

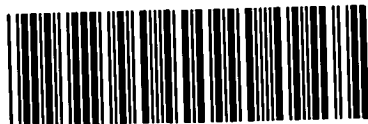
RANK GROUP GAMING DIVISION LIMITED

Registered No. 03213743

**ANNUAL REPORT
AND
FINANCIAL STATEMENTS**

30 JUNE 2023

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COMPANIES HOUSE

Corporate information

Directors

Mr J.P. O'Reilly

Mr R.D. Harris

Mr M.J. Passmore (appointed 31 May 2023)

Company Secretary

Ms A. Magnus (appointed 3 October 2022)

Auditors

Ernst & Young LLP

R+

2 Blagrove Street

Reading

RG1 1AZ

United Kingdom

Bankers

RBS

250 Bishopsgate

London

EC2M 4AA

United Kingdom

Registered Office

TOR, Saint-Cloud Way

Maidenhead

Berkshire

SL6 8BN

United Kingdom

RANK GROUP GAMING DIVISION LIMITED

STRATEGIC REPORT

Principal activities

The principal activity of the Company throughout the period was that of an intermediary holding company of the UK bingo club business. The Directors do not anticipate any further changes in the activity of the Company in the foreseeable future.

The Company is a limited company incorporated and domiciled in England and Wales. The details of the subsidiary undertakings are provided in note 6.

Review of the business

As an intermediary holding company, the main risk and uncertainty surrounds the financial performance of its subsidiary undertakings. The principal activities of its subsidiaries are the provision of bingo and casino clubs throughout the UK, providing gaming and restaurant facilities.

The strategy of the Company continues to be managed as part of the overall operations of The Rank Group Plc ('Rank' or 'Group'), which has its main focus on generating long-term sustainable shareholder value. The main aims of the strategy for the operations of the Group are as follows:

- Provide a seamless and tailored experience for customers across venues and online;
- Drive digital growth powered by our proprietary technology and live play credentials;
- Continuously evolve our venues estate with engaging propositions that appeal to both existing and new customers;
- Be passionate about the development and wellbeing of our colleagues and the contribution we make to our communities;
- Build sustainable relationships with our customers by providing them with safe environments in which to play.

Further detail on the Group's strategy can be found within the Group's Annual Report and Accounts ('ARA') on pages 30 to 41, which is available at www.rank.com.

The results for the Company show a pre-tax loss of £98,499k for the year (2022: loss of £25,901k) and there was no dividend paid during the year (2022: £nil). Included within the loss for the year is £98,254k of separately disclosed items (2022: £24,314k) which largely relates to an impairment charge in the year. The impairment charge was recognised for a number of reasons, including lower than anticipated performances, reduction in forecast earnings in Mecca clubs and a decision to close a number of these clubs.

Further details of these separately disclosed items are shown in note 2 to the financial statements.

The balance sheet as at 30 June 2023 shows net current liabilities of £3,459k (2022: net current liabilities of £3,160k). Cash generated during the period has been pooled in accordance with the Group's treasury policy to a fellow subsidiary in line with prior years.

Future developments

The Directors anticipate that the Company's operations will continue in the normal course of its business.

Key performance indicators (KPIs)

The company acts as an investment holding entity within the Group. The Directors believe that the exclusive analysis of KPIs for the individual holding company is not deemed necessary or appropriate for gaining a comprehensive understanding of the business's development, performance, or position. Instead, Group KPIs provide a consolidated view of the overall performance of the entire organisation which allows the holding company to assess its collective strength and progress toward its strategic goals. For this reason, the Company's Directors believe that analysis using KPIs 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 50 to 51 of the Group's ARA which do not form part of this report. The Directors do not anticipate any immediate or substantial variations to the Company's current activities.

RANK GROUP GAMING DIVISION LIMITED STRATEGIC REPORT (CONTINUED)

Principal risks and uncertainties

The Directors of the Group manage the risks of the Group at a group level, rather than at an individual statutory entity level. The same directors who oversee the Group's risk management at a group level are also responsible for managing the Company. As a result, the risks faced by the Company are intricately tied to the strategic decisions and risk management measures implemented by the Group's directors. Therefore, the principal risks and uncertainties detailed on pages 80 to 87 of the Group's ARA are applicable to the Company, as the Company operates as an investment holding entity within the Group. The alignment of directorship and the shared approach to risk management ensure that the risks affecting the broader Group also directly impact the Company, making the discussion of the Group's risks, as outlined in the ARA, relevant and essential for understanding the development, performance, and position of the Company's business.

Section 172 statement

In accordance with Section 172(1) Companies Act 2006, the Company's Directors must act in a way that they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to the range of factors set out in section 172(1) (a) to (f) of the Companies Act, including the interests of stakeholders.

Many of the Board's principal decisions were taken in direct response to the continued uncertain trading conditions, along with the turbulent impact of inflationary pressures and the cost of energy during the year. In taking such decisions it carefully considered stakeholders, the information it received through colleague and customer engagement, and how each such decision would impact on the success of the Group, with due regard to the other matters set out in section 172(1) (a) to (f) of the Companies Act 2006.

This was particularly relevant in relation to its discussions and decision-making on: (i) maintaining oversight of the implementation of the Group's strategy, (ii) management of costs and liquidity, and (iii) capital investments key to the longer-term success of the Group, each as described on pages 100 to 101 of the Group's ARA.

The Group exercises a significant degree of control and influence over its subsidiary companies and the same directors who oversee the management at a Group level are also responsible for managing the Company. As a result, it is appropriate to provide a consolidated Section 172 statement that aligns with its values and principles and encompasses its influence over subsidiary companies. This can provide a clearer and more comprehensive view of the Group's approach to corporate responsibility and stakeholder engagement.

The Directors performed their duties by ensuring matters reserved and discussed included the following (page references below refer to the Group's ARA – please refer for more information):

- Review and consideration of the Group's strategy, particularly in view of the uncertain trading conditions and inflationary cost pressures (pages 14 to 21);
- The focus and continued development to embed ESG across the business, placing ESG at the forefront of business led decision-making. (pages 52 to 71, and 43 to 44);
- Assessing capital expenditure opportunities presented by the business against all stakeholder interest (pages 43 to 44);
- Review regularly the Group's risk management processes and controls and ensured the key risk areas for the business were considered, taking into account the macroeconomic conditions (pages 80 to 87 and 109 to 116);
- Consideration of stakeholder interests and engagements carried out through the year, which included the impact of the wider economic conditions (pages 14 to 21 and 43 to 44);
- Kept informed of the regulatory landscape impacting the Group, particularly relevant in respect of legislative changes announced by the UK Government's White Paper and as the process moves to consultation (pages 28 to 29);
- Kept informed of colleague sentiment and culture through our Designated Non-Executive Director for workforce engagement (page 102).

Stakeholder	Key areas of consideration	How we engage and 2022/2023 highlights
Customers Ensuring our customers are at the heart of	<ul style="list-style-type: none"> • Player protection • Customer experience • Relevance of offering 	We host, serve and engage with our customers each and every day by means of digital interfaces and conversations in our venues and remotely. This includes discussing their overall experience, safer gambling, affordability and welfare. We also

**RANK GROUP GAMING DIVISION LIMITED
STRATEGIC REPORT (CONTINUED)**

Stakeholder	Key areas of consideration	How we engage and 2022/2023 highlights
<p>our decision-making is crucial to our strategy.</p> <p>Understanding their changing needs, preferences and behaviours helps us to ensure that our offering remains safe, fair, current and appealing.</p>	<ul style="list-style-type: none"> Health, safety & well-being 	<p>regularly engage with our customers through quantitative and qualitative research to seek their views, opinions and insights into how we can improve our products, services and user journeys.</p> <p><i>2022/2023 highlights:</i></p> <ul style="list-style-type: none"> Sought local insights through intercept interviews following our rebranded and refurbished Grosvenor Glasgow Merchant City casino in Glasgow. Simplified the delivery of customer views and experiences to our Venues teams, this ensured they were well equipped with a holistic understanding of our customer's views to improve the customer venue experience. Participated in a leisure industry study to measure the impact of the 'cost of living' pressures. Conducted customer research to determine motivations behind change in customer behaviours. Sought customer views through surveys on our food and beverage offerings, including price sensitivities. Utilised our programmes to monitor our cross-channel offers and journey for venues to digital players. Undertook a qualitative deep dive amongst our digital customers to determine Rank's position amongst our competitors. Carried out a small quantitative study which sought to provide insights into the range of our customer profile, to better understand what they are looking for in the Rank experience.
<p>Our People</p> <p>Our people are the heart and soul of the business and central to its success.</p> <p>We depend on their passion and commitment to implement our strategy and ensure our customers are served in the best possible way.</p>	<ul style="list-style-type: none"> Opportunities for progression Inclusion and diversity Fair pay and reward Opportunities to share ideas and make a difference Health, safety & well-being 	<p>We seek an open dialogue culture and host forums throughout the year to enable the exchange of opinion between colleagues and the sharing of views with senior management and the Board. Other engagement methods include, but are not limited to, monthly Group and business unit Town Halls, frequent newsletters and corporate communications to share news and developments, employee opinion surveys, regular performance and development reviews and venue visits by Board members and senior management.</p> <p>We also continue to offer a confidential whistleblowing hotline to all colleagues.</p> <p><i>2022/2023 highlights:</i></p> <ul style="list-style-type: none"> Regular communication Group-wide by way of our Get Connected programme, which continued to evolve during the year. A review of communications and engagement platform has also taken place and new technology will be implemented in 2023/24. Social media forums for Grosvenor and Mecca colleagues to express views and share news. Monthly Town Hall meetings with Q&A sessions available to colleagues in all jurisdictions to attend, and which included a regular rotation of updates from each of our

**RANK GROUP GAMING DIVISION LIMITED
STRATEGIC REPORT (CONTINUED)**

Stakeholder	Key areas of consideration	How we engage and 2022/2023 highlights
		<p>businesses, of regulatory news, along with people & culture initiatives.</p> <ul style="list-style-type: none"> – Employee Voice meetings attended by elected representatives from the business, the Chief Executive and Chief People Officer. – Talking STARS and Leading STARS forums held and attended by the designated Non-Executive Director. – Conducted a full Employee Opinion Survey in October 2022 and a 'pulse survey' in May 2023 and implemented action plans following a review of results. Follow up sessions were held to improve visibility of changes coming out of the action plans. – STARS values awards continued to recognise individuals and/or teams for demonstrating Rank's values in their work, nominated by their peers. – Continued to focus on our six ED&I colleague network groups: Wellbeing; Women; Racial Equality and Diversity; LGBT+; Families; and general ED&I (incorporating religious celebrations). – Introduced a range of activities and initiatives to make sure that our workplace is an enjoyable and supportive place to work, such as massages, yoga classes, providing breakfasts and lunches and arranging other social events. – Open and enhanced regular dialogue with Trade Unions and local representatives (London). – A programme of virtual and 'in person' colleague sessions held with the Designated Non-Executive Director for work force engagement (also the Remuneration Committee Chair) who kept the Board apprised of these engagements. These reports provided the Board with valuable insights from colleagues. – Board Directors and Executives conducted site visits to engage first-hand with colleagues.
<p>Communities</p> <p>Community links are as important to Rank and its people as they are to our customers.</p> <p>Our businesses are more likely to succeed when they are part of healthy and supportive communities and we are committed to making a positive</p>	<ul style="list-style-type: none"> • Charitable initiatives • Positive community impact • Employment • Reputation 	<p>Our venues are community hubs in which people spend leisure time and engage and interact with other customers and with our colleagues. The strength of our business is in part due to the long-term trust and relationships which exist between our colleagues and customers, who very often will have known each other for many years. A key learning has also been how integral the role of our venues and keeping communities engaged has been particularly during, and as a result of, the pandemic.</p> <p>We engage with the local community through volunteering, charity work and providing employment and work experience opportunities.</p> <p>We are particularly proud of our nine-year partnership with Carers Trust.</p> <p><i>2022/2023 highlights:</i></p> <ul style="list-style-type: none"> – Continued to support our communities through a wide range of initiatives and sponsorships, such as Blackpool's

**RANK GROUP GAMING DIVISION LIMITED
STRATEGIC REPORT (CONTINUED)**

Stakeholder	Key areas of consideration	How we engage and 2022/2023 highlights
contribution to them.		<p>Pride event, preparing meals for the homeless and held the KAV cup poker event to raise funds for charity.</p> <ul style="list-style-type: none"> – Supported the 'Everyone Deserves an Easter' campaign by distribution of hampers to local vulnerable and isolated people. – Raised £283,018.91 during the 2022/23 financial year for Carers Trust, which works to improve support, services and recognition for anyone living with the challenges of caring for a family member or friend who is ill, frail, disabled or has mental health or addiction problems. – Promoted Rank Cares Grants, a grant programme for carers in the community. The grants are offered under three areas: (i) Carers Essentials Fund: funding for vital equipment such as washing machines, cookers, fridge freezers or beds, (ii) Carers Take Time Out Fund: funding to allow carers some respite time, and (iii) Carers Skills Fund: funding to enable carers to learn new skills to further support their work as carers. – Promoted local job vacancies, working with local job centres and colleges to ensure job seekers can find local employment, and which has continued to be a successful recruitment method. – Supported Carers Trust to raise awareness of the charity, hosting the Carers Trusts CEO on our Mecca TV online channel and our social media careers. – In March, we supported the Young Carers Action Day which seeks to raise awareness of young carers and young adult carers.
<p>Regulators and Legislators Regulators and legislators play a key role in shaping the gambling landscape and an ongoing open dialogue is essential to ensure we better understand the expectations underpinning regulation and that regulation is founded in an understanding of the customer.</p> <p>Regulators also monitor</p>	<ul style="list-style-type: none"> • Openness and transparency • Compliance with laws and regulations • Consumer fairness and player protection • Policy and the direction of future gambling regulation 	<p>Establishing and developing relationships with elected parliamentarians, government officials, industry peers and key stakeholders (such as campaign groups and media) remains a key focus, particularly in the UK this year with the wide-ranging review of gambling legislation that is underway. We conduct such engagement ourselves and also through industry bodies, such as the Betting and Gaming Council ('BGC'), the Casino Group (within the BGC) and the Bingo Association. We strive to establish strong working relationships with the aim that our contributions are valued in terms of delivering customer-oriented laws and regulations.</p> <p>From a compliance perspective, we participate in regular meetings and communications with the UK Gambling Commission ('Commission'), as well as other regulatory bodies and authorities by whom we are licensed. We have ensured Rank remains a 'strong voice' as we navigate the consultation process following the regulatory reforms.</p> <p><i>2022/2023 highlights:</i></p> <ul style="list-style-type: none"> – Undertaken a programme of engagement with MPs and media during the year ahead of the anticipated UK Government's White Paper for gambling reform and following its publication in April. – Encouraged our local MPs to visit and join our Mecca club events to celebrate National Bingo Day in June.

RANK GROUP GAMING DIVISION LIMITED
STRATEGIC REPORT (CONTINUED)

Stakeholder	Key areas of consideration	How we engage and 2022/2023 highlights
the high standards by which we operate.		<ul style="list-style-type: none"> – Attended and hosted at the Conservative party conference in Birmingham, and the Labour conference in Liverpool. – Chair attended the Commission's chairs roundtables during the year. – Two of our Non-Executive Directors ('NEDs') attended the Commission's NEDs roundtables held during the year, along with NEDs from other industries, new this year. – Chief Executive attended meetings held at the BGC offices with the Commission's CEO and senior officials during the year, with the Director of Public Affairs deputising as needed. – Regular contact with officials in DCMS, including the current and former Gambling Ministers, as we sought to articulate the case for legislative change that supports Rank's strategy. – Members of BGC, Bingo Association and Jdigital. – Responded to the Commission's proposed changes to the Annual Assurance Statement. – Responded to the Commission's consultation on the proposed changes to the Licence conditions and codes of practices.
Shareholders and Investors We adopt an open and transparent approach with our shareholders and analysts to communicate our performance and use their feedback to inform our strategy and decision-making.	<ul style="list-style-type: none"> • Strategy, performance and outlook • Leadership capability • Executive remuneration • Corporate governance • Environmental, social and governance (ESG) performance 	<p>We adopt a proactive approach to investor relations, conducting a comprehensive programme of regular contact and consultation throughout the year. Our investor relations programme includes regular updates, meetings, roadshows and our Annual General Meeting. The other key way in which we communicate with all shareholders is via our corporate website, www.rank.com.</p> <p><i>2022/2023 highlights:</i></p> <ul style="list-style-type: none"> – 23 meetings held with shareholders during the year, in addition to quarterly meetings held with the majority shareholder. – Chief Executive, Chief Financial Officer and Director of ESG & Investor Relations took part in a scheduled programme of major shareholder engagement to discuss interim and final year preliminary results and analysts following announcement of final preliminary results. – Chief Executive and Chief Financial Officer scheduled engagements with major shareholders and analysts in December 2022. – Chief Executive hosted a 'fireside' lunch with our major investors and analysts to discuss the implications of the White Paper for Rank and the next phase into the consultation process. – Our Remuneration Committee chair, on her appointment as the chair to the committee in January wrote and introduced herself to our major shareholders and the proxy advisers. This also provided an opportunity for our major shareholders and proxy advisors to raise any remuneration matters, particularly in light of the Remuneration Policy to be reviewed in 2024.

RANK GROUP GAMING DIVISION LIMITED
STRATEGIC REPORT (CONTINUED)

Stakeholder	Key areas of consideration	How we engage and 2022/2023 highlights
		<ul style="list-style-type: none"> Received votes from 92.55% of shareholders for the 2022 Annual General Meeting ('AGM'). Ensured our shareholders had an opportunity to raise their questions ahead of the 2022 AGM, and which were responded to and published on our corporate website www.rank.com.
<p>Suppliers We have relationships with circa 1,500 suppliers, ranging from small businesses to large multinational companies.</p> <p>We aim to operate to the highest professional standards, treating our suppliers as key business partners and operating in a fair and reasonable manner, encouraging supply chain transparency and promoting fair working conditions.</p>	<ul style="list-style-type: none"> Robustness of our business Long-term partnerships Fair engagement and payment terms Collaborative approach 	<p>We have a dedicated procurement function which engages with our suppliers with the aim of optimising the way that we work with them. We build relationships regionally and locally to better understand the markets from where we source products and services. These relationships ensure Rank maintains and creates a strong relationship that is able to support Rank's long-term success.</p> <p><i>2022/2023 highlights:</i></p> <ul style="list-style-type: none"> Continued to evolve our management of contract life cycles, benefiting our suppliers and internal efficiencies. Implemented a refreshed supplier relationship management framework to support improved ways of working whilst driving value creation for both Rank and its partners. Continued to work with our suppliers following the transition to our proprietary platform in June of last year. Provided training to suppliers and contractors as appropriate when visiting our venues. Continued to build strong working relationships between Rank's regular suppliers and operators throughout the year. Considered supplier relationships as we commenced a review to qualify standards and expectations around our supplier conduct. Continued to work with our landlords on all leasing matters through the year, particularly as we sought to improve terms and a mutual benefit to our landlords through enhanced asset investment value and in turn, providing the business with greater certainty of venue occupancy. The Group's 2022 Modern Slavery Statement was reviewed and approved by the Board. A copy of the statement is available on the corporate website www.rank.com.

By order of the Board



Mr R. D. Harris
Director

Date: 31 October 2023

RANK GROUP GAMING DIVISION LIMITED

DIRECTORS REPORT

The Directors present their Report and Financial Statements for the year ended 30 June 2023.

Directors

The following were directors of the Company during the year and up to the date of these financial statements:

Mr J.P. O'Reilly

Mr R.D. Harris

Mr S.J. Hay (resigned 31 August 2022)

Mr M.J. Passmore (appointed 31 May 2023)

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

Dividends

The Directors do not recommend the payment of a dividend (2022: £nil).

Going concern

The principal risks and uncertainties of the Company are managed at a Group level, with the Group's intra-group funding structure administered by the Group on behalf of individual companies within the Group.

The Directors have assessed the going concern of the Company and conclude that they are dependent on the Group to provide support to reach that conclusion. As a member of the Group intra-funding structure, the Company has access to capital resources. In the unlikely event that such support is called upon, the Directors have assessed the willingness and ability to provide the level of financial support required from Rank Group Finance Plc, which manage the Group's treasury function. The Directors considered three downside scenarios for the Group reflecting reduced trading performance, inflationary impacts on the cost base and management-controlled cost mitigations.

In each of the three downside scenarios, the Group will generate sufficient cash to meet its liabilities as they fall due and meet its covenant requirements for the period to 31 October 2024 with scenarios ii) and iii) requiring the implementation and execution of mitigating cost actions within the control of management.

Further the directors considered the ability of the Group to complete a refinancing of its borrowings ahead of maturity of facilities in November 24 and February 25 respectively and are confident based on the successful amend and extend in July 23, improving trading conditions and positive feedback from lenders on the current refinancing in their ability to successfully conclude the refinancing.

This assessment covers a period through to 31 October 2024 and the Directors are satisfied with the support available.

On this basis, and with Rank Group Finance Plc having confirmed in writing, in the event it is required, it will to continue to support the Company for a period until 31 October 2024, the Directors consider it appropriate to adopt the going concern basis for preparing the financial information and in preparing the financial statements they do not include any adjustments that would be required to be made if they were prepared on a basis other than going concern.

Further detail on the Group's assessment of going concern can be found in the Directors' Report in the statutory accounts for Rank Group Finance Plc for the year ended 30 June 2023.

Human resources

The Company recognises that the contribution made by its employees is crucial to the success of the business. Substantial investment is therefore made in the training, development and motivation of employees with particular attention to ensuring customer satisfaction through the consistent achievement of high standards of service and delivery of quality products.

Employee involvement in the direction and objectives of the business is encouraged through the use of incentive schemes to focus employees on key performance indicators. In addition, communication and consultation programmes exist at site and Company level. The Company endorses the active application of equal opportunities policies and programmes to provide fair and equitable conditions for all employees regardless of sex, family status, religion, creed, colour, ethnic origin, age, disability or sexual orientation. Further details are included within the Section 172 statement within the Strategic Report, on pages 2 to 8

RANK GROUP GAMING DIVISION LIMITED

DIRECTORS REPORT (CONTINUED)

Future developments

Details of future developments are included in the Strategic Report on page 2.

Stakeholder engagement

Details of engagement with our stakeholders are included in the Strategic Report on pages 2 to 8.

Political donations

No political donations were made during the financial year (2022: £nil).

UK Streamlined Energy and Carbon Reporting (SECR)

The Company elected to apply the full exemption available from disclosing information in relation to SECR. A full disclosure of UK SECR can be found in the Group's ARA on pages 67 to 70, which is available at www.rank.com.

Research and development

The Company does not carry out any research and development activities.

Financial risk management

The Directors acknowledge that the Group's activities, which impact the Company, expose it to a variety of financial risks, including liquidity and funding risk. The Group is reliant on committed debt facilities with four lenders, all of which have specific obligations and covenants that need to be met.

The Group's risk mitigation strategy focuses on:

- continuing to review the Group's capital structure to ensure financing is in place to support investment in the wider business;
- ensuring sufficient cash reserves to navigate through short-term reductions in debt facilities;
- ongoing monitoring of financial position with banks and open dialogue around the provisions;
- Treasury team involved in advance of any major business decisions that could impact banks providing clearing facilities;
- ensure no trading entity is solely reliant on one bank for clearing services.

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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101)) 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:

- 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 UK 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.

RANK GROUP GAMING DIVISION LIMITED

DIRECTORS REPORT (CONTINUED)

Statement of Directors' responsibilities (continued)

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 intercompany funding and cash at bank, details of which are disclosed in note 14. 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 21 of Group's ARA, which is available at www.rank.com.

Post balance sheet events

In August 2023, Rank Group Finance Plc, being the entity within the Group providing financial support to the Company, secured a financing package which totalled £100m of revolving credit facilities. £25m is committed until November 2024 and the remaining £75m is committed until February 2025. The Group subsequently repaid the remaining term loan of £44.4m.

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.

By order of the Board



Mr R.D. Harris
Director

Date: 31 October 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RANK GROUP GAMING DIVISION LIMITED

Opinion

We have audited the financial statements of Rank Group Gaming Division Limited (the "Company") for the year ended 30 June 2023 which comprise the income statement, the statement of comprehensive loss, the balance sheet, the statement of changes in equity, and the related notes 1 to 17, 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 2023 and of its loss 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. 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.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period to 31 October 2024.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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 contained within the annual report.

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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RANK GROUP GAMING DIVISION LIMITED (CONTINUED)

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 strategic report or 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 10, 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the framework (FRS 101 and the UK Companies Act 2006), the relevant tax compliance regulations in the UK and the General Data Protection Regulation (GDPR).
- We understood how the Company is complying with those frameworks by making inquiries of management and those responsible for legal and compliance procedures to understand how the Company maintains and communicates its policies and procedures in these areas, and to understand the culture and whether there is a strong emphasis placed on fraud prevention, which may reduce opportunities for fraud to take place as well as fraud deterrence. We corroborated our enquiries through our inspection of Board minutes, review of any correspondence with relevant authorities for which there were none and made consideration of the results of our audit procedures performed to either corroborate or provide contrary evidence which was then followed up.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved review of board minutes, enquiries with management and testing of manual journals identified by specific criteria.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RANK GROUP GAMING DIVISION LIMITED (CONTINUED)

- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, through internal team discussions and enquiry of management and those charged with governance. Through these procedures, we identified a fraud risk relating to impairment of long-lived assets due to the significance and magnitude of the carrying value of the assets being assessed and the level of management judgement required in the assumptions impacting the impairment assessment of the Group the Company heads.
 - We gained an understanding of the controls through a walkthrough of the process management has in place to assess impairment. We analysed managements' long-term forecasts underlying the impairment review against past and current performance and future economic forecasts, and comparison of forecasts to pre Covid 19 trading, as well as macro-economic pressures in the territories the Group operates and corroborated them to budgets approved by the Board. We reperformed calculations in the models to check mathematical accuracy.
 - We critically challenged management's ability to forecast accurately through comparing actual performance against forecast performance and corroborating the reasons for deviations. We ensured cash flow forecasts used in the impairment analysis agreed to the final board approved forecasts and that they were consistent with forecasts used on the going concern base case assessment.
 - We performed sensitivity analysis on earnings multiples and weekly Net Gaming Revenue (NGR) for all cash generating units (CGUs) and growth rates applied to cash flows for certain CGUs to determine the parameters that – should they arise – may give a different conclusion as to the carrying values of assets assessed. The sensitivities performed were based on reasonable possible changes to key assumptions determined by management being revenue growth, discount rate, EBITDA multiple and long-term growth rates.
 - We have corroborated that the assumptions applied are reasonable by comparing to external data such as economic and industry forecasts. We re-performed the models to ensure that they were correctly calculated. We have assessed assumed future costs to third party projections on inflation, cost of energy and wages.
 - For partially impaired assets we considered the sensitivity of changes in forecasts against current and budgeted trading and the sensitivity of either further impairments or impairment reversals and where material, ensured that the impact of this consideration was adequately disclosed in the sensitivities.
 - We assessed the headroom on the recoverable amount between the calculated value in use and carrying value of the investments to ensure disclosures of the impact of reasonably possible changes in assumptions and the impact on the carrying value of investments was adequate.
 - We reviewed and challenged the appropriateness of disclosures in the financial statements by comparing the disclosures against the requirements under FRS 101 "Reduced Disclosure Framework".
- As the gaming industry is highly regulated, we have obtained an understanding of the regulations and the potential impact on the Company (including the Group it heads) and in assessing the control environment we have considered the compliance of the Company (including the Group it heads) to these regulations as part of our audit procedures, which included a review of correspondence received from the regulator.

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.

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.

Ernst & Young LLP

Emily Butler (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Reading
31 October 2023

RANK GROUP GAMING DIVISION LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023

		Year ended 30 June 2023			Year ended 30 June 2022		
	Note	Underlying £000	Separately disclosed items (note 2) £000s	Total £000s	Underlying £000	Separately disclosed items (note 2) £000s	Total £000s
Revenue		-	-	-	-	-	-
Other operating income (costs)	2	24	(98,254)	(98,230)	(1,501)	(24,314)	(25,815)
Operating profit (loss)	2	24	(98,254)	(98,230)	(1,501)	(24,314)	(25,815)
Interest income	3	-	-	-	29	-	29
Interest expense	3	(269)	-	(269)	(115)	-	(115)
Net interest expense	3	(269)	-	(269)	(86)	-	(86)
(Loss) from ordinary activities before taxation		(245)	(98,254)	(98,499)	(1,587)	(24,314)	(25,901)
Taxation	4	533	-	533	342	-	342
Profit (loss) for the year		288	(98,254)	(97,966)	(1,245)	(24,314)	(25,559)

All results are from continuing operations.

STATEMENT OF COMPREHENSIVE LOSS
FOR THE YEAR ENDED 30 JUNE 2023

	Year ended 30 June 2023 £'000	Year ended 30 June 2022 £'000
Comprehensive loss:		
Loss for the period	(97,966)	(25,559)
Total comprehensive loss for the period	(97,966)	(25,559)

The notes on pages 18 to 33 are an integral part of these financial statements.

RANK GROUP GAMING DIVISION LIMITED
BALANCE SHEET
AT 30 JUNE 2023

	Note	At 30 June 2023 £'000	At 30 June 2022 £'000
Non-current assets			
Right-of-use assets	5	248	565
Investment in subsidiary undertakings	6	-	97,658
Deferred tax asset	7	421	151
		<u>669</u>	<u>98,374</u>
Current assets			
Other receivables	8	193	1,873
Income tax receivable		248	726
Cash and cash equivalents		231	322
		<u>672</u>	<u>2,921</u>
Current liabilities			
Trade and other payables	9	(3,077)	(4,894)
Lease liability	10	(1,054)	(1,187)
		<u>(4,131)</u>	<u>(6,081)</u>
Net current liabilities		<u>(3,459)</u>	<u>(3,160)</u>
Total assets less current liabilities		<u>(2,790)</u>	<u>95,214</u>
Non-current liabilities			
Deferred tax liability	7	(1,686)	(1,706)
Provisions	11	(60)	(78)
		<u>(1,746)</u>	<u>(1,784)</u>
Net (liabilities)/assets		<u>(4,536)</u>	<u>93,430</u>
Shareholder's equity			
Ordinary share capital	12	1,000	1,000
Retained earnings		(5,536)	92,430
Total equity		<u>(4,536)</u>	<u>93,430</u>

The notes on pages 18 to 33 are an integral part of these financial statements.

These financial statements were approved by the Board on 31 October 2023 and signed on its behalf by:



Mr R.D. Harris
Director

Company Registration No. 03213743

RANK GROUP GAMING DIVISION LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR YEAR ENDED 30 JUNE 2023

	Ordinary share capital £'000	Retained earnings £'000	Total £'000
At 1 July 2021	1,000	117,989	118,989
Total comprehensive loss			
Loss for the period	-	(25,559)	(25,559)
At 30 June 2022	1,000	92,430	93,430
Total comprehensive loss			
Loss for the period	-	(97,966)	(97,966)
At 30 June 2023	1,000	(5,536)	(4,536)

The notes on pages 18 to 33 are an integral part of these financial statements.

RANK GROUP GAMING DIVISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. General Information and accounting policies

Rank Group Gaming Division Limited is a private Company limited by shares, resident and incorporated in the United Kingdom and with a registered address of TOR, Saint-Cloud Way, Maidenhead, Berkshire, SL6 8BN.

The principal activity of the Company throughout the period was that of an intermediary holding company of the UK bingo club business.

The financial statements are prepared in Sterling and are rounded to the nearest thousand pounds (£'000) except when otherwise indicated.

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.

The Company has taken advantage of the exemption under s401 of the Companies Act 2006 not to prepare and deliver group accounts. Accordingly, the financial statements present information about the Company as an individual undertaking and not about its group.

A. Basis of preparation

The financial statements are prepared in accordance with Financial Reporting Standards 101 'Reduced Disclosure Framework' and accordance with the Companies Act 2006. The Company has taken advantage of the following disclosure exemptions under FRS 101:

- The requirements of IAS 7 'Statement of Cash Flows';
- The requirements of paragraph 17 of IAS 24 'Related Party Disclosures';
- The requirements in IAS 24 '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 paragraph 45(b) and 46-52 of IFRS 2 'Share Based Payments';
- The requirements of IFRS 7 'Financial Instruments: Disclosures';
- The requirements of paragraph 134(d) – 134(f) and 135€ – 135(e) of IAS 36 'Impairment of Assets';
- The requirements of paragraphs 10(d) and 134 – 136 of IAS 1 'Presentation of Financial Statements'; and
- The requirements of paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of paragraph 73(e) of IAS 16 'Property, Plant and Equipment', and paragraph 118(e) of IAS 38 'Intangible Assets'
- The requirements of paragraph 52 and paragraphs 90, 91 and 93 of IFRS 16 Leases

The results of the Company, along with the equivalent disclosures in respect of the exemptions listed above are included in Rank Group Plc's ('Group') ARA, details of which are contained in note 16 of these financial statements.

The financial statements have been prepared under the historical cost convention.

B. Changes in accounting policies and disclosures

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

In preparing the financial statements for the current period, the Company has adopted the following new IFRSs, amendments to IFRSs and IFRS Interpretations Committee (IFRIC) interpretations. All standards do not have a significant impact on the results or net assets of the Company:

- Property, plant and equipment: proceeds before intended use (amendment to IAS 16);
- Onerous contracts: cost of fulfilling a contract (amendment to IAS 37);
- Interest rate benchmark reform – Phase 2 (amendment to IAS 39);
- Annual improvements to IFRS Standards 2018 – 2020 (amendment to IFRS 1, IFRS 9, IFRS 16 and IAS 41);
- Reference to the conceptual framework (amendment to IFRS 3).

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

At the date of authorisation of the financial statements, the following Standards, amendments and Interpretations, which have not been applied in these financial statements, were in issue but not yet effective:

- Disclosure of accounting policies (amendments to IAS 1 and IFRS Practice Statement 2 effective for periods beginning on 1 July 2023);

RANK GROUP GAMING DIVISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

B. Changes in accounting policies and disclosures (continued)

- Definition of accounting estimates (amendments to IAS 8 effective for periods beginning on 1 July 2023);
- Deferred tax related to assets and liabilities arising from a single transaction (amendment to IAS 12 effective for periods beginning on 1 July 2023);
- Liability in a sale and leaseback (amendment to IFRS 16 effective for period beginning 1 July 2024);
- Classification of liabilities as current and non-current (amendment to IAS 1 effective for periods beginning on 1 July 2024);
- Insurance contracts (amendment to IFRS 17 effective for periods beginning on 1 July 2024);
- Non-current liabilities with Covenants (amendment to IAS 1 effective for periods beginning on 1 July 2024).

The Company does not currently believe that the adoption of these new standards or amendments would have a material effect on the results or financial position of the Company.

C. Going concern

The principal risks and uncertainties of the Company are managed at a Group level, with the Group's intra-group funding structure administered by the Group on behalf of individual companies within the Group.

The Directors have assessed the going concern of the Company and conclude that they are dependent on the Group to provide support to reach that conclusion. As a member of the Group intra-funding structure, the Company has access to capital resources. In the unlikely event that such support is called upon, the Directors have assessed the willingness and ability to provide the level of financial support required from Rank Group Finance Plc, which manage the Group's treasury function. The Directors considered three downside scenarios for the Group reflecting reduced trading performance, inflationary impacts on the cost base and management-controlled cost mitigations.

In each of the three downside scenarios, the Group will generate sufficient cash to meet its liabilities as they fall due and meet its covenant requirements for the period to 31 October 2024 with scenarios ii) and iii) requiring the implementation and execution of mitigating cost actions within the control of management.

Further the directors considered the ability of the Group to complete a refinancing of its borrowings ahead of maturity of facilities in November 24 and February 25 respectively and are confident based on the successful amend and extend in July 23, improving trading conditions and positive feedback from lenders on the current refinancing in their ability to successfully conclude the refinancing.

This assessment covers a period through to 31 October 2024 and the Directors are satisfied with the support available.

On this basis, and with Rank Group Finance Plc having confirmed in writing, in the event it is required, it will to continue to support the Company for a period until 31 October 2024, the Directors consider it appropriate to adopt the going concern basis for preparing the financial information and in preparing the financial statements they do not include any adjustments that would be required to be made if they were prepared on a basis other than going concern.

Further detail on the Group's assessment of going concern can be found in the Directors' Report in the statutory accounts for Rank Group Finance Plc for the year ended 30 June 2023.

D. Accounting estimates and judgements

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgements

The following are the critical accounting judgements, apart from those involving estimates (which are dealt with separately below) that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

RANK GROUP GAMING DIVISION LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

D. Accounting estimates and judgements continued)

(a) Separately disclosed items ('SDIs')

The Company separately discloses certain costs and income that impair the visibility of the underlying performance and trends between periods. The SDIs are material and infrequent in nature and/or do not relate to underlying business performance. Judgement is required in determining whether an item should be classified as an SDI or included within the underlying results.

SDIs include but are not limited to:

- Amortisation of acquired intangible assets;
- Profit or loss on disposal of businesses;
- Costs or income associated to the closure of venues;
- Acquisition and disposal costs including changes to deferred or contingent consideration;
- Impairment charges;
- Reversal of previously recognised impairment charges;
- Property-related provisions;
- Restructuring costs as part of an announced programme;
- Retranslation and remeasurement of foreign currency contingent consideration;
- General dilapidations provision interest unwinding;
- General dilapidations asset depreciation;
- Discontinued operations;
- Significant, material proceeds from tax appeals, and
- Tax impact of all the above.

For further detail of those items included as SDIs, refer to note 2.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) Estimated impairment or subsequent reversal of previously recognised impairment for impairment for non-financial assets.

Details of the Company's accounting policy in relation to impairments and impairment reversals are disclosed in part J of this note.

The Company tests annually the carrying value of its investments in subsidiaries. The application of this policy requires the use of estimates and judgements in determining the recoverable amount of the subsidiary undertakings. The recoverable amount is comprised of the aggregate value of the subsidiary's cash-generating units and is determined by applying an estimated valuation multiple to budgeted future earnings and deducting estimated costs of disposal (fair value less costs of disposal) and/or by using discounted cash flows (value in use), along with consideration of the underlying net assets and market capitalisation.

E. Investments

Investments in subsidiaries are held at cost less impairment. The Company recognises an impairment loss if, and only if, there is a triggering event which gives rise to objective evidence that the subsidiary is impaired. The impairment loss is recognised for the amount by which the investment's carrying amount exceeds the recoverable amount of the subsidiary in which the investment is held.

If an impairment loss is recognised, the carrying amount of the investment is reduced to match the valuation of the subsidiary in which the investment is held. An impairment loss is recognised as an expense in the income statement immediately. Where an impairment loss subsequently reverses, the carrying amount of the investment is increased to the revised valuation of the subsidiary in which the investment is held, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been recognised had no impairment loss been recognised for the investment in prior years.

RANK GROUP GAMING DIVISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

F. Financial assets

(a) Initial recognition and measurement

Financial assets within the scope of IFRS 9 are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ('OCI'), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ('SPPI')' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

(b) Subsequent remeasurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets designated at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments), and
- Financial assets at fair value through profit or loss.

The Company only holds financial assets that are classified and measured at amortised cost.

Financial assets at amortised cost are subsequently measured using the effective interest rate ('EIR') method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes other receivables and cash and cash equivalents.

(c) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party.

(d) Impairment

The Company recognises an allowance for expected credit losses ('ECLs') for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For other receivables the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company assesses this based on its historical credit loss experience, adjusted for forward-looking factors specific to the receivables and the economic environment.

RANK GROUP GAMING DIVISION LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

G. Financial liabilities

(a) Initial recognition and measurement

Financial liabilities within the scope of IFRS 9 are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables.

(b) Subsequent remeasurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss, and
- Financial liabilities at amortised cost.

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in the income statement.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

(ii) Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate ('EIR') method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the income statement.

(c) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

(d) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

H. Leases

The Company leases various properties and equipment. Rental contracts are made for various fixed periods. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

RANK GROUP GAMING DIVISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

H. Leases (continued)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities, where applicable, include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or a rate;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Variable lease payments that are not based on an index or a rate are not part of the lease liability, but they are recognised in the income statement when the event or condition that triggers those payments occurs.

The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets, where applicable, are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received, and
- Any initial direct costs.

The depreciation period for the right-of-use asset is from the lease commencement date to the earlier of the end of the lease term or the end of the useful life of the asset, as follows:

- Land and buildings up to 32 years, and
- Fleet and machines up to 5 years.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the income statement. Short-term leases are leases with a lease term of 12 months or less. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the Company as a lessee. Where appropriate the Company will sub-let properties which are vacant in order to derive lease income, which is shown net of lease costs.

I. Provisions, contingent liabilities and regulatory matters

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the best estimate of the expenditures required to settle the obligation. If the effect of the time value of money is material, provisions are discounted using a pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are possible obligations and present obligations that are not probable or not reliably measurable. Contingent liabilities are disclosed but not accounted for. However, disclosure is not required if payment is remote.

The Company's policy is to engage collaboratively with regulators and address any concerns raised as soon as possible. The Company takes legal advice, as appropriate, as to the manner in which it should respond to matters raised and the potential outcome. However, for the majority of these matters, the Directors are unable to quantify reliably the likelihood, timing and outflow of funds that may result, if any.

RANK GROUP GAMING DIVISION LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

I. Provisions, contingent liabilities and regulatory matters (continued)

For material matters where an outflow of funds is probable and can be measured reliably based on the latest information available at the reporting date, amounts have been recognised in the financial statements within provisions.

J. Impairment or subsequent reversal of previously recognised impairment for non-financial assets

Assets that have an indefinite useful life are not subject to depreciation or amortisation and are tested for impairment whenever there is an indication that the asset may be impaired. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable or where they indicate a previously recognised impairment may no longer be required.

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 of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating units). The expected cash flows generated by the assets are discounted using appropriate discount rates that reflect the time value of money and risks associated with the group of assets.

If an impairment loss is recognised, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense in the income statement immediately.

Any impairment is allocated pro-rata across all assets in a cash-generating unit unless there is an indication that a class of asset should be impaired in the first instance or a fair market value exists for one or more assets. Once an asset has been written down to its fair value less costs of disposal then any remaining impairment is allocated equally amongst all other assets.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. Reversals are allocated pro-rata across all assets in the cash-generating unit unless there is an indication that a class of asset should be reversed in the first instance or a fair market value exists for one or more assets. A reversal of an impairment loss is recognised in the income statement immediately.

K. Cash and short-term deposits

Cash comprises cash in hand, balances with banks and on-demand deposits, and cash with payment service providers. Short-term deposits are short term, highly liquid investments that are readily convertible to known amounts of cash. They include short-term deposits originally purchased with maturities of three months or less.

L. Taxation

(a) Current tax

Current tax assets and liabilities for the current and prior periods are measured as the amount expected to be paid or to be recovered from the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date.

Current tax relating to items recognised directly in equity is recognised in equity and not the income statement.

Management evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation at each reporting date and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the 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 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.

RANK GROUP GAMING DIVISION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

L. Taxation (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current taxation assets against current taxation liabilities and it is the intention to settle these on a net basis.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, 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 foreseeable future.

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- For receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

M. Share capital

Ordinary shares are classified as equity.

N. Dividends

Dividends proposed by the Directors and unpaid at the period end are not recognised in the financial statements until they have been approved by shareholders at the Annual General Meeting. Interim dividends are recognised when paid.

O. Separately disclosed items ('SDIs')

The Company separately discloses those items which are required to give a full understanding of the Company's financial performance and aid comparability of the Company's results between periods. Such items are considered by the Directors to require separate disclosure due to their size or nature in relation to the Company.

P. Interest income and expense

Interest income and expense is recognised using the EIR method. In calculating interest income or expense, the effective interest rate is applied to the gross carrying amount of the asset, when the asset is not impaired or to the amortised cost of the liability for interest expense. For financial assets that have been impaired after initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer impaired the interest income calculation reverts to the gross carrying amount.

2. Operating loss for the year

The following items have been charged in arriving at the continuing operating loss for the year:

	Note	Year ended 30 June 2023 £'000	Year ended 30 June 2022 £'000
Depreciation of right-of-use assets	5	317	350
Separately disclosed items		<u>98,254</u>	<u>24,314</u>

The audit fee of £4k (2022: £2k) is borne by the Company's immediate parent undertaking, Rank Leisure Holdings Limited.

RANK GROUP GAMING DIVISION LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Operating loss for the year (continued)

The analysis of the separately disclosed items during the year is as follows:

		Year ended 30 June 2023 £000	Year ended 30 June 2022 £000
	Note		
Continuing operations:			
Impairment on investment in subsidiaries	6	97,658	24,314
Closure of venues		596	-
		<u>98,254</u>	<u>24,314</u>

During the year, the Company recognised impairment charges of £97,658k (2022: £24,314k) relating to its investment in Mecca clubs. The impairment was recognised for various reasons, including lower than anticipated performances, reduction in forecast earnings or a decision to close a number of clubs.

During the year, the Company made the decision to close a number of Mecca venues at a cost of £596k. These relate to onerous contracts costs, dilapidations and strip out costs on leased sites that have been identified for closure.

3. Interest

	Year ended 30 June 2023 £'000	Year ended 30 June 2022 £'000
Interest income		
Interest income on net investment in lease	-	(29)
Total interest income	-	(29)
Interest expense		
Interest expense to Group companies	248	50
Interest expense on leases	21	65
Total interest expense	<u>269</u>	<u>115</u>
Total net interest payable	<u>269</u>	<u>86</u>

RANK GROUP GAMING DIVISION LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. Taxation

	Year ended 30 June 2023 £'000	Year ended 30 June 2022 £'000
Current tax:		
UK corporation tax on losses for the period	-	286
Adjustment in respect of prior years	244	68
Total current tax credit	244	354
Deferred tax:		
Origination and reversal of timing differences	237	(9)
Restatement of deferred tax due to rate change	52	(3)
Total deferred tax credit/(charge)	289	(12)
Total tax credit in the income statement	533	342

The tax on the Company's loss before tax differs from the standard rate of UK corporation tax of 20.50% (2022: 19.00%), which represents 9 months of 19.00% and 3 months of 25.00%. The differences are explained below.

	Year ended 30 June 2023 £'000	Year ended 30 June 2022 £'000
Loss on ordinary activities before tax	(98,499)	(25,901)
Loss before tax multiplied by the standard rate of UK Corporation tax of 20.50% (2022: 19.00%)	20,192	4,921
Effects of:		
Expenses not deductible for tax purposes	(19,955)	(4,644)
Restatement of deferred tax due to rate change	52	(3)
Adjustment in respect of prior years	244	68
Tax credit in the income statement	533	342

Factors affecting future tax charges

On 20 June 2023 the UK Finance Bill was substantively enacted in the UK, including legislation to implement the OECD Pillar Two income taxes for periods beginning on or after 1 January 2024. The Company has applied the exception in the Amendments to IAS 12 issued in May 2023 and has neither recognised nor disclosed information about deferred tax assets or liabilities relating to Pillar Two income taxes.

UK corporation tax is calculated at 20.50% (2022: 19.00%) of the estimated assessable profit for the period.

On 3 March 2021, the Chancellor of the Exchequer announced the increase in the main rate of UK corporation tax from 19% to 25% for the year starting 1 April 2023. This change was substantively enacted on 24 May 2021.

The rate increase will increase the amount of the future cash tax payments to be made by the Company.

RANK GROUP GAMING DIVISION LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. Right-of-use assets

	Right-of-use fleet and machinery £000
Cost	
At 30 June 2022	1,646
At 30 June 2023	1,646
Aggregate depreciation and impairment	
At 1 July 2022	(1,081)
Charge for the year	(317)
At 30 June 2023	(1,398)
Net book value	
At 30 June 2022	565
At 30 June 2023	248

6. Investment in subsidiary undertakings

	Total £'000
Cost	
At 30 June 2021	125,372
At 30 June 2022	125,372
Aggregate impairment	
At 30 June 2021	(27,714)
Charge for the year	(97,658)
At 30 June 2022	(125,372)
Net book value	
At 30 June 2022	97,658
At 30 June 2023	-

The carrying amounts of the Company's investments in subsidiaries are reviewed at each reporting date to determine whether there is any indication of impairment as required by IAS 36. If any such indication exists, then the recoverable amount of the Company's CGUs is estimated. The recoverable amount is determined based on the higher of the fair value less costs of disposal and value in use. The nature of the test requires that the Directors exercise judgement and estimation.

Consistent with the prior year, the recoverable amount was calculated by reference to value in use which is based upon estimates of future cash flows from the Company's CGUs and derived from the Group's strategic plan for the following three years and, where required, adjustments for lease liabilities. The key assumption underlying the forecasts are those described below with regards to the impairment testing of the CGUs.

Pre-tax discount rates are applied to each CGU or group of CGUs' cash flows and reflect both the time value of money and the risks that apply to the cash flows of that CGU or group of CGUs. These estimates have been calculated by external experts and are based on typical debt and equity costs for listed gaming and betting companies with similar risk profiles. The rates adopted are disclosed in the table below:

RANK GROUP GAMING DIVISION LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. Investment in subsidiary undertakings (continued)

	Pre-tax discount rate		Long-term growth rate	
	2022/23	2021/22	2022/23	2021/22
Mecca venues	12.17%	11.30%	0%	0%

As a result of the procedures outlined above, the Directors concluded that its investment in Mecca Bingo Limited was fully impaired and the Company recognised an impairment charge of £97,658k during the year. The impairment was recognised for a number of reasons, including lower than anticipated performances, reduction in forecast earnings and a decision to close a number of Mecca clubs.

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

Name	Country of incorporation	Principal activities	Registered office address
Mecca Bingo Limited	England and Wales	Social and bingo clubs	TOR, Saint-Cloud Way, Maidenhead, SL6 8BN
Rank Leisure Limited	England and Wales	Adult gaming centres in Mecca and Grosvenor Casinos venues	TOR, Saint-Cloud Way, Maidenhead, SL6 8BN
Luda Bingo Limited	England and Wales	Dormant	TOR, Saint-Cloud Way, Maidenhead, SL6 8BN

The principal activities are carried out in the country of incorporation as indicated above. All subsidiary undertakings have a 30 June year end.

7. Deferred tax

Deferred tax is included in the balance sheet as follows:

	At 30 June 2023 £'000	At 30 June 2022 £'000
Deferred tax asset		
Accelerated capital allowance	126	151
Tax losses	295	-
	<u>421</u>	<u>151</u>
Deferred tax liability		
Right of use assets	<u>(1,686)</u>	<u>(1,706)</u>

The deferred tax included in the income statement is as follows:

	Year ended 30 June 2023 £'000	Year ended 30 June 2022 £'000
Accelerated capital allowances	(25)	(31)
Tax losses	295	-
Right-of-use assets	19	19
Deferred tax charge in the income statement	<u>289</u>	<u>(12)</u>

RANK GROUP GAMING DIVISION LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. Deferred tax (continued)

The deferred tax liability movement on the balance sheet is as follows:

	At 30 June 2023 £'000	At 30 June 2022 £'000
At start of year	(1,554)	(1,542)
Deferred tax charge in the income statement	289	(12)
Deferred tax charge in reserves	-	-
At end of year	<u>(1,265)</u>	<u>(1,554)</u>

8. Other receivables

	At 30 June 2023 £'000	At 30 June 2022 £'000
Other receivables	15	1,577
Prepayments and accrued income	6	122
VAT debtor	172	174
	<u>193</u>	<u>1,873</u>

The Company's receivables are all due within one year. The Directors consider that the carrying values of other receivables are assumed to approximate to their fair value due to their short-term nature.

The receivables stated above do not contain impaired or past due assets.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivables disclosed above. The Company does not hold any collateral as security.

9. Trade and other payables

	At 30 June 2023 £'000	At 30 June 2022 £'000
Trade payables	2	1,550
Amounts owed to fellow subsidiary undertakings	2,881	2,149
Amounts owed to parent	-	726
Other tax and social security payable	-	113
Accruals	194	356
Current	<u>3,077</u>	<u>4,894</u>

The Company's trade payables are all due within one year. Due to the short-term nature of these payables the carrying value equates to the contractual amount due as the impact of discounting is not considered material.

The carrying value of other payables are assumed to approximate to their fair value due to their short-term nature. This includes amounts owed to parent and fellow subsidiary undertakings which are unsecured and repayable on demand. Intercompany interest is charged at a rate of 8.79% (2022: 4.05%). The Company has provided no collateral as security.

RANK GROUP GAMING DIVISION LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. Leases

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	Year ended 30 June 2023 £000
As at 1 July 2022	1,187
Additions	-
Accretion of interest	21
Payments	(154)
As at 30 June 2023	1,054
Current	1,054
Non-current	-
Total	1,054

The maturity analysis of lease liabilities is disclosed below:

	At 30 June 2023	
	Present value of the minimum lease payments £000	Total minimum lease payments £000
Within 1 year	1,054	1,054
After 1 year but within 2 years	-	-
After 2 years but within 5 years	-	-
After 5 years	-	-
	1,054	1,054
Less: total future interest expenses		-
Present value of lease liabilities		1,054

The following are the amounts recognised in the income statement:

	Year ended 30 June 2023 £000	Year ended 30 June 2022 £000
Depreciation expense of right-of-use assets	317	350
Interest expense on leases	21	29
Total amount recognised in income statement	338	379

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

The undiscounted potential future rental payments relating to extension options that are unlikely to be exercised following the exercise date of extension are £nil.

RANK GROUP GAMING DIVISION LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. Provisions

	Restructuring provision £000	
At 1 July 2022	78	
Utilised in the year	(18)	
At 30 June 2023	60	
	At 30 June 2023 £000	At 30 June 2022 £000
Current	60	78
Non-current	-	-
Total	60	78

The provision relates to the restructuring provision created in 2018 when the Company undertook a strategic review of the organisation to improve customer service and simplify operations. During the year, the Company utilised £18k (2022: £22k) of the provision.

12. Share capital

	At 30 June 2023 £'000	At 30 June 2022 £'000
Authorised		
100,000,000 ordinary shares of £1 each	100,000	100,000
55,531 'A' shares of £1 each	56	56
	100,056	100,056
Issued and fully paid		
944,469 ordinary shares of £1 each	944	944
55,531 'A' shares of £1 each	56	56
	1,000	1,000

Ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

'A' shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

13. Employees and directors

There were no employees of the Company during the year (2022: nil).

Certain Directors' remuneration is ultimately borne by the parent undertaking, The Rank Group Plc ('Rank Group') through its subsidiary Rank Leisure Holdings Limited and no recharge is made to the Company. These Directors are also directors or officers of a number of companies within the Rank Group. The Directors' service to the Company do not occupy a significant amount of their time. As such, these Directors do not consider that they have received any remuneration for their incidental services to the Company for the year ended 30 June 2023.

All key management are Directors of the Company.

RANK GROUP GAMING DIVISION LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. Financial assets and liabilities

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

	Other financial assets	
	At 30 June	At 30 June
	2023	2022
	£'000	£'000
Other receivables	21	1,699
Cash and cash equivalents	231	322
Total	252	2,021

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

	Other financial liabilities	
	At 30 June	At 30 June
	2023	2022
	£'000	£'000
Trade and other creditors	3,077	4,781
Total	3,077	4,781

15. Contingent liabilities

Concurrent to a sale and leaseback transaction in 2006, the Company transferred the rights and obligations but not the legal titles of a number of property leases to a third party. The Company remains potentially liable in the event of default by the third party. Should default occur then the Company would have recourse to two guarantors. It is understood that, of the leases transferred, 3 of these have not expired or been surrendered. These leases have durations of between 1 year and 3 years and a current annual rental obligation (net of sub-let income) of approximately £nil (2022: £nil).

16. Parent undertakings and related party transactions

The Company's immediate parent undertaking is The Rank Group Plc, a company incorporated in England and Wales.

Guoco Group Limited (Guoco), a company incorporated in Bermuda, and listed on the Hong Kong Stock Exchange has a controlling interest in The Rank Group Plc. The ultimate parent undertaking of Guoco is GuoLine Capital Assets Limited ('GuoLine'), which is a company incorporated in Jersey and is the parent undertaking of the largest group to consolidate these financial statements.

The Rank Group Plc ('Rank Group') is the parent undertaking of the smallest group to consolidate these financial statements. Copies of Rank Group's Annual Report can be obtained from www.rank.com or by written request to the Company Secretary at The Rank Group Plc, TOR, Saint-Cloud Way, Maidenhead, Berkshire, SL6 8BN.

17. Post balance sheet events

In August 2023, Rank Group Finance Plc, being the entity within the Group providing financial support to the Company, secured a financing package which totalled £100m of revolving credit facilities. £25m is committed until November 2024 and the remaining £75m is committed until February 2025. The Group subsequently repaid the remaining term loan of £44.4m.