

RANK LEISURE MACHINE SERVICES LIMITED
Registered No. 00657720

DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS

30 June 2017

TUESDAY



A72MNI7K

A16

27/03/2018

#319

COMPANIES HOUSE

Corporate information

Directors

Mr H. B. Birch

Mr C. A. R. Jennings

Secretary

Ms F. Bingham

Auditors

Ernst & Young LLP

1 More London Place

London

SE1 2AF

Registered Office

TOR, Saint-Cloud Way

Maidenhead

Berkshire

SL6 8BN

United Kingdom

RANK LEISURE MACHINE SERVICES LIMITED

DIRECTORS REPORT

The directors present their report and financial statements for the year ended 30 June 2017. The comparative period which is unaudited covers the year to 30 June 2016.

Business review and principal activities

The Company is a limited company incorporated and domiciled in England and Wales.

The principal activity of the Company is an investment holding company. The details of the Company's principal subsidiary undertakings are given in note 3 and 9. The Company's previous principal activity was the operation and rental of coin operated amusement machines, and the sale of amusement machines. However it had been dormant since 2007 following the trade and assets sale to Gamestec Leisure Limited.

During the year, The Rank Group Plc ('Rank' or the 'Rank Group') undertook a strategic review of the organisation to improve customer service and simplify operations known as the 'Group restructuring and simplification project'.

At 30 June 2017, the Company had net current assets of £nil (as at 30 June 2016: £15.9m), the movement is a result of the Group restructuring and simplification project undertaken, which resulted in approval by the Directors to pay a special dividend of £15.9m (2016: £nil).

It is the intention of the Directors and shareholder to dissolve the Company. On this basis, the directors have concluded it is appropriate to prepare the financial statements on a break up basis as the Company is not a going concern.

Future outlook and uncertainties

It is expected the company will be dissolved within 12 months of these accounts.

Key performance indicators (KPI)

The directors believe that there are no key performance indicators relating to the Company and its subsidiary undertakings.

The directors of the Rank Group manage the operations on a divisional basis. The development, performance, and position of the Group, is discussed in more detail on pages 1 to 48 of the Group's 2017 Annual Report and Accounts ('ARA') which do not form part of this report.

Principal risks and uncertainties

The principal risks and uncertainties of Rank are discussed on pages 42 to 44 of the Group's ARA for the year ended 30 June 2017.

However as both the Company and its subsidiary undertakings are legacy companies within the Group, whose only transactions in the year are those relating to the Group simplification and restructuring project, the directors believe there are no principal risks and uncertainties associated.

Directors

The following were directors of the Company during the year and at the date of these accounts:

Mr H.B. Birch

Mr C.A.R. Jennings

Dividends

The directors approved the payment of a special dividend of £15.9m (2016: £nil). This is a direct result of the Group restructuring and simplification project undertaken.

RANK LEISURE MACHINE SERVICES LIMITED

DIRECTORS REPORT (CONTINUED)

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make judgements and estimates that are reasonable and prudent;
- provide additional disclosures when compliance with the specific requirements in UK Generally Accepted Accounting Practice 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 United Kingdom Generally Accepted Accounting Practice, 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.

Insurance and indemnities

Rank 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.

Financial instruments

The Company finances its activities with a combination of finance leases, intercompany funding and cash at bank, details of which are disclosed in note 7. Other financial assets and liabilities arise directly from the Company's operating activities.

These financial instruments give rise to market, credit and liquidity risks. As a wholly owned subsidiary of Rank many of these risks are combined on a group basis and managed by a centralised treasury team. Details of the financial risk management objectives and policies of this centralised team are disclosed in note 19 of Group's ARA. Details of how to obtain this report are shown in note 8.

Auditors

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.

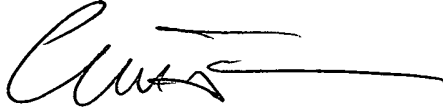
In accordance with s487(2) of the Companies act 2006, Ernst & Young LLP will continue as auditors of the Company.

RANK LEISURE MACHINE SERVICES LIMITED
DIRECTORS REPORT (CONTINUED)

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

A handwritten signature in black ink, appearing to read 'C.A.R. Jennings', with a long horizontal flourish extending to the right.

Mr C.A.R. Jennings
Director

Date: 20 March 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RANK LEISURE MACHINE SERVICES LIMITED

Opinion

We have audited the financial statements of Rank Leisure Machine Services Limited ('the Company') for the year ended 30 June 2017 which comprise the Income Statement, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 9, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 June 2017 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. As set out in Note 1, these financial statements have been prepared on a break-up basis.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Use of our report

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.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RANK LEISURE MACHINE SERVICES LIMITED (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on pages 3 and 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

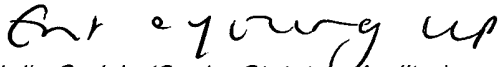
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RANK LEISURE MACHINE SERVICES LIMITED
(CONTINUED)**

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other Matters:

The corresponding figures for the prior period ended 30 June 2016 are unaudited.



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

Date: 20 March 2017

RANK LEISURE MACHINE SERVICES LIMITED
INCOME STATEMENT AT 30 JUNE 2017

	Year ended 30 June 2017 £'000	Year ended 30 June 2016 £'000 unaudited
Impairment of intercompany debtor	4	-
Loss from ordinary activities before taxation	4	-
Taxation	-	-
Loss for the year	4	-

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

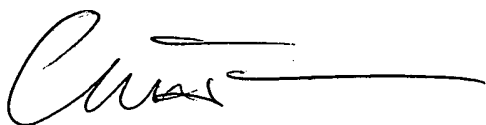
	Year ended 30 June 2017 £'000	Year ended 30 June 2016 £'000 unaudited
Comprehensive loss:		
Loss for the year	4	-
Total comprehensive loss for the year	4	-

RANK LEISURE MACHINE SERVICES LIMITED
BALANCE SHEET
AS AT 30 JUNE 2017

		At 30 June 2017 £000	At 30 June 2016 £000 unaudited
	Note		
Current assets			
Investments	3	-	-
Trade and other receivables	4	-	15,917
		<hr/>	<hr/>
Net assets		-	15,917
		<hr/>	<hr/>
Shareholder's equity			
Ordinary share capital	5	-	66,000
Retained earnings		-	(50,083)
		<hr/>	<hr/>
Total equity		-	15,917
		<hr/>	<hr/>

The notes on pages 11 to 15 are an integral part of these financial statements.

These accounts were approved by the board on 20 March 2018 and signed on its behalf by:



Mr C.A.R. Jennings
Director

RANK LEISURE MACHINE SERVICES LIMITED
STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2017

	Share capital £000	Retained earnings £000	Total £000
At 1 July 2015 (unaudited)	66,000	(50,083)	15,917
Total comprehensive income:			
Profit for the year	-	-	-
At 30 June 2016 (unaudited)	66,000	(50,083)	15,917
Total comprehensive income:			
Loss for the year	-	(4)	(4)
Transactions with owners:			
Capital reduction	(66,000)	66,000	-
Dividend paid to equity holder	-	(15,913)	(15,913)
At 30 June 2017	-	-	-

Reserves created through a capital reduction are considered realised profits as a matter of UK company law, see note 5.

There are 1 ordinary shares in issue at 30 June 2017, with a nominal value per share of 100p, meaning a cumulative value of £1.

RANK LEISURE MACHINE SERVICES 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 are in accordance with applicable accounting standards and have been consistently applied to all the periods presented, unless otherwise stated.

A Basis of preparation

The financial statements are prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'. The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirement of IAS7 'Statement of Cash Flows';
- the requirements of paragraph 17 of IAS24 'Related Party Disclosures';
- the requirements in IAS24 'Related Party Disclosures' to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is party to the transaction is wholly owned by such a member;
- the requirements of IFRS7 'Financial Instruments: Disclosures'; and
- the requirements of paragraphs 10(d) and 134-136 of IAS1 'Presentation of Financial Statements'.

The results of the Company, along with the equivalent disclosures in respect of the exemptions listed above are included in the consolidated Group ARA, details of which are contained in note 8.

The financial statements have not been prepared on a going concern basis. A summary of the more important Company accounting policies is set out below. Following the decision to liquidate the operations of the company, the directors consider that the going concern basis is no longer an appropriate basis on which to prepare the financial statements, and therefore these financial statements have been prepared on a break up basis. Given there are nil assets remaining in the company at the balance sheet date no adjustments are required to reflect the break-up basis conclusion. Given the operations are fully wound up the directors do not expect any future losses to be incurred and thus no provision has been accrued for.

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 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. There are no areas requiring a higher degree of judgement or complexity, nor areas where assumptions and estimates are significant to the financial statements.

Standards, amendments and interpretations to existing standards adopted by the Company

There are no new standards or amendments to existing standards that are mandatory for the first time for the financial year beginning 1 July 2016.

Standards, amendments to and interpretations of existing standards that are not yet effective

The Company is not expected to be materially impacted any new standards, amendments or interpretations of existing standards, that have been published and are mandatory for accounting periods starting after 1 July 2017.

The Company is not expected to be materially impacted by any new standards, amendments or interpretations of existing standards that have been published.

RANK LEISURE MACHINE SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

B Investments

Investments in subsidiaries are held at cost less impairment.

C Other debtors

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

D Financial assets and Liabilities

Financial assets include loans and receivables and cash (and cash equivalents), or where the Company has a contractual right owed to it. A financial asset is derecognised when substantially all the risk and rewards or control have been transferred.

Financial liabilities include trade and other payables and loans and borrowings (including bank overdrafts), but exclude statutory liabilities such as social security and other taxes.

E Audit fee

The audit fee is borne by Rank Group Gaming Division Limited, a fellow group company.

RANK LEISURE MACHINE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Dividends

Amounts recognised as distributions to equity holders in the year:

	At 30 June 2017 £000	At 30 June 2016 £000 unaudited
Special dividend for the year ended 30 June 2017 of £15.9m per ordinary share paid on 10 April 2017	<u>15,913</u> <u>15,913</u>	<u>-</u> <u>-</u>

The dividend was approved by the directors during the year, and forms part of the Group restructuring and simplification project.

3. Investments in subsidiary undertakings

	At 30 June 2017 £000	At 30 June 2016 £000 unaudited
Cost	14,350	14,350
Provision for impairment	<u>(14,350)</u>	<u>(14,350)</u>
Net book amount	<u>-</u>	<u>-</u>

At 30 June 2017, the Company held the following interests in subsidiary undertakings, which are all dormant companies incorporated and registered in England and Wales with the exception of Associated Leisure France SARL which is incorporated in France.

Subsidiary undertaking	Class of shares held	Proportion held directly (%)	Proportion held indirectly (%)
Rank Seasonal Amusements Limited	Ordinary	100.0	-
Rank Nemo (HGY) Limited	Ordinary	100.0	-
Associated Leisure France SARL	Ordinary	50.0	50.0

Associated Leisure France SARL held 100.0% of the ordinary shares of Associated Leisure France Properties SCI.

The investments are not considered to have any inherent value and the subsidiaries are planned to have been dissolved before Rank Leisure Machine Services Limited.

RANK LEISURE MACHINE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

4. Trade and other receivables

	At 30 June 2017 £000	At 30 June 2016 £000 unaudited
Amounts owed by fellow subsidiary undertakings	8,298	24,211
Less: Provision for impairment of debtors	(8,298)	(8,294)
Amounts owed by group undertakings - net	-	15,917

The carrying values of other debtors are assumed to approximate to their fair value due to the short-term nature of the debtors. This includes amounts owed by fellow subsidiary undertakings which are unsecured, repayable on demand.

The Group restructuring and simplification project included the net settling of intercompany debtors owed by fellow subsidiary undertakings, which explains the movement year on year.

5. Ordinary Share capital

	At 30 June 2017 £	At 30 June 2016 £ unaudited
Authorised, Issued and fully paid		
1 (2016: 66,000,000) ordinary shares of £1 each	1	66,000,000

On 10 April 2017, a director approved capital reduction was performed, as a direct result of the Group restructuring and simplification project.

6. Directors and employees

The directors received no remuneration in the period in respect of their qualifying services to the Company (2016: nil). There were no employees of the Company during the period (2016: nil).

7. Financial assets and liabilities

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

	Other financial assets	
	At 30 June 2017 £000	At 30 June 2016 £000 unaudited
Amounts owed by group undertakings - net	-	15,917
Total	-	15,917

RANK LEISURE MACHINE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. Parent undertakings and related party transactions

The Company's immediate parent company was Rank (U.K.) Holdings Limited which is incorporated and registered 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 (from the date Hong Leong became the ultimate parent undertaking).

Rank, was the parent undertaking of the smallest group to consolidate these financial statements. Copies of Rank's consolidated ARA can be obtained from <http://www.rank.com/en/investors/results--reports---presentations.all.year2017.html> or by written request to the Company Secretary at TOR, Saint-Cloud Way, Maidenhead, Berkshire, SL6 8BN.

9. Subsidiaries

The Company owns directly or indirectly 100% of the issued share capital and voting rights of the following companies:

Name	Country of incorporation	Principal activities	Registered office address
Rank Nemo (HGY) Limited	England and Wales	Dormant	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Rank Seasonal Amusements Limited	England and Wales	Dormant	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Associated Leisure France SARL	France	Dormant	4 Rue Joseph Monier, 92859 Rueil Malmaison, Cades, France
Associated Leisure France Properties SCI	France	Dormant	Zi Sud, 12 Rue des Petits Champs, 35400, St Malo, France