# RANK OVERSEAS HOLDINGS LIMITED
Registered No. 412917

## DIRECTORS' REPORT

## AND

## FINANCIAL STATEMENTS

## 30 June 2014

The directors present their report and financial statements for the year ended 30 June 2014. The comparative period covers the year ended 30 June 2013.

**Business review and principal activities**
The Company is a limited company incorporated and domiciled in England and Wales.

The principal activity of the Company throughout the period was that of an investment holding company. The directors do not anticipate any change in the activity of the Company in the foreseeable future. The details of principal subsidiary undertakings are given in note 5.

The results of the Company for the year are set out on page 5. The directors do not recommend the payment of a dividend (2013: Nil).

**Future outlook and uncertainties**
As an investment holding company the main outlook and uncertainties surround the financial performance of its subsidiary undertakings. The directors' focus is on increasing customer numbers, visits and revenue by bringing enjoyable gaming-based leisure experiences to a broader base of customers. Against this backdrop, the key elements of the strategy are:

- Creating a compelling multi-channel offer – by building on the existing portfolio of venues, membership systems, reward programmes and high level engagement between team members and customers;
- Building digital capability – replicating the strong position of the venues across digital channels;
- Developing our venues – continuing to invest in existing venues (in terms of produced, environment and service) and by creating new ones;
- Investing in brands and marketing – increased brand marketing programmes, providing appropriate support for the established brands and development of new brands for the digital market; and
- Using technology to drive efficiency and improve customer experience – by speeding up processes, harnessing technological developments and increasing digital technologies in venues.

**Principal risks and uncertainties**
The principal risks to the successful implementation of this strategy are:

Regulatory and tax – adverse change in regulation could increase the administrative cost of operations, while new or increased taxation could have a material impact on the financial condition and results of subsidiaries;

Volatility of gaming win – win percentages for gambling activities can vary over a short period of time, although they will stabilise over the longer period. The activity of subsidiaries is therefore vulnerable to the potential impact of a small number of customers who can create volatility from their gaming win;

Loss of licences – gaming licences are fundamental to the operation of subsidiary operations;

External events – customers may be prevented or deterred from accessing our clubs due to factors such as extreme weather, illness or disease epidemics, terrorist threats, strikes and public transport system failures;

Business continuity and disaster recovery – due to the venues based nature of much of the subsidiary businesses, the significant reliance on technology, the criticality of staff in servicing customers and running the business, serious disruptive events such as building fire, pandemic or serious technology failure may cause an interruption to the ability to operate elements of the business if business continuity and disaster recovery plans failed to operate successfully;

Wage rise inflation – a large number of team members in subsidiary businesses are employed at or just above the minimum wage and any increase in the minimum wage or other significant change to employment legislation could impact results; and

Reliance on technology – subsidiary companies are highly dependent on complex technology and advanced information systems with many interfaces and a significant number of separate suppliers. The pace of business change and development means that IT changes such as new software coding, systems enhancements and new software application integrations are undertaken continually and consequently these systems are inherently vulnerable to experiencing malfunctions, failures, or cyber-attacks such as viruses or hacker intrusion. Comprehensive technology resilience and systems protection measures are in place but it is difficult to detect all threats and vulnerabilities in order to prevent all server interruptions and problems.

**Key performance indicators (KPI)**
The directors of The Rank Group Plc manage the Group's operations on a divisional basis. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance, and position of the Group, which includes the Company, is discussed in more detail on pages 1 to 47 of the Group's 2014 annual report and financial statements which do not form part of this report. The directors do not anticipate any immediate or substantial variations to the Company's current activities.

**Directors**
The following were directors of the Company during the year and at the date of these accounts:-
Mr H.B. Birch (appointed 6 May 2014)
Mr M.I. Burke (resigned 6 May 2014)
Mr C.A.R. Jennings

**Statement of directors' responsibilities**
The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- present fairly the financial position, financial performance, and cash flows of the Company;
- select suitable accounting policies in accordance with IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make judgements that are reasonable;
- provide additional disclosures when compliance with the specific requirements in IFRSs as adopted by the European Union is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and final performance;
- state whether the financial statements have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements for the Company on the going concern basis, unless it is appropriate to assume that the Company will not continue in business, in which case there should be supporting assumptions or qualifications.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the Company's auditors are unaware. Each director has taken all the steps that ought to have been taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Insurance and indemnities**
The Rank Group Plc has arranged insurance cover in respect of legal action against the directors of the Company. To the extent permitted by English law, the Company also indemnifies the directors. Neither the insurance nor the indemnity provides cover in situations where a director has acted fraudulently or dishonestly.

**Auditors**
In accordance with s487(2) of the Companies act 2006, Ernst and Young LLP will continue as auditors of the Company.

**Small company's exemption**
In preparing the Directors' Report, advantage has been taken of the small company's exemption under the Companies Act 2006. As a result of this exemption, the Company is not required to prepare a strategic report.

By order of the board

Mr C.A.R. Jennings
Director
Registered Office: Statesman House, Stafferton Way, Maidenhead, Berkshire, SL6 1AY
Registered Number: 412917
Date: 15 December 2014

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RANK OVERSEAS HOLDINGS LIMITED

We have audited the financial statements of Rank Overseas Holdings Limited for the year ended 30 June 2014 which comprise the Income Statement, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Accounting Policies and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Director's Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Ernst & Young LLP.

Iain Wilkie (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

Date: 15 December 2014

| | Note | Year ended 30 June 2014 £000 | Year ended 30 June 2013 £000 |
|---|---|---|---|
| Other operating expense | 2 | (16,004) | - |
| Dividend income from subsidiary undertakings | | 16,004 | - |
| **Operating result** | 2 | - | - |
| **Financing** | | | |
| Interest receivable and similar income | 3 | 68 | 91 |
| | | 68 | 91 |
| **Profit before tax** | | 68 | 91 |
| Taxation | 4 | (15) | (21) |
| **Profit for the period** | | 53 | 70 |

All results are from continuing operations

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

| | Year ended 30 June 2014 £000 | Year ended 30 June 2013 £000 |
|---|---|---|
| Profit for the year | 53 | 70 |
| **Total comprehensive income for the year** | 53 | 70 |

**RANK OVERSEAS HOLDINGS LIMITED**
**BALANCE SHEET**
**AS AT 30 JUNE 2014**

| | Note | At 30 June 2014 £000 | At 30 June 2013 £000 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Investment in subsidiaries | 5 | 38,737 | 54,741 |
| **Current assets** | | | |
| Other receivables | 6 | 179,846 | 179,796 |
| **Total assets** | | 218,583 | 234,537 |
| **Liabilities** | | | |
| **Current liabilities** | | | |
| Other payables | 7 | (1,030) | (17,037) |
| **Net current assets** | | 178,816 | 162,759 |
| **Total liabilities** | | (1,030) | (17,037) |
| **Net assets** | | 217,553 | 217,500 |
| **Shareholder's equity** | | | |
| Ordinary share capital | 8 | 1,000 | 1,000 |
| Retained earnings | | 216,553 | 216,500 |
| **Total equity** | | 217,553 | 217,500 |

The notes on pages 8 to 14 are an integral part of these financial statements.

These accounts were approved by the board on 15 December 2014 and signed on its behalf by:

Mr C.A.R. Jennings
**Director**

## STATEMENT OF CHANGES IN EQUITY

| | Share capital £000 | Retained earnings £000 | Total £000 |
|---|---|---|---|
| At 1 July 2012 | 1,000 | 216,430 | 217,430 |
| **Comprehensive income:** | | | |
| Profit for the year | - | 70 | 70 |
| **At 30 June 2013** | 1,000 | 216,500 | 217,500 |
| **Comprehensive income:** | | | |
| Profit for the year | - | 53 | 53 |
| **At 30 June 2014** | 1,000 | 216,553 | 217,553 |

There were no transactions with owners in either year.

## 1. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

### A Basis of preparation

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') and IFRIC interpretations as adopted by the European Union, and the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss. A summary of the more important Company accounting policies is set out below.

The Company is itself a subsidiary company and is exempt from the requirement to prepare group financial statements by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas requiring a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are set out in the relevant accounting policies below. The best estimate of the director may differ from the actual results.

*(i) Standards, amendments and interpretations to existing standards adopted by the Company*

The following new standards, amendments and interpretations to existing standards are mandatory for the first time for the financial period beginning 1 July 2013.

- IFRS 1 First-time Adoption of International Reporting Standards – Government Loans
- IFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendment)
- IFRS 13 Fair Value Measurement
- IAS19 Employee Benefits (Revised)

The Company has not been materially impacted by the adoption of any of these standards, amendments or interpretations.

The Company has not early adopted any other standard, amendment or interpretation that was issued but is not yet effective.

*(ii) Standards, amendments to and interpretations of existing standards that are not yet effective*

The following standards, amendments to and interpretations of existing standards have been published and are mandatory for accounting periods beginning after 1 July 2013 or later periods, but they have not been early adopted by the Company:

- IFRS 10 Consolidated Financial Statements – Effective 1 January 2014
- IFRS 11 Joint Arrangements – Effective 1 January 2014
- IFRS 12 Disclosure of Interests in Other Entities – Effective 1 January 2014
- IAS 27 Separate Financial Statements (Revised) – Effective 1 January 2014
- IAS 28 Investments in Associates and Joint Ventures (Revised) – Effective 1 January 2014
- IAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities (Amendment) – Effective 1 January 2014
- IAS 36 Recoverable Amount Disclosures for Non-Financial Assets – Effective 1 January 2014
- IAS 39 Novation of Derivatives and Continuation of Hedge Accounting (Amendment) – Effective 1 January 2014

### A Basis of preparation (continued)

It is not anticipated that the adoption of the above standards, amendments and interpretations of existing standards will have a material impact on the Company financial statements in the period of initial application.

### B Investments

Investments in subsidiaries are held at cost, less impairment.

**1. Accounting Policies (continued)**

**C Impairment of assets**
Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised as the amount by which an asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

If an impairment loss is recognised, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an exceptional expense in the income statement immediately.

A reversal of an impairment loss is recognised as exceptional income in the income statement immediately.

**D Taxation**
Current tax is applied to taxable profits at the rates ruling in the relevant country.

Deferred tax is provided in full, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if deferred income tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the future.

**E Other receivables**
Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

**F Other payables**
Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**G Cash flow statement**
There have been no cash movements in either period and consequently no cash flow statement has been prepared.

**2. Operating profit for the year**

The following items have been included in arriving at the profit for the year:

| | Note | Year ended 30 June 2014 £000 | Year ended 30 June 2013 £000 |
|---|---|---|---|
| Liquidation of investment in subsidiary undertakings | 5 | 16,004 | - |

The audit fee is borne by Rank Leisure Holdings Limited, the Company's immediate parent.

## 3. Financing

| | Year ended 30 June 2014 £000 | Year ended 30 June 2013 £000 |
|---|---|---|
| Interest receivable from Group companies | 68 | 91 |
| Total | 68 | 91 |

## 4. Taxation

| | Year ended 30 June 2014 £000 | Year ended 30 June 2013 £000 |
|---|---|---|
| **Current tax** | | |
| - UK corporation tax in respect of current year | 15 | 21 |
| **Total current tax** | 15 | 21 |
| **Tax charge in the income statement** | 15 | 21 |

The tax on the Company's result before tax differs from the standard rate of UK corporation tax of 22.5% (2013: 23.75%). The differences are explained below.

| | 2014 | 2013 |
|---|---|---|
| Profit before tax | 68 | 91 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 22.5% (2013: 23.75%) | 15 | 21 |
| Effects of: | | |
| - Income not subject to tax | (3,601) | - |
| - Expenses not deductible for tax purposes | 3,601 | - |
| **Tax charge in the income statement** | 15 | 21 |

On 23 March 2013, the Chancellor of the Exchequer announced the reduction in the main rate of UK corporation tax to 21% with effect from 1 April 2014 and a further 1% reduction to 20% from 1 April 2015. These changes were substantively enacted in July 2013.

The rate reductions will reduce the amount of cash tax payments to be made by the Company.

The company has capital losses of £246m (2013: £243m). These losses are available for offset against future UK chargeable gains. No deferred tax asset has been recognised in respect of these losses as no further utilisation is currently anticipated.

## 5. Investment in subsidiaries

| | Investments £000 |
|---|---|
| **Cost** | |
| At 1 July 2012 and 30 June 2013 | 569,747 |
| Liquidation of subsidiary | (60,810) |
| **At 30 June 2014** | 508,937 |
| | |
| **Impairment provision** | |
| At 1 July 2012 and 30 June 2013 | (515,006) |
| Reversal of impairment on liquidation of subsidiary | 44,806 |
| **At 30 June 2014** | (470,200) |
| | |
| **Net book value at 30 June 2012** | 54,741 |
| **Net book value at 30 June 2013** | 54,741 |
| **Net book value at 30 June 2014** | 38,737 |

During the year an inactive subsidiary undertaking was liquidated, and consequently the Company's investment in this subsidiary was written off to the income statement.

At 30 June 2014, the Company owned directly or indirectly 100% of the ordinary share capital and voting rights of the following companies:

| Principal subsidiary undertaking | Country | Principal activities | Class | Percentage |
|---|---|---|---|---|
| Rank America Inc. | USA | Owns the Group's investments in the USA | Ordinary | 100% |
| Rank Holding España SA | Spain | Owns the Group's investments in Spain | Ordinary | 100%* |
| Rank Holdings (Netherlands) BV | Netherlands | Owns the Group's investments in the Netherlands | Ordinary | 100% |
| Rank Overseas Finance Ltd | England & Wales | Holds financial assets on behalf of the Group | Ordinary | 100% |

** Indirectly owned*

## 6. Other receivables

| Amounts falling due within one year | At 30 June 2014 £000 | At 30 June 2013 £000 |
|---|---|---|
| Amounts owed by parent undertakings | 179,846 | 179,796 |
| | 179,846 | 179,796 |

The Company held no trade receivables at either balance sheet date and accordingly no provision for trade receivables was held. The other classes within trade and other receivables do not contain impaired or past due assets.

The carrying value of other receivables is assumed to approximate to their fair value due to the short term nature of the receivables. This includes amounts owed by related undertakings which are unsecured, repayable on demand and incurred interest at 0.88% (2013: 1.18$). The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable disclosed above. The Company does not hold any collateral as security.

## 7. Other payables

| | At 30 June 2014 £000 | At 30 June 2013 £000 |
|---|---|---|
| Amounts owed to subsidiary undertakings | 1,030 | 17,037 |
| | 1,030 | 17,037 |

The carrying value of other payables is assumed to approximate to their fair value. Amounts owed to related undertakings are unsecured, repayable on demand and are interest free and accordingly have no set maturity date. The Company has provided no collateral as security.

## 8. Ordinary share capital

| | At 30 June 2014 £000 | At 30 June 2013 £000 |
|---|---|---|
| Authorised | | |
| 900,000,000 ordinary shares of £1 each | 900,000 | 900,000 |
| Issued and fully paid | | |
| 1,000,000 ordinary shares of £1 each | 1,000 | 1,000 |

## 9. Directors and employees

The directors received no remuneration in the period in respect of their services to the Company, which were of negligible value (2013: nil). There were no employees of the Company during the period (2013: nil).

## 10. Financial assets and liabilities

The accounting policies for financial assets have been applied to the line items below:

| | Loans and receivables | |
|---|---|---|
| | At 30 June 2014 £000 | At 30 June 2013 £000 |
| Other receivables | 179,846 | 179,796 |
| Total | 179,846 | 179,796 |

The accounting policies for financial liabilities have been applied to the line items below:

| | Other financial liabilities | |
|---|---|---|
| | At 30 June 2014 £000 | At 30 June 2013 £000 |
| Other payables | 1,030 | 17,037 |
| Total | 1,030 | 17,037 |

**11. Financial risk management**

The Company's activities expose it to a variety of financial risks including market risk, credit risk and liquidity risk. However, as a wholly owned subsidiary of The Rank Group Plc many of these risks are combined on a group basis and managed by a centralised treasury team. The treasury team identifies, evaluates and hedges financial risk in close co-operation with the Company and with the overall aim to minimise potential adverse effects on performance.

**Market risk**

(i) Foreign currency risk

The Company's operations are all located in the UK and transacted in UK Sterling. Accordingly the Company has no foreign exchange risk arising from foreign currency exposures.

(ii) Cash flow and fair value interest rate risk

The Company's interest rate risk arises from loan balances between related parties. Interest on the related party loans is fixed annually by the central treasury team at the commencement of each financial period.

As a result of no significant interest rate risk exposure of financial instruments on an entity level, changes in the risk variables are not considered to have a significant effect on the Company's income statement or equity.

**Credit risk**

The Company is exposed to credit risk on amounts owed by related undertakings. The performance of all subsidiary undertakings of The Rank Group Plc are monitored at group level, including frequent projections of future performance to ensure funding to related undertakings provide a suitable return to the Group and remain recoverable. Where losses are forecast actions are taken to mitigate the loss and maximise the recoverability of receivables.

Further credit quality information on receivables is disclosed in note 6.

**Liquidity risk**

The Rank Group Plc manages the liquidity risk of its subsidiaries on a group basis. Regular cash forecasts, which include forecasts of the Company, are produced to identify the liquidity requirements of the Group. The cash forecasts are sensitivity tested for different scenarios and are reviewed regularly to ensure sufficient headroom exists for at least a 12 month period.

Due to the dynamic nature of the Group, the central treasury team aim to maintain flexibility in funding by keeping committed credit lines available. A three year strategic forecast is prepared annually to facilitate planning for future financing needs. Management actively manages the Group's financing requirements and the range of maturities on its debt.

The Group's core debt facility is an £80.0m (2013: £80.0m) bank facility comprising four £20.0m bi-lateral bank facilities which expire in January 2017 and a £140.0m (2013: £140.0m) bank facility comprising two £70.0m bi-lateral bank facilities which expire in May 2016. The Group proactively manages its relationships with its lending group.

**Capital risk management**

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern. The Company defines shareholders' equity as capital and aims to maintain positive equity. In order to monitor the capital structure the Company performs regular forecasts and carries out an annual strategic plan for the next three years. The Company may pay dividends, return capital to shareholders or issue new shares to adjust capital.

**12. Parent undertakings and related party transactions**

The Company's immediate parent undertaking is Rank Leisure Holdings Limited. A company incorporated in England and Wales.

The ultimate parent undertaking is Hong Leong Company (Malaysia) Berhad (Hong Leong), which is incorporated in Malaysia. Hong Leong is the parent undertaking of the largest group to consolidate these financial statements.

The Rank Group Plc was the parent undertaking of the smallest group to consolidate these financial statements. Copies of The Rank Group Plc consolidated financial statements can be obtained from http://rank.com/downloads/annual_reports/2014/annual_report_and_financial_statements_2014.pdf or by written request to the Company Secretary at Statesman House, Stafferton Way, Maidenhead, Berkshire, SL6 1AY. Hong Leong is the parent undertaking of the largest group to consolidate these financial statements (from the date Hong Leong became the ultimate parent undertaking).

**12. Parent undertakings and related party transactions (continued)**

Amounts due from the immediate parent and fellow subsidiary undertakings are unsecured, repayable on demand and incurred interest at 0.88% (2013: 1.18%). Amounts owed to subsidiary undertakings are unsecured, repayable on demand and are interest free.

**13. Post balance sheet event**

Subsequent to the year end, Rank Holdings (Netherlands) BV, a subsidiary of the Company was liquidated. As a consequence of this transaction, Rank Holding Espana SA became a wholly owned subsidiary of the Company.