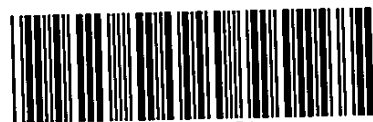


RANK OVERSEAS HOLDINGS LIMITED
Registered No. 412917

DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS
30 June 2013

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RANK OVERSEAS HOLDINGS LIMITED

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 30 June 2013. The comparative period covers the 18 months ended 30 June 2012.

On 21 October 2011, the Company changed its accounting reference date to 30 June. This extended the comparative accounting period to 18 months to cover the period from 1 January 2011 to 30 June 2012. The current accounting period covers the 12 months to 30 June 2013. The change was made to bring the Company's accounting reference date in line with its ultimate parent company.

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 period are set out on page 4. The directors do not recommend the payment of a dividend (2012: Nil).

Future outlook and uncertainties

As an investment holding company the main risk and uncertainty surrounds the financial performance of its subsidiary undertaking. The principal activity of its subsidiary is within the UK gaming industry. The 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:

- Customer focus – using customer insight (based on analysis of quantitative data and qualitative intelligence) to guide service and product evolution,
- Responsible operation – the way that our customers are looked after not only determines the sustainability of our customer relationships but also our position with regard to regulators, governments and the broader communities within which we operate, and
- Constructive political engagement – to work with government and regulators to shape a regulatory and fiscal environment that supports both our own development and responsible policy objectives.

The principal risks to the successful implementation of this strategy are:

- Taxation and regulation – adverse change (fiscal and regulatory) in legislation continues to be our biggest risk,
- Security – in keeping with our focus on customer and employee safety given the predominantly cash-based nature of our businesses, our security function has a physical bias. However, with online growth and the deployment of more technology into our clubs and as we move to a more cashless society, the balance between our physical security resource and IT security resource will shift,
- 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,
- Loss of licences – gaming licences are fundamental to our operations, and
- Economic environment – the uncertain economic environment, higher indirect taxation and public sector job cuts could adversely affect our customers' expenditure on leisure activities.

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 2013 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 M I Burke

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.

RANK OVERSEAS HOLDINGS LIMITED
DIRECTORS' REPORT (CONTINUED)

Statement of directors' responsibilities (continued)

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 the directors are 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.

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: 16 December 2013

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 2013 which comprise the Income Statement, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement, 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 pages 1 and 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 and Financial Statements 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 2013 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

Ian Oliver (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Reading

Date 18 December 2013

RANK OVERSEAS HOLDINGS LIMITED
INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2013

		Year ended 30 June 2013 £000	18 months to 30 June 2012 £000
	Note		
Other operating expense	2	-	(39,943)
Exchange differences	2	-	984
Dividend income from subsidiary undertakings		-	13,867
Operating profit/(loss)	2	-	(25,092)
Financing			
- interest receivable and similar income	3	91	-
- interest payable and similar charges	3	-	(1,259)
		91	(1,259)
Profit/(loss) before tax		91	(26,351)
Taxation	4	(21)	327
Profit/(loss) for the period		70	(26,024)
All results are from continuing operations			

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013

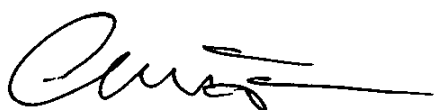
	Year ended 30 June 2013 £000	18 months to 30 June 2012 £000
Profit/(loss) for the year	70	(26,024)
Total comprehensive income/(expense) for the year	70	(26,024)

RANK OVERSEAS HOLDINGS LIMITED
BALANCE SHEET
AS AT 30 JUNE 2013

	Note	At 30 June 2013 £000	At 30 June 2012 £000
Assets			
Non-current assets			
Investment in subsidiaries	5	54,741	54,741
Current assets			
Trade and other receivables	6	179,796	179,725
Total assets		<u>234,537</u>	<u>234,466</u>
Liabilities			
Current liabilities			
Other payables	7	(17,037)	(17,036)
Net current assets		<u>162,759</u>	<u>162,689</u>
Total liabilities		<u>(17,037)</u>	<u>(17,036)</u>
Net assets		<u>217,500</u>	<u>217,430</u>
Shareholder's equity			
Ordinary share capital	8	1,000	1,000
Retained earnings		<u>216,500</u>	<u>216,430</u>
Total equity		<u>217,500</u>	<u>217,430</u>

The notes on pages 7 to 13 are an integral part of these financial statements

These accounts were approved by the board on 16 December 2013 and signed on its behalf by



Mr C A R Jennings
Director

RANK OVERSEAS HOLDINGS LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR PERIOD ENDED 30 JUNE 2013

	Share capital £000	Retained earnings £000	Total £000
At 1 January 2011	1,000	242,454	243,454
Comprehensive income.			
Loss for the period	-	(26,024)	(26,024)
At 30 June 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

There were no transactions with owners in either period

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013

		Year ended 30 June 2013 £000	18 months to 30 June 2012 £000
	Note		
Cash flows from operating activities			
Cash generated from operations	10	-	-
Interest paid		-	(1,259)
Net cash used in operating activities		-	(1,259)
Cash flows from financing activities			
Funding provided from other fellow subsidiary		-	1,259
Net cash generated in financing activities		-	1,259
Net movement in cash and cash equivalents		-	-
Cash and cash equivalents at start of year		-	-
Cash and cash equivalents at end of year		-	-

RANK OVERSEAS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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.

On 21 October 2011, the Company changed its accounting reference date to 30 June, extending the comparative accounting period to 18 months to cover the period from 1 January 2011 to 30 June 2012. The current accounting period covers the 12 months to 30 June 2013. The change was made in order to bring the Company's accounting reference date in line with that of its ultimate parent undertaking.

(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 2012:

- IFRS 7 Financial Instruments: Disclosures – Transfers of Financial Assets (Amendment)
- IAS 1 Presentation of Items of Other Comprehensive Income (Amendment)
- IAS 12 Income Taxes (Amendment) – Deferred Taxes: Recovery of Underlying Assets

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 2012 or later periods, but they have not been early adopted by the Company:

- IFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities – Amendments to IFRS 7 – Effective 1 January 2013
- IFRS 9 Financial Instruments: Classification and Measurement – Effective 1 January 2015
- IFRS 10 Consolidated Financial Statements – Effective 1 January 2014
- IFRS 11 Joint Arrangements – Effective 1 January 2014
- IFRS 12 Disclosure of Interest in Other Entities – Effective 1 January 2014
- IFRS 13 Fair Value Measurement – Effective 1 January 2013
- IAS 19 Employee Benefits (Revised) – Effective 1 January 2013
- IAS 27 Separate Financial Statements – Effective 1 January 2014
- IAS 28 Investments in Associates and Joint Ventures – Effective 1 January 2013
- IAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities (Amendment) – Effective 1 January 2014

RANK OVERSEAS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting Policies (continued)

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 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except where hedging criteria are met

C Investments

Investments in subsidiaries and associates are held at cost, after adjustment for foreign currency retranslation, less impairment

D 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.

E 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.

F 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.

G Trade payables

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

RANK OVERSEAS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS

2 Profit/(loss) for the year/period

The following items have been included in arriving at the profit/(loss) for the year/period

		Year ended 30 June 2013 £000	18 months to 30 June 2012 £000
	Note		
Impairment of investment in subsidiary undertakings	5	-	(39,004)
Liquidation of investment in subsidiary undertakings	5	-	(939)
Exchange differences		-	984

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

3 Financing

	Year ended 30 June 2013 £000	18 months to 30 June 2012 £000
Interest receivable from Group companies	91	-
Interest payable to Group companies	-	(1,259)
Total	91	(1,259)

4 Taxation

	Year ended 30 June 2013 £000	18 months to 30 June 2012 £000
Current tax		
- UK corporation tax in respect of current year	21	(327)
Total current tax	21	(327)
Tax charge/(credit) in the income statement	21	(327)

The tax on the Company's result before tax differs from the standard rate of UK corporation tax of 23.75% (2012: 26.0%). The differences are explained below

Profit/(loss) before tax	91	(26,351)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.75% (2012: 26.0%)	21	(6,851)
Effects of		
- Income not subject to tax	-	(3,861)
- Expenses not deductible for tax purposes	-	11,039
Tax charge/(credit) in the income statement	21	(327)

RANK OVERSEAS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS

4. Taxation (continued)

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 £243m (2012: £249m). 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 January 2011	570,686
Liquidation of subsidiaries	(939)
At 30 June 2012 and 30 June 2013	569,747
Impairment provision	
At 1 January 2011	(476,002)
Impairment charge for the period	(39,004)
At 30 June 2012	(515,006)
Impairment charge for the year	-
At 30 June 2013	(515,006)
Net book value at 31 December 2010	94,684
Net book value at 30 June 2012	54,741
Net book value at 30 June 2013	54,741

During the period ended 30 June 2012, following a review of the trading performance of the Company's subsidiaries an impairment charge of £39,004,000 was made.

At 30 June 2012, the Company owned directly or indirectly 100% of the ordinary share capital and voting rights of the following companies:

<u>Principal subsidiary undertaking</u>	<u>Country</u>	<u>Principal activities</u>	<u>Class</u>	<u>Percentage</u>
Rank America Inc	USA	Owens the Group's investments in the USA	Ordinary	100%
Rank Holding España SA	Spain	Owens the Group's investments in Spain	Ordinary	100%*
Rank Holdings (Netherlands) BV	Netherlands	Owens the Group's investments in the Netherlands	Ordinary	100%
Rank Overseas Finance Ltd	England and Wales	Holds financial assets on behalf of the Group	Ordinary	100%

* Indirectly owned

RANK OVERSEAS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS

6 Other receivables

	At 30 June 2013 £000	At 30 June 2012 £000
Amounts falling due within one year		
Amounts owed by parent undertakings	179,796	179,725
	<u>179,796</u>	<u>179,725</u>

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 1.18% (2012: nil). 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 – current

	At 30 June 2013 £000	At 30 June 2012 £000
Amounts owed to subsidiary undertakings	17,037	17,036
	<u>17,037</u>	<u>17,036</u>

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 (2012: 3.63%) and accordingly have no set maturity date. The Company has provided no collateral as security.

8. Ordinary share capital

	At 30 June 2013 £000	At 30 June 2012 £000
Authorised		
900,000,000 ordinary shares of £1 each	<u>900,000</u>	<u>900,000</u>
Issued and fully paid		
1,000,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

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 (2012: nil). There were no employees of the Company during the period (2012: nil).

RANK OVERSEAS HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS

10 Cash generated from operations

Reconciliation of operating profit to cash generated from operations

	Year ended 30 June 2013 £000	18 months to 30 June 2012 £000
Operating loss	-	(25,092)
Exchange differences	-	(984)
Dividend received through inter-company	-	(13,867)
Impairment charge for period	-	39,004
Liquidation of subsidiary undertakings	-	939
Cash generated from operations	-	-

11 Financial assets and liabilities

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

	Loans and receivables	
	At 30 June 2013 £000	At 30 June 2012 £000
Other receivables	179,796	179,725
Total	179,796	179,725

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

	Other financial liabilities	
	At 30 June 2013 £000	At 30 June 2012 £000
Other payables	17,037	17,036
Total	17,037	17,036

12. 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.

RANK OVERSEAS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

12 Financial risk management (continued)

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 trade and other 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 business, 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 (2012: £80 0m) bank facility comprising four £20 0m bi-lateral bank facilities which expire in January 2017 and a £140 0m (2012: nil) 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.

13. Parent undertakings and related party transactions

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

Until 6 June 2011, the ultimate parent undertaking was The Rank Group Plc, a company incorporated and registered in England and Wales. On 7 June 2011 Guoco Group Limited (Guoco), a company incorporated in Bermuda, and listed on the Hong Kong stock exchange, acquired a controlling interest in The Rank Group Plc. The ultimate parent undertaking of Guoco, and consequently the ultimate parent undertaking of the Company from 7 June 2011, is Hong Leong Company (Malaysia) Berhad (Hong Leong), which is incorporated in Malaysia.

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/2013/annual_report_and_financial_statements_2013.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).

Amounts due from the immediate parent and fellow subsidiary undertakings are unsecured, repayable on demand and incurred interest at 1.18% (2012: nil). Amounts owed to subsidiary undertakings are unsecured, repayable on demand and are interest free (2012: 3.63%).