

RANK OVERSEAS HOLDINGS LIMITED
Registered No. 412917

DIRECTORS' REPORT

AND

ACCOUNTS

31ST OCTOBER 1992



RANK OVERSEAS HOLDINGS LIMITED

Directors

Mr M B Gifford
Mr T H North
Mr B C Owers
Mr N V Turnbull
Mr D M Yates

DIRECTORS' REPORT

The Directors present their Report and Statement of Accounts for the year ended 31st October 1992.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company is an investment company. Details of principal subsidiary undertakings are given in note 7 on pages 10 and 11 in the notes to the accounts. The profit for the year after tax was £11,585,849 and there was an extraordinary profit of £5,087,236.

DIVIDEND

The Directors do not recommend the payment of a dividend.

FIXED ASSETS

Details of fixed assets are shown in note 6 to the accounts on page 9.

DIRECTORS

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

Mr M B Gifford
Mr T H North
Mr B C Owers
Mr N V Turnbull
Mr D M Yates

DIRECTORS' INTERESTS

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

<u>Director</u>	<u>Class of Shares</u>	<u>At 31st October 1992</u>	<u>At 1st November 1991</u>
M B Gifford	Ordinary	35,000	35,000
	Share Options	153,813	152,301
T H North	Ordinary	5,000	5,000
	Share Options	55,184	53,672
B C Owers	Ordinary	3,375	2,625
	Share Options	48,003	48,003

<u>Director</u>	<u>Class of Shares</u>	<u>At 31st October 1992</u>	<u>At 1st November 1991</u>
N V Turnbull	Ordinary Share Options	3,199 71,393	1,425 69,881
D M Yates	Ordinary Share Options	3,512 73,129	3,512 71,617

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

As at 1st November 1991, Mr N V Turnbull had a beneficial interest in 750 Ordinary shares of 5p each in A. Kershaw & Sons, Plc, a fellow subsidiary company. As at 31st October 1992, he had a beneficial interest in 500 Ordinary shares of 5p each, having ceased to be interested in 250 shares during the year.

Except as stated above, none of the Directors held interests in shares or debentures of the Company, its ultimate parent undertaking or any subsidiary undertaking of that company at 1st November 1991 or at 31st October 1992.

AUDITORS

The Company's Auditors KPMG Peat Marwick will continue in office pursuant to an Elective Resolution passed on 11th October 1990.

By Order of the Board



F G N Thomas
Secretary

Registered Office
6 Connaught Place
London W2 2EZ

RANK OVERSEAS HOLDINGS LIMITED

REPORT OF THE AUDITORS, KPMG PEAT MARWICK, TO THE MEMBERS OF RANK OVERSEAS HOLDINGS LIMITED

We have audited the accounts on pages 4 to 14 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the company at 31st October 1992 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

13 January 1993
LONDON

KPMG Peat Marwick
KPMG PEAT MARWICK
CHARTERED ACCOUNTANTS
Registered Auditors

RANK OVERSEAS HOLDINGS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST OCTOBER 1992

	<u>Note</u>	<u>1992</u> £	<u>1991</u> £
Dividends receivable from subsidiary undertakings		16,857,337	956,522
Interest receivable	2	9,610,689	5,068,500
Interest payable	3	(8,113,393)	(3,095,135)
Amounts written off investments		(13,171,133)	(1,097,107)
Audit fee		(6,500)	(7,300)
Other administrative expenses		(55,925)	(59,408)
Profit on exchange		7,214,304	3,476,593
Profit on ordinary activities before taxation		<hr/> 12,335,379	<hr/> 5,242,665
Tax on profit on ordinary activities	4	(749,530)	(1,178,005)
Profit on ordinary activities after taxation		<hr/> 11,585,849	<hr/> 4,064,660
Extraordinary items	5	5,087,236	(7,956,939)
Transfer to other reserves	14	<hr/> 16,673,085	<hr/> (3,892,279)



The notes to the accounts are on pages 6 to 14.

RANK OVERSEAS HOLDINGS LIMITED

BALANCE SHEET AT 31ST OCTOBER 1992

	<u>Note</u>	<u>1992</u> £	<u>1991</u> £
FIXED ASSETS			
Investments			
Subsidiary undertakings	6 & 7	590,272,209	567,262,754
CURRENT ASSETS			
Debtors: Amounts falling due within one year	8	1,225,938	2,114,201
Cash at bank		42,888	3,634
Debtors: Amounts falling due after more than one year	8	308,801,313	298,500,000
		310,070,139	300,617,835
Creditors: Amounts falling due within one year	9	(223,796,978)	(219,655,503)
NET CURRENT ASSETS		86,273,161	80,962,332
TOTAL ASSETS LESS CURRENT LIABILITIES		676,545,370	648,225,086
CREDITORS: Amounts falling due after more than one year	10	(280,494,730)	(282,051,808)
		396,050,640	366,173,278
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	11 & 12	(151,000)	(40,000)
Other provisions	11	(30,000,000)	(20,000,000)
NET ASSETS		365,899,640	346,133,278
CAPITAL AND RESERVES			
Called up share capital	13	300,000,000	300,000,000
Revaluation reserve	14	16,416,419	13,323,142
Profit and loss account	14	49,483,221	32,810,136
		365,899,640	346,133,278

These accounts were approved by the Board of Directors on 13 January 1993.

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 } Directors

The notes to the accounts are on pages 6 to 14.

RANK OVERSEAS HOLDINGS LIMITED

NOTES TO THE ACCOUNTS AT 31ST OCTOBER 1992

1. ACCOUNTING POLICIES

(i) Basis of accounting

The accounts have been prepared under the historical cost convention in accordance with applicable accounting standards, adjusted for the revaluation of certain fixed asset investments as disclosed in note 1(iii) on a basis consistent with the previous year.

Group accounts have not been prepared as the company is a wholly-owned subsidiary of another body corporate incorporated in Great Britain.

(ii) Exchange rates

Assets, liabilities, revenues and costs arising from transactions denominated in foreign currencies are translated into sterling at the exchange rate in operation on the date on which the transaction occurred.

At the balance sheet date, monetary assets and liabilities are translated at closing, or if appropriate forward contract rates. Non-monetary assets are maintained at their historical sterling equivalent except in the case of the investment referred to in note 1(iii). Exchange differences on the re-translation of this investment are dealt with net of differences on related foreign currency borrowings.

All exchange gains or losses arising from foreign currency transactions are dealt with in the profit and loss account as part of the result from ordinary activities.

(iii) Fixed asset investments

Investments in subsidiary undertakings other than Rank Holdings (Netherlands) BV have been stated in the balance sheet at original sterling cost to the Company plus or minus a sum equal to the share of cumulative post-acquisition undistributed profits or losses.

The investment in Rank Holdings (Netherlands) BV was mainly acquired in exchange for investments owned by the company and the cost of investment in Rank Holdings (Netherlands) BV has been included at the aggregate of the disposal proceeds received by the company for the investments transferred.

RANK OVERSEAS HOLDINGS LIMITED

NOTES TO THE ACCOUNTS AT 31ST OCTOBER 1992

(Continued)

1. ACCOUNTING POLICIES (Continued)

(iii) Fixed asset investments (Continued)

The investment in Rank Holdings Netherlands BV has been included at original sterling cost or, where the investment has been made in overseas currency, at the sterling equivalent at year end exchange rates.

In the opinion of the Directors, the value of the Company's investments in its subsidiary undertakings is not less than the amount at which they are stated in the balance sheet.

(iv) Deferred taxation

Deferred taxation, computed under the liability method, is provided in respect of timing differences to the extent that it is probable that a liability will arise in the foreseeable future. No provision is made for taxation payable in the event of the profits of certain overseas subsidiary undertakings being distributed. The amounts of deferred taxation provided are set out in note 12 on page 13.

(v) Cash flow statement

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

2.	<u>INTEREST RECEIVABLE</u>	<u>1992</u>	<u>1991</u>
		£	£
	Interest receivable from:		
	Parent undertaking	9,295,000	-
	Subsidiary undertakings	299,845	5,068,500
	Other	<u>15,844</u>	<u>-</u>
		<u>9,610,689</u>	<u>5,068,500</u>
3.	<u>INTEREST PAYABLE</u>	<u>1992</u>	<u>1991</u>
		£	£
	Interest payable to:		
	Parent undertaking	-	1,250,000
	Subsidiary undertaking	<u>8,113,393</u>	<u>1,845,135</u>
		<u>8,113,393</u>	<u>3,095,135</u>

RANK OVERSEAS HOLDINGS LIMITED

NOTES TO THE ACCOUNTS AT 31ST OCTOBER 1992

(Continued)

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>1992</u>	<u>1991</u>
	<u>£</u>	<u>£</u>
UK corporation tax	432,069	190,000
UK deferred taxation	111,000	(6,000)
Overseas taxation	<u>206,461</u>	<u>994,005</u>
	<u>749,530</u>	<u>1,178,005</u>

The charge for taxation is based on profits from ordinary activities excluding profits and losses on exchange which have no taxation effect.

United Kingdom corporation tax is provided at 33% (1991 - 33.4%) and is stated after crediting double tax relief of £244,660 (1991 - £772,000) in respect of overseas income.

5. EXTRAORDINARY ITEMS

	<u>1992</u>	<u>1991</u>
	<u>£</u>	<u>£</u>
Profit/(loss) on disposal of subsidiary undertakings	5,087,236	(21,765,256)
Release of provision on disposal of subsidiary	-	10,210,000
Profit on disposal of other investments	-	2,000
Transfer from revaluation reserve	-	3,986,317
Loss on disposal of land	-	(390,000)
	<u>5,087,236</u>	<u>(7,956,939)</u>

In September 1992 the company's investment in Rank Advertising Films was sold for some £22 million plus a small residual interest in the business.

The company's investment in Pleasurama Williamsburg Inc. was liquidated following a sale by that company of its business and assets.

RANK OVERSEAS HOLDINGS LIMITED

NOTES TO THE ACCOUNTS AT 31ST OCTOBER 1992

(Continued)

6. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

	Shares at cost or valuation £	Loans and advances £	Provisions for diminution in value £	Total £
At 31st October 1991	569,078,655	1,120,211	(2,936,112)	567,262,754
Currency translation adjustment	41,924,409	213,671	-	42,138,080
Additions	58,773,879	-	-	58,773,879
Disposals	(67,895,381)	-	70,733	(67,824,648)
Revaluation adjustment	3,093,277	-	-	3,093,277
Refunds of loans and advances	-	(88,397)	88,397	-
Additional provisions charged	-	-	(13,171,133)	(13,171,133)
At 31st October 1992	<u>604,974,839</u>	<u>1,245,485</u>	<u>(15,948,115)</u>	<u>590,272,209</u>

	£
Shares at cost	585,297,839
Shares at directors' valuation	19,677,000
	<u>604,974,839</u>

The historical cost of shares included at directors' valuation at 31st October 1992 was £3,260,581 (1991 - £895,844). The shares were valued by the directors on the basis of the book amount of the underlying net assets at 31st October 1992.

RANK OVERSEAS HOLDINGS LIMITED

NOTES TO THE ACCOUNTS AT 31ST OCTOBER 1992

(Continued)

7. PRINCIPAL SUBSIDIARY UNDERTAKINGS

Except where otherwise stated, Rank Overseas Holdings Limited owns indirectly 100% of the ordinary share capital of the following companies. The country of registration or incorporation is indicated after the company name. The principal operations are carried out in the country of registration.

Film and Television

Principal activities

Deluxe Laboratories (Inc) (USA)

Film processing laboratory

Rank Canada Inc (Canada)

Owns the Film House film laboratory, markets lighting fixtures and electronic controls

Rank Video Services America Inc (USA)

Video duplication

Rank Video Services GmbH (Germany)

Rank Retail Services America Inc (USA)

Distribution of video and audio products

Rank Taylor Hobson Inc. (USA)

Design, manufacture and marketing of high precision metrology instruments

Strand Lighting Inc (USA)

Design, manufacture and marketing of lighting fixtures and electronic controls for the theatrical, film, television, entertainment and architectural industries

Leisure

Hard Rock Cafes International Inc (USA)

Hard Rock Cafes

Rank Ahnert Inc (USA)

"Outdoor World" holiday memberships at caravan park resorts, the sale of timeshares, second homes and land

Rank Leisure (USA) Inc

Theme restaurants in the USA

Rank Orlando Inc (USA)

Owns a 50% interest in Universal Studio Florida a joint venture managed by MCA Inc.

RANK OVERSEAS HOLDINGS LIMITED

NOTES TO THE ACCOUNTS AT 31ST OCTOBER 1992

(Continued)

7. PRINCIPAL SUBSIDIARY UNDERTAKINGS (Continued)

Leisure (Continued)

Holding and Other Companies

Rank America Inc (USA)

Owens Rank Overseas Holdings
investments in the USA

Rank Holdings (Netherlands) BV
(Holland)
(Rank Overseas Holdings owns
directly 100% of the Ordinary
shares)

Owens Rank Overseas Holdings
investments in Rank America
and overseas subsidiary
undertakings

8. DEBTORS

	<u>1992</u>	<u>1991</u>
	<u>£</u>	<u>£</u>
Amounts falling due within one year:		
Amounts due from fellow subsidiary undertaking	203,499	-
Amounts due from subsidiary undertakings	1,018,589	1,643,701
Other debtors	<u>3,850</u>	<u>470,500</u>
	<u>1,225,938</u>	<u>2,114,201</u>
Amounts falling due after more than one year:		
Amount due from subsidiary undertaking	10,301,313	-
Amount due from parent undertaking	<u>298,500,000</u>	<u>298,500,000</u>
	<u>308,801,313</u>	<u>298,500,000</u>

RANK OVERSEAS HOLDINGS LIMITED

NOTES TO THE ACCOUNTS AT 31ST OCTOBER 1992

(Continued)

9. CREDITORS: Amounts falling due within one year

	<u>1992</u>	<u>1991</u>
	£	£
Amount owed to parent undertaking	68,295,973	31,430,777
Amounts owed to fellow subsidiary undertakings	13,349,505	-
Amount owed to subsidiary undertakings	140,190,502	187,082,525
UK corporation tax	900,497	709,240
Accrued expenses	1,060,501	432,961
	<u>223,796,978</u>	<u>219,655,503</u>

10. CREDITORS: Amounts falling due after more than one year

	<u>1992</u>	<u>1991</u>
	£	£
Amount owed to parent undertaking (Denominated in United States Dollars and Canadian Dollars)	280,494,730	282,051,808

The parent undertaking has agreed not to call for repayment of the £280,494,730 owing at 31st October 1992 (1991 - £282,051,808) before 1st November 1993.

11. PROVISIONS FOR LIABILITIES AND CHARGES

	<u>Deferred Taxation</u>	<u>Other Provisions</u>	<u>Total</u>
	£	£	£
Balance at 31st October 1991	40,000	20,000,000	20,040,000
Charge to profit and loss account in year	111,000	-	111,000
Increase in investment	-	10,000,000	10,000,000
Balance at 31st October 1992	<u>151,000</u>	<u>30,000,000</u>	<u>30,151,000</u>

Other provisions represents contingent consideration arising on acquisition of minority interests of £30,000,000.

RANK OVERSEAS HOLDINGS LIMITED
NOTES TO THE ACCOUNTS AT 31ST OCTOBER 1992
(Continued)

12. DEFERRED TAXATION

	<u>Full potential liability fully provided</u>	
	<u>1992</u>	<u>1991</u>
	<u>£</u>	<u>£</u>
Accrued income	151,000	40,000

It is estimated that no taxation on capital gains would be payable on the sale of investments in subsidiary undertakings at the values at which they are stated in the Company's balance sheet.

13. CALLED UP SHARE CAPITAL

	<u>1992</u>	<u>1991</u>
	<u>£</u>	<u>£</u>
Authorised, allotted, called up and fully paid Ordinary shares of £1 each	300,000,000	300,000,000

14. RESERVES

	<u>Revaluation</u>	<u>Profit and Loss Account</u>
	<u>£</u>	<u>£</u>
At 31st October 1991	13,323,142	32,810,136
Surplus on profit and loss account for the year	-	16,673,085
Surplus on revaluation of investments	3,093,277	-
At 31st October 1992	16,416,419	49,483,221

RANK OVERSEAS HOLDINGS LIMITED

NOTES TO THE ACCOUNTS AT 31ST OCTOBER 1992

(Continued)

15. CONTINGENT LIABILITIES

There is a contingent liability in respect of uncalled share capital in a subsidiary undertaking amounting to £250,000 (1991 - £250,000).

The Company is included in a normal group value added tax registration. Companies within the group registration are jointly and severally liable for the total value added tax due by the group.

The Company has guaranteed the overdraft of a subsidiary undertaking. The overdraft stood at £606,533 at 31st October 1992 (1991 - £603,561).

The Company has also guaranteed loans of a subsidiary undertaking. The loans stood at DM 1,053,667 (£437,442) at 31st October 1992 (1991 - DM 4,190,000 £1,441,101).

16. DIRECTORS AND EMPLOYEES

The emoluments of the directors were nil. (1991 - nil)

There are no employees of the Company.

17. ULTIMATE PARENT UNDERTAKING

The Company is a wholly owned subsidiary of The Rank Organisation Plc, a company incorporated in Great Britain and registered in England and Wales, a copy of whose consolidated accounts may be obtained from Companies House.