

RANK INTERACTIVE DEVELOPMENT LIMITED

Registered Number: 03796656

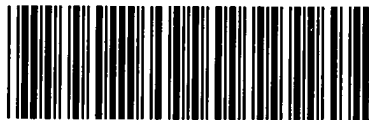
DIRECTORS' REPORT

AND

FINANCIAL STATEMENTS

30 JUNE 2015

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RANK INTERACTIVE DEVELOPMENT LIMITED

DIRECTORS' REPORT

Principal activities

The Company has no trading activity in either the current or prior year. The Company is a limited company incorporated and domiciled in England and Wales.

During the year the Company transitioned from EU-adopted IFRS to FRS101 'Reduced Disclosure Framework', and has taken advantage of the disclosure exemptions allowed under this standard. The Company has early adopted FRS101, and its requirements have been applied to all periods presented. The Company's immediate parent undertaking, Rank Digital Limited, was notified of and did not object to the use of the EU-adopted IFRS disclosure exemptions. There were no material recognition or measurement differences arising on the adoption of FRS101.

Review of the business and future developments

The Company is in the process of winding up its activities. Previously, the Company provided services to its sister company and third party clients in order to support the provision of enjoyable online gambling experiences for consumers. Such activities are now undertaken by other companies within The Rank Group Plc.

The results for the Company show nil revenue (2014: £nil) and nil profit for the year (2014: £0.1m). In 2015 the Company did not record any exceptional income or costs (2014: £nil). The balance sheet as at 30 June 2015 shows net current assets of £3.9m (2014: £3.9m). Consequently, the directors consider that is appropriate to prepare the financial statements on a going concern basis.

The directors do not recommend the payment of a dividend (2014: £nil).

Key performance indicators (KPI)

The directors of The Rank Group Plc manage the Group's operations on a brand 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 digital brands of the Group, which includes the Company, is discussed in more detail on pages 1 to 43 of the Group's 2015 annual report and financial statements which do not form part of this report.

Principal risks and uncertainties

The principal risk for the Company arises from its activity and balances being with other companies in the Group. Therefore the performance of the Company is closely correlated to the performance and actions of its sister companies. The directors, having assessed the responses of the directors of The Rank Group Plc to their enquiries have no reason to believe the performance and actions of its sister companies will cast significant doubt over the ability of the Company to continue as a going concern in the foreseeable future.

The principal risks to the successful implementation of the Group's strategy are:

- Regulatory and tax – adverse change in regulation could increase the administrative cost of operations, while new or increased taxation could have a material impact on the financial condition and results of the Company;
- New online gaming platform – the Group is in the process of replacing its online gaming platform. The new online gaming platform could prove to be not fit for purpose, may not be implemented on time or on budget, or the transition to the existing platform may not be adequate, any of which could have an impact on the financial performance of the wider Group;
- Business continuity and disaster recovery – due to the digital nature of the business, the significant reliance on technology is such that the disruption of serious technology failure may cause an interruption to the ability to operate elements of the business if business continuity and disaster recovery plans failed to operate successfully;
- Wage rise inflation – an increase in the minimum wage or other significant change to employment legislation could impact the Company's results;
- Loss of licences – gaming licences are fundamental to the operations of the sister company to which the Company provides services; and

RANK INTERACTIVE DEVELOPMENT LIMITED

DIRECTORS' REPORT (CONTINUED)

Principal risks and uncertainties (continued)

- Reliance on technology – the Company is highly dependent on complex technology and advanced information systems with many interfaces and a significant number of separate suppliers. The pace of business change and development means that IT changes such as new software coding, systems enhancements and new software application integrations are undertaken continually and consequently these systems are inherently vulnerable to experiencing malfunctions, failures, or cyber-attacks such as viruses or hacker intrusion. Comprehensive technology resilience and systems protection measures are in place but it is difficult to detect all threats and vulnerabilities in order to prevent all service interruptions and problems.

Directors

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

H. B. Birch

C.A.R. Jennings

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- present fairly the financial position and financial performance of the Company;
- select suitable accounting policies and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make judgements and estimates that are reasonable and prudent;
- provide additional disclosures when compliance with the specific requirements in UK Generally Accepted Accounting Practice is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and final performance;
- state whether the financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements for the Company on the going concern basis, unless it is appropriate to assume that the Company will not continue in business, in which case there should be supporting assumptions or qualifications.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also accountable for safeguarding the assets of the Company and, therefore, for taking reasonable steps to prevent and detect fraud and other irregularities.

Insurance and indemnities

The Rank Group Plc has arranged insurance cover in respect of legal action against the directors of the Company. To the extent permitted by English law, the Company also indemnifies the directors. Neither the insurance nor the indemnity provides cover in situations where a director has acted fraudulently or dishonestly.

RANK INTERACTIVE DEVELOPMENT LIMITED
DIRECTORS' REPORT (CONTINUED)

Auditors

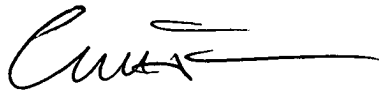
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the Company's auditors are unaware. Each director has taken all the steps that ought to have been taken as a director in order to make himself aware of any relevant 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 and Young LLP will continue as auditors of the Company.

Small company's exemption

In preparing the Directors' Report, advantage has been taken of the small company's exemption under the Companies Act 2006. As a result of this exemption, the Company is not required to prepare a Strategic Report.

By order of the board



Director: Mr C.A.R. Jennings

Date: 21 December 2015

Registered Office: Statesman House, Stafferton Way, Maidenhead, Berkshire, SL6 1AY
Registered Number: 03796656

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RANK INTERACTIVE DEVELOPMENT LIMITED

We have audited the financial statements of Rank Interactive Development Limited for the year ended 30 June 2015 which comprise the Income Statement, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Accounting Policies and the related notes 1 to 9. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard FRS101 'Reduced Disclosure Framework'.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2015 and of its result 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.

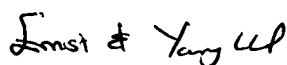
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in not preparing the Strategic Report.



Nick Powell (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

Date: 21 December 2015

RANK INTERACTIVE DEVELOPMENT LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Year ended 30 June 2015 £000	Year ended 30 June 2014 £000
Operating profit	2	-	101
Interest			
- interest receivable	3	-	77
- interest payable	3	-	(120)
Total net interest payable		-	(43)
Result on ordinary activities before taxation		-	58
Taxation	4	-	10
Result for the year		-	68

All results are from continuing operations.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

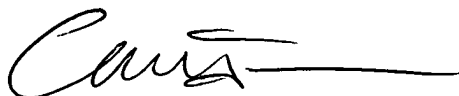
	Year ended 30 June 2015 £000	Year ended 30 June 2014 £000
Result for the year	-	68
Total comprehensive income for the year	-	68

RANK INTERACTIVE DEVELOPMENT LIMITED
BALANCE SHEET
AS AT 30 JUNE 2015

	Note	At 30 June 2015 £000	At 30 June 2014 £000
Assets			
Current assets			
Other debtors	5	8,327	8,442
		<u>8,327</u>	<u>8,442</u>
Creditors: amounts falling due within one year			
Other creditors	6	(4,414)	(4,516)
Taxation		-	(13)
		<u>(4,414)</u>	<u>(4,529)</u>
Net assets		<u>3,913</u>	<u>3,913</u>
Capital and reserves			
Ordinary share capital	7	200	200
Capital contribution reserves		7,762	7,762
Retained earnings		<u>(4,049)</u>	<u>(4,049)</u>
Total equity		<u>3,913</u>	<u>3,913</u>

The notes on pages 8 to 12 are an integral part of these financial statements.

These accounts were approved by the board on **21** December 2015 and signed on its behalf by:



Director: Mr C.A.R. Jennings

RANK INTERACTIVE DEVELOPMENT LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2015

	Ordinary share capital £000	Capital contribution reserves £000	Retained earnings £000	Total £000
At 1 July 2013	200	7,762	(4,117)	3,845
Comprehensive income:				
Profit for the year	-	-	68	68
At 30 June 2014	200	7,762	(4,049)	3,913
Comprehensive income:				
Result for the year	-	-	-	-
At 30 June 2015	200	7,762	(4,049)	3,913

RANK INTERACTIVE DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies are in accordance with applicable accounting standards and have been consistently applied to all the periods presented, unless otherwise stated.

A Basis of preparation

The financial statements are prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'. The Company transitioned from EU-adopted IFRS to FRS101 for all periods presented. There were no material amendments on the adoption of FRS101. The Company has taken advantage of the following disclosure exemptions under FRS101:

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

The results of the Company, along with the equivalent disclosures in respect of the exemptions listed above are included in the consolidated financial statements of The Rank Group Plc, details of which are contained in note 9.

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

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The resulting accounting estimates will, by definition, seldom equal the actual results. The areas involving a higher degree of judgement or complexity, where assumptions and estimates are significant to the consolidated financial statements, are set out below.

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

The following new standards, amendments to and interpretations of existing standards are mandatory for the first time for the financial year beginning 1 July 2014:

- IFRS10 Consolidated Financial Statements
- IFRS11 Joint Arrangements
- IFRS12 Disclosure of Interests in Other Entities
- IAS27 Separate Financial Statements (Revised)
- IAS28 Investments in Associates and Joint Ventures (Revised)
- IAS32 Financial Instruments: Presentation – Offsetting Financial Assets and Liabilities (Amendment)
- IAS36 Recoverable Amount Disclosures for Non-Financial Assets (Amendment)
- IAS39 Novation of Derivatives and Continuation of Hedge Accounting (Amendment)
- IFRIC21 Levies

The Company has not been materially impacted by the adoption of any of these standards, amendments or interpretations.

The Company has not early adopted any other standard, amendment or interpretation that was issued but is not yet effective.

RANK INTERACTIVE DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies (continued)

A Basis of preparation (continued)

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

The following standards, amendments to and interpretations of existing standards have been published and are mandatory for accounting periods starting after 1 July 2014:

- IAS19 Defined Benefits Plans: Employee Contributions – Effective 1 February 2015
- IFRS9 Financial Instruments – Effective 1 January 2018
- IFRS15 Revenue from Contracts with Customers – Effective 1 January 2017
- Annual Improvements to IFRS's – 2011-2013 cycle – Effective 1 January 2015

It is not anticipated that the adoption of the above standards, amendments and interpretations of existing standards will have a material impact on the Company financial statements in the period of initial application.

B Taxation

(a) Current tax

Current tax is applied to taxable profits at the prevailing tax rate for the year. .

(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.

C Other debtors

Other debtors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

D Trade creditors

Trade creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2. Operating profit for the year

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

	Year ended 30 June 2015 £000	Year ended 30 June 2014 £000
Note		
Auditors' remuneration for audit services	-	14

Audit fees have been borne by a parent company, Rank Digital Limited.

The Company had no employees, and did not remunerate and of its directors for their services in either year.

RANK INTERACTIVE DEVELOPMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

3. Interest

	Year ended 30 June 2015 £000	Year ended 30 June 2014 £000
Interest receivable		
Interest receivable from group companies	-	77
Total	<u>-</u>	<u>77</u>
Interest payable		
Interest payable to group companies	-	(120)
Total	<u>-</u>	<u>(120)</u>

4. Taxation

	At 30 June 2015 £000	At 30 June 2014 £000
Current tax		
UK corporation tax in respect of current year	-	(13)
Adjustment in respect of prior years	-	759
Total current tax	<u>-</u>	<u>746</u>
Deferred tax		
Adjustment in respect of prior years	-	(736)
Total deferred tax	<u>-</u>	<u>(736)</u>
Total tax credit	<u>-</u>	<u>10</u>

The tax on the Company's profit before tax differs from the standard rate of UK corporation tax to 20.75% (2014: 22.5%). The differences are explained below:

	Year ended 30 June 2015 £000	Year ended 30 June 2014 £000
Profit before tax	<u>-</u>	<u>58</u>
Tax calculated at 20.75% (2014: 22.5%)	-	(13)
Adjustment in respect of prior years	-	23
Total tax credit	<u>-</u>	<u>10</u>

With effect from 1 April 2015 the main rate of UK corporation tax is 20%. However, in the Summer Budget 2015, the Chancellor of the Exchequer announced a reduction in the UK rate of corporation tax to 19% from 1 April 2017 and 18% from 1 April 2020. These rates were substantively enacted in October 2015 and reduce the amount of cash tax payments to be made by the Company in future periods.

RANK INTERACTIVE DEVELOPMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

5. Other debtors

	At 30 June 2015 £000	At 30 June 2014 £000
Amounts owed by group undertakings	8,327	8,442
	<u>8,327</u>	<u>8,442</u>

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

The maximum exposure to credit risk at the reporting date is the fair value of each class of debtor mentioned above. The Company holds no collateral as security.

6. Other creditors

	At 30 June 2015 £000	At 30 June 2014 £000
Amounts owed to group undertakings	4,414	4,516
	<u>4,414</u>	<u>4,516</u>

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

Amounts owed to related undertakings are interest free and repayable on demand and accordingly have no set maturity date. The Company has provided no collateral as security.

7. Called up share capital

	At 30 June 2015 £000	At 30 June 2014 £000
Authorised		
500,000,000 ordinary shares of 1p each	5,000	5,000
	<u>5,000</u>	<u>5,000</u>
	At 30 June 2015 £000	At 30 June 2014 £000
Issued and fully paid		
200,000,100 ordinary shares of 1p each	200	200
	<u>200</u>	<u>200</u>

8. Financial assets and liabilities

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

	At 30 June 2015 £000	At 30 June 2014 £000
Other debtors	8,327	8,442
Total	<u>8,327</u>	<u>8,442</u>

RANK INTERACTIVE DEVELOPMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

8. Financial assets and liabilities (continued)

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

	Other financial liabilities	
	At 30 June 2015 £000	At 30 June 2014 £000
Other creditors	4,414	4,516
Total	4,414	4,516

9. Parent undertakings and related party transactions

Throughout the year ended 30 June 2015 and to the date of signing these financial statements, the Company's immediate parent company was Rank Digital Limited. Both the Company and Rank Digital Limited are incorporated and registered in England and Wales.

The ultimate parent undertaking is Hong Leong Company (Malaysia) Berhad (Hong Leong), which is incorporated in Malaysia. Hong Leong is the parent undertaking of the largest group to consolidate these financial statements.

The Rank Group Plc was the parent undertaking of the smallest group to consolidate these financial statements. Copies of The Rank Group Plc consolidated financial statements can be obtained from <http://asp-gb.secure-zone.net/v2/index.jsp?id=624/2682/10451&lng=en> or by written request to the Company Secretary at Statesman House, Stafferton Way, Maidenhead, Berkshire, SL6 1AY.