RANK DIGITAL HOLDINGS LIMITED
Registered No. 10650039

REPORT

AND

FINANCIAL STATEMENTS

30 June 2020

Corporate Information

Directors
Mr J.P. O'Reilly
Mr W.J.S. Floydd

Company Secretary
Ms L. 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

Business review and principal activities
The principal activity of the Company is an investment holding company for the digital operations of The Rank Group Plc ('Rank' or 'Group'). The Company is a limited company incorporated in England and Wales. The directors do not anticipate any change in the activity of the Company in the foreseeable future. The details of principal subsidiary undertakings are given in note 12.

Review of the business
As an investment holding company the main risk and uncertainty surrounds the financial performance of its subsidiary undertakings. The principal activities of its subsidiaries are within the UK (including Channel Islands), India and Spain gaming industry. The directors' focus is on increasing customer visits to the businesses by bringing enjoyable gaming-based leisure experiences to a broader base of customers. Against this backdrop, the key elements of the strategy are:

- Build digital capability and scale – digital channels now represent a significant growth opportunity;
- Continuously evolve our venues proposition – continuing to invest in existing venues (in terms of product, environment and service) and by creating new ones;
- 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
- Provide an environment which enables our colleagues to develop, be creative and deliver exceptional service.

On 4 October 2019 the Company completed the acquisition of Stride Gaming plc ('Stride') through a cash purchase for £116.0m. Group focus has been on the integration programme of both businesses including the development of the Stride proprietary technology in advance of migrating Rank's legacy digital brands onto the Stride platform before the end of calendar year 2021. In the meantime, Group continue to drive digital growth in the UK, India and Spain.

The results for the Company show a pre-tax loss of £3.5m (2019: loss of £1.6m) mainly as a result of the interest paid on the loan for the acquisition. There was no dividend income during the year (2019: £nil).

Included within the loss for the year a gain of £0.2m (2019: £1.0m loss) of separately disclosed items ('SDIs'). The SDIs relate to the write-off of accrued contingent consideration that was due to be paid in relation to the acquisition of YoBingo. Further details of these items are shown in note 2.

The balance sheet as at 30 June 2020 shows net current liabilities of £164.9m (2019: £46.1m).

Key performance indicators
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 Digital division of the Group, which includes the Company, is discussed in more detail on page 36 of the Group's 2020 Annual Report and Accounts ('ARA') which does not form part of this report. The directors do not anticipate any immediate or substantial variations to the Company's current activities.

Principal risks and uncertainties
The principal risks and uncertainties of the Company are managed at a Group level as part of the enterprise-wide risk management approach adopted by Rank. The principal risks and uncertainties of the Group, which include those of the Company, are discussed on pages 72 to 76 of the Group's ARA for the year ended 30 June 2020, and are reproduced below.

Links to strategy key:

1. Create a compelling multi-channel offering
2. Build digital capability and scale
3. Continuously evolve our venues proposition
4. Consistently improve our customer experience through innovation
5. Be committed to safe and fair gambling
6. Provide an environment which enables our colleagues to develop, be creative and deliver exceptional service

1. COVID-19 pandemic			
Principal risk	**Change in risk/impact**	**Risk mitigation strategy**	**Link to strategy**
The immediate organisational risks following the COVID-19 outbreak arose primarily as a result of the closure of our venues and offices. Such risks included business continuity and the ability of our technology and IT infrastructure to adapt to sustained working-from-home requirements imposed by governments, colleague and customer welfare, cashflow (liquidity), financing (supply-chain disruption) and impact on the ability of the Group to execute its strategic plans. In line with respective Government requirements, all of the Group's venues were closed in March 2020. In the UK, re-opening commenced for Mecca on 4 July 2020 and for Grosvenor on 15 August 2020. In Spain re-opening commenced on 10 June 2020 and in Belgium on 1 July 2020. All venues are required to comply with social distancing measures, impacting on capacity. There can be no certainty as to when or to what extent applicable ongoing government measures will be lifted or whether they will be reintroduced after they have been lifted. Furthermore, even after restrictions are lifted, there is a risk of depressed demand in the leisure sector. Customers may also be more reluctant to attend our venues. In response to the COVID-19 pandemic, we have prepared a number of planning scenarios based on a range of assumptions and potential outcomes. In light of the above, the risk remains of further significant impact on our future operations, and cashflows beyond the range of assumptions that have been used to develop the modelled scenarios.	Due to the nature of the pandemic and the ongoing uncertainty this is considered an increasing risk.	*Mitigation in relation to lockdown.* The Group has a pandemic policy, crisis management and resilience planning processes and venues-closure plans, which were implemented successfully in response to the lockdown and consequential closure of our venues and offices. The Group implemented a working-from-home policy in order to ensure that those colleagues and areas of the business less directly impacted from the closure of venues could continue to function. The Group communicates with its employees in a number of a different ways and during lockdown we increased significantly our communications to our colleagues in order to keep them up to date with developments, our plans and welfare support arrangements. In relation to our customers, the Group developed, and participated in a number of initiatives aimed at ensuring our customers did not feel a loss of community due to the closure of our venues. The Group reviewed its financing arrangements and engaged with its banks, suppliers and landlords. We continued to communicate with legislators and regulators throughout lockdown in connection with the measures we have implemented. Government support initiatives have been utilised such as the Coronavirus Job Retention Scheme and UK business rates holiday. *Mitigation in relation to re-opening*	1, 2, 3, 4, 5, 6

1. COVID-19 pandemic			
Principal risk	**Change in risk/Impact**	**Risk mitigation strategy**	**Link to strategy**
		Detailed analysis and modelling, with consideration of all stakeholders' views, went into the formulation of re-opening plans. Such plans are flexible to take account of local lockdowns, restrictions being re-introduced, changes in customer demand and other uncertainties that will only be understood with the passage of time. We continue to review the assumptions and modelling work and are revisiting our transformation plan. We continue to review our financial covenants and financing options, our property portfolio and supply-chain. We continue to have constructive dialogue with those bodies that influence our markets, including Government and regulators. The importance of such discussions was demonstrated in the process to obtain permission to re-open our venues. The health and safety of our colleagues and customers remains of paramount importance and risk assessments have been an essential part of our re-opening plans. *Digital* In relation to the digital business, which has been largely unaffected operationally by the crisis, we have focused on the implementation of increased safer gambling measures.	

2. Changing consumer needs (venues)

Principal risk	**Change in risk/Impact**	**Risk mitigation strategy**	**Link to strategy**
Progressive changes over time in consumer spending habits and changes in macroeconomic environment can result in lower numbers of customer visits.	**Increasing** With the macroeconomic environment and continuous changes in consumer spending habits, there is an ever-increasing need for the Group to focus on assessing the relevance of our customer proposition.	The Group monitors financial performance across the venues. Venues performing adversely are raised for remedial attention with customer satisfaction metrics being used to also monitor venues performance. Changing the venues product and service offering to have greater appeal to today's more leisure-oriented customer is a priority within the transformation programme. This will continue to evolve as there is a better understanding of the ongoing impact of COVID-19 on our customers' habits.	**3, 4**

3. Gambling laws and regulations

Principal risk	**Change in risk/Impact**	**Risk mitigation strategy**	**Link to strategy**
Regulatory and legislative regimes for betting and gaming in key markets are constantly under review and can change at short notice. These changes could benefit or have an adverse effect on the business and additional costs might be incurred in order to comply.	**Increasing** With the increased focus of regulators, the risk here is considered to be increasing, and the impact of non-compliance could result in the imposition of licence conditions, the loss of gaming licences and/or fines.	The Group ensures that it: • actively provides and promotes a compliant environment in which customers can play safely; • participates in trade representations to political and regulatory bodies to ensure that such stakeholders clearly understand the positive contribution that the business provides to the economy; • works with stakeholders and customers to help public understanding of the gaming offers it provides; and • engages with regulators as appropriate and examines the learnings from, and measures adopted by, other operators and sectors of the gambling industry.	**5**

4. Health and Safety			
Principal risk	**Change in risk/impact**	**Risk mitigation strategy**	**Link to strategy**
Failure to meet the requirements of the various domestic and international rules and regulations relating to the health and safety of our employees and customers could expose the Group (and individual directors and employees) to material civil, criminal and/or regulatory action with the associated financial and reputational consequences.	**Stable** It is envisaged that there will be no further immediate changes in standards.	The Group has defined policies and procedures in place which are periodically reviewed and updated as appropriate. The Group requires all staff to undertake annual training and more specific training is undertaken as appropriate. Communication plans are in place across the Group. The health and safety committee meets regularly and its attendees include the senior management of the venues business. In addition, the head of health and safety provides updates on health and safety practices to each Risk Committee meeting. The health and safety team have been heavily involved in the closure and reopening of our venues as a result of COVID-19.	**3, 6**

5. Taxation			
Principal risk	**Change in risk/impact**	**Risk mitigation strategy**	**Link to strategy**
Changes in fiscal regimes for betting and gaming in key markets can change at short notice. These changes could benefit or have an adverse effect and additional costs might be incurred in order to comply with any fiscal requirements. Current key risk areas include: • Remote Gaming Duty	**Stable** It is envisaged that there will be no material changes in taxation in the immediate future.	The Group ensures that it: • continues to monitor taxation legislation; • performs regular analysis of the financial impact to the organisation of changes to taxation rates; and • develops organisational contingency plans as appropriate.	

6. Integration, transformation and technology projects and programmes			
Principal risk	**Change in risk/impact**	**Risk mitigation strategy**	**Link to strategy**
Key Group projects and programmes could fail to deliver, resulting in missed market opportunities, and/or take longer to deliver, resulting in missed synergies and savings.	**Stable** A failure to deliver key strategic projects and programmes impacts on customer loyalty	The Group ensures that projects and programmes: • are subjected to detailed management oversight as well as having sponsorship from a senior-level stakeholder; • use a structured and disciplined delivery	**1, 2**

	and the strategic growth of the organisation.	methodology to ensure that they are robustly managed to achieve their outcome; and • use a comprehensive risk management approach managed by experienced project and programme managers.	

7. Business continuity planning and disaster recovery (operational resilience)			
Principal risk	**Change in risk/impact**	**Risk mitigation strategy**	**Link to strategy**
Planning and preparation of the organisation to ensure it could overcome serious incidents or disasters and resume normal operations within a reasonably short period, is critical to ensure that there is minimal impact to its operations, customers and reputation. Typical disasters might include: natural disasters such as fires and floods, accidents impacting key people, insolvency of key suppliers, negative media campaigns and market upheavals.	**Stable** The geographical nature of the operating environment and key risk exposures are known and understood and the business was able to continue operating notwithstanding the impact of COVID-19.	This approach includes the development, embedding and refinement of the incident and crisis management approach for the Group in order to proactively manage these incidents. Group business continuity plans have been refreshed for key sites and business areas.	**1, 2, 3, 4, 5, 6**

8. Data management			
Principal risk	**Change in risk/impact**	**Risk mitigation strategy**	**Link to strategy**
The inability to adequately protect sensitive customer data and other key data and information assets that could be leaked, exposed, hacked or transmitted would result in customer detriment, formal investigations and/or possible litigation leading to prosecution, fines and damage to our brands.	**Stable** The Group has developed a robust control environment in relation to customer data controls and the regulatory requirements.	The Group has in place data protection policies and colleague training in order to protect the privacy rights of individuals in accordance with the relevant local data protection and privacy legislation and with GDPR. These are monitored by an experienced data protection officer to ensure that the business is aware of, and adheres to, industry best practice standards and relevant laws. Technology and IT security controls are in place to restrict access to sensitive data and ensure individuals only have access to the data they need to do their job.	**2, 4**

9. Cyber resilience			
Principal risk	**Change in risk/impact**	**Risk mitigation strategy**	**Link to strategy**
Cyber-attacks can disrupt and cause considerable financial and reputational damage to the Group. If a cyber-attack were to occur the Group could lose assets, reputation and business, and potentially face regulatory fines and litigation – as well as the costs of remediation. Operations are highly dependent on technology and advanced information systems (such as cloud computing) and there is a risk that such technology or systems could fail, or outages occur.	**Stable** Due to the programme of work in place and response to previous incidents and lessons learned this is considered a stable risk to the Group.	We carry out a number of cyber exercises on a regular basis to understand the maturity of controls, with a roadmap of further work planned to enhance them within the current IT estate. A programme of work is ongoing to enhance cyber security and resilience within the IT estate with dedicated, specialised resources.	**2**

10. Dependency on third parties and supply chain			
Principal risk	**Change in risk/impact**	**Risk mitigation strategy**	**Link to strategy**
The Group is dependent on a number of third-party suppliers for the operation of its business. The withdrawal or removal from the market of one or more of these third-party suppliers, or failure of these suppliers to comply with contractual obligations, could adversely affect operations, especially where these suppliers are niche.	**Stable** The third-party operating environment and key risk exposures have changed as a result of COVID-19, but the risk to the business is nevertheless considered stable.	The Group has a central procurement team in place to oversee the process for acquisition of suppliers across the Group together with the development of a supplier risk management framework. Close communication and accountability for relationships within the Group are in place for these suppliers, with suppliers required to ensure that Group requirements are met. Discussions have taken place with suppliers as a result of the impact of COVID-19, particularly in relation to the closure and then re-opening of our venues.	**1, 2, 3, 4, 5, 6**

11. People			
Principal risk	**Change in risk/impact**	**Risk mitigation strategy**	**Link to strategy**
People are pivotal to the success of the organisation and a failure to attract or retain key individuals may impact the Group's ability to deliver on its strategic priorities.	**Stable** Considered 'stable' as the risk to the business is	A programme of activity is focused on developing diversity across the organisation. A programme of activity is focused on succession	**1, 2, 3, 4, 5, 6**

A pre-requisite to achieving all of the strategic priorities is ensuring the Group has the right people with the right skills, deployed within the right area of the business.	unchanged, notwithstanding that the impact of COVID-19 cannot be ignored.	planning for the business particularly at senior levels. The Group regularly reviews its reward propositions. Culture is a specific transformation workstream, but is also considered across all other workstreams including safer gambling.	

Brexit

An emerging risk is the impact of Brexit, where the key challenges to the business are likely to be availability of staff and effect on data handling. We have appropriate business continuity arrangements in place for short-term border disruptions affecting the movement of our people and are not otherwise over-exposed to the impact of Brexit in this area. Appropriate data sharing arrangements are in place to allow us to continue to fulfil our data handling obligations. Given the terms of the withdrawal agreement between the UK and the EU, there is not anticipated to be an impact of Brexit for the Group in practice until the end of the transitional period on 31 December 2020.

COVID-19

There is considerable ongoing uncertainty about how COVID-19 will continue to impact the business over the coming weeks and months. Our major concern remains to safeguard the health and wellbeing of our staff. Arrangements have been made for office staff, who can, to work from home. Where staff cannot work from home we have ensured that staff rotation and appropriate social distancing measures are in place to protect their wellbeing.

Section 172 Statement

Section 172 of the Companies Act 2006 ('Companies Act') requires the Company's directors to act in the way they consider, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole. In addition, we also have regard to other factors which we consider relevant to the decisions being made. Those factors for example include the interest and views of the Group. By considering the Company and the Group's purpose, vision, and values together with its strategic priorities and having a process in place for decision-making, we aim to make sure that our decisions are consistent and appropriate in all the circumstances.

We delegate authority for day-to-day management of the Company to executives and then engage management in setting, approving and overseeing execution of the business strategy and related policies. Board meetings are held periodically where the directors consider the Company's activities and make decisions. In making our decisions we considered a range of factors. These included the long-term viability of the Company; its expected cash flow and financing requirements; the ongoing need for strategic investment in our business and the expectations of our shareholder as the supplier of long-term equity capital to the Company.

As the principal activity of the Company is to act as a holding company for other entities in the Group, the Company has no commercial business, and no employees, customers or suppliers other than other Group companies during the period and as such the breadth of stakeholder considerations that would often apply in operating or commercial trading companies have generally not applied to the decisions made by the directors.

By order of the board

Mr W. J.S. Floydd
Director

Date: 17 December 2020

The directors present their report and financial statements for the year ended 30 June 2020.

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

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

Dividends
The Directors do not recommend payment of a dividend (2019: £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 going concern of the entity and conclude that they are dependent on the group to provide support to reach that conclusion. As a member of the Rank 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 12 months from the approval of the financial statements and the directors are satisfied with the support available.

The Directors consider, following their review, that there is a degree of risk due to the impact of the COVID-19 pandemic on consumer sentiment, government policy and the overall impact on consumer demand, however, appropriate mitigation has been taken via a new equity placing raising gross proceeds of £70 million alongside negotiating an extension of its banking covenants, extending the liquidity covenant of a minimum £50 million in cash and available facilities, through to March 2022. As such, the board has a reasonable expectation that the Group is able to manage its business risks and to continue in operational existence for 12 months from the date of signing of the accounts.

On this basis, and with Rank Group Finance Plc having confirmed in writing its intention to continue to support the Company for 12 months from the approval of this report, the directors consider it appropriate to adopt the going concern basis for preparing the financial information.

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 2020.

Human resources
The Company recognises that the contribution made by its employees is crucial to the success of each of its businesses. 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 the key performance indicators of each business. In addition, communication and consultation programmes exist at site, Company and Group 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 pages 2 to 9.

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 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, financial performance, and cash flows 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 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 through intercompany funding, details of which are disclosed in note 10. 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 Rank's ARA. Details of how to obtain this report are shown in note 11.

Post balance sheet events
The Rank Group Plc, the parent undertaking of the smallest group to consolidate the financial statements of the Company, continues to closely monitor the ongoing government response to the COVID-19 pandemic in the markets in which it operates, and will continue to implement and adapt the business in response to the government guidance.

There is degree of risk relating to how COVID-19 will develop over the coming weeks and months after it was announced as a global health emergency by the World Health Organisation on 31 January 2020. Our major concern is to safeguard the health and wellbeing of our staff and as a result business travel has been stopped and video conferencing used as an alternative. Arrangements have been made for office staff, who can, to work from home. Where staff cannot work from home we have ensured that staff rotation and appropriate social distancing measures are in place to protect their wellbeing.

On 10 December 2020, at the time of signing these annual accounts, the Directors of two subsidiaries, Rank Digital Gaming (Alderney) Limited and Rank Digital Services (Gibraltar) Limited declared and paid dividends or £43,000,000 and £16,000,000 respectively to the Company.

These dividends were paid by way of settlement of intercompany balances with Rank Group Finance Plc, resulting in a reduction in the intercompany payable by the Company to Rank Group Finance Plc by the value of the dividends, being £59,000,000.

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.

By order of the board

Mr W.J.S. Floydd
Director

Date: 17 December 2020

Opinion

We have audited the financial statements of Rank Digital Holdings Limited (the 'Company') for the year ended 30 June 2020 which comprise the Income Statement, the Balance Sheet, the Statement of Comprehensive Income, the Statement of Changes in Equity and the related notes 1 to 13, 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 2020 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 below. 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.

Emphasis of Matter

We draw attention to note 1 and 13 of the financial statements, which describe the economic and social impact on the company as a result of COVID-19 which has the potential to impact on the Group's sales, profitability and cash flow given the ongoing uncertainty over restrictions attached to governments response to the pandemic and overall customer sentiment. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of twelve months from the date when the financial statements are authorised for issue.

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.

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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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.

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

17 December 2020

RANK DIGITAL HOLDINGS LIMITED
INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2020

	Note	Year ended 30 June 2020 Underlying £000	Year ended 30 June 2020 Separately disclosed items (note 2) £000s	Year ended 30 June 2020 Total £000s	Year ended 30 June 2019 Underlying £000	Year ended 30 June 2019 Separately disclosed items (note 2) £000s	Year ended 30 June 2019 Total £000s
Other income/(costs)	2	-	215	215	-	(991)	(991)
Operating profit/(loss)	2	-	215	215	-	(991)	(991)
Interest payable	3	(3,729)	-	(3,729)	(602)	-	(602)
Loss from ordinary activities before taxation		(3,729)	215	(3,514)	(602)	(991)	(1,593)
Taxation	4	708	(5)	703	2	-	2
Loss for the period		(3,021)	210	(2,811)	(600)	(991)	(1,591)

All results are from continuing operations.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	Year ended 30 June 2020 £000	Year ended 30 June 2019 £000
Comprehensive income:		
Loss for the period	(2,811)	(1,591)
Total comprehensive expense for the period	(2,811)	(1,591)

RANK DIGITAL HOLDINGS LIMITED
BALANCE SHEET
AT 30 JUNE 2020

	Note	At 30 June 2020 £000	At 30 June 2019 £000
Fixed assets			
Investments in subsidiaries	6	206,067	90,059
		206,067	90,059
Creditors: amounts falling due within one year			
Trade and other creditors	7	(164,895)	(43,593)
Deferred consideration	7	-	(2,483)
		(164,895)	(46,076)
Net current liabilities		(164,895)	(46,076)
Total assets less current liabilities		41,172	43,983
Net assets		41,172	43,983
Shareholder's equity			
Ordinary share capital	8	3,431	3,431
Retained earnings		37,741	40,552
Total equity		41,172	43,983

The notes on pages 18 to 29 are an integral part of these financial statements.

These accounts were approved by the board on 17 December 2020 and signed on its behalf by:

Director: Mr W.J.S. Floydd

RANK DIGITAL HOLDINGS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Share capital £000	Retained earnings £000	Total £0
At 30 June 2018	3,431	42,143	45,574
Total comprehensive income:			
Loss for the year	-	(1,591)	(1,591)
Transactions with owners:			
Dividend paid to equity holders	-	-	-
At 30 June 2019	3,431	40,552	43,983
Total comprehensive income:			
Loss for the period	-	(2,811)	(2,811)
At 30 June 2020	3,431	(37,741)	41,172

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 Standards 101 'Reduced Disclosure Framework'. 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 paragraph 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 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 11.

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 Company is itself a subsidiary company and is exempt from the requirement to prepare group financial statements by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

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 entity and conclude that they are dependent on the group to provide support to reach that conclusion. As a member of the Rank 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 12 months from the approval of the financial statements and the directors are satisfied with the support available.

The Directors consider, following their review, that there is a degree of risk due to the impact of the COVID-19 pandemic on consumer sentiment, government policy and the overall impact on consumer demand, however, appropriate mitigation has been taken via a new equity placing raising gross proceeds of £70 million alongside negotiating an extension of its banking covenants, extending the liquidity covenant of a minimum £50 million in cash and available facilities, through to March 2022. As such, the board has a reasonable expectation that the Group is able to manage its business risks and to continue in operational existence for 12 months from the date of signing of the accounts.

On this basis, and with Rank Group Finance Plc having confirmed in writing its intention to continue to support the Company for 12 months from the approval of this report, the directors consider it appropriate to adopt the going concern basis for preparing the financial information.

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 2020.

1. Accounting policies (continued)
A. Basis of preparation (continued)

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.

The Company has changed the adjusted results it discloses on its consolidated income statement in addition to the IFRS compliant measures. The presentation of the income statement has changed from "before exceptional items" and "exceptional items" in the prior year to "underlying" and "separately disclosed items" ('SDIs') in the current year. The comparatives in the income statement have been restated to reflect this change.

SDIs are items that are material and infrequent in nature and/or do not relate to underlying business performance. They are effectively "exceptional items" as per the prior year plus other items that do not relate to underlying business performance. "Exceptional items" in the prior year were described as material non-recurring items. The change was made to provide more relevant information to the users of the accounts as the 'underlying' results more appropriately represent the underlying performance of the group, enable comparability between years and amongst peers within the industry, is in line with common practice and shows the underlying measures used to run the business.

Judgement is required in determining whether an item should be classified as an SDI or included within the underlying results.

Separately disclosed items include (but are not limited to):
• Amortisation of acquired intangible assets;
• Profit or loss on disposal of businesses;
• Impairment charges;
• Reversal of impairment charges;
• Restructuring costs as part of an announced programme;
• Retranslation and remeasurement of foreign currency contingent consideration;
• Discontinued operations; and
• Tax impact of all the above.

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

(i) Estimated impairment of investments in subsidiaries.
Details of the Company's accounting policy in relation to impairments and impairment reversals are disclosed in part B 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 investment in subsidiaries 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.

In the current year, as a result of the COVID-19 pandemic, the Company has assessed the impact of incorporating an additional COVID-19 risk factor into the impairment testing of goodwill and non-current assets and included additional sensitivity analysis in the disclosures. The key judgement is the timing for the reopening of venues post lockdown and the impact on estimated future cashflows. With regards to the reopening of venues there were indicators of some uncertainty observable at the balance sheet date with regards to these launch plans, these have been factored into the Company's impairment calculations as at 30 June 2020. At 30 June 2020 balance sheet date, the UK was still starting to move out of the "lockdown" phase with the anticipated

1. Accounting Policies (continued)
A Basis of preparation (continued)

reopening of the majority of the Group's Mecca Venues on 4 July 2020. The date for casinos being permitted to reopen had not been announced at this point. Subsequently, casinos started to reopen from 15 August 2020.

(ii) Determination of the fair values of intangible assets and contingent consideration
The Group estimates the fair value of acquired intangible assets arising from business combinations by selecting and applying appropriate valuation methods. These include the relief from royalty and multi-period excess earnings valuation methods, both of which require significant judgements and estimates to be made.

Examples include estimating expected cash flows and identifying appropriate royalty and discount rates. The fair value of each acquired intangible asset is amortised over the respective assets estimated useful life. The Group uses projected financial information together with comparable industry information, where available, as well as applying its own experience and knowledge of the industry in making such judgements and estimates.

Contingent consideration is initially recognised at fair value and subsequently reassessed at each reporting date to reflect changes in estimates and assumptions. The determination of fair value requires an assessment of the future performance of a relatively immature business operating in a high growth market and is therefore inherently volatile. The Group has estimated the fair value using projected financial information.

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:
• Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform
• Amendments to IAS 1 and IAS 8: Definition of Material
• Amendments to References to the Conceptual Framework in IFRS Standards
• IFRS 16 – Leases
• IFRIC 23 – Uncertainty over Income Tax Treatments

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

B Investments
Investments in subsidiaries are held at cost less impairment and are tested annually for impairment.

An impairment loss is recognised for the amount by which the investment's carrying amount exceeds the valuation of the subsidiary in which the investment in held. The valuation of the subsidiary represents its net assets, including the net assets of its own subsidiaries, less its cost of investment in those subsidiaries.

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 periods.

C Taxation
Current tax is applied to taxable profits at the rates ruling in the relevant country.

Deferred tax is provided in full, using the balance sheet 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.

1. Accounting policies (continued)
C Taxation (continued)

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

D Financial assets

Initial recognition and measurement
Financial assets are classified, at initial recognition, and 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.

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.

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

- Financial assets at amortised cost (debt instruments)
- Financial assets 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)
- 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 (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.

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 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.

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 Group 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).

1. Accounting policies (continued)
D Financial assets (continued)

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.

E Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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.

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

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

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.
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.

Financial liabilities at amortised cost
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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 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.

2. Operating loss for the period

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

	Year ended 30 June 2020 £000	Year ended 30 June 2019 £000
Separately disclosed items (income)/ costs (see below)	(215)	991

	Year ended 30 June 2020 £000	Year ended 30 June 2019 £000
Continuing operations:		
Write-off of accrued contingent consideration	(214)	-
Foreign exchange loss on contingent consideration	(27)	(593)
Interest on acquisition	26	1,584
Total separately disclosed items	(215)	991

The audit fee of £2k is borne by Rank Leisure Holdings Limited.

The analysis of the SDIs during the year is as follows:

2020 period
The interest and foreign exchange gain associated with the contingent consideration in relation to the acquisition of QSB Gaming Limited and its subsidiaries ('YoBingo') has been presented as an SDI due to it being infrequent in nature and not relating to underlying business performance.

During the year £215,000 of gains were recognised on the write-off of contingent consideration payable as a result of the acquisition of QSB Gaming Limited ("YoBingo").

2019 period
The interest and foreign exchange gain associated with the contingent consideration in relation to the acquisition of QSB Gaming Limited and its subsidiaries ('YoBingo') has been presented as an SDI due to their one-off nature.

SDIs of £2.2m relating to the proposed acquisition of Stride Gaming plc were borne by Rank Leisure Holdings Limited (see note 13).

3. Interest

	Year ended 30 June 2020 £000	Year ended 30 June 2019 £000
Interest payable		
Interest payable to Group companies	3,729	602
Total	3,729	602

4. Taxation

	Year ended 30 June 2020 £000	Year ended 30 June 2019 £000
Continuing operations:		
Current tax		
UK corporation tax in respect of current year	708	115
Separately disclosed items	(5)	(113)
Total credit to the income statement	703	2

The tax on the Company's profit before tax on continuing operations differs from the standard rate of UK corporation tax of 19.00% (2019: 19.00%). The differences are explained below:

	Year ended 30 June 2020 £000	Year ended 30 June 2019 £000
Loss before tax	(3,514)	(1,593)
Loss before tax multiplied by standard rate of corporation tax in the UK of 19.00%	668	303
Effects of:		
Income not subject to tax	35	-
Expenses not deductible for tax purposes	-	(301)
Total tax credit in the income statement	703	2

Factors affecting future tax charges:
The tax rate for the current year is the same as prior year.

A reduction to the UK corporation tax rate from 19% to 18% (effective from 1 April 2020) was substantively enacted on 26 October 2015. A further reduction in the UK corporation tax rate to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016.

On 11 March 2020, the Chancellor of the Exchequer announced that the UK corporation tax rate for the years starting 1 April 2020 and 2021 would remain at 19%. This change was substantively enacted on 17 March 2020.

5. Dividends

The directors do not recommend the payment of a dividend (2019: £nil).

6. Investments

	At 30 June 2020 £000	At 30 June 2019 £000
Investments in subsidiaries	206,067	90,059
Total	206,067	90,059

	Total Investments £000
Cost	
At 30 June 2018	90,059
Additions	-
At 30 June 2019	90,059
Additions	116,008
At 30 June 2020	206,067
Aggregate impairment	
At 30 June 2018 and 30 June 2019	-
Aggregate impairment	-
At 30 June 2020	-
Net book value	
At 30 June 2019	90,059
At 30 June 2020	206,067

2020 period

On 4 October 2019, the Company acquired 99.8% of the issued share capital of Stride Gaming plc ("Stride") for a total cash consideration of £116.0m which included £1.5m in respect of employee benefit schemes. There was no deferred or contingent consideration.

Stride is an established scale player in the highly regulated UK soft gaming market and provides business to customer services through a portfolio of 150 online brands, 14 of which are operated on Stride's proprietary platform and also business to business services licensing its proprietary platform. The acquisition of Stride will accelerate the transformation of the Group and create one of the UK's leading online gaming businesses.

For further details on the acquisition please see note 34 of the Group's ARA. Details of how to obtain this report are shown in note 11.

During the 2019/20 financial year deferred consideration of €1.5m was paid in connection with the acquisition of QSB gaming Limited and its subsidiaries ("YoBingo") following the acquisition in May 2018.

A list of all the investments in subsidiary undertakings is included in note 12.

6. Investments (continued)

2019 period

On 21 May 2018, the Company acquired 100% of the issued share capital of QSB Gaming Limited and its subsidiaries ('YoBingo') for an initial consideration of €23.1m. Of the initial consideration, €21.1m was paid in cash on completion and €2.0m was deferred for 24 months. Further contingent consideration was payable in cash, subject to 2018 calendar year performance, up to a total consideration cap of €52.0m. During the 2018/19 financial year contingent consideration totalling €28.1m (£24.2m) was paid in cash based upon the 2018 calendar year performance.

A list of all the investments in subsidiary undertakings is included in note 12.

7. Trade and other payables

	Year ended 30 June 2020	Year ended 30 June 2019
	£000	£000
Amounts owed to fellow subsidiary undertakings	164,895	43,593
Deferred consideration	-	2,483
Current	164,895	46,076
Deferred consideration	-	-
Non-current	-	-

Amounts owed to fellow Group companies are repayable on demand and accordingly have no set maturity date. Intercompany interest is charged at a rate of 2.84% (2019: 2.39%). The Company has provided no collateral as security.

On the 21 May 2018, the Company acquired 100% of the issued share capital of QSB Gaming Limited and its subsidiaries ('YoBingo'). The contingent and deferred consideration for the acquisition, as detailed in note 6, is denominated in euros and has therefore been revalued at the balance sheet date.

During the 2019/20 financial year deferred consideration of €1.5m was paid in connection with the acquisition of QSB gaming Limited and its subsidiaries ("YoBingo") following the acquisition in May 2018.

8. Ordinary share capital

	At 30 June 2020	At 30 June 2019
	£000	£000
Authorised, issued and fully paid		
3,431,001 ordinary shares of £1 each	3,431	3,431
Total	3,431	3,431

9. Employees and directors

	Year ended 30 June 2020 £000	Year ended 30 June 2019 £000
Directors		
Aggregate emoluments	24	94
Company contributions to pension schemes	2	7
Total	26	101
Highest paid director		
Aggregate emoluments	15	62
Company contributions to pension schemes	1	5
Total	16	67

The payment of director's emoluments is borne by another company within the Group, therefore the figures shown above represent the amounts recharged through management charges, to the Company's subsidiary undertakings, based on the group structure at the balance sheet date. All key management are directors of the Company.

The Company has no employees.

10. Financial assets and liabilities

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

	Other financial liabilities	
	Year ended 30 June 2020 £000	Year ended 30 June 2019 £000
Amounts owed to fellow subsidiary undertakings	164,895	43,593
Deferred consideration	-	2,483
Total	164,895	46,076

11. Parent undertakings and related party transactions

The Company's immediate parent undertaking is Rank Leisure Holding Limited (RLHL), a company incorporated 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 (from the date Hong Leong became the ultimate parent undertaking). Rank was the parent undertaking of the smallest group to consolidate these financial statements. Copies of Rank's consolidated ARA can be obtained from https://www.rank.com/en/investors/results--reports---presentations.category1.html or by written request to the Company Secretary at The Rank Group plc, TOR, Saint-Cloud Way, Maidenhead, Berkshire, SL6 8BN.

12. Subsidiaries

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

Name	Country of incorporation	Principal activities	Registered office address
Rank Digital Limited (1)	England and Wales	Support services to interactive gaming	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Upperline Marketing Limited	England and Wales	Support services to interactive gaming	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Rank Digital Gaming (Alderney) Limited (1)	Alderney	Interactive gaming	La Corvee House, Alderney, Channel Islands, GY9 3TQ
QSB Gaming Limited (1)	Channel Islands	Intermediary holding company	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Mindful Media Limited	Channel Islands	Dormant	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Rank Digital Services (Gibraltar) Limited (1)	Gibraltar	Property services	Second Floor, Icom House, 1/5 Irish Town, Gibraltar
Bingosoft Plc	Malta	Interactive gaming	Vault 14,Level 2, Valletta Waterfront, Floriana, FRN 1914, Malta
Stride Gaming Limited (formerly Stride Gaming plc) (1)	Channel Islands	Intermediary holding company	12 Castle Street, St Helier, Jersey. JE2 3RT
Stride Investment Limited	Mauritius	Intermediary holding company	c/o Mauri Experta Ltd., 12th Level, Tower 1, Nexteracon Towers, Cybercity, Ebene, Republic of Mauritius
Passion Gaming Private Limited(2)	India	Online operator of digital card games in India	2nd Floor, SCO No 350, Sector 9, Urban Estate, Panchkula, Haryana, India
Daub Alderney Limited	Alderney	Interactive bingo gaming	Inchalla, Le Val, Alderney GY9 3UL
8Ball Games Limited	England and Wales	Marketing services	Unit 901 Highgate Studios 53-79 Highgate Road, Kentish Town, London, NW5 1TL
Think Beyond Media Limited	England and Wales	Marketing services	Unit 441/2 Highgate Studios 53-79 Highgate Road, Kentish Town, London, NW5 1TL
Spacebar Media Limited	England and Wales	Development and maintenance of online gaming software	Unit 450 Highgate Studios 53-79 Highgate Road, Kentish Town, London, NW5 1TL
Stride Together Limited	England and Wales	Support services to interactive gaming	Unit 901 Highgate Studios 53-79 Highgate Road, Kentish Town, London, NW5 1TL
Netboost Media Limited	Israel	Marketing services	5 Ha'Chilazon Street, Ramat Gan, Israel
Shifttech (Pty) Limited	South Africa	Development and maintenance of online gaming software	Unit 10, 10 Pepper Street, Cape Town, Western Cape 8001, South Africa
Baldo Line SRL	Italy	Dormant	Gallarate (VA) Via Postporta 2 CAP 21013
SRG Services Limited	Mauritius	Shared services support	Suite 221 Grand Bay Business Park, Grand Bay 30515, Republic of Mauritius
S.T.R. Financials Limited	Israel	Dormant	58 Harakevet St. Electra City Tower Tel-Aviv 6777016 Israel
Stride Gaming Sweden AB	Sweden	Dormant	c/o Nordic Gaming, Norrtullsgatan 6, 113 29 Stockholm, Sweden
Stride Gaming Spain Plc	Malta	Dormant	Level 3, Valleta Buildings, South Street, Valletta VLT 1103, Malta
Stride Gaming Limited	Jersey	Intermediary holding company	12 Castle Street, St.Helier Jersey JE2 3RT

(1) Directly held by the Company.

The principal activities for all subsidiaries other than Rank Digital Gaming (Alderney) Limited are carried out in the country of incorporation as indicated above. The principal activities for Rank Digital Gaming (Alderney) Limited are carried out in Gibraltar.

All undertakings have a 30 June year end except for Passion Gaming Private Limited which has a 31 March year end.

13. Post balance sheet event

The Rank Group Plc, the parent undertaking of the smallest group to consolidate the financial statements of the Company, continues to closely monitor the ongoing government response to the COVID-19 pandemic in the markets in which it operates, and will continue to implement and adapt the business in response to the government guidance.

There is degree of risk relating to how COVID-19 will develop over the coming weeks and months after it was announced as a global health emergency by the World Health Organisation on 31 January 2020. Our major concern is to safeguard the health and wellbeing of our staff and as a result business travel has been stopped and video conferencing used as an alternative. Arrangements have been made for office staff, who can, to work from home. Where staff cannot work from home we have ensured that staff rotation and appropriate social distancing measures are in place to protect their wellbeing.

On 10 December 2020, at the time of signing these annual accounts, the Directors of two subsidiaries, Rank Digital Gaming (Alderney) Limited and Rank Digital Services (Gibraltar) Limited declared and paid dividends or £43,000,000 and £16,000,000 respectively to the Company.

These dividends were paid by way of settlement of intercompany balances with Rank Group Finance Plc, resulting in a reduction in the intercompany payable by the Company to Rank Group Finance Plc by the value of the dividends, being £59,000,000.