

RANK (DMS) LIMITED

Registered No. 3486375

DIRECTORS' REPORT

AND

FINANCIAL STATEMENTS

31 DECEMBER 2007



RANK (DMS) LIMITED
DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2007

The directors present their Report and Financial Statements for the year ended 31 December 2007

Business review and principal activities

The Company's principal activity is that of an investment holding Company. The Company did not trade in the year and the directors do not expect the Company to trade in the future.

The directors do not recommend the payment of a dividend.

Directors

The following were directors of the Company during the year:

Mr P R Gill (resigned 1 June 2008)

Mr M I Burke

Mr P J Gallagher was appointed as a director of the Company on 2 June 2008.

Statement of Directors' responsibilities

The directors are responsible for preparing 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 ('IFRS') as adopted by the European Union. The financial statements are required by law to 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 estimates that are reasonable and prudent,
- state that the financial statements comply with IFRS as adopted by the European Union, and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

By order of the Board



Mr P J Gallagher
Director

Date: 29 July 2008

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

RANK (DMS) LIMITED
INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2007

	Note	2007 £000	2006 £000
Profit on sale of subsidiary undertakings	4	-	18,591
Profit for the year		-	18,591

The profit for the year in 2006 was the only recognised income or expense in either year

BALANCE SHEET AT 31 DECEMBER 2007

	Note	2007 £000	2006 £000
Assets			
Non-current assets			
Financial assets – Investments	4	-	-
Current assets			
Trade and other receivables	5	93,909	93,909
Total assets		93,909	93,909
Net assets		93,909	93,909
Shareholders' equity			
Ordinary share capital	6	12,945	12,945
Share premium	7	18,314	18,314
Other reserves	7	62,650	62,650
Total equity	7	93,909	93,909

All equity is attributable to equity interests


The notes on pages 3 to 4 are an integral part of these financial statements

For the year ended 31 December 2007, the Company was entitled to the audit exemption under section 249AA(1) of the Companies Act 1985 and no member has required the Company to obtain an audit of its accounts for the year in accordance with section 249B(2)

The directors acknowledge their responsibility for

- ensuring the Company keeps accounting records which comply with section 221, and
- preparing financial statements which give a true and fair view of the state of affairs of the Company at the end of its financial year and of its profit and loss for the year then ended in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the Company

These financial statements were approved by the Board on 29 July 2008 and were signed on its behalf by


Mr P J Gallagher
Director

RANK (DMS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

(a) Basis of preparation

The financial statements have been prepared in accordance with EU Endorsed International Accounting and Financial Reporting Standards ('IFRS') and IFRIC interpretations and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS

The financial statements have been prepared under the historic cost convention

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 best estimate of the directors may differ from the actual results.

(b) Investments

Investments in subsidiaries are held at cost less impairment. As permitted by section 133 of the Companies Act 1985, where the relief afforded under section 131 of the Companies Act 1985 applies, cost is the aggregate of the nominal value of the relevant number of the Company's shares and the fair value of any other consideration given to acquire the share capital of the subsidiary undertakings. Dividends received from the pre-acquisition profits of subsidiaries are deducted from the cost of investment.

2. Income statement

The Company has not traded in the year and has received no income and incurred no expenditure.

3. Cash flow statement

The Company has not traded in the year and consequently no cash flow statement has been prepared.

4. Investments

	Investment in subsidiaries £000
Cost	
At 31 December 2006 and 31 December 2007	<u>30,700</u>
Aggregate impairment	
At 31 December 2006 and 31 December 2007	<u>(30,700)</u>
Net book value	
At 31 December 2006 and 31 December 2007	<u>-</u>

On 27 January 2006 the Company disposed of Deluxe Laboratories Limited and Deluxe Digital Studios Limited for total consideration of £30,141k. The carrying value of the investments at disposal was £11,550k, resulting in a profit of £18,591k.

The cost of investment at 31 December 2007 relates to a 100% direct holding in Rank Nemo (DMS) Limited. The principal activity of Rank Nemo (DMS) Limited was video duplication before operations were ceased.

5. Trade and other receivables

	2007 £000	2006 £000
Amounts due from related parties repayable on demand	<u>93,909</u>	<u>93,909</u>

6. Ordinary share capital

	2007 £	2006 £
Authorised		
20,000,000 Ordinary shares of £1 each	<u>20,000,000</u>	<u>20,000,000</u>
Issued and fully paid		
12,945,000 Ordinary shares of £1 each	<u>12,945,000</u>	<u>12,945,000</u>

RANK (DMS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

7. Share premium, other reserves and shareholders' equity

The Company has not traded in the year and consequently there have been no movement in share premium, other reserves or shareholders' equity

	Share capital £000	Share premium £000	Other reserves £000	Total £000
At 1 January 2006	12,945	18,314	44,059	75,318
Profit for the year	-	-	18,591	18,591
At 31 December 2006 and 2007	<u>12,945</u>	<u>18,314</u>	<u>62,650</u>	<u>93,909</u>

Other reserves represent retained earnings

8. Directors and employees

The directors received no remuneration in the year in respect of their services to the Company which were of negligible value (2006 nil) There were no employees of the Company during the year (2006 nil)

9 Ultimate parent undertaking and related party transactions

The Company's immediate parent undertaking is Rank Leisure 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 the company secretary at the registered office detailed on page 1

There were no related party transactions during the year As at 31 December 2007 the Company was owed £93,909,000 (2006 £93,909,000) by Rank Leisure Holdings Limited, its parent company

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