

RANK OVERSEAS FINANCE LIMITED

Registered No. 00784032

DIRECTORS' REPORT

AND

FINANCIAL STATEMENTS

31 DECEMBER 2009

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RANK OVERSEAS FINANCE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009

The directors present their report and financial statements for the year ended 31 December 2009

Business review and principal activities

The Company did not trade in the year and the directors do not expect the Company to trade in the future. The loss in 2009 arises from the waiver of an amount due from a fellow subsidiary undertaking. The results for the Company show a loss of £7,587,000 (2008: £nil). The directors do not recommend the payment of a dividend (2008: £nil).

Directors

The following were directors of the Company during the year and up to the date of these accounts -

Mr P J Gallagher

Mr M I Burke

Mrs S A Wren (resigned 30 November 2009)

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 year. 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

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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. The directors have taken all the steps that ought to have been taken as a director in order to make himself/herself 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, the ultimate parent company, 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.

RANK OVERSEAS FINANCE LIMITED
DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009

Auditors

PricewaterhouseCoopers LLP (PwC) has audited the Company's ultimate parent company's consolidated accounts since 1996. The board of the ultimate parent company agreed unanimously that it was appropriate to put the 2010 audit out to tender. A tender process was approved in July 2009 and several firms were invited to take part, including PwC. Following the tender process, the board of the ultimate parent company proposed to its shareholders that Ernst & Young LLP be appointed auditors and, at the ultimate parent company's annual general meeting on 22 April 2010, shareholders resolved to appoint Ernst & Young LLP as auditors for the 2010 audit of the ultimate parent company's consolidated accounts.

Consequent upon this, following completion of the audit of the Company's 2009 financial statements on 24 June 2010, PwC resigned as auditors of the Company and Ernst & Young LLP was appointed in its place.

By order of the Board



Mr P J Gallagher
Director

Date 24 June 2010

Registered Office Statesman House, Stafferton Way, Maidenhead, Berkshire, SL6 1AY
Registered Number 00784032

RANK OVERSEAS FINANCE LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RANK OVERSEAS FINANCE LIMITED

We have audited the financial statements of Rank Overseas Finance Limited for the year ended 31 December 2009 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. 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.

Respective responsibilities of the directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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.

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 31 December 2009 and of its loss and cash flows 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 year 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 the directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



John Ellis (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place, London WC2N 6RH

Date 24 June 2010

RANK OVERSEAS FINANCE LIMITED
INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

	2009	2008
	£'000	£'000
Waiver of amount due from fellow subsidiary undertaking	(7,587)	-
Operating loss	(7,587)	-
Loss for the year	(7,587)	-

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2009

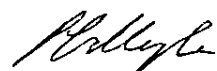
	2009	2008
	£'000	£'000
Loss for the year	(7,587)	-
Total comprehensive expense for the year	(7,587)	-

BALANCE SHEET AT 31 DECEMBER 2009

	Note	2009	2008
		£'000	£'000
Assets			
Current assets			
Trade and other receivables	3	8,095	15,682
Net assets		8,095	15,682
Shareholders' equity			
Ordinary share capital	5	5,000	5,000
Other reserves		3,095	10,682
Total equity		8,095	15,682

The notes on pages 6 to 8 are an integral part of these financial statements

These accounts were approved by the board on 24 June 2010 and signed on its behalf by



Mr P J Gallagher
Director

Date 24 June 2010

RANK OVERSEAS FINANCE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2009

	Share capital £'000	Other reserves £'000	Total £'000
At 1 January 2008 and 2009	5,000	10,682	15,682
Comprehensive income			
Loss for the year	-	(7,587)	(7,587)
At 31 December 2009	<u>5,000</u>	<u>3,095</u>	<u>8,095</u>

There were no transactions with owners in either year

Other reserves represent retained earnings

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

	2009 £'000	2008 £'000
Operating loss	(7,587)	-
Waiver of amount due from fellow subsidiary undertaking	<u>7,587</u>	<u>-</u>
Cash generated from operations	<u>-</u>	<u>-</u>
Net movement in cash and cash equivalents	-	-
Cash and cash equivalents at 1 January	<u>-</u>	<u>-</u>
Cash and cash equivalents at 31 December	<u>-</u>	<u>-</u>

RANK OVERSEAS FINANCE 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 years presented, unless otherwise stated.

A Basis of preparation

The Company's financial statements are prepared in accordance with International Financial Reporting Standards ('IFRS') and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial information is prepared under the historical cost convention as modified by the revaluation of available for sale investments and financial assets and liabilities held for trading. A summary of the more important Company accounting policies is set out below.

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 directors may differ from the actual results.

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

The Company has adopted the following standards, amendments and interpretations to existing standards as of 1 January 2009:

- IFRS 2 Share-based payment (amendment) - Vesting conditions and cancellations
- IFRS 7 Financial instruments (amendments) - Disclosures
- IFRS 8 Operating segments
- IAS 1 Presentation of financial statements (revised)
- IAS 23 Borrowing costs (revised)
- IAS 27 Consolidated and separate financial statements (amendments) – Cost of an investment in a subsidiary, jointly controlled entity or associate
- IAS 32 Financial instruments: Presentation and IAS 1 Presentation of financial statements - Puttable financial instruments and obligations arising on liquidation (amendments)
- IFRIC 9 Reassessment of embedded derivatives and IAS 39 Financial instruments: Recognition and measurement (amendments)
- IFRIC 13 Customer loyalty programmes
- IFRIC 14 The limit on a defined benefit pension asset, minimum funding requirements and their interaction
- IFRIC 15 Agreements for the construction of real estate
- IFRIC 16 Hedges of a net investment in a foreign operation
- Improvements to IFRSs (issued May 2008)

Where the adoption of the standard, amendment or interpretation is deemed to have an impact on the financial statements or performance of the Company, its impact is described below.

IAS 1 Presentation of financial statements (revised) The revised standard prohibits the presentation of items of income and expense (that is, 'non-owner changes in equity') in the statement of changes in equity. All 'non-owner changes in equity' are required to be shown in a performance statement. Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The Company has elected to present two statements, an income statement and a statement of comprehensive income. Comparative information has been re-presented so that it is also in conformity with the revised standard.

RANK OVERSEAS FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies (continued)

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

The following standards, amendments and interpretations to existing standards have been published and are mandatory for accounting periods beginning after 1 January 2009 or later periods, but they have not been early adopted by the Company

- IFRIC 17 Distribution of non-cash assets to owners – Effective 1 July 2009
- IFRIC 18 Transfer of assets from customers – Effective 31 October 2009
- IFRIC 19 Extinguishing financial liabilities with equity instruments – Effective 1 July 2010
- IFRS 2 Share-based payment (amendment) – Effective 1 January 2010
- IFRS 3 Business combinations (revised) – Effective 1 July 2009
- IFRS 9 Financial instruments – Effective 1 January 2013
- IAS 27 Consolidated and separate financial statements (revised) – Effective 1 July 2009
- Improvements to IFRS (issued April 2009) – Effective 1 January 2010
- Improvements to IFRS (issued May 2010) – Effective 1 January 2011

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's financial statements in the period of initial application

2 Taxation

The tax on the Company's result before tax differs from the standard rate of UK corporation tax of 28 0%
The differences are explained below

	2009 £'000	2008 £'000
Loss before tax	(7,587)	-
Loss before tax multiplied by standard rate of corporation tax in the UK of 28 0% (2008 28 5%)	(2,124)	-
Expenses not deductible for tax purposes	2,124	-
Total tax charge in the income statement	-	-

3 Trade and other receivables

	2009 £'000	2008 £'000
Amounts owed by fellow subsidiaries	8,095	15,682

Trade and other receivables do not contain impaired assets. Amounts owed by fellow subsidiary undertakings are unsecured and repayable on demand. The maximum exposure to credit risk at the reporting date is the fair value of the receivable disclosed above. The Company does not hold any collateral as security.

4 Financial assets

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

	Loans and receivables	
	2009 £'000	2008 £'000
Amounts owed by fellow subsidiaries	8,095	15,682

5 Ordinary share capital

	2009 £	2008 £
Authorised, issued and fully paid 5,000,000 ordinary shares of £1 each	5,000,000	5,000,000

RANK OVERSEAS FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

6. Director and employees

The director received no remuneration in the year in respect of her services to the Company which were of negligible value (2008 nil) There were no employees of the Company during the year (2008 nil)

7. Ultimate parent undertaking and related party transactions

The Company's immediate parent undertaking is Rank Overseas Holdings Limited, a company incorporated and registered in England and Wales

The Company's ultimate parent undertaking and controlling party is The Rank Group Plc Both the Company and The Rank Group Plc are incorporated and registered in England and Wales

The Rank Group Plc is the parent undertaking of the smallest and largest group to consolidate these financial statements Copies of its consolidated financial statements can be obtained from www.rank.com/investors/reports_2010.jsp or by written request to the company secretary at the registered office detailed on page 2

During the year the Company waived an amount due of £7,587,468 (2008 £nil) from Rank Group Finance Plc As at 31 December 2009, the Company was owed £7,063,127 (2008 £7,063,127) by Rank Leisure Holdings Limited and £1,031,774 (2008 £1,031,774) by Rank Overseas Holdings Limited, its parent company At 31 December 2008, the Company was also owed £7,587,468 by Rank Group Finance Plc

The balances are unsecured, interest free and repayable on demand The Company has expressed that it does not intend to call in the loans in the next 12 months