

RANK INTERACTIVE LIMITED

Registered No. 10707265

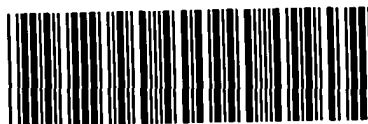
DIRECTORS' REPORT

AND

FINANCIAL STATEMENTS

30 June 2023

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COMPANIES HOUSE

Corporate information**Directors**

Mr. J.P. O'Reilly
Mr. J.J. Martin
Mr. J. Plumb

Auditors

Ernst & Young LLP
G1, 5 George Square
Glasgow
G2 1DY

Bankers

Barclays Bank PLC
1 Churchill Place London
E14 5HP
United Kingdom

Registered Office

Tor, Saint-Cloud Way
Maidenhead
England
SL6 8BN

RANK INTERACTIVE LIMITED

DIRECTORS' REPORT

The Company changed its name from Aspers Online Limited to Rank Interactive Limited on 21 April 2022 following the acquisition of the outstanding 50% of the share equity at that date, so that the Company became a wholly owned subsidiary of Stride Gaming Limited. The Directors present their report and financial statements for the year ended 30 June 2023.

Principal activities

The principal activity of the Company is the provision of online gaming services through its website www.rialtocasino.com. In the year the Company licenced the Stride Gaming technology and gambling licence service to execute its online gaming services. The Company is a limited company incorporated and domiciled in England and Wales. The Directors do not anticipate any change in the activity of the Company in the foreseeable future.

Review of the business

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

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

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

The results for the Company show a pre-tax profit of £441k for the year (2022: pre-tax loss of £136k) and revenue of £1,496k (2022: £3,174k). Following the acquisition of the 50% share equity of Aspers Online Limited, the Company underwent a rebranding exercise which impacted the existing customer base, resulting in a reduction of active players and hence a reduction in revenue. Post-acquisition, the Company applied a new marketing strategy to bring awareness to the new brand name and drive improved operational efficiencies.

The balance sheet as at 30 June 2023 shows net liabilities of £832k (2022: net liabilities of £1,515k). Cash generated during the period has been pooled in accordance with the Group's treasury policy to a fellow subsidiary in line with prior years.

Directors

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

Mr. J.P. O'Reilly
Mr. J.J. Martin
Mr. J. Plumb

Dividends

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

Key performance indicators (KPIs)

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

RANK INTERACTIVE LIMITED

DIRECTORS' REPORT (CONTINUED)

Principal risks and uncertainties

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

Going concern

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

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

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

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

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

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

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

Human resources

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

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

Future developments

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

Political donations

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

RANK INTERACTIVE LIMITED

DIRECTORS' REPORT (CONTINUED)

Research and development

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

Financial risk management

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

The Group's risk mitigation strategy focuses on:

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

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS101)) and applicable law. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make judgements and estimates that are reasonable and prudent;
- provide additional disclosures when compliance with the specific requirements in UK Generally Accepted Accounting Practice is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and 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

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

Financial instruments

The Company finances its activities with a combination of intercompany funding and cash at bank, details of which are disclosed in note 13. Other financial assets and liabilities arise directly from the Company's operating activities.

RANK INTERACTIVE LIMITED
DIRECTORS' REPORT (CONTINUED)

Financial instruments (continued)

These financial instruments give rise to market, credit and liquidity risks. As a wholly owned subsidiary of Rank, many of these risks are combined on a Group basis and managed by a centralised treasury team. Details of the financial risk management objectives and policies of this centralised team are disclosed in note 21 of Group's ARA, which is available at www.rank.com.

Post balance sheet events

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

Auditors

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

In accordance with s487(2) of the Companies act 2006, Ernst & Young LLP will continue as auditors of the Company.

Small companies exemption

In preparing the Directors' Report, advantage has been taken of the small companies 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



Mr. J.J. Martin
Director
Date: 31 October 2023

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

Opinion

We have audited the financial statements of Rank Interactive Limited (the "Company") for the year ended 30 June 2023 which comprise the income statement, the statement of comprehensive income, the balance sheet, the statement of changes in equity, and the related notes 1 to 15, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 June 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the provisions available for small entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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.
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are the Companies Act 2006, the UK Gambling Commission, Gambling Act 2005, Money Laundering regulations and License Conditions & The Code of Practice 2008. In addition, we concluded that there are certain significant laws and regulations which may have an effect on the determination of the amounts and disclosures in the financial statements being the FRS 101 financial framework, and those laws and regulations relating to data protection (GDPR).
- We understood how the Company is complying with those frameworks by making enquiries of management, internal audit, those responsible for legal and compliance procedures and the company secretary. We corroborated our enquiries through our review of board minutes, papers provided to the Audit Committee, correspondence received from regulatory bodies and information relating to the Company's anti-money laundering procedures as part of our walkthrough procedures.
- For matters open in previous years, we have inquired of management for progress and obtained supporting documents.
- We tested management's procedures over anti-money laundering regulations and enhanced due diligence procedures, for a sample of players we;
 - obtained and read know your customer (KYC) documentation to ensure that it was in line with the requirements of the Company policies,

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

- where any changes to limits had been granted in the year, for a sample of customers we obtained the account transaction history and procedures and verified that these were in line with the relevant policies and laws and regulations
 - We analysed the list of Self-excluded users for the year to verify that the number of days of exclusion requested by the user has passed before access was granted to the user
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management within various parts of the business to understand where they considered there was susceptibility to fraud. We also considered performance targets and their influence on management to manage earnings or influence the perceptions of analysts. We considered the programmes and controls that the Group has established to address the risk identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where this risk was considered to be higher, we performed audit procedures to address each identified fraud risk.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved audit procedures in respect of 'Compliance with laws and regulations' (as described above) as well review of board minutes to identify non-compliance with such laws and regulations; review of reporting to the Audit Committee on compliance with regulations; enquiries with the Rank Group's general counsel, group management and Internal audit; testing of manual journals and review of correspondence from Regulatory authorities.
- The Company operates in the gaming industry which is a highly regulated environment. The Senior Statutory Auditor has experience serving clients in a variety of public UK-listed companies including those in highly regulated environments. She reviewed the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities, which included the use of experts where appropriate.
- As the gaming industry is highly regulated, we have obtained an understanding of the regulations and the potential impact on the Company and in assessing the control environment, we have considered the compliance of the Company to these regulations as part of our audit procedures which included a review of correspondence received from the regulator.
- In addition, we worked with our EY specialists to Assist us in understanding the risks in respect of gaming duties in jurisdictions where the appropriate tax treatment is uncertain.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by considering there to be a potential for management override to achieve revenue targets via topside manual journal entries posted to revenue, further identifying revenue to be a fraud risk area. We performed walkthroughs of significant classes of revenue transactions to understand significant processes and identify and assess the design effectiveness of key controls. We used data analytics tools to perform a correlation analysis to identify those revenue journals for which the corresponding entry was not to cash. These identified entries included VAT and customer incentives we obtained corroborating evidence for such entries. For a sample of material customer incentives, we obtained evidence that the expense was correctly netted off against revenue. We verified the recognition and measurement of revenue by tracing a sample of transactions, selected at random throughout the year, to cash banked to verify the accuracy of reported revenue. We applied data analytics tools to reperform the monthly reconciliation between revenue, cash and customer balances. For each brand, using test accounts in the live gaming environment, we tested the interface between gaming servers, data warehouse and the accounting system.

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.

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

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

Annie Graham (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Glasgow
31 October 2023

RANK INTERACTIVE LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023

	Note	Year ended 30 June 2023 £000	Year ended 30 June 2022 £000
Revenue	2	1,496	3,174
Other operating costs	3	(929)	(3,304)
Operating profit / (loss)	3	567	(130)
Interest expense	4	(126)	(6)
Profit / (loss) on ordinary activities before taxation		441	(136)
Taxation	5	242	3
Profit / (loss) for the year		683	(133)

All results are from continuing operations.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	Year ended 30 June 2023 £000	Year ended 30 June 2022 £000
Profit / (loss) for the year	683	(133)
Total comprehensive income/(loss) for the year	683	(133)

The notes on pages 13 to 22 are an integral part of these financial statements.

RANK INTERACTIVE LIMITED
BALANCE SHEET
AT 30 JUNE 2023

		At 30 June 2023 £000	At 30 June 2022 £000
Non-current assets			
Deferred tax asset	7	239	-
		<u>239</u>	<u>-</u>
Current assets			
Trade and other receivables	8	457	67
Cash and cash equivalents	11	51	213
		<u>508</u>	<u>167</u>
Current liabilities			
Trade and other payables	9	(1,579)	(1,795)
		<u>(1,579)</u>	<u>(1,795)</u>
Net current liabilities		<u>(1,071)</u>	<u>(1,515)</u>
Net liabilities		<u>(832)</u>	<u>(1,515)</u>
Capital and reserves			
Ordinary share capital	10	1	1
Retained earnings		(833)	(1,516)
Total equity		<u>(832)</u>	<u>(1,515)</u>

The notes on pages 13 to 22 are an integral part of these financial statements.

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



Mr. J.J. Martin
Director

Company Registration No. 10707265

RANK INTERACTIVE LIMITED
STATEMENT OF CHANGES IN EQUITY.
FOR THE YEAR ENDED 30 JUNE 2023

	Ordinary share capital £000	Retained earnings £000	Total £000
At 1 July 2021	1	(1,383)	(1,382)
Total comprehensive income:			
(Loss) for the year	-	(133)	(133)
At 30 June 2022	1	(1,516)	(1,515)
Total comprehensive income:			
Profit for the year	-	683	683
At 30 June 2023	1	(833)	(832)

The notes on pages 13 to 22 are an integral part of these financial statements.

RANK INTERACTIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. General information and accounting policies

Rank Interactive Limited (formerly known as Aspers Online Limited) is a private company limited by shares, incorporated and domiciled in England and Wales under registration number 10707265. The address of its registered office is TOR, Saint-Cloud Way, Maidenhead, SL6 8BN.

The principal activity of the Company is the provision of online gaming services.

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

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

A. Basis of preparation

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

- The requirements of IAS7 'Statement of Cash Flows';
- The requirements of paragraph 17 of IAS24 'Related Party Disclosures';
- The requirements in IAS24 'Related Party Disclosures' to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is party to the transaction is wholly owned by such a member;
- The requirements of paragraph 45(b) and 46-52 of IFRS2 'Share Based Payments';
- The requirements of IFRS7 'Financial Instruments: Disclosures';
- The requirements of 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 requirements of paragraph 52 and paragraphs 90, 91 and 93 of IFRS 16 Leases

The results of the Company, along with the equivalent disclosures in respect of the exemptions listed above are included in Rank Group Plc's ('Group') ARA, details of which are contained in note 14 of these financial statements.

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

B. Changes in accounting policies and disclosures

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

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

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

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

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

- Disclosure of accounting policies (amendments to IAS 1 and IFRS Practice Statement 2 effective for periods beginning on 1 July 2023);
- Definition of accounting estimates (amendments to IAS 8 effective for periods beginning on 1 July 2023);
- Deferred tax related to assets and liabilities arising from a single transaction (amendment to IAS 12 effective for periods beginning on 1 July 2023);
- Liability in a sale and leaseback (amendment to IFRS 16 effective for period beginning 1 July 2024);

RANK INTERACTIVE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. General information and accounting policies (continued)

B. Changes in accounting policies and disclosures (continued)

- Classification of liabilities as current and non-current (amendment to IAS 1 effective for periods beginning on 1 July 2024);
- Insurance contracts (amendment to IFRS 17 effective for periods beginning on 1 July 2024);
- Non-current liabilities with Covenants (amendment to IAS 1 effective for periods beginning on 1 July 2024).

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

C. Going concern

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

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

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

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

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

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

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

D. Accounting estimates and judgements

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

The Directors have concluded that there are no areas requiring a higher degree of judgement or complexity, nor areas where assumptions and estimates are significant to the financial statements.

E. Revenue

Revenue consists of the fair value of sales of goods and services net of sales taxes, rebates and discounts.

The fair value of free bets, promotions and customer bonuses ('customer incentives') are also deducted from appropriate revenue streams.

(a) Gaming win – Casino

Revenue for casinos includes gaming win before deduction of gaming-related duties for venue and online gaming. Although disclosed as revenue, gaming win – casino is accounted for and meets the definition of a gain under IFRS 9 'Financial Instruments'. Gaming revenue includes gains and losses arising where customers play against the house.

RANK INTERACTIVE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. General information and accounting policies (continued)

E. Revenue (continued)

(a) Gaming win – Casino (continued)

Due to the nature of the transaction, the amount of the payment the Company may be obliged to pay to the customer is uncertain. The financial instrument is therefore a derivative and is initially recognised at fair value and subsequently remeasured to fair value with changes in fair value recorded in the income statement. The initial fair value is generally the amount staked by the customer and includes adjustment for customer incentives, such as free bets, promotions and customer bonuses, where applicable. The instrument is subsequently remeasured when the result of the transaction is known and the amount payable is confirmed. This movement may be a gain or a loss. Gains and losses are offset on the basis that they arise from similar transactions. Such gains and losses are recorded in revenue.

(b) Gaming win – Slots and other digital products

Revenue for other digital products, including interactive games, represents gaming win before deduction of gaming-related duties. The Company's income earned from the above items is recognised when control of the goods or services are transferred to the customer and is within the scope of IFRS 15.

F. Financial assets

(a) Initial recognition and measurement

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

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

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

(b) Subsequent measurement

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

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

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

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

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

(c) Derecognition

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

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

RANK INTERACTIVE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. General information and accounting policies (continued)

F. Financial assets (continued)

(d) Impairment

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

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

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

G. Financial liabilities

(a) Initial recognition and measurement

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

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

(b) Subsequent 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.

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

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

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

(c) Financial liabilities at amortised cost

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

(d) Derecognition

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

(e) 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.

RANK INTERACTIVE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. General information and accounting policies (continued)

H. Cash and cash equivalents

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

I. Taxation

(a) Current tax

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

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

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

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if deferred tax arises from the initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

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

Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

(c) Sales tax

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

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

J. Share capital

Ordinary shares are classified as equity.

K. Dividends

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

L. Interest income/(expense)

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

RANK INTERACTIVE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Revenue

	Year ended 30 June 2023 £000	Year ended 30 June 2022 £000
Geographical market		
UK	1,496	3,174
Total	1,496	3,174

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

	Year ended 30 June 2023 £000	Year ended 30 June 2022 £000
Category		
Gaming win	1,496	3,174
Total	1,496	3,174

3. Operating profit / (loss) for the year

The following items have been charged (credited) in arriving at operating loss for the year:

	Year ended 30 June 2023 £000	Year ended 30 June 2022 £000
Auditors' remuneration	4	12

The audit fee of £4k (2022: £12k) is borne by fellow group company, Rank Leisure Holdings Limited.

4. Interest

	Year ended 30 June 2023 £000	Year ended 30 June 2022 £000
Interest expense		
Interest expense to Group companies	(126)	(6)
	(126)	(6)

Intercompany interest is charged at a rate of 8.79% (2022: 4.05%).

RANK INTERACTIVE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. Taxation

	Year ended 30 June 2023 £000	Year ended 30 June 2022 £000
Current tax		
UK corporation tax in respect of current year	-	(3)
Adjustment in respect of prior years	(3)	-
Total current tax credit	(3)	(3)
Deferred tax		
Origination and reversal of timing differences	(259)	-
Impact of rate changes on deferred tax	20	-
Adjustment in respect of prior years	-	-
Total deferred tax credit	(239)	-
Total tax credit in the income statement	(242)	(3)

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

	Year ended 30 June 2023 £000	Year ended 30 June 2022 £000
Profit / (loss) before tax	441	(136)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.50% (2022: 19.00%)	91	(26)
Effects of:		
Other permanent differences	-	(3)
Impact of rate changes on deferred tax	20	(8)
Adjustment in respect of prior years	(3)	-
Movement in deferred tax not recognised	(350)	34
Total tax credit in the income statement	(242)	(3)

Factors affecting future tax charges

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

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

On 31 March 2021, the Chancellor of the Exchequer announced the increase in the main UK corporation tax rate from 19.00% to 25.00% for the year starting 1 April 2023. This change was substantively enacted on 24 May 2021.

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

6. Dividends

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

RANK INTERACTIVE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. Deferred tax

Deferred tax is included in the balance sheet as follows:

	At 30 June 2023 £000	At 30 June 2022 £000
Tax losses	239	-
Deferred tax asset	239	-

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

Tax losses	(239)	-
Deferred tax (credit)/charge in the income statement	(239)	-

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

At start of year	-	-
Deferred tax credit in the income statement	239	-
At end of year	239	-

The Company has an unrecognised deferred tax asset of £nil (2022: £0.3m) related to trading losses.

Management considers to what extent it is probable that the deferred tax assets will be realised. The ultimate realisation of the deferred tax asset is dependent upon the generation of future taxable profits during the periods in which the tax loss carry-forwards become deductible.

The Company's deferred tax asset relates to losses generated before it became part of a larger group and therefore these cannot currently be surrendered to other group companies. It is anticipated based on management forecasts that sufficient future profits will be generated by the Company in order to realise its deferred tax asset itself in the foreseeable future. This supports full recognition of the deferred tax asset as at 30 June 2023.

8. Trade and other receivables

	At 30 June 2023 £000	At 30 June 2022 £000
Amounts owed by fellow subsidiary undertakings	412	29
Other receivables	45	38
Amounts falling due within one year	457	67

The Company's receivables are all due within one year. The Directors consider that the carrying value of trade and other receivables approximate to their fair value due to their short-term nature. This includes amounts due from fellow subsidiary undertakings which are unsecured and repayable on demand. Intercompany interest is charged at a rate of 3.00% (2022: 0.31%).

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

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

RANK INTERACTIVE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. Trade and other payables

	At 30 June 2023 £000	At 30 June 2022 £000
Amount due to fellow subsidiary undertakings	1,545	1,497
Other payables and accruals	34	298
	1,579	1,795

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

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

10. Ordinary share capital

	At 30 June 2023 £000	At 30 June 2022 £000
Authorised, issued and fully paid		
1,000 ordinary shares of £1.00 each	1	1

11. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	At 30 June 2023 £000	At 30 June 2022 £000
Cash at bank and in hand	51	213

12. Employees and directors

The average monthly number of employees in the year was nil (2022: nil).

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

13. Financial assets and liabilities

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

	Other financial assets	
	At 30 June 2023 £000	At 30 June 2022 £000
Amounts owed by fellow subsidiary undertakings	412	29
Cash at bank and in hand	51	213
Total	463	242

RANK INTERACTIVE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. 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	At 30 June
	2023	2022
	£000	£000
Trade and other payables	1,579	1,795
Total	1,579	1,795

14. Parent undertakings and related party transactions

On 21 April 2022, Stride Gaming Limited acquired Aspers Group Limited's 50% shareholding in the Company and became the Company's immediate parent undertaking. Stride Gaming Limited is part of The Rank Group Plc.

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

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

15. Post balance sheet events

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