

**SPACEBAR MEDIA LIMITED**  
**Registered No. 05573177**

**ANNUAL REPORT**

**AND**

**FINANCIAL STATEMENTS**

**30 June 2022**

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COMPANIES HOUSE

## **Corporate information**

### **Directors**

Mr. R.D. Harris  
Mr. L. Wallwork

### **Auditors**

Ernst & Young LLP  
R+ Building  
2 Blagrove Street  
Reading  
RG1 1AZ

### **Bankers**

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

### **Registered Office**

Unit 450 Highgate Studios  
53-79 Highgate Road  
London  
NW5 1TL

## **SPACEBAR MEDIA LIMITED STRATEGIC REPORT**

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### **Principal activities**

The principal activity of the Company during the year was the provision of online gaming software maintenance and development services to fellow Group companies. 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 is managed as part of the overall operations of The Rank Group Plc ('Rank' or 'Group'). This year, the Group are reporting under five (5) refreshed strategic pillars. The Group's strategy remains focused on driving its digital business and evolving venues, alongside a seamless cross-channel experience. The main aims of the strategy for the operations 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 proposition that appeal to both existing and new customers
- Be passionate about the development and well-being of our colleagues and the contribution we make to our communities
- Build sustainable relationship with our customers by providing them with safe environments in which to play.

More detailed disclosure of the Group's strategy can be found in the Group's Annual Report and Accounts ('ARA') on pages 40 to 51, which is available at [www.rank.com](http://www.rank.com).

The results for the Company show a pre-tax profit of £0.7m for the year (2021: £1.8m), including dividends receivable of £nil (2021: £0.4m), and revenue of £10.7m (2021: £12.3m). Included within the profit for the year is £0.3m of separately disclosed items (2021: £0.03m). Further details of the separately disclosed items are within note 3 to the financial statements.

The balance sheet as at 30 June 2022 shows net current assets of £6.0m (2021: £5.4m) including cash of £0.03m (2021: £0.6m). Cash generated during the period has been pooled in accordance with the Group's treasury policy to a fellow subsidiary resulting in an increase in amounts due from this fellow subsidiary.

### **Key performance indicators (KPI)**

The Directors of the Group manage the Group's operations on a divisional basis. For this reason, the Company's Directors believe that analysis using KPI 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 52 to 53 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.

### **Principal risks and uncertainties**

The Directors of the Group manage the risks of the Group at a group level, rather than at an individual statutory entity level. For this reason, the Company's Directors believe that a discussion of the Group's risks would not be appropriate for an understanding of the development, performance or position of the Company's business. The principal risks and uncertainties of the Group, which include those of the Company, are discussed on pages 74 to 81 of the Group's ARA available at [www.rank.com](http://www.rank.com).

By order of the board



Mr. R. D. Harris  
Director

Date: 30 November 2022

## **SPACEBAR MEDIA LIMITED**

### **DIRECTORS' REPORT**

The Directors present their report and financial statements for the year ended 30 June 2022.

#### **Directors**

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

Mr. R.D. Harris (appointed 31 August 2022)  
Mr. L. Wallwork (appointed 21 February 2022)  
Mr. S.J. Hay (appointed 21 February 2022; resigned 31 August 2022)  
Mr. M. Gustavson (resigned 21 February 2022)  
Mr. J.P. O'Reilly (resigned 21 February 2022)

#### **Dividends**

The Directors do not recommend the payment of a dividend (2021: £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 Company and conclude that they are dependent on the Group to provide support to reach that conclusion. As a member of the Group intra-funding structure, the Company has access to capital resources. In the unlikely event that such support is called upon, the Directors have assessed the willingness and ability to provide the level of financial support required from Rank Group Finance Plc, which manage the Group's treasury function. This assessment covers a period through to 30 November 2023 and considers any matters just outside the going concern period 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, its intention to continue to support the Company for a period until 30 November 2023, 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 2022.

#### **Human resources**

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

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

#### **Future developments**

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

#### **Research and development**

The Company incurs expenditure in carrying out research for and developing technical systems that support the Company's activities.

#### **Political donations**

No political donations were made during the financial year (2021: £nil).

## **SPACEBAR MEDIA LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

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#### **Statement of directors' responsibilities**

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

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

- select suitable accounting policies and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make judgements and estimates that are reasonable and prudent;
- provide additional disclosures when compliance with the specific requirements in UK Generally Accepted Accounting Practice is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and 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 with a combination of intercompany funding and cash at bank, details of which are disclosed in note 18. Other financial assets and liabilities arise directly from the Company's operating activities.

These financial instruments give rise to market, credit and liquidity risks. As a wholly owned subsidiary of Rank, many of these risks are combined on a Group basis and managed by a centralised treasury team. Details of the financial risk management objectives and policies of this centralised team are disclosed in note 22 of Group's ARA, which is available at [www.rank.com](http://www.rank.com).

#### **Events after the reporting date**

There were no events after the reporting date relating to the Company.

**SPACEBAR MEDIA LIMITED**  
**DIRECTORS' REPORT (CONTINUED)**

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**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 s187(2) of the Companies act 2006, Ernst & Young LLP will continue as auditors of the Company.

By order of the board



Mr. R. D. Harris  
Director

Date: 30 November 2022

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPACEBAR MEDIA LIMITED**

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### **Opinion**

We have audited the financial statements of Spacebar Media Limited for the year ended 30 June 2022 which comprise, the Income Statement, the Statement of comprehensive income, Balance Sheet, the Statement of changes in equity and the related notes 1 to 19, 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 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

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

### **Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period to 30 November 2023.

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

### **Other information**

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

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

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

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

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

**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 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 those that relate to the framework (FRS 101 and the UK Companies Act 2006), the relevant tax compliance regulations in the UK and the General Data Protection Regulation (GDPR).



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPACEBAR MEDIA LIMITED (continued)**

- We understood how the Company is complying with those frameworks by making inquiries of management and those responsible for legal and compliance procedures to understand how the Company maintains and communicates its policies and procedures in these areas, and to understand the culture and whether there is a strong emphasis placed on fraud prevention, which may reduce opportunities for fraud to take place as well as fraud deterrence. We corroborated our enquiries through our inspection of Board minutes, review of any correspondence with relevant authorities for which there were none and made consideration of the results of our audit procedures performed to either corroborate or provide contrary evidence which was then followed up.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved review of board minutes, enquiries with management and testing of manual journals identified by specific criteria.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, through internal team discussions and enquiry of management and those charged with governance. Through these procedures, we identified there to be a risk of management override relating to overstatement of expenses in order to overstate intercompany revenue due to the cost-plus agreement in place. We used statistical techniques to sample from the entire population of journals, identifying specific transactions which did not meet our expectations based on specific criteria, which we investigated further to gain an understanding of the transaction and agree to source documentation ensuring appropriate authorisation of the transactions. We considered programmes and controls that the company has established to address risks identified, or that otherwise prevent, deter, and detect fraud, and how senior management monitors those programmes and controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Ernst & Young LLP*

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

Date: 30 November 2022

**SPACEBAR MEDIA LIMITED INCOME STATEMENT  
FOR THE YEAR ENDED 30 June 2022**

		Year ended 30 June 2022			Year ended 30 June 2021		
	Note	Underlying £000	Separately disclosed items (note 3) £000s	Total £000s	Underlying £000	Separately disclosed items (note 3) £000s	Total £000s
Revenue	(2)	10,732	-	10,732	12,291	-	12,291
Other operating income	(3)	52	-	52	300	-	300
Other operating costs	(3)	(9,819)	(288)	(10,107)	(11,091)	(31)	(11,122)
Operating profit	(3)	965	(288)	677	1,500	(31)	1,469
Dividend income	(6)	-	-	-	356	-	356
Interest income	(4)	9	-	9	4	-	4
Interest expense	(4)	(7)	-	(7)	(18)	-	(18)
Net interest income / (expense)	(4)	2	-	2	(14)	-	(14)
Profit from ordinary activities before taxation		967	(288)	679	1,842	(31)	1,811
Taxation	(5)	(227)	55	(172)	(243)	6	(237)
Profit/ (loss) for the year		740	(233)	507	1,599	(25)	1,574

All results are from continuing operations.

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 June 2022**

	Year ended 30 June 2022 £000	Year ended 30 June 2021 £000
Profit for the year	507	1,574
Total comprehensive income for the year	507	1,574

The notes on pages 12 to 27 are an integral part of these financial statements.

**SPACEBAR MEDIA LIMITED BALANCE SHEET**  
**AT 30 June 2022**

	Note	At 30 June 2022 £000	At 30 June 2021 £000
<b>Fixed assets</b>			
Intangible assets	7	41	16
Tangible assets	8	32	94
Right-of-use assets	9	144	277
Investments	10	2,390	2,390
Deferred tax asset	11	26	24
		<u>2,633</u>	<u>2,801</u>
<b>Current assets</b>			
Other receivables	12	6,096	5,205
Income tax receivable		563	577
Cash at bank and in hand	16	27	556
		<u>6,686</u>	<u>6,338</u>
<b>Payables: amounts falling due within one year</b>			
Trade and other payables	13	550	762
Lease liabilities	14	104	130
		<u>654</u>	<u>892</u>
<b>Net current assets</b>		<b>6,032</b>	<b>5,446</b>
<b>Total assets less current liabilities</b>		<b>8,665</b>	<b>8,247</b>
<b>Payables: amounts falling due after more than one year</b>			
Lease liabilities	14	52	123
		<u>52</u>	<u>123</u>
<b>Net assets</b>		<b>8,613</b>	<b>8,124</b>
<b>Capital and reserves</b>			
Ordinary share capital	15		
Retained earnings		8,613	8,124
<b>Total equity</b>		<b>8,613</b>	<b>8,124</b>

The notes on pages 12 to 27 are an integral part of these financial statements.

These accounts were approved by the board on 30 November 2022 and signed on its behalf by:



Mr. R. D. Harris

Director

Registered No. 05573177

**SPACEBAR MEDIA LIMITED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 June 2022**

	Ordinary share capital £000	Retained earnings £000	Total £000
<b>At 01 July 2020</b>	-	6,550	6,550
<b>Total comprehensive income:</b>			
Profit for the year	-	1,574	1,574
<b>Transactions with owners:</b>			
Credit in respect of employee share schemes including tax	-	-	-
<b>At 30 June 2021</b>	-	8,124	8,124
<b>Total comprehensive income:</b>			
Profit for the year	-	507	507
<b>Transactions with owners:</b>			
Charge in respect of employee share schemes including tax	-	(18)	(18)
<b>At 30 June 2022</b>	-	8,613	8,613

**Retained earnings** – The account includes cumulative profits and losses less any distributions made to shareholders. The Capital Contribution Reserve, shown separately in the prior year financial statements, has been amalgamated into Retained Earnings, consistent with the disclosure policy of entities within the Rank Group. The balance on this reserve as at 30 June 2021 and 30 June 2020 was £3.7m and £3.7m respectively.

The notes on pages 12 to 27 are an integral part of these financial statements.

## SPACEBAR MEDIA LIMITED NOTES TO THE FINANCIAL STATEMENTS

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### 1. General Information and Accounting policies

Spacebar Media Limited is a private Company limited by shares, Incorporated and domiciled in England and Wales under registration number 05573177. The address of its registered office is Unit 450 Highgate Studios, 53-79 Highgate Road, Kentish Town, London, NW5 1TL.

The principal activity of the Company is the provision of online gaming software maintenance and development services to fellow Group companies.

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 accordance with the 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 the Group's ARA, details of which are contained in note 19.

The Company is itself a parent 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.

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

#### B Changes in accounting policy and disclosures

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

Several new, and amendments to existing standards and interpretations, issued by the IASB, were effective from 1 July 2021 and have been adopted by the Company during the period with no significant impact on the results or financial position of the Company.

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

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

#### C Going Concern

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

The Directors have assessed going concern of the Company and conclude that they are dependent on the Group to provide support to reach that conclusion. As a member of the Group intra-funding structure, the Company has access to capital resources. In the unlikely event that such support is called upon, the Directors have assessed the willingness and ability to provide the level of financial support required from Rank Group Finance Plc, which manage the Group's treasury function. This assessment covers a period through to 30 November 2023 and considers any matters just outside the going concern period and the Directors are satisfied with the support available

**1. General Information and Accounting policies (continued)**

**C Going Concern (continued)**

On this basis, and with Rank Group Finance Plc having confirmed in writing, in the event it is required, its intention to continue to support the Company for a period until 30 November 2023, 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 2022.

**D Accounting estimates and judgements**

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

*Critical accounting judgements*

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

*Separately disclosed items ('SDIs')*

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

SDI include (but are not limited to):

- Amortisation of acquired intangible assets;
- Profit or loss on disposal of businesses;
- Costs or income associated to the closure of venues;
- Acquisition and disposal costs including changes to deferred or contingent consideration;
- Impairment charges;
- Reversal of impairment charges;
- Property related provisions;
- 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.

*Key sources of estimation uncertainty*

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

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

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

The application of the policy requires the use of accounting estimates in determining the recoverable amount of cash-generating units to which the non-financial assets are associated. The recoverable amount is the higher of the fair value less costs of disposal and value in use. Estimates of fair value less costs of disposal are performed internally by experienced senior management supported by knowledge of similar transactions and advice from external experts or, if applicable, offers received.

## **SPACEBAR MEDIA LIMITED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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### **1. General Information and Accounting policies (continued)**

#### **D Accounting estimates and judgements (continued)**

##### *Key sources of estimation uncertainty(continued)*

Value in use is calculated using estimated cash flow projections from strategic plans and financial budgets, discounted by selecting an appropriate rate for each cash-generating unit.

Consistent with the prior year, the Company has assessed the continuing impact of COVID-19 risk into the impairment testing of non-financial assets. The key judgement is the level of trading in the venues and its recovery following reopening, overall macroeconomic conditions and its impact on estimated future cashflows.

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

#### **E Revenue**

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

#### **F Other Income**

Other Income represents the tax claim income on qualifying research and development ("R&D") expenditure in the period which can be measured reliably and it is probable that the economic benefits associated with the R&D expenditure will flow to the Company. This income has therefore been recognised in operating profit.

#### **G Intangible assets**

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

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

Computer software development costs recognised as assets are amortised on a straight-line basis over their estimated useful lives (three to five years).

#### **H Tangible assets**

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

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

- freehold and leasehold property 50 years or lease term if less;
- refurbishment of property 5 -20 years or lease term; and
- fixtures, fittings, plant and machinery 3 - 20 years.

Residual values and useful lives are reviewed at each balance sheet date, and adjusted prospectively, if appropriate. Land is not depreciated.

An item of tangible assets are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement.

**1. General Information and Accounting policies (continued)**

**H Tangible assets (continued)**

Pre-opening costs are expensed to the income statement as incurred.

Assets under construction: included in plant and machinery are amounts relating to expenditure for assets in the course of construction.

**I Impairment or subsequent reversal of previous recognised impairment for non-financial assets**

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable or where they indicate a previously recognised impairment may no longer be required.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). The expected cash flows generated by the assets are discounted using appropriate discount rates that reflect the time value of money and risks associated with the group of assets.

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

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

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as exceptional income immediately.

**J Investments**

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

**K 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.



**1. General Information and Accounting policies (continued)**

**K Taxation (continued)**

**(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.

**L Employee benefit costs**

*(i) Pension obligations* – The Company participates in a Group defined contribution plan under which the Company pays fixed contributions to a separate entity. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

*(ii) Share-based compensation* – The Company operates an equity-settled, share-based compensation plan relating to Rank. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable.

*(iii) Bonus plans* – The Company recognises a liability in respect of the best estimate of bonuses payable where contractually obliged to do so or where past practice has created a constructive obligation.

**M Financial assets**

***Initial recognition and measurement***

Financial assets 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.

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.

**1. General Information and Accounting policies (continued)**

**M Financial assets (continued)**

***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.

**N 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.

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.

**O Cash and cash equivalents**

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

**1. General Information and Accounting policies (continued)**

**P Leases**

The Company leases a property. The rental contract is for a period up to 3 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

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

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

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

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

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

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

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

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

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

- Land and buildings up to 32 years

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

Where appropriate the Company will sub-let properties which are vacant in order to derive finance lease income, which is shown net of lease costs.

**Q Separately disclosed items ('SDIs')**

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

**1. General Information and Accounting policies (continued)**

**R Interest Income/(expense)**

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

**S Share Capital**

Ordinary shares are classified as equity.

**T Dividends**

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

**U Foreign currency translation**

The Company's functional and presentational currency is £ sterling. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

## SPACEBAR MEDIA LIMITED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 2. Revenue

	Year ended 30 June 2022 £000	Year ended 30 June 2021 £000
Geographical market		
UK	10,732	12,291
<b>Total</b>	<b>10,732</b>	<b>12,291</b>

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

	Year ended 30 June 2022 £000	Year ended 30 June 2021 £000
Category		
Online gaming software maintenance and development	10,732	12,291
<b>Total</b>	<b>10,732</b>	<b>12,291</b>

### 3. Operating profit for the year

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

	Note	Year ended 30 June 2022 £000	Year ended 30 June 2021 £000
Other operating income <sup>(a)</sup>		(52)	(300)
Staff costs	17	2,949	4,659
Amortisation of intangibles	7	1	12
Depreciation of tangible assets	8	68	126
Depreciation of right-of-use assets	9	133	167
Effect of lease modification.		=	27
Separately disclosed items (see below)		288	31

(a) Other operating income relates to the provision for research and development ("R&D") tax claims for the current and prior year period. The R&D relates to associated qualifying R&D expenditure according to the provisions in CTA 2009 Part 13 Chapters 2- 5 and CTA 2009 Part 3 Chapter 6A which are all part of the operations of the Company. This income has therefore been recognised in operating profit.

Audit fees of £5,000 (2021: £5,000) have been borne by a fellow group company, Daub Alderney Limited.

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

	Year ended 30 June 2022 £000	Year ended 30 June 2021 £000
Business transformations costs <sup>(a)</sup>	288	31
<b>Total exceptional operating cost</b>	<b>288</b>	<b>31</b>

(a) Business transformation costs. The Rank Group has a multi-year change programme focused around revenue growth, cost savings, efficiencies and ensuring key enablers are in place. The multi-year change programme is a material, infrequent programme and is not considered to be part of the underlying business performance.

In the current year £0.2m (2021: £0.03m) of redundancy costs are excluded from the underlying performance of the Company.

## SPACEBAR MEDIA LIMITED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 4. Interest

	Year ended 30 June 2022 £000	Year ended 30 June 2021 £000
<b>Interest Income</b>		
Interest income from Group companies	9	4
<b>Total</b>	<b>9</b>	<b>4</b>
<b>Interest expense</b>		
Interest expense on leases	(7)	(18)
<b>Total</b>	<b>(7)</b>	<b>(18)</b>
<b>Total net Interest Income / (expense)</b>	<b>2</b>	<b>(14)</b>

### 5. Taxation

	Year ended 30 June 2022 £000	Year ended 30 June 2021 £000
<b>Current tax</b>		
UK corporation tax in respect of current year	237	321
Separately disclosed items	(55)	(6)
Adjustment in respect of prior years	(5)	(35)
<b>Total current tax</b>	<b>177</b>	<b>280</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(5)	(18)
Deferred tax restatement	(2)	(10)
Adjustment in respect of prior years	2	(15)
<b>Total deferred tax</b>	<b>(5)</b>	<b>(43)</b>
<b>Tax charge in the income statement</b>	<b>172</b>	<b>237</b>

The tax on the Company's profit before tax differs from the standard rate of UK corporation tax of 19.00% (2021: 19.00%). The differences are explained below:

	Year ended 30 June 2022 £000	Year ended 30 June 2021 £000
<b>Profit before tax</b>	<b>679</b>	<b>1,811</b>
<b>Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)</b>	<b>129</b>	<b>344</b>
<b>Effects of:</b>		
Expenses not deductible for tax purposes	51	3
Income not subject to taxation	(3)	(68)
Irrecoverable withholdings taxes	-	18
Adjustment in respect of prior years	(3)	(50)
Deferred tax restatement	(2)	(10)
<b>Tax charge in the income statement</b>	<b>172</b>	<b>237</b>

#### *Factors affecting future tax charges:*

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

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.

## SPACEBAR MEDIA LIMITED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 6. Dividends

During the year, the Company received £nil dividends (year ended 30 June 2021: £0.4m) from Netboost Media Limited.

The Directors do not recommend the payment of a dividend (2021: £nil).

### 7. Intangible assets

	Software and licences £000
<b>Cost</b>	
At 1 July 2021	71
Additions	26
At 30 June 2022	97
<b>Aggregate amortisation</b>	
At 1 July 2021	(55)
Amortisation charge for the year	(1)
At 30 June 2022	(56)
<b>Net book value</b>	
At 30 June 2021	16
At 30 June 2022	41

### 8. Tangible assets

	Office equipment £000
<b>Cost</b>	
At 1 July 2021	1,152
Additions	6
At 30 June 2022	1,158
<b>Aggregate depreciation</b>	
At 1 July 2021	(1,058)
Depreciation charge for the year	(68)
At 30 June 2022	(1,126)
<b>Net book value</b>	
At 30 June 2021	94
At 30 June 2022	32

## SPACEBAR MEDIA LIMITED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 9. Right-of-use assets

	Land and buildings £000
<b>Cost</b>	
At 1 July 2021 and 30 June 2022	<u>358</u>
<b>Aggregate depreciation</b>	
At 1 July 2021	(81)
Depreciation charge for the year	<u>(133)</u>
At 30 June 2022	<u>(214)</u>
<b>Net book value</b>	
At 30 June 2021	<u>277</u>
At 30 June 2022	<u>144</u>

### 10. Investment in subsidiaries

	Netboost Media Limited £000	ShiftTech Pty Limited £000	Total Investments £000
<b>Cost</b>			
At 30 June 2021 and 30 June 2022	<u>2,390</u>	<u>-</u>	<u>2,390</u>
<b>Net book value</b>			
At 30 June 2021 and 30 June 2022	<u>2,390</u>	<u>-</u>	<u>2,390</u>

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

Name	Country of incorporation	Principal activities	Registered office address
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



## SPACEBAR MEDIA LIMITED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 11. Deferred tax

	At 30 June 2022 £000	At 30 June 2021 £000
Fixed asset temporary differences	24	17
Short term timing differences	2	7
<b>Net deferred tax asset</b>	<b>26</b>	<b>24</b>
Fixed asset temporary differences	(7)	(46)
Short term timing differences	5	3
<b>Deferred tax (credit) in the income statement</b>	<b>(2)</b>	<b>(43)</b>

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

Net deferred tax asset / (liability) at start of period	24	(21)
Deferred tax credit in the income statement	5	43
Deferred tax (charge) / credit to equity	(3)	2
<b>Net deferred tax asset at end of year</b>	<b>26</b>	<b>24</b>

### 12. Other receivables

	At 30 June 2022 £000	At 30 June 2021 £000
Trade receivables	1	1
Amounts owed by parent and fellow subsidiary undertakings	6,040	5,011
Other receivables	50	193
Prepayments and accrued income	5	-
<b>Amounts falling due within one year</b>	<b>6,096</b>	<b>5,205</b>

The Directors consider that the carrying value of other receivables approximate to their fair value. Intercompany interest is charged at a rate of 0.31% (2021: 0.56%). The Company does not hold any collateral as security.

The movement between the balance sheet dates reflects the movement in the intercompany loans. Cash generated during the period has been pooled in accordance with the Group's treasury policy to a fellow subsidiary as in prior years.

### 13. Trade and other payables

	At 30 June 2022 £000	At 30 June 2021 £000
Trade payables	161	327
Other tax and social security	65	125
Other payables and accruals	180	97
Amount due to Group companies	144	213
<b>Current</b>	<b>550</b>	<b>762</b>

The carrying amount of trade and other payables classified as financial liabilities measured at amortised cost approximates fair value.

## SPACEBAR MEDIA LIMITED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 14. Leases

Set out below are the carrying amounts of lease liabilities and the movements during the year.

	Year ended (Insert date) £000
<b>As at 30 June 2021</b>	<b>253</b>
Accretion of Interest	7
Payments	(104)
<b>As at 30 June 2022</b>	<b>156</b>
Current liabilities	104
Non-current liabilities	52
<b>Total</b>	<b>156</b>

The maturity analysis of lease liabilities is disclosed below:

	As at 30 June 2022	
	Present value of the minimum lease payments £000	Total minimum lease payments £000
Not later than one year	104	107
After one year but not more than five years	52	53
After five years	-	-
	<b>156</b>	<b>160</b>
Less: total future interest expenses		(4)
<b>Present value of lease liabilities</b>		<b>156</b>

The following are the amounts recognised in profit or loss:

	Year ended 30 June 2022 £000
Depreciation expense of right-of-use assets	133
Interest expense on lease liabilities	7
<b>Total amount recognised in income statement</b>	<b>140</b>

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

### 15. Ordinary share capital

	At 30 June 2022 £	At 30 June 2021 £
<b>Authorised, issued and fully paid</b>		
3,334 ordinary shares of £ 0.001 each	<b>3</b>	<b>3</b>

**SPACEBAR MEDIA LIMITED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****16. Cash and cash equivalents**

Cash and cash equivalents comprise the following:

	<b>At 30 June 2022 £000</b>	<b>At 30 June 2021 £000</b>
Cash at bank and in hand	<b>27</b>	<b>556</b>

**17. Employees and directors**

	<b>Year ended 30 June 2022 £000</b>	<b>Year ended 30 June 2021 £000</b>
<b>Employee benefit expense during the year</b>		
Wages and salaries	2,565	4,044
Social security costs	336	494
Pension contribution costs	62	100
Redundancy costs	-	21
Share based (credit)	(14)	-
<b>Total</b>	<b>2,949</b>	<b>4,659</b>

The average monthly number of employees in the year was 40 (2021: 63).

	<b>Year ended 30 June 2022 £000</b>	<b>Year ended 30 June 2021 £000</b>
<b>Directors</b>		
Aggregate emoluments	58	80
Company contributions to pension schemes	2	2
<b>Total</b>	<b>60</b>	<b>82</b>
<b>Highest paid director</b>		
Aggregate emoluments	58	80
Company contributions to pension schemes	2	2
<b>Total</b>	<b>60</b>	<b>82</b>

The payment of some Director's emoluments are borne by another company within the Group.

There was 1 (2021: 1) Director in the Company's defined contribution pension scheme during the year.

**SPACEBAR MEDIA LIMITED NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****18. Financial assets and liabilities**

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

	<b>Other financial assets</b>	
	<b>At 30 June 2022 £000</b>	<b>At 30 June 2021 £000</b>
Other receivables	6,041	5,012
Cash at bank and in hand	27	556
<b>Total</b>	<b>6,068</b>	<b>5,568</b>

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

	<b>Other financial liabilities</b>	
	<b>At 30 June 2022 £000</b>	<b>At 30 June 2021 £000</b>
Lease liabilities	156	253
Trade and other creditors	486	637
<b>Total</b>	<b>642</b>	<b>890</b>

**19. Parent undertakings and related party transactions**

The Company's immediate parent undertaking is Stride Gaming Limited, a company incorporated in Jersey.

GuoLine Capital Assets Limited ('GuoLine'), which is a company incorporated in Jersey, is the parent undertaking of the largest group to consolidate these financial statements. The Rank Group Plc ('Rank Group') is the parent undertaking of the smallest group in consolidate these financial statements. Copies of Rank Group's Annual Report can be obtained from [www.rank.com](http://www.rank.com) or by written request to the Company Secretary at The Rank Group Plc, TOR, Saint-Cloud Way, Maidenhead, Berkshire, SL6 8BN.