposes:—

- 1 To receive and adopt the reports of the directors and auditors and the statement of accounts for the year ended 28th December 1976.
- 2 To declare a final dividend.
- 3 To re-elect G. L. Spreckley as a director following his retirement in accordance with the articles of association.
- 4 To authorise the directors to fix the remuneration of the auditors.
- 5 To consider and, if thought fit, to pass the following resolution which will be proposed as a special resolution:—

That the executive share incentive scheme as approved on 18th November 1971 and amended on 21st October 1974 and 25th May 1976 be further amended by adding in clause 7(b) after the words "sub-clause (a) (i) or (a) (ii)" the words "or (a) (iii)" and in clause 7(e) after the words "a call under sub-clause" the words "(b) or".
- 6 To transact any other business of an annual general meeting.

By order of the board
C. H. Andrews, ACIS
Secretary
25th April 1977

Note

A member entitled to attend and vote at the annual general meeting is entitled to appoint a proxy or proxies, in accordance with the provisions of the company's articles of association, to attend and vote instead of him or her at such meeting. A proxy need not also be a member of the company and the appointment of a proxy does not preclude a member from attending if he or she wishes to do so. A form of proxy, which must be lodged at the company's transfer office, is enclosed for this purpose.

Copies of contracts of service between the company and directors and of such executive share incentive scheme (as amended) will be available for inspection at the registered office of the company on any weekday (except Saturday) during normal business hours from the date of this notice until the date of the meeting and at the place of the meeting for 15 minutes prior to, and during, the meeting.



**Ladbroke
Group
Limited**

Accounts for the year ended 28th December 1976

Report of the Auditors

To the members of Ladbroke Group Limited

We have examined the accounts on pages 15 to 30 which have been prepared under the historical cost convention.

In our opinion the accounts give, under the accounting convention stated above, a true and fair view of the state of affairs of the company and, so far as concerns members of the company, of the group at 28th December 1976 and of the profit and the source and application of funds of the group for the year ended on that date and comply with the Companies Acts 1948 and 1967.

London.
25th April 1977

Turquands Barton Mayhew & Co.
Chartered Accountants.



**Ladbroke
Group
Limited**

Consolidated Profit and Loss Account

For the year ended 28th December 1976

	NOTE	1976 £000	1975 £000
Turnover	1	<u>319,139</u>	<u>268,598</u>
Trading profit		15,765	13,302
Interest	2	<u>444</u>	<u>922</u>
Profit before taxation	1-3	15,321	12,380
Taxation	4	<u>6,446</u>	<u>5,058</u>
Profit after taxation		8,875	<u>7,322</u>
Minority interests		139	203
Pre-acquisition profit		<u>73</u>	<u>—</u>
		212	203
		8,663	<u>7,119</u>
Deferred taxation	5	<u>1,849</u>	<u>1,349</u>
Profit available for distribution		6,814	<u>5,770</u>
Extraordinary items	6	<u>—</u>	<u>(111)</u>
		6,814	<u>5,659</u>
Dividends	7	<u>2,107</u>	<u>1,483</u>
Profit retained		<u>4,707</u>	<u><u>4,176</u></u>
Earnings per 10p share			
Actual	8	14.63p	13.10p
Fully diluted	8	13.32p	12.23p



**Ladbroke
Group
Limited**

Consolidated Balance Sheet

At 28th December 1976

			1976		1975
	NOTE	£000	£000	£000	£000
Fixed assets	9		47,462		42,139
Associated company			—		37
Investment properties	10		43,856		26,974
Investment securities	11		983		963
Deferred debtors	12		1,132		—
Current assets	13		21,455		18,125
			114,888		88,238
Current liabilities	14		22,943		17,368
Net assets employed			91,945		70,870
Share capital issued	15		4,670		4,642
Reserves	16	28,718		24,171	
Less: Goodwill on consolidation	17	5,904		5,185	
			22,814		18,986
Shareholders' funds			27,484		23,628
Minority interests			1,561		631
Loan capital (partly secured)	18				
Long term 1982-2007		42,910		27,418	
Other		9,584		10,248	
			52,494		37,666
Deferred taxation	19		8,001		6,096
Future taxation	20		2,405		2,849
Total finance employed			91,945		70,870

C. Stein
E. W. MacAdie } Directors

Company Balance Sheet

At 28th December 1976

	NOTE	1976 £000	1975 £000
Subsidiaries	23	40,659	34,736
Associated company		—	37
Current assets			
Debtors and prepayments		178	177
Cash at bankers		217	63
		<u>395</u>	<u>240</u>
		41,054	35,013
Current liabilities			
Creditors and accrued charges		305	456
Current taxation		1,908	600
Final dividend		1,169	1,057
		<u>3,382</u>	<u>2,113</u>
Net assets employed		<u>37,672</u>	<u>32,900</u>
Share capital issued	15	4,670	4,642
Reserves	16	23,687	19,540
		<u>28,357</u>	<u>24,182</u>
Loan capital	18	8,306	7,936
Future taxation	20	1,009	782
Total finance employed		<u>37,672</u>	<u>32,900</u>

C. Stein
E. W. MacAdie } Directors

Source and Application of Funds

	£000	1976 £000	£000	1975 £000
Source of funds				
Profit before taxation and extraordinary items		15,321		12,380
Extraordinary items		—		(111)
		<u>15,321</u>		<u>12,269</u>
Adjustments for items not involving the movement of funds :—				
Depreciation	2,376		2,017	
Net adjustments to reserves and goodwill	(119)		(184)	
Net effect of currency exchange rate movements	(205)		104	
		<u>2,052</u>		<u>1,937</u>
Total generated from operations		<u>17,373</u>		<u>14,206</u>
Funds from other sources :—				
Assets introduced by minority shareholders	776		—	
Disposal of—fixed assets	686		1,363	
—investment properties	1,002		2,050	
Shares issued—in respect of rights issue	—		2,243	
—for acquisition of subsidiaries	285		1,190	
—other	7		35	
Loan stock issued—net of discount	85		—	
Other loans	6,116		5,896	
		<u>8,957</u>		<u>12,777</u>
		<u>26,330</u>		<u>26,983</u>
Application of funds				
Dividends paid	1,995		918	
Taxation paid	3,767		3,196	
Purchase of—fixed assets	8,385		6,937	
—investment properties	9,378		10,481	
—shares in associated companies	—		37	
—other investments	20		243	
—goodwill on acquisition of subsidiaries	719		229	
Increase in deferred debtors	1,132		—	
		<u>25,396</u>		<u>22,041</u>
		<u>934</u>		<u>4,942</u>
Increase/(decrease) in working capital				
Increase in—dealing property		1,594		1,642
—debtors		720		3,317
—stocks		399		144
Increase in creditors excluding taxation and proposed dividend		(2,402)		(2,214)
Movements in net liquid funds :—				
Increase in negotiable government securities		605		—
Decrease in bank loans and overdrafts		6		17
Increase in cash balances		12		2,036
		<u>934</u>		<u>4,942</u>

Note : Loans and investment property figures exclude the effect of movements in currency exchange rates calculated on the basis of note 18A(b) on page 27.

Accounting Policies

(a) Basis of consolidation

- i The trading weeks of most of the subsidiaries are made up to the Tuesday night nearest to the year end and therefore the dates used in these accounts were 30th December 1975 and 28th December 1976.
- ii Profits of the subsidiaries acquired or incorporated since 30th December 1975 as listed on page 30, have been consolidated from the dates quoted.
- iii Where changes in presentation have been made, comparative figures have been adjusted.

(b) Shares and loan stock with warrants attached

Premiums and discounts on issue have been calculated by reference to the market prices laid down in the acquisition contracts.

(c) Turnover

Turnover includes clients betting stakes, net winnings on casino gaming, admissions, accommodation and hire charges, catering sales, greyhound totalisator, competition and other leisure income, property sales and rents. Intra group charges and VAT are excluded.

(d) Property sales

Profits are included by reference to contract dates where completion has taken place before or shortly after the end of the company's accounting period.

(e) Depreciation

- i Freehold land and buildings and betting and gaming licences have not been depreciated.
- ii Consumable equipment of the hotel and casino companies is written off over an average life of 4 years or as replaced.
- iii Leasehold land and buildings are written off over the last 10 years of the lease and leasehold improvements, other than buildings new to the group, are written off over the first 10 years, or over the life of the lease if less than 10 years.
- iv Equipment, vehicles, caravans and other miscellaneous assets are mainly depreciated on a straight line basis and hire craft are depreciated on a reducing balance basis. Both are estimated to write off the cost over the term of their useful lives.

(f) Promotional and development expenditure

- i Promotional expenses arising in the period prior to and for up to 6 months after the opening date are written off over a period not exceeding 2 years commencing no later than the end of the financial period in which the expenses are incurred.
- ii Development costs providing a long term benefit are identified to assets and capitalised.

(g) Tourist Board grants

Grants, less interest accrued pending settlement, have been deducted from the cost of the asset concerned.

(h) Interest charges

- i Interest accruing on hotel and chalet expenditure to the date of availability for occupancy has been capitalised.
- ii Interest accruing on investment and dealing properties prior to full letting is capitalised to the extent that it exceeds income receivable, and provided that the capital value of each individual property does not thereby exceed its market value. Once fully let, all income and expenditure is taken to profit and loss account.

(i) Taxation

Deferred tax is provided on the liability method in respect of the difference between depreciation of fixed assets and allowances for tax purposes, and to take account of stock relief and other timing difference. No provision is made for any tax on capital gains that could arise from the disposal of any fixed assets shown in the accounts at valuation as there was no specific intention to sell these at the year end, nor for any tax arising in the event of the distribution of profits retained by overseas subsidiaries.

(j) Foreign currencies

Foreign currencies have been converted at the rates of exchange ruling at 28th December 1976; any resulting surplus is transferred to exchange equalisation reserve until realised.

Notes to the Accounts

1 TURNOVER AND PROFIT BEFORE TAXATION

	1976		1975	
	Turnover	Profit after interest	Turnover	Profit after interest
	£000	£000	£000	£000
Betting and casinos	278,040	11,747	241,525	9,204
Hotels, holidays, entertainments, racecourse management and spot-ball	37,205	2,713	23,022	2,387
Property—U.K.	1,760	810	3,594	771
—Overseas	2,134	51	457	18
	<u>319,139</u>	<u>15,321</u>	<u>268,598</u>	<u>12,380</u>
		1976		1975
		£000		£000

2 INTEREST

Interest payable on : 8% loan stock (a)	707	630
loans—long term	2,876	1,522
—other	1,406	1,075
overdrafts	249	86
	<u>5,238</u>	<u>3,313</u>
Interest received on monies on deposit	(934)	(217)
Interest charged to capital projects	(3,860)	(2,174)
	<u>444</u>	<u>922</u>

(a) The interest on the 8% guaranteed unsecured loan stock 1990/1992 includes that payable from 25th July 1973 in respect of £267,922 loan stock issued in 1977 (see note 18B (b)).

3 PROFIT BEFORE TAXATION is stated after

Charging:—

Interest (see note 2)	444	922
Betting and gaming duty	20,474	19,042
Betting levy (a)	1,392	1,255
Depreciation	2,376	2,017
Amount written off dealing property	98	237
Audit fees	124	93
Directors' emoluments (b)	96	88

Crediting:—

Dividends received on quoted investments	28	17
Rents receivable on investment and dealing property	966	641
Amount written off dealing property in prior years, now written back	500	—

Notes to the Accounts

(a) Levy

The betting levy which is calculated at varying rates on turnover, is payable to the Horserace Betting Levy Board by each subsidiary accepting bets on horseracing. The levy is based on the results of the previous twelve months ending 31st March. Following the group's established policy, the charge in these accounts comprises one quarter of the levy year to 31st March 1976 and three-quarters of the levy year to 31st March 1977. Alternatively the group could show a charge of £1.347m for the year based upon actual turnover for the year ended 28th December 1976 which would reduce the charge by £45,000; 1975 £86,000.

	1976 £000	1975 £000
(b) Directors' emoluments		
Fees		
United Kingdom	4	4
Malta	3	2
Consultancy fee	10	10
Other emoluments	79	72
	<u>96</u>	<u>88</u>
Fees and emoluments include:—		
The Chairman (being the highest paid director)	<u>29</u>	<u>27</u>
Other directors	Number	Number
Over £ 2,500 but not exceeding £ 5,000	2	1
Over £15,000 but not exceeding £17,500	1	1
Over £17,500 but not exceeding £20,000	2	2
Group executives' emoluments include:—		
Over £10,000 but not exceeding £12,500	18	10
Over £12,500 but not exceeding £15,000	8	5
Over £15,000 but not exceeding £17,500	1	—
Over £17,500 but not exceeding £20,000	2	1
Over £20,000 but not exceeding £22,500	—	1



**Ladbroke
Group
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Notes to the Accounts

	1976 £000	1975 £000
4 TAXATION		
U.K. corporation tax based on the taxable profit for the year at a rate of 52%; 1975 52%	<u>6,446</u>	<u>5,058</u>
5 DEFERRED TAXATION		
Charge for year based on a tax rate of 52%; 1975 52%	<u>1,690</u>	<u>1,247</u>
Prior year adjustment ⁽¹⁾	<u>159</u>	<u>102</u>
	<u>1,849</u>	<u>1,349</u>
6 EXTRAORDINARY ITEMS		
Loss on sale of investments and assets	<u>—</u>	<u>111</u>
7 DIVIDENDS		
Interim on 46,662,804 shares	<u>2.0240p</u> <u>938</u>	<u>1.8400p</u> <u>426</u>
Final proposed on 46,663,265 shares ⁽²⁾	<u>2.5055p</u> <u>1,169</u>	<u>2.2778p</u> <u>1,057</u>
	<u>4.5295p</u> <u>2,107</u>	<u>4.1178p</u> <u>1,483</u>

The dividends on 160,000 shares have been waived.

8 EARNINGS PER 10p SHARE

Actual

The rate has been calculated on an average of 46,569,485 shares divided into the profit (after deferred tax) of £6.814m; 1975 44,041,276 shares and £5.770m.

Fully diluted

Allowances have been made for the conversion of outstanding loans, the subscription for shares in respect of the outstanding option and warrants and partly paid shares issued in respect of the executive share incentive scheme (see note 15), for the full period of one year or from the date of issue, if later.

Notes to the Accounts

9 FIXED ASSETS

	Total £000	Freehold and long leasehold properties £000	Short leasehold properties £000	Other fixed assets £000
Cost and valuations				
At 30th December 1975	49,120	14,805	5,980	28,335
Of newly acquired subsidiaries	2,795	1,646	121	1,028
Additions and improvements at cost or valuation	6,536	1,987	1,116	3,433
	<u>58,451</u>	<u>18,438</u>	<u>7,217</u>	<u>32,796</u>
Book value of disposals	1,096	44	216	836
At 28th December 1976	57,355	18,394	7,001	31,960

Representing assets stated at:—

Valuation in 1971/2	4,758	4,178	580	—
Valuation in 1972/3	997	997	—	—
Valuation in 1976	13,365	—	—	13,365
Cost	38,235	13,219	6,421	18,595
	<u>57,355</u>	<u>18,394</u>	<u>7,001</u>	<u>31,960</u>
At 28th December 1976				

Depreciation

At 30th December 1975	6,981	52	1,857	5,072
Of newly acquired subsidiaries	946	282	58	606
Amount provided	2,376	—	497	1,879
	<u>10,303</u>	<u>334</u>	<u>2,412</u>	<u>7,557</u>
Eliminated in respect of disposals	410	2	106	302
At 28th December 1976	9,893	332	2,306	7,255

Net book value at cost or valuation, less depreciation

At 28th December 1976	47,462	18,062(a)	4,695	24,705(b)
At 30th December 1975	42,159	14,753	4,123	23,263

(a) Freehold and long leasehold properties

	1976 £000	1975 £000
Freehold	13,656	10,497
Long leasehold (over 50 years)	4,406	4,256
	<u>18,062</u>	<u>14,753</u>

Notes to the Accounts

(b) Other fixed assets

	1976 £000	1975 £000
Betting and gaming licences (c)	13,365	13,001
Hire craft and caravans at cost less depreciation	1,607	1,567
Equipment, vehicles and miscellaneous at cost less depreciation	9,733	8,695
	<u>24,705</u>	<u>23,263</u>

- (c) In 1976 individual licences in respect of betting offices, bingo clubs and casinos have been assessed by the directors and scaled down in aggregate so as to be limited to the total cost of acquiring or obtaining licences. This total cost includes, in respect of new subsidiary companies, the estimated compensation to vendors of £8.1m (1975 £8.1m) calculated by reference to the cost of acquiring the shares less the value of other assets of the company concerned and in respect of other licences, the cost of acquisition and compensation paid to vendors amounting together to £5.3m (1975 £4.9m).

10 INVESTMENT PROPERTIES

	At 28th December 1976 £000	Disposals 1976 £000	Additions 1976 £000	At 30th December 1975 £000
Properties held for development, third party renting and capital appreciation At cost including rolled up interest				
Freehold—U.K.	4,375	—	848	3,527
—Overseas	34,057	(1,002)	14,518	20,541
Long Leasehold—U.K.	41	—	—	41
—Overseas	4,099	—	1,234	2,865
Property Division totals (a)	42,572	(1,002)	16,600	26,974
At cost and valuation				
Freehold—U.K.(b)	1,284	—	1,284	—
	<u>43,856</u>	<u>(1,002)</u>	<u>17,884</u>	<u>26,974</u>

- (a) The property division net additions in the year of £15.598m includes £8.506m (1975 £1.229m) arising as a result of currency exchange rate differences. These differences have been calculated by applying the change in exchange rates between the beginning and the end of the year, to the end of year property currency costs.
- (b) A property investment owned by a subsidiary of Totalisators and Greyhound Holdings Limited. This amount includes £908,000 in respect of a 1975 valuation.

11 INVESTMENT SECURITIES

	1976 £000	1975 £000
Quoted at cost (market value £246,000; 1975 £233,000)	221	220
Unquoted at directors' valuation being less than cost	24	39
Unquoted at cost which includes acquisition expenses and a proportion of rolled up interest (a) (b)	738	704
	<u>983</u>	<u>963</u>

- (a) Directors' valuation calculated at not less than book value.
- (b) 15,908 voting and 15,951 non voting shares being 16.36% and 16.41% (1975 15.48% and 15.53%) of each class in the total issued share capital of the Ritz Hotel Limited (Paris).

Notes to the Accounts

	1976	1975
£000	£000	£000
12 DEFERRED DEBTORS		
Amounts receivable under leasing agreements—		
due by instalments commencing 1st January 1978	1,400	—
Less: provisions for deferred charges and future profits	268	—
	<u>1,132</u>	<u>—</u>

Certain assets purchased by a subsidiary company are leased to third parties. Accordingly, the relevant assets are not included within the fixed assets of the group and amounts receivable under the leasing agreements are included as debtors. Profits on the transactions are apportioned to the profit and loss account in proportion to the quarterly balances outstanding. Of the total due, £265,000 is receivable within one year and is included in current debtors and prepayments (note 13).

13 CURRENT ASSETS		
Dealing properties, at lower of cost or net realisable values	6,152	4,558
Amounts due from credit betting clients (a)	412	581
Stocks at cost	1,968	1,569
Debtors and prepayments (b)	6,685	5,111
Amount due from associated company	—	745
Secured loan (c)	702	642
Negotiable government securities	605	—
Money on deposit (d)	1,958	1,402
Cash at bankers and in hand	2,973	3,517
	<u>4,931</u>	<u>4,919</u>
	<u>21,455</u>	<u>18,125</u>

(a) Amounts due from clients have been included at directors' valuation after provision for bad debts. Accounts not collected by 12th January 1977 have been excluded from the profit and loss account of the credit betting subsidiary as this is prepared on the basis of cash collected. The deferred taxation on the amounts due which, if collected in 1977, would be payable on 1st July 1979 has been estimated at £214,000; 1975 £301,000 (see note 19).

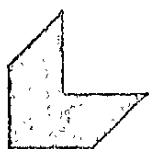
(b) Included in debtors and prepayments is an amount of £124,000 (1975 £124,000) which is due from the trustees of executive share purchase schemes.

(c) Being a loan secured on property owned by a third party for possible joint development.

(d) In addition to the deposits of £1.958m, £2.7m has been utilised to reduce long term bank loans temporarily (see note 18 B(d)).

14 CURRENT LIABILITIES		
Betting duty	2,364	2,394
Creditors and accrued charges	12,360	9,066
Amount due to associated company	—	862
Bank overdrafts	119	125
Current taxation	6,931	3,864
Final dividend	1,169	1,057
	<u>22,943</u>	<u>17,368</u>

15 SHARE CAPITAL	10p ordinary shares		
Authorised	80,000,000	8,000	8,000
Issued and fully paid			
At 30th December 1975	46,382,014	4,638	2,241
In respect of acquisitions	273,216	27	75
On conversion of share warrants (a)	8,035	1	1
On one for one rights issue	—	—	2,317
Final call paid by executives	—	—	4
	<u>46,663,265</u>	<u>4,666</u>	<u>4,638</u>
Issued and partly paid (b)	1,115,625	4	4
At 28th December 1976	47,778,890	4,670	4,642



**Ladbroke
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Notes to the Accounts

(a) Warrants (including those referred to on page 10) were outstanding at 28th December 1976 to subscribe for 5,049,141 ordinary shares at a price of 85.6p per share by 31st December 1987.

(b) Under the terms of the 1971 executive share incentive scheme, the following partly paid shares are in issue:—

Number of shares	Amount paid per share	Amount per share not yet due	Amount Collectable £000	Earliest dates from which calls normally may be made
306,000	.51p	100.61p	308	May 1977
296,625	.05p	9.95p	30	May 1977
261,000	.77p	153.60p	401	September 1980
252,000	.05p	9.95p	25	September 1980
<u>1,115,625</u>			<u>764</u>	

These partly paid shares do not rank for dividends and no issues took place in the year.

(c) Under an option held on behalf of the I.C.I. Pension Funds, 2,156,158 ordinary shares may be subscribed at any time prior to 1st July 1983 at a price of 90.6p per share.

16 RESERVES—SUMMARY OF MOVEMENTS

	Group		Company	
	£000	£000	£000	£000
(a) Share premium				
Balance at 30th December 1975	9,059		9,059	
In respect of acquisitions	258		258	
In respect of share warrant conversion	6		6	
Loan stock discount	(341)		(341)	
		8,982		8,982
(b) Capital reserve				
Balance at 30th December 1975		390		8
(c) Profit and loss account				
Balance at 30th December 1975	14,466		10,473	
Transfer from exchange equalisation	(48)		—	
Retained profit for the year (1975 £4.176m and £4.519m)	4,707		4,224	
		19,125		14,697
(d) Adjustments for amounts due from clients				
1975 £280,000 (see note 13 (a))		198		—
(e) Exchange equalisation				
1975 (£24,000)		23		—
		<u>28,718</u>		<u>23,687</u>

17 GOODWILL ON CONSOLIDATION

	1976	1975
	£000	£000
Being part of the cost of shares in subsidiaries in excess of the book value of net assets		
At 30th December 1975	5,185	4,956
Additions during the year		
Holiday division	240	
Racecourse management division	453	
Other	26	
	<u>719</u>	<u>229</u>
	<u>5,904</u>	<u>5,185</u>

Notes to the Accounts

18 LOAN CAPITAL—MOVEMENTS AND ANALYSIS

	1976 £000	1975 £000
A. Movements		
Balance at beginning of year	37,666	30,464
Additional loans less repayments and transfers to current liabilities (a)	6,116	5,896
Loan stock issued	426	—
	<u>44,208</u>	<u>36,360</u>
Additions for exchange rate movements in the year (b)		
Long term	7,146	607
Other	1,140	699
	<u>8,286</u>	<u>1,306</u>
Balance at end of year		
Long term	42,910	27,418
Other	9,584	10,248
	<u>52,494</u>	<u>37,666</u>

(a) For the purpose of this table movements have been recorded at the currency rates ruling at the beginning of the year.

(b) This item indicates the additional sterling cost of year end loans based upon the change in the currency rates from the beginning of the year to the end of the year. The majority of the loans are in Belgian francs and as an indication of the degree of change, the devaluation of the pound against that currency was 25% between the beginning and end of the year.

(c) Of the above total of £52,494m, £35,496m represents loans arranged overseas in local currency which have been invested in properties located in the same currency area. The balance of the total comprises £14,795m of U.K. sterling loans and £2,203m in respect of unsecured loans from Malta.

B. Analysis

	Repayable by	1976		1975	
		Long term £000	Other £000	Long term £000	Other £000
Holding company					
8% loan stock	1990/92 (a) (b)	8,306	—	7,880	—
10% unsecured loan notes	1977	—	—	—	56
		<u>8,306</u>	<u>—</u>	<u>7,880</u>	<u>56</u>
Subsidiaries					
Unsecured bank loans	Undated	735	—	462	—
Secured loans	2007 (c)	1,920	—	—	—
	1998 (c)	24,222	—	13,702	—
	1995 (c)	639	—	503	—
	1994	819	—	518	—
	1983 (c)	393	—	741	—
	1982	3,169	—	3,169	—
Debenture stock	1992	407	—	443	—
Secured loans	1982 (d)	2,300	—	—	—
	1979/81 (e)	—	2,598	—	472
	1978	—	44	—	—
	1978	—	—	—	778
	1977	—	—	—	3,828
Unsecured loans	Undated	—	—	—	91
	1981	1,338	—	—	738
	1979	1,377	—	—	1,229
	1978 (f)	4,130	—	—	2,338
	1978	97	—	—	718
		<u>42,910</u>	<u>9,584</u>	<u>27,418</u>	<u>10,248</u>

An analysis of properties and loan capital is given on page 35.

The 1976 average year end interest rate applicable to the above loans was 9½%.

Notes to the Accounts

- (a) £280,400 of this guaranteed unsecured loan stock is held by a subsidiary at 28th December 1976 (1975 £280,400).
- (b) Includes £267,922 issued in March 1977 in final satisfaction of the consideration payable for the acquisition of the Essoldo bingo halls in 1973 (see note 2(a)), pursuant to a court order which is under appeal.
- (c) Mortgage borrowings repayable by instalments which terminate on the dates shown. The £1.920m loan was converted to long term in 1977. The first instalments on this and the £24.222m loan are due on 1st January 1978 and 15th March 1978 respectively. Instalment repayments due in 1977 on the other mortgage borrowings will total approximately £33,000.
- (d) In accordance with previous arrangements National Westminster Bank Limited have agreed since the year end to extend the term of their loan facilities which total £5m to the year 1982. At the year end, only £2.3m of this facility was being used (see note 13(d)).
- (e) Converted in 1977 to a loan repayable on the following dates:—
1st April 1979 (£438,000), 1st April 1980 (£480,000) and 1st April 1981 (£1,680,000).
- (f) In association with our financial partner, Barclays Bank International Limited, it is proposed to replace this loan with long term mortgage finance now that the property has been completed. If necessary, Barclays Bank International Limited will provide its guarantee to secure the proposed conversion to long term arrangements of any part of the development costs outstanding not covered by such mortgage finance.

	1975 £000	1976 £000
19 DEFERRED TAXATION		
Tax equalisation arising from stock relief	2,515	1,638
Other tax equalisation	5,902	4,526
	<u>8,417 (a)</u>	<u>6,164</u>
Corporation tax provisionally due 1st July 1979 (see note 13(a))	214	301
Advance corporation tax	(630)	(369)
	<u>8,001</u>	<u>6,096</u>
(a) The increase in the year to £8.417m from £6.164m is analysed as follows:—		
Charge for year (see page 22, note 5)	1,849	1,349
Balances already provided in companies acquired in the year	141	17
Net transfers from current taxation	263	126
	<u>2,253</u>	<u>1,492</u>

Notes to the Accounts

	1976 £000	1975 £000
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20 FUTURE TAXATION

The dates on which the amount shown in the group balance sheet of £2,405m (page 16) is due for payment are as follows:—

1st January 1978	132	312
1st April 1978	311	21
1st July 1978	1,962	2,516
	<u>2,405</u>	<u>2,849</u>

The amount of £1,009m (1975 £0,782m) shown in the company balance sheet (page 17) is included in the above figures.

21 CAPITAL COMMITMENTS

Property division		
Authorised by the board but not contracted for	945	1,637
Contracted with third parties	92	3,209
Term finance has been arranged for nearly all this amount	<u>1,037</u>	<u>4,846</u>
Other divisions		
Authorised by the board but not contracted for	2,337	451
Contracted with third parties	2,854	521
	<u>5,191</u>	<u>972</u>

22 CONTINGENT LIABILITIES

Guarantees have been given by the parent company in respect of loans and overdraft facilities, granted to subsidiaries amounting to £26.6m (1975 £19.0m) which are already included in the group balance sheet and the group capital commitment figures.

23 SUBSIDIARIES

Shares

Valued by directors in 1967	831	831
Purchases since 1967 at cost	13,164	11,117
	<u>13,995</u>	<u>11,948</u>
Amount due from subsidiaries (including A.C.T.)	26,664	22,788
	<u>40,659</u>	<u>34,736</u>

Principal subsidiaries are listed on page 30. Any profit on the sale of the shares of any subsidiary for cash could create a tax liability.



**Ladbroke
Group
Limited**

Subsidiary Companies

PRINCIPAL SUBSIDIARY COMPANIES AND ACTIVITIES

Boat hire—Norfolk Broads

Herbert Woods Limited

Casinos

Ladup Limited

Central services and asset leasing

Town and County Factors Limited

Competitions

Ladbroke (Football) Limited

Credit betting

Ladbroke & Co., Limited

Entertainments

Ladbroke's Lucky Seven Entertainments Limited

Holding companies

Arbiter & Weston Limited

Caister Group Limited

Property

Brough Park Trading Estate Limited

Ladbroke Group Homes Limited (75%)

London & Leeds Investments Limited (75%)

and its subsidiaries:—

London & Bardco Investments (Paris) SA (66.66%) —investment, France

Techno Limited (90%) —dealing

Techno Land Improvements Limited (90.0901%) —investment

Meeus Investments Limited (75%)

and its subsidiary:—

London & Leeds Investments (Belgium) SA (77.5%) —investment, Belgium

Holiday centres

Ladbroke Courage Holidays Limited (50%)

Ladbroke Holidays Limited

Hotels

English & Overseas Hotels Limited

Property holding

Ganton House Investments Limited

Ladbroke (Rentals) Limited

Racecourse management

Lingfield Park Racecourse Limited

Totalisators and Greyhound Holdings Limited

Retail betting

Ladbroke Racing Limited (holding company)

COMPANIES ACQUIRED OR INCORPORATED IN 1976

Central Services

Ladbroke Stores Limited

2nd January 1976

Holiday centres

*Sunsea Holidays (Devon Valley) Limited

5th August 1976

*Sunsea Holidays (Riviere) Limited

(consolidated from 25th October 1975)

Hotels

Ladbroke Dragonara International Hotels Limited (see page 10)

2nd July 1976

(consolidated from 29th December 1975)

Racecourse management

Perry Barr Stadium Limited

9th August 1976†

(consolidated from 1st March 1976)

Totalisators and Greyhound Holdings Limited and its subsidiaries:—

Brough Park Greyhound Racing Company Limited

Brough Park Trading Estate Limited

Crayford and Bexley Heath Greyhound Stadium Limited

The Gosforth Stadium Greyhound Racing Company, Limited

Leeds Greyhound Association Limited (93.97% of preference shares,

100% of ordinary shares)

Midland Greyhound Racing Company Limited (99.34% of deferred shares,

99% of preference shares)

Totalisators Limited

Totalisators (Export) Limited

Totalisators (Ireland) Limited—Ireland

31st March 1976†

(consolidated from

1st January 1976)

Retail betting

Ladbroke Racing (Scotland East) Limited—Scotland

12th January 1976

Ladbroke Racing (Strathclyde) Limited—Scotland

12th January 1976

(formerly named Ladbroke Racing (Scotland West) Limited)

Cash was paid for all new subsidiaries acquired with the exceptions mentioned on page 10.

In addition to the above, at 28th December 1976 there were 110 other subsidiaries (of which 98 were wholly owned and 12 were partly owned) with similar activities.

All subsidiaries shown above are wholly owned except for those companies where the percentage of equity share capital held within the group is shown in brackets.

Except as indicated above and for other companies incorporated in Holland (8), Belgium (1) and Malta (1) and a company registered in Scotland, all subsidiaries are incorporated in Great Britain and registered in England.

*Wholly owned subsidiaries, together with Perran-Sands Holiday Centre Limited, of Ladbroke Courage Holidays Limited.

†Date offer to acquire share capital became unconditional.



**Ladbroke
Group
Limited**

Current Cost Accounts—CCA

Supplementary statement of results and financial
position adjusted for the effects of inflation

CONSOLIDATED PROFIT AND LOSS ACCOUNT For the year ended 28th December 1976

		1976		1975	
	Note	Current Cost £000	Historical Cost £000	Current Cost £000	Historical Cost £000
Turnover		319,139	319,139	268,598	268,598
Trading profit	2	13,879	15,765	11,896	13,302
Interest		444	444	922	922
Profit before taxation		13,435	15,321	10,974	12,880
Taxation—current	3	(6,446)	(6,446)	(5,058)	(5,058)
—deferred	3	(1,849)	(1,849)	(1,349)	(1,349)
Minority interests		(139)	(139)	(203)	(203)
Pre-acquisition profit		(72)	(73)	(—)	(—)
Profit before extraordinary items		4,929	6,814	4,364	5,770
Extraordinary items		—	—	(111)	(111)
Profit for the year		4,929	6,814	4,253	5,659

CONSOLIDATED APPROPRIATION ACCOUNT

Profit for the year		4,929	6,814	4,253	5,659
Net surplus on CCA revaluation of assets	4	12,861	—	8,866	—
Appropriated to CCA revaluation reserve	5	(5,947)	—	(376)	—
Available for distribution and general reserve		11,843	6,814	12,743	5,659
Dividends		2,107	2,107	1,483	1,483
Added to general reserve		9,736	4,707	11,260	4,176

Current Cost Accounts

STATEMENT OF CHANGE IN SHAREHOLDERS' NET EQUITY INTEREST AFTER ALLOWING FOR THE CHANGE IN THE VALUE OF MONEY

	Note	1976 Current Cost £000	Historical Cost £000	1975 Current Cost £000	Historical Cost £000
Net equity interest at beginning of year	6	63,724		48,907	
New equity capital introduced during year		—		2,243	
Amount required to compensate for the change in the value of money during year	7	10,082		11,897	
		<u>73,806</u>		<u>63,047</u>	
Net equity interest at end of year before dividends on capital		81,418		65,207	
Gain for year after allowing for the change in the value of money	8	7,612		2,160	
Dividends on capital for the year		<u>2,107</u>		<u>1,483</u>	
Gain for year after allowing for the change in the value of money and after dividends		<u>5,505</u>		<u>677</u>	

CONSOLIDATED BALANCE SHEET At 28th December 1976

Fixed assets	91,416	47,462	77,512	42,176
Investment properties	56,898	43,856	34,071	26,974
Investment securities	1,008	983	972	963
Deferred debtors	1,132	1,132	—	—
Current assets	22,580	21,455	18,616	18,125
	<u>173,034</u>	<u>114,888</u>	<u>131,171</u>	<u>88,238</u>
Current liabilities	22,943	22,943	17,368	17,368
Net assets employed	<u>150,091</u>	<u>91,945</u>	<u>113,803</u>	<u>70,870</u>
Share capital issued	4,670	4,670	4,642	4,642
Share premium and capital reserves	9,372	9,372	9,449	9,449
General reserve	32,901	13,442	23,212	9,537
CCA revaluation reserve	32,368	—	26,421	—
Shareholders' funds	<u>79,311</u>	<u>27,484</u>	<u>63,724</u>	<u>23,628</u>
Minority interests	7,880	1,561	3,468	631
Loan capital (partly secured)				
Long term 1982-2007	42,910	42,910	27,418	27,418
Other	9,584	9,584	10,248	10,248
Deferred taxation	8,001	8,001	6,096	6,096
Future taxation	2,405	2,405	2,849	2,849
Total finance employed	<u>150,091</u>	<u>91,945</u>	<u>113,803</u>	<u>70,870</u>



Current Cost Accounts

NOTES

1 BASES OF CONVERSION

The unaudited statements on pages 31 and 32 show the results for the year, the charge in shareholders' equity and a consolidated balance sheet prepared in accordance with CCA concepts acknowledging the effect of inflation.

The concepts as recommended in the Accounting Standards Committee's Exposure Draft No. 18 have been applied with the following exceptions:—

- (a) The 'Cost of New Construction' index has been chosen in assessing the value of UK land and buildings in total, the land values not being separately identified. Overseas properties, in the absence of similar indices, have been valued by reference to their retail price indices but these understate the rise in construction costs in those countries. It is considered that all the resultant figures are lower than the economic values, i.e. those which would arise in the event of a revaluation on a current use basis.
- (b) Licences have been valued by reference to the costs of the most recent acquisitions and other assets by reference to appropriate indices.
- (c) The group's accounting depreciation policy as defined on page 19 note (e) has been applied.

2 TRADING PROFIT

	1976 £000	1975 £000
The reconciliation between historic and CCA profit is as follows:—		
Trading profit per historic cost accounts	15,765	13,302
Less: Cost of sales adjustment (a)	276	284
Additional depreciation	1,610	1,122
	<u>1,886</u>	<u>1,406</u>
CCA trading profit	<u>13,879</u>	<u>11,896</u>

- (a) Because the cost of replacing stock consumed during the year has risen in real terms, the cost of sales has been calculated at its average replacement price by reference to the indices issued by the Central Statistical Office which are most appropriate to the group.

3 TAXATION

No adjustment has been made to the historic current tax charge, even though profit has been reduced by the cost of sales adjustment. Similarly, no deduction has been made to allow for any change in capital allowances arising from the revised CCA asset values.

4 NET SURPLUS ON CCA REVALUATION

Since the start of the year and with additions, the value of assets adjusted for current costs has risen by £12,861m. This asset gain can be deemed to be profit but it is not considered available for distribution as it is not currently being realised. However, if a value is placed on the gains on monetary items, only a part of this asset gain need be transferred to revaluation reserve (see note 5).

5 APPROPRIATION OF REVALUATION RESERVE

An amount equal to the monetary gain has been used to reduce the transfer to revaluation reserve as indicated below, leaving a net addition to sums available for distribution and general reserves of £6,914m (1975 £8,490m).

	1976 £000	1975 £000
Net surplus on CCA revaluation of assets	12,861	8,866
Net gains on monetary items	<u>6,914</u>	<u>8,490</u>
Transferred to CCA revaluation reserves	<u>5,947</u>	<u>376</u>

6 NET EQUITY INTEREST AT BEGINNING OF YEAR

Being the amount brought forward from the previous year after adjustment by reference to the CCA concepts referred to in these notes.

7 CHANGE IN VALUE OF MONEY

The fall in money values reflected by the retail price index at the start and close of the year was 15.8% (1975 24.1%), and this, applied to the opening net equity interest, calls for an increase of £10,082m (1975 £11,897m) to maintain parity at the year end.

8 GAIN FOR YEAR

After providing for the increase referred to in note 7, there is an additional surplus of £7,612m (1975 £2,160m).

SUMMARY

By adopting these CCA concepts, it is to be noted that for 1976:

- 1 Fixed asset values rose to £1,417m from £47m on the historical cost basis.
- 2 The increase in the net worth of the business after dividend distribution of £2.1m exceeded the rate of growth necessary to maintain parity with inflation by £5.5m.
- 3 After adjustments including depreciation on higher asset values, the CCA trading profit before tax was 12% lower than the historic profit figure.



**Ladbroke
Group
Limited**

Summary Balance Sheet of Property Division

At 28th December 1976

	Total £000	United Kingdom £000	Belgium £000	Other Overseas £000
Fixed assets				
Investment properties	42,572	4,416	28,132	10,024
Other	9	6	3	—
Current assets				
Dealing properties	6,152	5,439	713	—
Cash at bank, debtors etc.	3,594	2,053	805	736
	<u>52,327</u>	<u>11,914</u>	<u>29,653</u>	<u>10,760</u>
Current liabilities	3,397	914	1,954	529
Net assets employed	<u>48,930</u>	<u>11,000</u>	<u>27,699</u>	<u>10,231</u>
Loan capital				
Long term	31,028	2,300	25,697	3,031
Other	6,834	—	—	6,834
	<u>37,862</u>	<u>2,300</u>	<u>25,697</u>	<u>9,865</u>
Deferred taxation	2,429	2,342	—	87
Minority interests	781	683	148	(50)
Group interest				
Shareholders funds	1,688	1,248	406	34
Direct finance	6,170	4,427	1,448	295
Total finance employed	<u>48,930</u>	<u>11,000</u>	<u>27,699</u>	<u>10,231</u>

The above statement provides further information on the assets and finance employed in the property division of the group, included in the consolidated balance sheet on page 16.

Analysis of Properties and Loan Capital

	Property division		Other	Average interest rate at year end %	Planned completion date	Latest repayment date
	Book value of related properties £000	Loan capital £000	Loan capital £000			
Long term						
Holland	2,073	1,920		9½	Complete	2007
Holland	833	639		9½	Complete	1995
Holland	751	393		9½	Complete	1983
Brussels	28,132	24,878		9	Complete	1998
Brussels	713	819		11½	Complete	1994 (a)
Loan stock			8,306	8		1990/92
Debenture stock (Caister)			407	7½		1987/92
U.K. properties	9,855	2,300		8½	1977/78	1982 (b)
3 U.K. hotels (book value £5.2m)			3,169	17½	Complete	1982 (c)
Paris		79		—	Complete	Not fixed
	<u>42,357</u>	<u>31,028</u>	<u>11,882</u>			
Other term						
Offshore loan			826	8		1981
Offshore loan			1,377	8		1979
Holland *	2,268	2,598		9	Complete	1979/81 (d)
Holland *		41		10½	Complete	1978/79
Paris	4,099	4,195		11½	Complete	1978 (e)
Sundry U.K. loans			547	7		1978
	<u>6,367</u>	<u>6,834</u>	<u>2,750</u>			
Total	<u>48,724 (f)</u>	<u>37,862 (g)</u>	<u>14,632 (g)</u>			
Average interest rate at year end		9½%	9½%			

* and see above.

(a) £234,000 of the loan of £819,000 was temporarily placed on bank deposit at the year end.

(b) Extended in 1977 to a loan of £5m repayable in 1982.

(c) Interest based upon inter-bank rate.

(d) Converted in 1977 to a loan repayable in 1979 (£438,000), 1980 (£480,000) and 1981 (£1,680,000).

(e) In association with our financial partner, Barclays Bank International Limited, it is proposed to replace £4.130m of this loan with long term mortgage finance now that the property has been completed. If necessary, Barclays Bank International Limited will provide its guarantee to secure the proposed conversion to long term arrangements of any part of the development costs outstanding not covered by such mortgage finance.

	Property division	Other	Total	
(f) Investment properties	42,572	1,284	43,856	(see page 24, note 10)
Dealing properties	6,152	—	6,152	(see page 25, note 13)
	<u>48,724</u>	<u>1,284</u>	<u>50,008</u>	

(g) Information relating to secured loans is included on page 27, note 18.

Growth Record from 1967

Year	1976	1975	1974	1973
	£000	£000	£000	£000
Turnover	319,139	268,598	254,677	209,678
Trading profit	15,765	13,302	11,495	8,551
Interest	444	922	1,417	1,265
Profit before taxation	15,321	12,380	10,078	7,286
Taxation	6,446	5,058	4,134	2,282
Profit after taxation	8,875	7,322	5,944	5,004
Minority interests and pre-acquisition profit	212	203	—	176
	8,663	7,119	5,944	4,828
Deferred taxation	1,849	1,349	953	1,381
Profit available for distribution	6,814	5,770	4,991	3,447
Dividends	2,107	1,483	865	781
Share capital issued	4,670	4,642	2,243	2,217
Reserves	22,814	18,586	14,154	10,825
Shareholders' funds	27,484	23,628	16,397	13,042
Minority interests	1,561	631	401	1,896
Loan capital	52,494	37,666	30,464	21,584
Deferred and future taxation	10,406	8,945	5,932	3,882
Total finance employed	91,945	70,870	53,194	40,404
Net dividend per share	4.5295p	4.1178p	2.0482p	1.8987p
Equivalent gross dividend per share	6.9684p	6.3351p	3.1511p	2.7472p
Net earnings per 10p share	14.63p	13.10p	11.86p	8.36p
Cumulative growth rate % of net earnings per share	1,508	1,340	1,203	819

1971/2	1970/1	1969/70	1968/9	1967/8
£000	£000	£000	£000	£000
118,751	88,361	71,614	48,087	39,525
4,064	2,517	1,131	924	395
101	9	29	26	(31)
3,963	2,508	1,102	898	426
1,309	945	381	280	126
2,654	1,563	721	618	300
220	129	138	143	16
2,434	1,434	583	475	284
238	29	73	—	—
2,196	1,405	510	475	284
580	307	166	126	121
1,629	1,305	1,025	1,025	1,025
5,804	1,531	609	408	(523)
7,433	2,836	1,634	1,433	502
1,656	1,181	1,194	1,058	35
9,832	658	517	642	—
1,298	700	314	137	32
20,219	5,375	3,659	3,270	569
1.5341p	1.0578p	.5700p	.4298p	.4145p
2.5392p	1.6925p	.9702p	.7316p	.7056p
6.30p	4.69p	2.00p	1.63p	.91p
592	415	120	79	—

Notes:—

- (a) Accounting periods for 1973 and subsequent years end at December. For earlier years, the period end is June. The figures extracted for the 12 months to December 1973 are unaudited.
- (b) The 1973 dividends are two thirds of the dividends declared in respect of the 18 month period.
- (c) Comparative figures for dividends and earnings per share calculations have been adjusted for subsequent scrip and rights issues.
- (d) For the years 1967/8 to 1971/2 net dividends are shown after deduction of tax at the rates ruling for those years.
- (e) Reserves for all years are shown after deduction of goodwill on consolidation.

Racing

During 1976 over £3m was invested in acquisitions, re-locations, refurbishment and new equipment. 52 new branches have been opened and the policy of developing "quality" stores in prime city centre and High street locations has been continued.

Over half of the 956 units now display the new corporate image introduced in 1975 and a number of the larger shops

are now fully air conditioned, which is of great benefit to both customers and staff.

Credit betting continued satisfactorily as the "shop window" of the group, offering services to those who wish to bet in larger amounts. Facilities are available through regional offices as well as at most major racecourses and, in addition, new business is being obtained from clients in Europe and Asia.



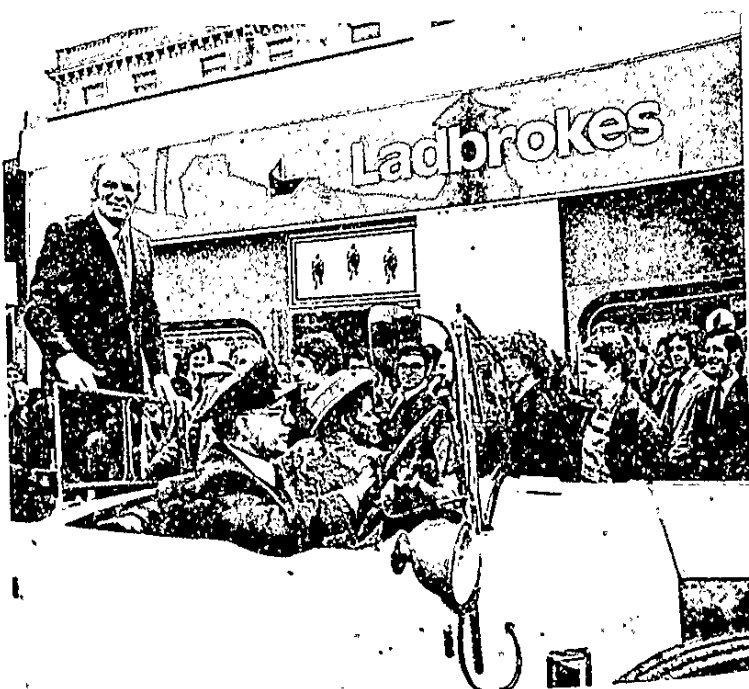
Gerald Green, managing director credit betting, in the telephone room at Harrow at the end of racing



A new store at Kirby



Internal view of a large betting store at the start of the day's business



Henry Cooper at the opening of a store in London



(Continued)

The 4 London casinos and 6 provincial casinos offer a first class service to members, in both bar/club/restaurant. The London casinos are a great attraction to overseas visitors. Expansion within the division continues and in the last

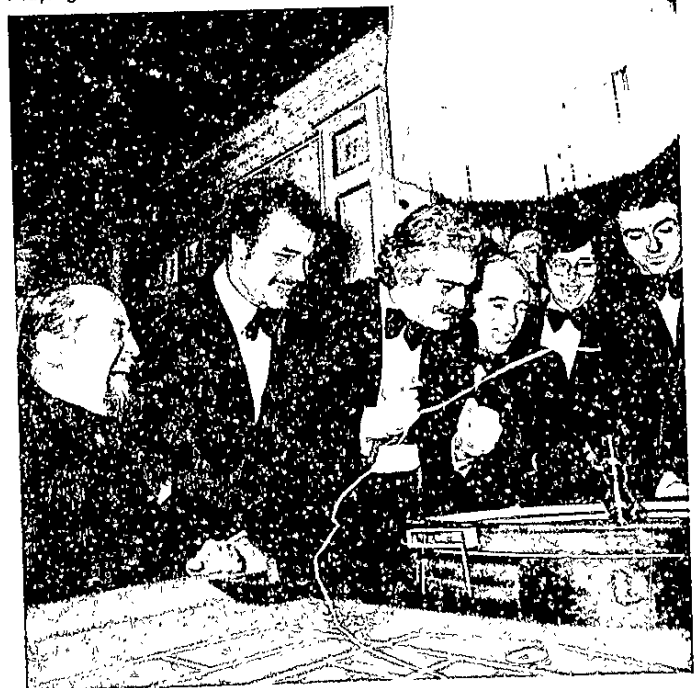
month the new Park Tower Casino was opened in London - this was a relocation of the Park Tower Club. In December 1976 the Hertford Casino was relocated at the Adelphi Hotel.



A celebrity night at The Ladbrooke Club



Playing dice at the Hertford Club.



Omar Sharif, John Conte and managing director, Alex Alexander, opening the gaming at the new Park Tower Casino in London



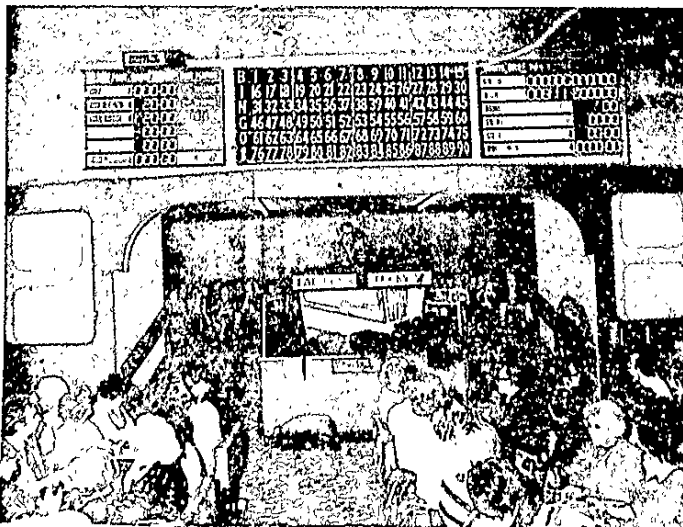
CLUBS

The bingo division will enrol its one millionth member in the autumn, indicating the success of the programmes of refurbishment and up-grading of our clubs. The improved standards of comfort and catering have had a significant effect on the numbers of members attending the clubs on a regular basis.

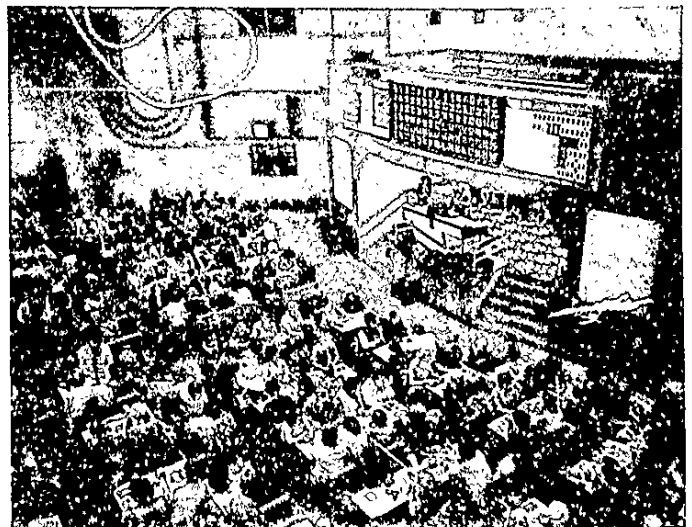
1976 brought another Royal visit to Cesars Palace when HRH The Duke of Edinburgh was presented with cheques for £20,000 by Ladbrokes in aid of charities. This year Cesars was voted "Club of the Year"—the industry's most coveted award.



The Drifters on stage following the presentation to Cesars Palace of the "Club of the Year" award



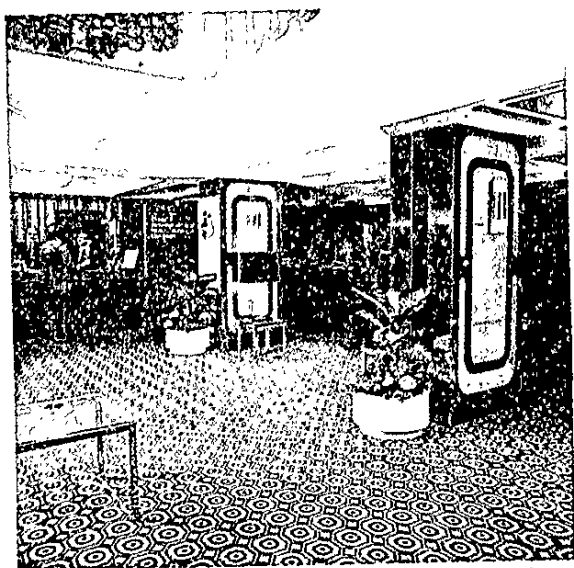
Full house at a bingo social club





The Dragonara Hotels in Bristol, Leeds and Middlesbrough continue to provide the finest in hotel service and conference facilities. The London hotel following refurbish-

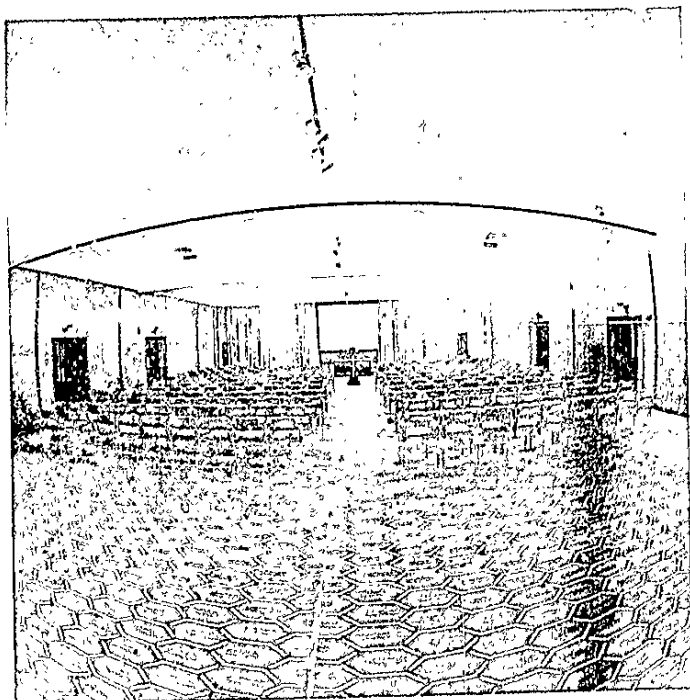
ment was recently re opened as the Ladbroke Belgravia Hotel. With the ever-increasing demand for luxury accommodation in London, a record year is anticipated



The new reception area at the Ladbroke Belgravia, London



The Garden Room Restaurant, Bristol



The Brigantes Suite, Leeds



A suite at Middlesbrough



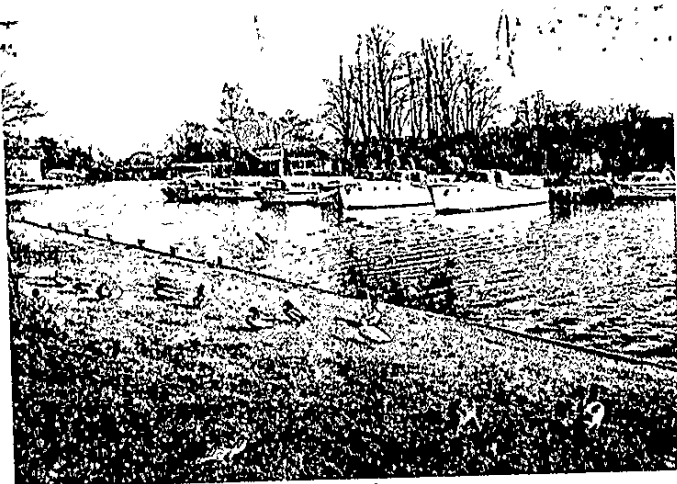
1976

1976 was an excellent year for holiday business, with an increase of nearly 10% over the previous year's total. To strengthen its position as the third largest operator of UK based holidays, the division formed a joint venture company with Courage Limited to operate in Devon and Cornwall resulting in the addition of 2 further sites which are managed and marketed by the division. Further expansion followed with the purchase in January 1977 of Carmarthen Bay.

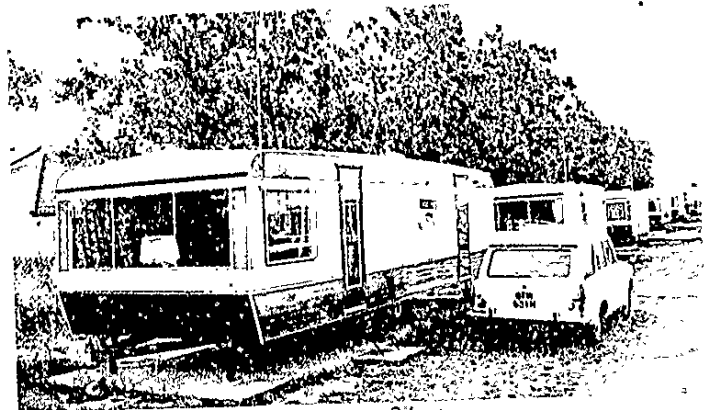
Holiday sales in Germany, France, Belgium, Holland and Scandinavia were also very successful.

The caravan operators, the largest fleet of low capacity and yachts on the Norfolk Broads and in addition to extended holidays on the waterways of Brittany, is offering holiday holidays on the Thames in 1977.

Bookings are ahead of last year's levels and yet another record year is anticipated at all 17 centres.



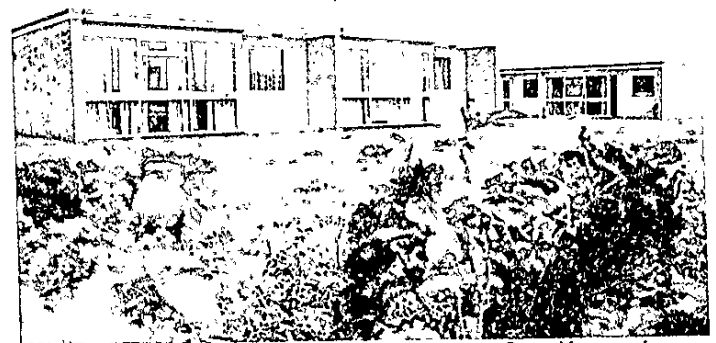
*Hoarts Cruisers, one of Ladbrooke Holidays
4 bases on the Norfolk Broads*



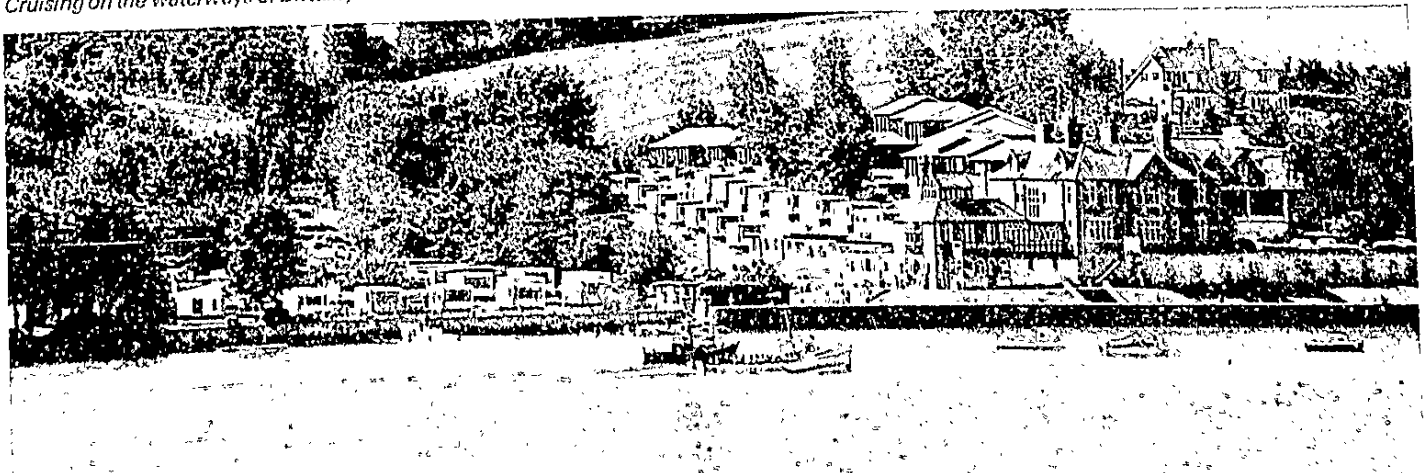
*A de luxe "Golden Emperor" caravan at Silver
Sands Holiday Village, Caister-on-Sea*



Cruising on the waterways of Brittany



Spacious chalets at Sunbeach Holiday Village, near Great Yarmouth



The new development of the Devon Valley Holiday Village, near Exmouth

The division was basically formed in 1976 following the purchase of two greyhound stadia in March and the signing of an agreement for Ladbrokes to manage the Grand National Meeting at Aintree for several years. Prior to that, Lingfield Park racecourse had been purchased in 1975. To add to the greyhound stadia, Perry Barr Stadium,

Birmingham was purchased in August. During the past year the division has been awarded a number of sponsorships, among these being the "University Boat Race", the "Ladbrokes International Snooker Tournament" on Thames Television and the "Ladbrokes Hastings and St. Leonards International Chess Congress".



The challenge for the 1977 University Boat Race



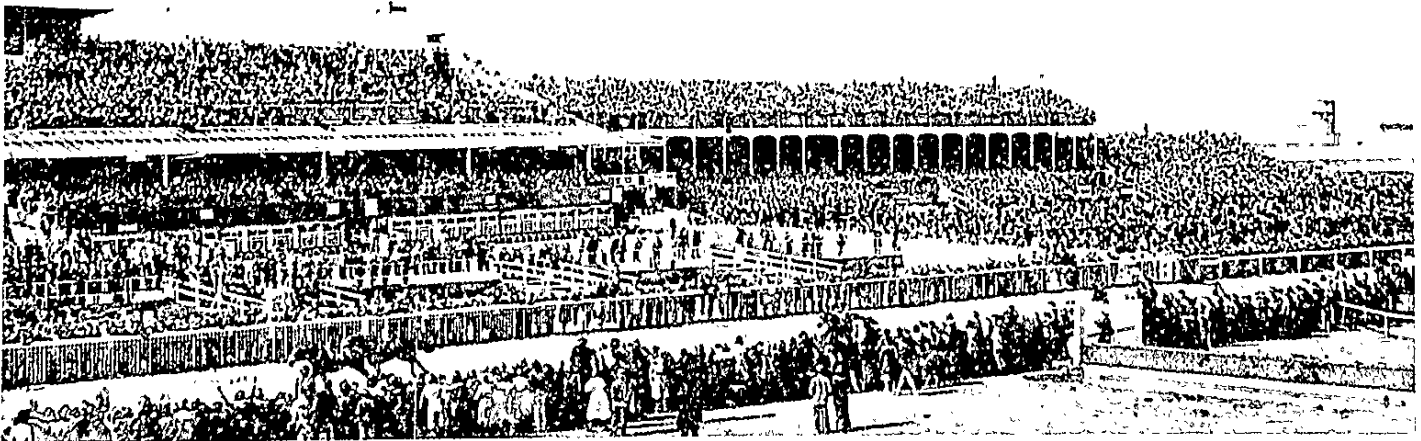
Going down to the start at Lingfield Park



Peter Thompson, managing director, with the Rt. Hon. Dennis Howell and the winner Chag Romanishin at the Ladbrokes International Chess Congress, Hastings



Cyril Stein presenting a winner's trophy at our Crayford greyhound stadium



Red Run completes his third winning coup at the 1977 Ladbrokes Grand National meeting



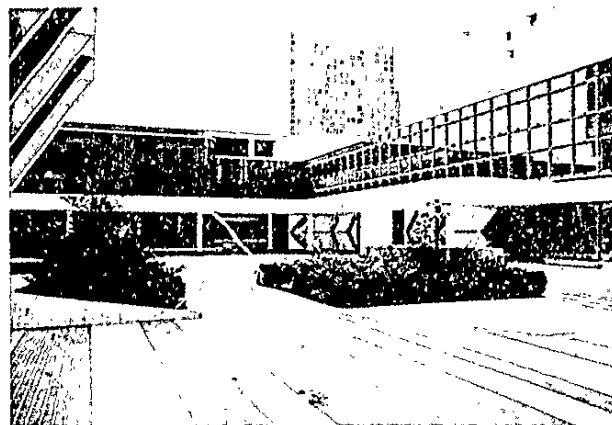
Property

The major developments in Brussels, Paris and Amsterdam have now been completed and substantially let. The UK industrial and office development projects are being progressed according to plan. The house building division, Ladbroke Group Homes Limited,

is now selling homes at Lechlade, Marcham and Bardsey Mill and other sites are being developed. Additional suitable sites will be purchased in 1977. The construction of a block of 62 luxury flats at "Hyde Park Towers" has started.



Kurt Kilstock, managing director, checking plans at the Lechlade estate



Our completed office project at the Front de Seine, Paris



Our development at the Kalverstraat, Amsterdam



Artist's impression of Hyde Park Towers

Financial Events and Diary

1967

27 September Shares first quoted on London Stock Exchange. Initial offer price 10s. per 5s. share.

1970

18 November Scrip issue of 1 share for every 5 held on 20th October 1970 approved.

1971

15 October Offer to acquire share capital of Arbitrator & Weston Limited became unconditional.

1972

1 February 5s. shares consolidated and sub-divided into 10p shares.
4 April Offer to acquire share capital of Caister Group Limited became unconditional.
Issue date of 8% loan stock with warrants attached.
27 June Financial year end.
16 November Scrip issue of 1 share for every 4 held on 20th October 1972 approved.

1973

5 July Interim dividend of 1.75p paid to holders registered on 4th June 1973.
12 October Second interim dividend of 2.1p paid to holders registered on 17th September 1973.

1974

1 January 18 months accounting period end.
31 May Final dividend of 1.5343p paid to holders registered on 10th May 1974.
31 October Interim dividend of 1.675p paid to holders registered on 11th October 1974. Shares offered in lieu of dividend.
31 December Financial year end.

1975

24 March Profit and final dividend of 2.197p announced.
7 April Shares quoted ex. div.
22 May Annual general meeting.
23 May Final dividend paid to holders registered on 18th April 1975.
6 June Six months' interest paid on 8% loan stock.
28 August Interim results and dividend of 1.84p announced.
8 September Shares quoted ex. div.

1975

16 September Rights issue at par of 1 share for every 1 held on 28th August 1975 approved. Warrant rights varied by doubling number of subscription shares and reducing subscription price to 90.6p per share.
31 October Interim dividend paid to holders registered on 3rd October 1975.
12 November Modernisation of warrant holders' rights and reduction of subscription price to 85.6p per share approved.
6 December Six months' interest paid on 8% loan stock.
30 December Financial year end.

1976

24 March Profit and final dividend of 2.2778p announced.
31 March Offer to acquire ordinary share capital of Totalisators and Greyhound Holdings Limited became unconditional.
5 April Shares quoted ex. div.
25 May Annual general meeting.
26 May Final dividend paid to holders registered on 20th April 1976.
6 June Six months' interest paid on 8% loan stock.
9 August Offer to acquire share capital of Perry Park Stadium Limited became unconditional.
31 August Interim results and dividend of 2.024p announced.
6 September Shares quoted ex. div.
29 October Interim dividend paid to holders registered on 17th September 1976.
6 December Six months' interest paid on 8% loan stock.
28 December Financial year end.

1977

22 March Profit and final dividend of 2.5055p announced.
28 March Shares quoted ex. div.
25 May Annual general meeting.
26 May Final dividend to be paid to holders registered on 19th April 1977.
6 June Six months' interest to be paid on 8% loan stock.
30 August Interim results and dividend to be announced.
5 September Shares to be quoted ex. div.
31 October Interim dividend to be paid to holders registered on 26th September 1977.
6 December Six months' interest to be paid on 8% loan stock.

1978

3 January Financial year ends.

LADBROKE GROUP LIMITED - SUBSIDIARY COMPANIES

Ladbroke Group Limited, Chancel House, Neasden Lane, London NW10 2XE

Arbiter & Weston Limited

- A. & W. Hotels Limited
- A & W Promotions Limited
- J.R. Sail (Nottingham) Limited
- Artistes Administration & Management (1966) Limited
- Bingo Enterprises Limited
- E.I. Lieber (Nottingham) Limited
- I. & N. Weston Limited
- Ladbroke Sports World Limited
- Ladbrokes Lucky Seven Entertainments Limited
 - Newtown Entertainments Limited
 - Newtown Entertainments (Kingston) Limited
 - Newtown Entertainments (Stone Cross) Limited
- Lucky Seven Wholesalers Limited
- Sovereign Entertainments Limited
- Stanley Barnett Agency Limited

Caister Group Limited

- Arcade Enterprises Limited
- Caister Entertainments Limited
- Caister Group Developments Limited
- Caister Hotels Limited
- Caister-on-Sea Holiday Camp Limited, The
- Great Yarmouth Seashore Caravans Limited
- Herbert Freeman Limited
- Herbert Woods Limited
 - Jenners of Thorpe Limited
 - Hearts Cruisers (Norfolk) Limited
 - Wilson's Boats (Horning) Limited
 - Wilsons Giant Transport Limited
- O.L. (California) Limited
- Paul Rackham Construction Limited
- Silver Sands Estate (Caister) Limited

English & Overseas Hotels Limited
Blaecrest Limited

Ganton House Investments Limited

Harold Dawson Limited
Harold Dawson (Football) Limited

Ladbroke (Central) Limited

Ladbroke & Co., Limited
Ladbroke (Land Improvements) Limited

Ladbroke Courage Holidays Limited (50%)

- Perran-Sands Holiday Centre Limited
- Sunsea Holidays (Devon Valley) Limited
- Sunsea Holidays (Riviere) Limited

Ladbroke (Football) Limited

- Ladbroke (Postal) Limited
- R.Scott Fry Limited

Ladbroke Grand National Limited, The

Ladbroke Group Homes Limited (75%)

Ladbroke Holidays Limited
Fort Warden (I.O.W. Holidays) Limited
Carmarthen Bay Holiday Estates Limited
Nodes Point Holidays Limited
Sinah Developments (Landford) Limited
Sinah Investments Limited

Ladbroke Dragonara International Hotels Limited
Ladbroke Dragonara Hotels (London) Limited

Ladbroke Holiday Centres Limited

Ladbroke Leisure Limited

Ladbroke (Metropole) Limited

Ladbroke Racing Limited
Alf F. Findlay and Son Limited
Charles Malizia (Turf Accountants) Limited
Charles Tobin Limited
C.M. Adshead Limited
Cutler, Prescott Limited
Fourway Commissions (Bookmakers) Limited
Hunt & Hunt Limited
Ladbroke (South West) Limited
Jack Solomons & Bud Flanagan Limited
A. Davies & Co., (Turf Accountants) Limited
Ladbroke Racing (East Midlands) Limited
Town & County Betting (1974) Limited
J. Pennington (Lincoln) Limited
Ladbroke (Competitions) Limited
Ladbroke (Course) Limited
Ladbroke (Midlands) Limited
Ladbroke Racing (Cleveland) Limited
Ladbroke Racing (North East) Limited
Ladbroke (Pool) Limited
Ladbroke Racing (Solent) Limited
Ladbroke Racing (West Midlands) Limited
Ladbroke (Turf Accountants) Limited
Ladbroke (Western) Limited
Max Parker Limited
All Courses Services Limited
Brinkworth Bros. Limited
Clarence Commissions (Brighton) Limited
F.W. McLean Limited
Ladbroke Racing (North West) Limited
Ladbroke Racing (South West) Limited
Ladbroke Racing (Yorkshire) Limited
Max Parker (West End Lane) Limited
Philip Joseph & Co. Limited
S.-P., Sports Limited
Syd Mark & Co. Limited
Universal Commissions Limited
W.H. Cutler (Midlands) Limited

Ladbroke (North East London & Anglia) Limited

Ladbroke Racing (Scotland East) Limited

Ladbroke Racing (South East) Limited

Ladbroke Racing (Strathclyde) Limited

Ladbroke (Rentals) Limited

Ladbroke (Uxbridge) Limited

Ladup Limited

- Hanshaw Investments Limited
- Hyde Park Casinos Limited
- Leisureland Limited
- New de Vere Club Limited, The
- Metropolitan Casinos Limited
- Wedgewood Casino Limited

Lingfield Park Management Limited

Lingfield Park Racecourse Limited

London & Leeds Investments Limited (75%)

- London & Leeds Developments Limited
- Techno Limited (90%)
- Techno Land Improvements Limited (90.0901%)
- County Grounds Development Limited (50.00001%)

Perry Barr Stadium Limited

Meeus Investments Limited (75%)

Tom Drummond Limited

Totalisators and Greyhound Holdings Limited

- Brough Park Greyhound Racing Co. Limited
- Brough Park Trading Estate Limited
- Crayford and Bexley Heath Greyhound Stadium Limited
- Gosforth Stadium Greyhound Racing Co. Limited
- Leeds Greyhound Association Limited (100%ord; 93.97 Pref)
- Midland Greyhound Racing Co. Limited (99.58%Def; 99.33%Pref)
- Totalisators Limitedⁿ
 - Totalisators (Ireland) Limited
 - Totalisators (Export) Limited

Town and County Factors Limited

William Hall (Newcastle) Limited

- Ladbroke Racing (Central London) Limited

William Hall (Wallsend) Limited

W.S. Murphy Limited

2(b)(8) Amount called up on number of
shares of each class

<u>Amount per share</u>	<u>Number</u>	<u>Class</u>
10p	23,522,433~	10p ordinary fully paid
0.5056p	290,625~	ordinary partly paid *
0.771875P	261,000~	ordinary partly paid *
0.05p	533,250~	ordinary partly paid *

* issued under executive share
incentive scheme