

RANK DIGITAL LIMITED
Registered Number: 03798853

ANNUAL REPORT
AND
FINANCIAL STATEMENTS

30 JUNE 2021

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COMPANIES HOUSE

Corporate Information

Directors

Mr J.P. O'Reilly
Mr W.J.S.Floyd

Company Secretary

Ms L.A. Wright

Auditors

Ernst & Young LLP
Apex Plaza
1 Forbury Road
Reading
RG1 1YE

Bankers

RBS
250 Bishopsgate
London
EC2M 4AA

Registered Office

TOR, Saint-Cloud Way
Maidenhead
Berkshire
SL6 8BN
United Kingdom

RANK DIGITAL LIMITED

STRATEGIC REPORT

Principal activities

The principal activities of the Company are the provision of management services to Rank Digital Gaming (Aldemey) Limited and Rank Digital Services (Gibraltar) Limited, known as the 'sister companies'. The Company is a private limited Company incorporated and domiciled in England and Wales. The Directors do not anticipate any change in the activity of the Company in the foreseeable future.

Review of the business and future developments

The strategy of the Company is managed as part of the overall operations of The Rank Group Plc ('Rank' or 'the Group'). The main aims of the strategy for the operations are as follows:

- Creating a compelling multi-channel offer – by building on the existing portfolio of venues, membership systems, reward programmes and high level of engagement between team members and customers;
- Build digital capability and scale – replicate our strong positions in venues-based gaming across our digital channel by investing in our proprietary platform, develop new features, with a sharper focus on omni-channel opportunities;
- Continuously evolve our venues proposition – continuing to invest in existing venues (in terms of product, environment and service) and by creating new concepts;
- Constantly improve our customer experiences through innovation – our customers are at the heart of our business and we invest in new technologies to their benefit;
- Be committed to safe and fair gaming - we are committed to operating in a responsible manner and recognise the importance of continuous innovation to refine our approach to make gambling as safe as possible; and
- Create an environment which enables our colleagues to develop, be creative and deliver exceptional service.

More detailed disclosure of the Group's strategy can be found in the Group's Annual Report and Accounts ('ARA') on pages 18 to 31, which is available at www.rank.com.

The results for the Company show a pre-tax profit of £1.7m for the year (2020: profit of £2.8m) and revenue of £10.7m (2020: £14.1m). The decrease in revenue reflects the decreased cost base in the growing Digital segment that was recharged to fellow Group subsidiaries. Included within the results above, are separately disclosed items ('SDIs') in the year of £0.5m expenses (2020: £0.5m expenses), in relation to integration and business transformation costs. For further details please see note 3.

The balance sheet as at 30 June 2021 shows net current assets of £1.9m (2020: £0.4m) and cash of £0.2m (2020: £0.1m). Cash generated during the period has been pooled in accordance with The Rank Group Plc ('Rank' or 'Group') treasury policy to a fellow subsidiary resulting in an increase in amounts due from this fellow subsidiary.

At 30 June 2021, a total of £0.04m of rent was deferred which will be settled over the next 12 months, the majority of which has agreed payments plans. Throughout the year we engaged positively with our suppliers who continued to show support through agreeing reductions in contracted fees whilst our venues were closed, and products and services were not required.

Key performance indicators (KPI)

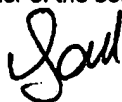
The Directors of the Group manage the Group's operations on a divisional basis. For this reason, the Company's Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance, and position of the Group, which includes the Company, is discussed in more detail on pages 32 to 33 of the Group's 2021 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 DIGITAL 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. For this reason, the Company's Directors believe that a discussion of the Group's risks would not be appropriate for an understanding of the development, performance or position of the Company's business. The principal risks and uncertainties of the Group, which include those of the Company, are discussed in the Group's ARA available at www.rank.com.

By order of the board



Mr W.J.S. Floyd
Director

Date: 17 December 2021

RANK DIGITAL LIMITED DIRECTORS' REPORT

The Directors present their Report and Financial Statements for the year ended 30 June 2021.

Directors

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

Mr W.J.S.Floyd
Mr J.P. O'Reilly

Going concern

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

The Directors have assessed 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. This assessment covers a period through to 31 December 2022 and the Directors are satisfied with the support available.

The Directors consider, following their review, that there continues to be a greater level of forecasting uncertainty at this time caused by the impact of the COVID-19 pandemic on consumer sentiment, Government policy and the overall impact on consumer demand. Notwithstanding this, the Directors have taken confidence in the performance of the Group since venues reopened, and also note the continued success of the vaccine roll out in line with the UK Government's targets. This consequently led to the decision to remove all social distancing restrictions in England, where the majority of the Group's venues are located, on 19 July 2021, and the removal of restrictions in Wales from 7 August 2021 and in Scotland from 9 August 2021.

On this basis, and with Rank Group Finance Plc having confirmed in writing, in the event it is required, its intention to continue to support the Company for a period until 31 December 2022, 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 2021.

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.

Future developments

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

Political donations

No political donations were made during the financial year (2020: £nil).

Research and development

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

RANK DIGITAL LIMITED

DIRECTORS' REPORT (CONTINUED)

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS101)) 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 financial 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.

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 15. 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 22 of Group's ARA, which is available at www.rank.com.

Post balance sheet events

No post balance sheet events impacting the Company.

RANK DIGITAL LIMITED
DIRECTORS' REPORT (CONTINUED)

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.

On behalf of the board



Mr W.J.S. Floyd
Director

17 December 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RANK DIGITAL LIMITED

Opinion

We have audited the financial statements of Rank Digital Limited for the year ended 30 June 2021 which comprise the Income Statement, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 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 2021 and of its profit 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 December 2022.

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 DIGITAL 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 5, 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 Rank Digital Limited 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.
- 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 there to be a risk of management override relating to overstatement of expenses in order to overstate intercompany revenue due to the cost-plus agreement in place. We used statistical techniques to sample from the entire population of journals, identifying specific transactions which did not meet our expectations based on specific criteria, which we

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RANK DIGITAL LIMITED (CONTINUED)

investigated further to gain an understanding of the transaction and agree to source documentation ensuring appropriate authorisation of the transactions. We considered programmes and controls that the Company has established to address risks identified, or that otherwise prevent, deter, and detect fraud, and how senior management monitors those programmes and controls.

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, UK

Date: 22 December 2021

RANK DIGITAL LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

		Year ended 30 June 2021			Year ended 30 June 2020		
	Note	Underlying £000	Separately disclosed Items (note 3) £000s	Total £000s	Underlying £000	Separately disclosed Items (note 3) £000s	Total £000s
Revenue	2	10,714	-	10,714	14,132	-	14,132
Cost of sales		(5,827)	-	(5,827)	(825)	-	(825)
Gross profit		4,787	-	4,787	13,307	-	13,307
Other operating costs	3	(2,519)	(505)	(3,024)	(9,959)	(526)	(10,485)
Operating profit	3	2,268	(505)	1,763	3,348	(526)	2,822
Interest receivable	4	-	-	-	9	-	9
Interest payable	4	(49)	-	(49)	(27)	-	(27)
Net interest (payable)/receivable		(49)	-	(49)	(18)	-	(18)
Profit from ordinary activities before taxation		2,218	(505)	1,714	3,330	(526)	2,804
Taxation	5	(211)	-	(211)	(3,693)	-	(3,693)
Profit/(loss) for the period		2,008	(505)	1,503	(363)	(526)	(889)

All results are from continuing operations.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Year ended 30 June 2021 £000	Year ended 30 June 2020 £000
Profit/(loss) for the year	1,503	(889)
Total comprehensive income/(loss) for the year	1,503	(889)

The notes on pages 13 to 25 are an integral part of these financial statements.

RANK DIGITAL LIMITED
BALANCE SHEET
AT 30 JUNE 2021

	Note	At 30 June 2021 £000	At 30 June 2020 £000
Fixed assets			
Intangible assets	6	435	398
Tangible assets	7	36	139
Right-of-use assets	8	12	654
Deferred tax	9	505	451
		<u>988</u>	<u>1,642</u>
Current assets			
Other receivables	10	5,347	5,280
Cash at bank and in hand	14	237	137
		<u>5,584</u>	<u>5,417</u>
Payables: amounts falling due within one year			
Trade and other payables	11	(431)	(1,274)
Income tax payable	5	(3,226)	(3,681)
Lease liability	12	(15)	(77)
		<u>(3,672)</u>	<u>(5,032)</u>
Net current assets		<u>1,912</u>	<u>385</u>
Total assets less current liabilities		<u>2,900</u>	<u>2,027</u>
Payables: amounts falling due after more than one year			
Lease liability	12	-	(630)
		<u>-</u>	<u>(630)</u>
Net assets		<u>2,900</u>	<u>1,397</u>
Capital and reserves			
Ordinary share capital	13	6	6
Retained earnings		2,894	1,391
Total equity		<u>2,900</u>	<u>1,397</u>

The notes on pages 13 to 25 are an integral part of these financial statements.

These accounts were approved by the board on 17 December 2021 and signed on its behalf by:



Mr W.J.S. Floydd
Director

Registration Number: 03796653

RANK DIGITAL LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Ordinary share capital £000	Retained earnings £000	Total £000
At 1 July 2019	<u>6</u>	<u>2,280</u>	<u>2,286</u>
Comprehensive income:			
Total comprehensive loss for the year	<u>-</u>	<u>(889)</u>	<u>(889)</u>
At 30 June 2020	<u>6</u>	<u>1,391</u>	<u>1,397</u>
Comprehensive income:			
Total comprehensive income for the year	<u>-</u>	<u>1,503</u>	<u>1,503</u>
At 30 June 2021	<u>6</u>	<u>2,894</u>	<u>2,900</u>

The notes on pages 13 to 25 are an integral part of these financial statements.

RANK DIGITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. General Information and Accounting policies

Rank Digital 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 financial statements are prepared in Sterling and are rounded to the nearest thousands 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.

A Basis of preparation

The financial statements are prepared in accordance with Financial Reporting Standards 101 'Reduced Disclosure Framework' and Companies Act 2006. The Company has taken advantage of the following disclosure exemptions under FRS101:

- The requirements of IAS7 'Statement of Cash Flows';
- The requirements of paragraph 17 of IAS24 'Related Party Disclosures';
- The requirements in IAS24 'Related Party Disclosures' to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is party to the transaction is wholly owned by such a member;
- The requirements of paragraph 45(b) and 46-52 of IFRS2 'Share Based Payments';
- The requirements of IFRS7 'Financial Instruments: Disclosures';
- The requirements of paragraphs 134(d) – 134(f) and 135(c) – 135(e) of IAS36 'Impairment of Assets';
- The requirements of paragraphs 10(d) and 134 – 136 of IAS1 'Presentation of Financial Statements'; and
- The requirements of paragraph 38 of IAS1 'Presentation of Financial Statements' to present comparative information in respect of paragraph 73(e) of IAS16 'Property, Plant and Equipment', and paragraph 118(e) of IAS38 '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 the consolidated financial statements of Rank, details of which are contained in note 17.

The financial statements have been prepared under the historical cost convention. A summary of the more important Company accounting policies is set out below.

B Changes in accounting policy and disclosures

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

The following accounting standards, Interpretations, Improvements and amendments have become applicable for the current period:

- 'Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)' as published by the IASB on 31 March 2021, which extends, by one year, the May 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. The amendment is effective for annual reporting periods beginning on or after 1 April 2021.

The Company has not been materially impacted by the adoption of the above standards and amendments and has not early adopted any standard, amendment or interpretation that was issued but is not yet effective.

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 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. This assessment covers a period through to 31 December 2022 and the Directors are satisfied with the support available.

RANK DIGITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The Directors consider, following their review, that there continues to be a greater level of forecasting uncertainty at this time caused by the impact of the COVID-19 pandemic on consumer sentiment, Government policy and the overall impact on consumer demand. Notwithstanding this, the Directors have taken confidence in the performance of the Group since venues reopened, and also note the continued success of the vaccine roll out in line with the UK Government's targets. This consequently led to the decision to remove all social distancing restrictions in England, where the majority of the Group's venues are located, on 19 July 2021, and the removal of restrictions in Wales from 7 August 2021 and in Scotland from 9 August 2021.

On this basis, and with Rank Group Finance Plc having confirmed in writing, in the event it is required, its intention to continue to support the Company for a period until 31 December 2022, 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 2021.

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.

(i) Judgment over the separately disclosed items (SDI)

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. For further detail of those items included as SDIs, refer to note 3.

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 of non-financial assets.

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

The application of the policy requires the use of accounting estimates and judgements in determining the recoverable amount of cash-generating units to which the intangible assets, property, plant and equipment and right-of-use assets are associated. The recoverable amount is the higher of the fair value less costs of disposal and value in use. Estimates of fair value less costs of disposal are performed internally by experienced senior management supported by knowledge of similar transactions and advice from external experts or, if applicable, offers received. Value in use is calculated using estimated cash flow projections from financial budgets, discounted by selecting an appropriate rate for each cash-generating unit. The best estimate of the Directors may differ from the actual results.

Consistent with prior year, and as a result of the continuing COVID-19 pandemic, the Company has assessed the impact of incorporating an additional COVID-19 risk factor into the impairment testing of non-financial assets. The key judgement is the level of trading in the venues following reopening and that venues remain open, and the impact on estimated future cash flows.

RANK DIGITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

E Revenue recognition

Revenue represents the value of services supplied by the Company principally charged to other group entities excluding value added tax. Revenue is earned in respect of services provided to Group subsidiaries by the Company's centralised functions. Revenue is recognised to the extent the Company has rendered services under an agreement, the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company.

F Tangible assets

Tangible assets are stated at cost, net of accumulated depreciation and impairment. Such cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated on assets using the straight-line method to allocate their cost less residual values over their estimated useful lives, as follows:

- fixtures, fittings, plant and machinery three to 20 years

Residual values and useful lives are reviewed at each balance sheet date, and adjusted prospectively, if appropriate. An item of tangible assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement.

G Intangible assets

Computer software and other development costs

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on a straight-line basis over their estimated useful lives (three to five years).

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the production and development of identifiable and unique software products controlled by the Company, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets for both externally purchased and internally developed software. Direct costs include specific employee costs for software development.

Computer software development costs recognised as assets are amortised over their estimated useful lives (three to five years).

H Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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 to sell 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, CGUs). 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 groups of assets.

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

Any impairment is allocated equally across all assets in a CGU unless there is an indication that a class of assets 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 to sell then any remaining impairment is allocated equally amongst all other assets.

RANK DIGITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Where an impairment loss subsequently reverses, the carrying amount of the asset (CGU) 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 (CGU) in prior years.

A reversal of an impairment loss is recognised within exceptional items in the Income statement immediately.

I 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.

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.

J Cash and cash equivalents

Cash and short-term deposits in the balance sheet include cash at banks and in hand and short-term deposits with an original maturity of three months or less.

K Financial assets

Financial assets within the scope of IFRS 9 are classified as financial assets 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.

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

- 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.

RANK DIGITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(i) Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Company elected to classify its non-listed equity investments under this category.

(ii) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

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 statement of financial position) 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.

L Financial liabilities

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.

The subsequent measurement of financial liabilities depends on their classification, as described below:

(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 statement of profit or loss. 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 (loans and borrowings)

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 profit or loss 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 statement of profit or loss.

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 statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position 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.

RANK DIGITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

M Separately disclosed items

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 result between periods. Such items are considered by the Directors to require separate disclosure due to their size or nature in relation to the Company.

N Leases

The Company leases various properties and equipment. Rental contracts are made for various fixed periods ranging up to 94 years. 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.

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 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 36 years
- Fleet and machinery 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 finance lease income, which is shown net of lease costs.

RANK DIGITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

O Interest Income/(expense)

Interest income/(expense) is recognised using the effective interest rate method. In calculating interest income/(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. Revenue

	Year ended 30 June 2021 £000	Year ended 30 June 2020 £000
Geographical market		
UK	10,714	14,132
	<u>10,714</u>	<u>14,132</u>

An analysis of the Company's revenue by category is as follows:

	Year ended 30 June 2021 £000	Year ended 30 June 2020 £000
Category		
Rendering of services	10,714	14,132
Total	<u>10,714</u>	<u>14,132</u>

3. Operating profit for the year

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

	Note	Year ended 30 June 2021 £000	Year ended 30 June 2020 £000
Staff costs	16	6,199	6,721
Depreciation of tangible assets			
- Owned assets	7	106	109
- Leased assets	8	124	119
Amortisation of intangible assets	6	112	28
Separately disclosed items (see below)		<u>505</u>	<u>526</u>

The audit fee of £2k (2020: £2k) is borne by fellow group subsidiary undertaking, Rank Leisure Holdings Limited.

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

	Year ended 30 June 2021 £000	Year ended 30 June 2020 £000
Integration costs	327	526
Business transformation costs	178	-
Total	<u>505</u>	<u>526</u>

Integration costs

One-off fees and directly associated costs with the integration of business acquisitions are charged to the income statement. Such items are material, infrequent in nature and are not considered to be part of the underlying business performance.

RANK DIGITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Business transformation costs

This is a multi-year change programme for the Group focused around revenue growth, cost savings, efficiencies and ensuring the key enablers are in place. The transformation programme started in January 2019 and was expected to last three years, however in light of COVID-19, the timeframe has been extended to 2023. The multi-year change programme is a material, infrequent programme and is not considered to be part of the underlying business performance.

4. Interest

	Year ended 30 June 2021 £000	Year ended 30 June 2020 £000
Interest receivable from Group companies	-	9
Total	-	9
Interest payable to Group companies	(26)	-
Lease interest expense	12 (23)	(27)
Total	(49)	(27)
Net interest payable	(49)	(18)

5. Taxation

	Year ended 30 June 2021 £000	Year ended 30 June 2020 £000
Current tax		
UK corporation tax in respect of current year	381	555
Separately disclosed items	(96)	(100)
Adjustment in respect of prior periods	-	3,208
Total current tax	265	3,683
Deferred tax		
Origination and reversal of timing differences	67	84
Adjustment in respect of prior periods	-	-
Restatement of deferred tax due to rate change	(121)	(54)
Total deferred tax	(54)	30
Total tax charge	211	3,693

The tax on the Company's profit before tax differs from the standard rate of UK corporation tax of 19.00% (2020: 19.00%). The differences are explained below:

	Year ended 30 June 2021 £000	Year ended 30 June 2020 £000
Profit before tax	1,714	2,804
Tax calculated at 19.00% (2020: 19.00%)	326	533
Effects of:		
Expenses not deductible for tax purposes	6	6
Restatement of deferred tax due to rate change	(121)	(54)
Adjustment in respect of prior periods	-	3,208
Total tax charge	211	3,693

RANK DIGITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Factors affecting future tax charges:

The tax rate for the current year is the same as prior year.

On 3 March 2021, the Chancellor of the Exchequer announced the increase in the main rate of UK corporation tax from 19.00% to 25.00% for the year starting 1 April 2023. The change was substantively enacted on 24 May 2021.

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

6. Intangible assets

	Computer software licence and development costs £000
Cost	
At 1 July 2020	760
Additions	149
At 30 June 2021	909
Aggregate amortisation and impairment	
At 1 July 2020	(362)
Charge for the year	(112)
At 30 June 2021	(474)
Net book value at 30 June 2020	398
Net book value at 30 June 2021	435

The amortisation charge for the year has been recognised as an operating expense.

7. Tangible assets

	Fixtures, fittings, plant and machinery £000
Cost	
At 30 June 2020	650
Addition	3
At 30 June 2021	653
Aggregate depreciation	
At 30 June 2020	(511)
Charge	(106)
At 30 June 2021	(617)
Net book value at 30 June 2020	139
Net book value at 30 June 2021	36

The depreciation charge for the year has been recognised as an operating expense.

RANK DIGITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. Right-of-use assets

	Land and buildings £000	Fleet and machinery £000	Total £000
Cost			
At 30 June 2020	697	76	773
Modification	(476)	(42)	(518)
At 30 June 2021	221	34	255
Aggregate depreciation and impairment			
At 30 June 2020	(102)	(17)	(119)
Charge for the year	(107)	(17)	(124)
At 30 June 2021	(209)	(34)	(243)
Net book value			
At 30 June 2020	595	59	654
At 30 June 2021	12	-	12

9. Deferred tax

	At 30 June 2021 £000	At 30 June 2020 £000
Accelerated capital allowances	487	434
Right-of-use assets	18	17
Deferred tax asset	505	451
	At 30 June 2021 £000	At 30 June 2020 £000
Accelerated capital allowances	(53)	27
Right-of-use assets	(1)	3
Deferred tax charge in the income statement	(54)	30

The reconciliation of movement in the deferred tax asset is as follows:

	Year ended 30 June 2021 £000	Year ended 30 June 2020 £000
At 1 July	451	461
Deferred tax credit/(charge) in the income statement	54	(30)
Deferred tax credit to equity	-	20
At 30 June	505	451

10. Other receivables

	At 30 June 2021 £000	At 30 June 2020 £000
Amounts owed by Group undertakings	5,270	5,252
Prepayments	77	28
	5,347	5,280

RANK DIGITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The Company held no trade receivables at either balance sheet date and accordingly no provision for trade receivables was held. The other classes within other receivables do not contain impaired or past due assets.

The carrying values of other receivables are assumed to approximate to their fair value due to the short-term nature of the receivables. This includes amounts owed by related undertakings which attract an interest rate of 0.56% (2020: 1.14%), are unsecured and repayable on demand. Cash generated during the period has been pooled in accordance with the Group's treasury policy to a fellow subsidiary resulting in an increase in amounts due from this fellow subsidiary.

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.

11. Trade and other payables

	At 30 June 2021 £000	At 30 June 2020 £000
Trade payables	134	321
Other tax and social security	187	841
Accruals	110	112
Amounts falling due within one year	431	1,274

The Company's trade payables 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.

12. Leases

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	Year ended 30 June 2021 £000
As at 1 July 2020	707
Accretion of interest	23
Payments	(715)
As at 30 June 2021	15
Current liabilities	15
Non-current liabilities	-
Total	15

The maturity analysis of lease liabilities is disclosed below:

	As at 30 June 2021	
	Present value of the minimum lease payments £000	Total minimum lease payments £000
Not later than one year	15	17
After one year but not more than five years	-	-
After five years	-	-
	15	17
Less: total future interest expenses		(2)
Present value of lease liabilities		15

RANK DIGITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The following are the amounts recognised in profit or loss:

	Year ended 30 June 2021 £000
Depreciation expense of right-of-use assets	124
Interest expense on lease liabilities	23
Total amount recognised in Income statement	147

13. Called-up share capital

	At 30 June 2021 £000	At 30 June 2020 £000
Authorised		
499,500,000 "A" ordinary shares of 1p each	4,995	4,995
500,000 "B" ordinary shares of 1p each	5	5
	<u>5,000</u>	<u>5,000</u>
Issued and fully paid		
100,000 "A" ordinary shares of 1p each	1	1
500,000 "B" ordinary shares of 1p each	5	5
	<u>6</u>	<u>6</u>

The "A" and "B" ordinary shares rank pari passu in all respects save that, on transfer, "B" ordinary shares are first required to be offered to all members in proportion to their existing holdings of shares.

14. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	At 30 June 2021 £000	At 30 June 2020 £000
Cash at bank and in hand	<u>237</u>	<u>137</u>

15. Financial assets and liabilities

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

	Other financial assets At 30 June 2021 £000	At 30 June 2020 £000
Other receivables	5,270	5,252
Cash and cash equivalents	<u>237</u>	<u>137</u>
Total	<u>5,507</u>	<u>5,389</u>

RANK DIGITAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

	Other financial liabilities	
	At 30 June 2021 £000	At 30 June 2020 £000
Trade and other payables	244	321
Total	244	321

16. Employees

	Year ended 30 June 2021 £000	Year ended 30 June 2020 £000
Wages and salaries	5,266	5,692
Social security costs	550	627
Other pension costs	383	402
	6,199	6,721

The average monthly number of employees was 162 (2020: 171).

The payment of Director's emoluments in respect of their qualifying services are borne by another Company within the Group and makes no recharge to the Company.

17. Parent undertakings and related party transactions

The Company's immediate parent undertaking is Rank Digital Holdings Limited, a Company incorporated in England and Wales.

On 16 April 2021 GuoLine Capital Assets Limited ('GuoLine'), which is a company incorporated in Jersey, became the ultimate parent undertaking (in place of Hong Leong Company (Malaysia) Berhad). GuoLine 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 in 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.