GROSVENOR CASINOS LIMITED
Registered No. 877080

ANNUAL REPORT

AND

FINANCIAL STATEMENTS

30 JUNE 2022

Corporate Information

Directors
Mr J.P. O'Reilly
Mr R.D. Harris
Ms D. Husband

Company Secretary
Ms A. Magnus – appointed 03/10/2022

Auditors
Ernst & Young LLP
G1 Building
5 George Square
Glasgow
G2 1 DY
United Kingdom

Bankers
RBS
250 Bishopsgate
London
EC2M 4AA

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

Principal activities

The principal activity of the Company is the operation of a number of casino clubs in the UK providing gaming and restaurant facilities. 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.

The results for the Company show a pre-tax profit of £48.4m for the year (2021: £23.9m loss) and revenue of £197.4m (2021: £54.4m). Included within the profit for the year is £26.0m of separately disclosed items which mainly related to a VAT claim refund of £27.2m and net impairment charge in the year of £3.4m (2021: £9.3m). Further details of the separately disclosed items are within note 3 to the financial statements.

All of the Group's 52 Grosvenor venues were operational throughout the period, however much of the year was impacted by COVID-19. In the first half of the year, despite social distancing and the required wearing of face masks, visitor numbers and revenues gradually improved. However, the emergence of the Omicron variant and the Government's consequent Plan B measures saw NGR decline significantly at the end of Q2 and into Q3. Whilst all imposed COVID-19 restrictions were removed in late January, visitor volumes, particularly across the London estate of nine venues which account for over 38% of revenues in a normal trading year, remained very weak until late June when some improvement was seen.

The Group's Grosvenor business (split between Grosvenor Casinos Limited and Grosvenor Casinos (GC) Limited entities) continued to drive strong cost efficiencies throughout the year but with combined NGR falling 19% compared to pre-COVID calendar year 2019 and energy costs increasing significantly, the combined operating margin declined from 20.7% to 15.2%. Of this total, the Company delivered underlying operating profit of £17.8m equivalent to 72% of Group's overall Grosvenor business (underlying operating loss of £31.2m in the prior year).

During the year, the Company recognised an impairment charge of £2.8m and an impairment reversal of £6.2m relating to a number of venues (2021: nil). Refer to Note 3 of the financial statements for further details.

The balance sheet as at 30 June 2022 shows net current assets of £47.1m (2021: £8.1m). 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.

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

Section 172 Statement

In accordance with Section 172(1) Companies Act 2006, the Company's Directors must act in a way that they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to the range of factors set out in section 172(1)(a) to (f) of the Companies Act, including the interests of stakeholders.

Many of the Directors' principal decisions were taken in direct response to the wider Group's continued recovery from the pandemic and review of its strategy, as well as the impact of increasing inflationary pressures in the latter half of the year. In taking such decisions it carefully considered stakeholders, and the information it received through engagement, and how each such decision would impact on the success of the Group, with due regard to the other matters set out in section 172(1) (a) to (f) of the Companies Act 2006. This was particularly relevant in relation to its discussions and decision-making on (i) its revised purpose and the refresh of the Group's strategic pillars with a view to ensuring sustainable growth, (ii) development of the Group's ESG framework and strategy, and (iii) capital investments, each as described on pages 98 to 99 of the Group's ARA.

The Company's key stakeholders are its customers, employees, suppliers, the local communities in which it operates, regulars and its shareholders. The views of and the impact of the Company's activities on those stakeholders are an important consideration for the Directors when making relevant decisions. While there are cases where the Board itself judges that is should engage directly with certain stakeholder groups or on certain issues, the size and spread of both our stakeholders and Group means that generally our stakeholder engagement best takes place at operational or Group level. The Directors find that as well as being a more efficient and effective approach, this also helps us achieve a greater positive impact than by working alone as an individual company.

Examples of how Group principal decisions in 2021/22 took into account stakeholder interests can be found on pages 33 and 34 of the Group's ARA. Other examples of Group Board engagement can be found within the 'Stakeholder engagement' section on pages 35 to 39 of the Group's ARA. The following outlines the approach of the group to s172 which is followed by the company to the extent relevant for the operations of the company.

Stakeholder	Key areas of consideration	How we engage and 2021/22 highlights
Customers Ensuring our customers are at the heart of our decision-making is crucial to our strategy. Understanding their changing needs, preferences and behaviours helps us to ensure that our offering remains safe, fair, current and appealing.	• Player protection • Customer experience • Relevance of offering • Health, safety & well-being	The Group host, serve and engage with our customers each and every day by means of digital interfaces and conversations in our venues and remotely. This includes discussing their overall experience, safer gambling, affordability and welfare. We also regularly engage with our customers through quantitative and qualitative research to seek their views, opinions and insights into how we can improve our products, services and user journeys. *2021/22 highlights across the Group* – Sought customer views on our approach to protective measures as pandemic restrictions were lifted. – Utilised customer insights and considered customer feedback as part of Mecca and Grosvenor brand development and decision-making in connection with the redevelopment of venues including Mecca Luton, Grosvenor Glasgow Merchant City, Grosvenor Blackpool and Grosvenor Bristol. – Conducted an online survey among a nationally representative audience based on age, gender and social class to understand the size of the casino and bingo cross-channel markets and customer views. Also utilised customer focus groups made up of representative samples of online and venue customers who evaluated a

		set of proposals designed to enhance and encourage cross-channel play. – Conducted player research and sought feedback on products and user journeys, utilising the output in product development and to inform our approach to user journey refinement. This led to, amongst other things, safer gambling tool development work, game tile optimisation and registration improvements.
Our People Our people are the heart and soul of the business and central to its success. We depend on their passion and commitment to implement our strategy and ensure our customers are served in the best possible way.	• Opportunities for progression • Inclusion and diversity • Fair pay and reward • Opportunities to share ideas and make a difference • Health, safety & well-being	The Group seek an open dialogue culture and host forums throughout the year to enable the exchange of opinion between colleagues and the sharing of views with senior management and the Group's Board. Other engagement methods include, but are not limited to, monthly Group and business unit Town Halls, frequent newsletters and corporate communications to share news and developments, employee opinion surveys, regular performance and development reviews and venue visits by Group Board members and senior management. The Group also continue to offer a confidential whistleblowing hotline to all colleagues. *2021/22 highlights across the Group* – Regular communication Group-wide by way of our Get Connected programme. – Social media forums for Grosvenor and Mecca colleagues to express views and share news. – Monthly Town Hall meetings with Q&A sessions available to colleagues in all jurisdictions to attend. – Held workshops to assess further ways to develop and enhance our safer gambling culture and rolling out further tailored training in response. – Employee Voice meetings attended by elected representatives from the business, senior human resources management and the Chief Executive. – Talking STARS and Leading STARS forums held and attended by the designated Group's Non-Executive Director. – Conducted a full Employee Opinion Survey in September 2021 and a 'pulse survey' in May 2022 and implemented action plans following a review of results. – STARS values awards continued to recognise individuals and/or teams for demonstrating Rank's values in their work, nominated by their peers. – Embedded our six ED&I colleague network groups: Wellbeing; Women; Racial Equality and Diversity; LGBT+; Families; and general ED&I (incorporating religious celebrations). – Introduced a range of activities and initiatives to make sure that our workplace is an enjoyable and supportive place to work, such as massages, yoga classes, providing breakfasts and lunches and arranging other social events, and inviting a psychotherapist to talk on mental health. – Wellbeing@Rank programme. – Open dialogue with trade unions. – The Group Board considered workforce engagement updates from designated the Group Non-Executive Director (who is also chair of the Remuneration Committee), providing insights from our colleagues both

		positive and negative from the regular cadence of employee forums throughout the year. – The Group Board Directors conducted site visits to engage firsthand with colleagues.
Communities Community links are as important to Rank and its people as they are to our customers. Our businesses are more likely to succeed when they are part of healthy and supportive communities and we are committed to making a positive contribution to them.	• Charitable initiatives • Positive community impact • Employment • Reputation	The Group's venues are community hubs in which people spend leisure time and engage and interact with other customers and with our colleagues. The strength of our business is in part due to the long-term trust and relationships which exist between our colleagues and customers, who very often will have known each other for many years. A key learning has also been how integral the role of our venues and keeping communities engaged has been particularly during, and as a result of, the pandemic. The Group engage with the local community through volunteering, charity work and providing employment and work experience opportunities. We are particularly proud of our eight-year partnership with Carers Trust. *2021/22 highlights across the Group* – Continued to support our communities as the pandemic eased and continued to make support calls to Mecca customers including those self-isolating. – Supported the 'Everyone Deserves a Christmas' campaign by distribution of hampers to local vulnerable and isolated people. – Raised £284,484.51 during the 2021/22 financial year for Carers Trust, which works to improve support, services and recognition for anyone living with the challenges of caring for a family member or friend who is ill, frail, disabled or has mental health or addiction problems. This included an invitation to carers to take a break and enjoy a Mecca Bingo club game or Grosvenor venues' afternoon tea. – Promoted local vacancies according to postcode regions and their local job centres and colleges to ensure job seekers can find local employment and one which has proved to be successful recruitment method. – Considered community contribution and impact when considering estate strategy.
Regulators and Legislators Regulators and legislators play a key role in shaping the gambling landscape and an ongoing open dialogue is essential to ensure we better understand the expectations	• Openness and transparency • Compliance with laws and regulations • Consumer fairness and player protection • Policy and the direction of future gambling regulation	Establishing and developing relationships with elected parliamentarians, government officials, industry peers and key stakeholders (such as campaign groups and media) remains a key focus, particularly in the UK this year with the wide-ranging review of gambling legislation that is underway. The group conduct such engagement ourselves and also through industry bodies, such as the Betting and Gaming Council ('BGC'), the Casino Group (within the BGC) and the Bingo Association. The Group strive to establish strong working relationships with the aim that our contributions are valued in terms of delivering customer-oriented laws and regulations. From a compliance perspective, the Group participate in regular meetings and communications with the UK Gambling Commission ('Commission'), as well as other regulatory bodies and authorities by whom we are licensed. *2021/22 highlights across the Group*

underpinning regulation and that regulation is founded in an understanding of the customer. Regulators also monitor the high standards by which we operate.		– Undertaken a programme of engagement with MPs and media during the year ahead of the anticipated UK Government's White Paper for gambling reform. – Scheduled a programme of MP visits to local constituency Grosvenor Casinos. – Attended and hosted at the Labour party and Conservative party conferences. – Executive appearances in front of a number of All-Party Parliamentary Groups, addressing representatives in Parliament in relation to the UK Government's review of the Gambling Act 2005. – The Group's Chair attended the Commission's chairs roundtables during the year. – Chief Executive attended a meeting held at the BGC offices with the Commission's CEO during the year. – Regular contact with officials in DCMS, including the current and former Gambling Minister, as we sought to articulate the case for legislative change that supports Rank's strategy. – Members of BGC, Bingo Association and JDigital – lobbyists. – Submitted Annual Assurance Statement to the Commission. – Worked on a transparent and collaborative basis with the Commission and our other regulators. – Responded to the Commission's consultation in relation to Licensing, Compliance and Enforcement Policy.
Shareholders and investors The Group adopt an open and transparent approach with our shareholders and analysts to communicate our performance and use their feedback to inform our strategy and decision-making.	• Strategy, performance and outlook • Leadership capability • Executive remuneration • Corporate governance • ESG performance	The Group adopt a proactive approach to investor relations, conducting a comprehensive programme of regular contact and consultation throughout the year. The Group's investor relations programme includes regular updates, meetings, roadshows and our Annual General Meeting. The other key way in which the Group communicate with all shareholders is via the Group's corporate website, www.rank.com. *2021/22 highlights* – 38 meetings held with the Group's shareholders during the year, in addition to quarterly meetings held with the majority shareholder. – Chief Executive, Chief Financial Officer and Director of Investor Relations took part in a scheduled programme of major shareholder engagement to discuss interim and final year preliminary results and analysts following announcement of final preliminary results. – The Group's Chair and Senior Independent Director engaged with shareholders in response to specific meeting requests, which included discussions on ESG. – Consultation with the Group's major shareholders on the Recovery Incentive Scheme which was subsequently approved by the Group's shareholders at the 2021 AGM. – Received votes from 93.19% of shareholders for the 2021 AGM.
Suppliers The Group have relationships with circa 1,200 suppliers, ranging from small	• Robustness of our business • Long-term partnerships • Fair engagement and payment terms • Collaborative approach	The Group have a dedicated procurement function which engages with our suppliers with the aim of optimising the way that we work with them. We build relationships regionally and locally to better understand the markets from where we source products and services. These relationships and good communication were particularly important during the pandemic, both for the period for which our venues were closed, but also in relation to the collaboration required to implement closures and reopenings.

businesses to large multinational companies. We aim to operate to the highest professional standards, treating our suppliers as key business partners and operating in a fair and reasonable manner, encouraging supply chain transparency and promoting fair working conditions.		*2021/22 highlights across the Group* – Worked with our suppliers to ensure a pragmatic approach to recovery from the pandemic. – Implemented new software solution to improve management of contract life cycles. – Implemented a refreshed supplier relationship management framework to support improved ways of working whilst driving value creation for both Rank and its partners. – Worked with suppliers to ensure smooth transition during platform migrations undertaken during the year. – Provided training to suppliers and contractors as appropriate when visiting our venues. – The Group's Modern Slavery Statement, which is submitted to the Board for approval each year, can be found on www.rank.com.

By order of the board

Mr R. D. Harris
Director

Date: 30 November 2022

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 J.P. O'Reilly
Mr R.D. Harris (appointed 21 June 2022)
Ms D. Husband (appointed 21 June 2022)
Mr S.J. Hay (appointed 31 December 2021, resigned 21 June 2022)
Mr J.D. Swaine (resigned 3 June 2022)
Mr W.J. Floydd (resigned 31 December 2021)

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 the Directors are satisfied with the support available and are comfortable there are no matters outside of the going concern period which would impact the conclusion.

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 pages 2 to 7.

Stakeholder engagement
Details of engaging with our stakeholders are included in the Strategic Report on pages 2 to 7.

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

UK Streamlined Energy and Carbon Reporting (SECR)
The Company elected to apply the full exemption available of disclosing information in relation to SECR. A full disclosure of UK SECR can be found in the Group's ARA on pages 68 to 70, which is available at www.rank.com.

Corporate Governance Statement
As a wholly owned subsidiary of Rank, a listed company on the London Stock Exchange and subject to the 2018 Corporate Governance Code (the 'Code'), the Company has developed governance practices and processes (together, the 'Governance Practices') that are appropriate for the Company.

Rank maintains a group-wide Delegation of Authority and has Governance Practices which are designed to ensure effective governance of all Rank related undertakings, including the Company. The Company has therefore adopted the Governance Practices as the corporate governance principles and arrangements of the Company, which the Directors believe are appropriate for the Company.

The Governance Practices aim to ensure effective decision-making to promote the Company's success for the long term and for the benefit of Rank and the Company's wider stakeholders by (i) providing checks and balances on financial and other information (ii) encouraging constructive challenge to Rank's management (in addition to advice and support) and (iii) ensuring timely and high-quality information is received by the Directors.

There have been no departures from the Governance Practices during the year. More detailed disclosure of compliance with the Code are included in the Group's ARA on page 91, which is available at www.rank.com.

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

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 22. 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.

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.

By order of the board

Mr. R.D. Harris
Director

Date: 30 November 2022

Opinion
We have audited the financial statements of Grosvenor Casinos Limited (the "Company") for the year ended 30 June 2022 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 24, 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 as applied to other entities of public interest, 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. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting was underpinned by an unconditional letter of support from the group affiliate, Rank Group Finance Plc, which has primary activity to provide funding to subsidiaries within The Rank Group Plc's Group of companies. In evaluating the legitimacy of the letter of support, we critically evaluated the management prepared forecasts for the entire Group of The Rank Group Plc. We have performed the following procedures:

- In conjunction with our walkthrough of the Group's financial statement close process, we confirmed our understanding of Rank's going concern assessment process as well as the review controls in place in relation to the going concern model and management's Board memoranda;
- We have obtained an understanding of management's rationale for the use of the going concern basis of accounting. To challenge the completeness of the assessment, we have independently identified factors that may indicate events or conditions that may cast doubt over the entity's ability to continue as a going concern;
- We have performed the following procedures;

  Managements' assessment and assumptions
  - We confirmed our understanding of Rank's going concern assessment process, including how principal and emerging risks were considered;

  - We obtained the cash flow forecast models prepared by management to 30 November 2023 used by the Board in its assessment, checking their arithmetical accuracy and agreed the forecasts to the Board approved budgets;

  - We evaluated the appropriateness of the duration of the going concern assessment period to 30 November 2023 and considered the existence of any significant events or conditions beyond this period based on the Group's long-range plan and knowledge arising from other areas of the audit;

- We assessed the reasonableness of the cashflow forecast by analysis of management's historical forecasting accuracy and understanding how any anticipated impact of rising inflation on consumer spending and continued recovery post Covid-19 has been modelled. We performed reverse stress testing to understand how severe the downside scenario would need to be to result in negative liquidity or a covenant breach. The assessment reflects all maturing debt through to 30 November 2023;

- We understood the key assumptions used by management in preparing the modelling and corroborated those to evidence from external sources where available, and considered contrary evidence by considering industry data and forecasts and analyst expectations;

- The audit procedures performed in evaluating the director's assessment were performed by the Group audit team, however, we also considered the financial and non-financial information communicated to us from our component teams as sources of potential contrary indicators which may cast doubt over the Going Concern assessment.

Bank covenant compliance

- We obtained all the group's borrowing facility agreements and performed a detailed examination of all agreements, to assess their continued availability to the Group throughout the going concern period. We inspected all borrowing facility agreements to ensure completeness of covenants identified by management. We checked the accuracy of management's covenant forecast model on the base case, verifying inputs to board approved forecasts and facility agreement terms;
- We considered the adequacy of forecast liquidity as per the base case and downside forecast and applied sensitivity analysis;
- We evaluated the compliance of the Group with debt covenants in the forecast period by reperforming calculations of the covenant tests. We further assessed the impact of the downside risk scenarios on covenant compliance and applied sensitivity analysis.

Stress testing and evaluation of management's plans for future actions

- We considered management's downside risk scenario 1 and downside risk scenario 2 of the Group's cash flow forecast models and their impact on forecast liquidity and forecast covenant compliance. Specifically, we considered whether the downside risks were reasonably possible, but not unrealistic and further considered whether the adverse effects could arise individually and collectively;
- We considered the reverse stress test to understand what it would take to breach available liquidity and exhaust covenant headroom;
- We considered the likelihood of management's ability to execute feasible mitigating actions available to respond to the downside risk scenario based on our understanding of the Group and the sector, including considering whether those mitigating actions were controllable by management.

Disclosures

- We assessed the appropriateness of the going concern disclosures in describing the risks associated with the Group's ability to continue as a going concern for the period up to the 30 November 2023.

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 9, 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. Our approach was as follows:

- 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, License Conditions & The Code of Practice 2008 and the Coronavirus Job Retention Scheme (CJRS). 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 Grosvenor Casinos Limited 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.
- 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,
  - 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.
- Grosvenor Casino Limited 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.
- 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. For venues, we attended and re-performed cash counts at a sample of casino venues,

selected using a risk-based approach and also included a random sample, at year end to verify the appropriate cut-off of revenue.

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.

Annie Graham (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Glasgow
Date: 30 November 2022

GROSVENOR CASINOS LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022

	Note	Year ended 30 June 2022 Underlying £000	Year ended 30 June 2022 Separately disclosed items (note 3) £000s	Year ended 30 June 2022 Total £000s	Year ended 30 June 2021 Underlying £000	Year ended 30 June 2021 Separately disclosed items (note 3) £000s	Year ended 30 June 2021 Total £000s
Revenue	2	197,377	-	197,377	54,425	-	54,425
Cost of sales		(127,921)	3,356	(124,565)	(85,244)	-	(85,244)
Gross profit /(loss)		69,456	3,356	72,812	(30,819)	-	(30,819)
Other operating income	3	1,695	27,215	28,910	30,345	9,331	39,676
Other operating costs	3	(53,359)	(327)	(53,686)	(30,808)	-	(30,808)
Operating profit/(loss)	3	17,792	30,244	48,036	(31,282)	9,331	(21,951)
Interest income	4	260	2,046	2,306	236	-	236
Interest expense	4	(1,912)	-	(1,912)	(2,185)	-	(2,185)
Net interest (expense)/ income	4	(1,652)	2,046	394	(1,949)	-	(1,949)
Profit/(Loss) from ordinary activities before taxation		16,140	32,290	48,430	(33,231)	9,331	(23,900)
Taxation	5	(3,349)	(6,241)	(9,590)	2,263	-	2,263
Profit /(Loss) for the period		12,791	26,049	38,840	(30,968)	9,331	(21,637)

All results are from continuing operations.

STATEMENT OF COMPREHENSIVE INCOME/(LOSS)
FOR THE YEAR ENDED 30 JUNE 2022

	Year ended 30 June 2022 £000	Year ended 30 June 2021 £000
Profit/(Loss) for the year	38,840	(21,637)
Total comprehensive income (loss) for the year	38,840	(21,637)

The notes on pages 19 to 40 are an integral part of these financial statements.

GROSVENOR CASINOS LIMITED
BALANCE SHEET
AT 30 JUNE 2022

	Note	At 30 June 2022 £000	At 30 June 2021 £000
Fixed assets			
Intangible assets	8	71,460	69,196
Tangible assets	9	41,800	47,362
Right-of-use assets	10	41,460	49,273
		154,720	165,831
Current assets			
Stock	11	551	480
Other receivables	13	104,305	33,830
Cash at bank and in hand	18	-	12,461
		104,856	46,771
Payables: amounts falling due within one year			
Trade and other payables	14	(29,961)	(25,053)
Overdraft	18	(8,142)	-
Income tax payable		(6,924)	(882)
Lease liabilities	15	(12,740)	(12,740)
		(57,767)	(38,675)
Net current assets		47,089	8,096
Total assets less current liabilities		201.809	173,927
Payables: amounts falling due after more than one year			
Lease liabilities	15	(39,726)	(51,231)
Deferred tax liability	12	(8.890)	(8,326)
		(48,616)	(59,557)
Provisions for liabilities	16	(364)	(396)
Net assets		152,829	113,974
Capital and reserves			
Ordinary share capital	17	39,000	39,000
Retained earnings		113,829	74,974
Total equity		152,829	113,974

The notes on pages 19 to 40 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. 877080

GROSVENOR CASINOS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Ordinary share capital £000	Retained earnings £000	Total £000
At 1 July 2020	39,000	96,681	135,681
Total comprehensive income:			
Loss for the year	-	(21,637)	(21,637)
Transactions with owners:			
Credit in respect of employee share schemes including tax	-	(70)	(70)
At 30 June 2021	39,000	74,974	113,974
Total comprehensive income:			
Profit for the year	-	38,840	38,840
Transactions with owners:			
Debit in respect of employee share schemes including tax	-	15	15
At 30 June 2022	39,000	113,829	152,829

The notes on pages 19 to 40 are an integral part of these financial statements.

1. General information and accounting policies

Grosvenor Casinos Limited is a private Company limited by shares and incorporated and domiciled in England and Wales under registration number 877080. The address of its registered office is TOR, Saint-Cloud Way, Maidenhead, SL6 8BN.

The principal activity of the Company is the operation of a number of casino clubs in the UK providing gaming and restaurant facilities.

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 requirements of paragraphs 91 – 99 of IFRS13 'Fair Value Measurement'

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 24.

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 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.

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 (SDI's)

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.

Dilapidation costs

The provision represents the estimated cost of dilapidation at the end of the lease term of certain properties. The provision is reviewed periodically and reflects judgement in the interpretation of lease terms and negotiation positions with landlords including the likelihood that the current leasehold properties may be subject to redevelopment at the end of lease term.

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 H 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. 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 and included additional sensitivity analysis in the disclosures. 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.

E Revenue recognition

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. 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. Due to the nature of the transaction, the amount of the payment the Group 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 profit and loss. 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 – Poker

Revenue for poker represents the rake received. The Companies 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 IFRS15.

(c) Food and beverage and other

Revenue from food and beverage and other is recognised at the point of sale when control of the goods or services are transferred to the customer and is within the scope of IFRS 15.

F 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).

(ii) Casino and other gaming licences and concessions - The Company capitalises purchased casino and other gaming licences and concessions. The amount capitalised is the difference between the price paid for a casino property and the associated licence and the fair value of a similar property without a casino licence. Management believes that casino licences have indefinite lives as there is no foreseeable limit to the period over which the licences are expected to generate net cash inflows and each licence holds a value outside the property in which it resides. Each licence is reviewed annually for impairment. Any costs incurred renewing casino licences are expensed as incurred.

G 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.

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.

H Impairment of intangible assets, tangible assets and right-of-use 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.

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.

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.

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 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 an employee benefit expense when they are due.

(ii) Share-based compensation - The Company operates share-based payment schemes 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.

At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period.

(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.

K Stock
Stock is valued at the lower of cost and net realisable value. Cost of stock is determined on a "first in, first out" basis. The cost of finished goods comprises goods purchased for resale. Net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses. When necessary, provision is made for obsolete and slow-moving inventories.

L 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.

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.

M 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.

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 Leases

The Company leases various properties and equipment. Rental contracts are made for various fixed periods. 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
- Fleet and machinery up to 5 years

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

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

P Provisions, contingent liabilities and regulatory matters

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the best estimate of the expenditures required to settle the obligation. If the effect of the time value of money is material, provisions are discounted using a pre-tax rate that reflects, where appropriate, the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are possible obligations and present obligations that are not probable or not reliably measurable. Contingent liabilities are disclosed but not accounted. However, disclosure is not required if payment is remote.

The Company's policy is to engage collaboratively with regulators and address any concerns raised as soon as possible. The Company takes legal advice, as appropriate, as to the manner in which it should respond to matters raised and the potential outcome. However, for the majority of these matters, the Directors are unable to quantify reliably the likelihood, timing and outflow of funds that may result, if any. For material matters where an outflow of funds is probable and can be measured reliably based on the latest information available at the reporting date, amounts have been recognised in the financial statements within Provisions.

Q Share Capital

Ordinary shares are classified as equity.

R 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.

S Separately disclosed items (SDI)

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

T Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

U 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.

3. Revenue

	Year ended 30 June 2022 £000	Year ended 30 June 2021 £000
Geographical market		
UK	197,377	54,425
Total	197,377	54,425

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		
Gaming win – Casino	183,051	50,186
Food and beverage	12,290	2,590
Other	2,036	1,649
Total	197,377	54,425

4. Operating profit/(loss) for the year

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

	Note	Year ended 30 June 2022 £000	Year ended 30 June 2021 £000
Other operating income		(1,695)	(30,345)
Staff costs	19	59,122	52,666
Cost of stock recognised as expense		6,194	1,588
Amortisation of intangibles	8	279	313
Depreciation of tangible assets			
- owned assets	9	12,788	13,720
- right-of-use assets	10	9,812	9,230
Separately disclosed items (see below)		(30,244)	(9,331)
Repairs and maintenance expenditure on tangible assets		4,028	1,959

Other operating income related to government grants received from reimbursement of employee costs relating to staff furloughed due to COVID-19 under the Coronavirus Job Retention Scheme. During the current financial year, a government grant of £1.7m was further received and subsequently £2.3m was fully settled. There are no government grant receivables outstanding at 30 June 2022.

Audit fees of £11k (2021: £7k) have been borne by a fellow group company, Rank Leisure Holdings Limited.

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

	Year ended 30 June 2022 £000	Year ended 30 June 2021 £000
Separately disclosed item (income)/expense:		
VAT claim	(27,215)	-
Impairment reversal	(6,173)	-
Impairment charges	2,817	-
Property provision	327	(533)
Gaming duty refund	-	(9,379)
Restructuring and relocation costs	-	580
Operating profit - SDI	(30,244)	(9,331)
Interest on VAT claim	(2,046)	-
SDI relating to continuing operations	(32,290)	(9,331)
Taxation	6,241	-
Total SDI income	(26,049)	(9,331)

VAT claim
On 30 June 2021, the Company was informed that the First-tier Tribunal ('FTT') had allowed the appeal of the Group on its claim to be refunded VAT paid on the takings from gaming machines during the period April 2006 to January 2013. Whilst this is a positive decision for the Company, HMRC have a number of avenues of appeal before this matter reaches a definitive conclusion, beginning with an initial 56-day period from the date of decision in which to lodge an appeal and agree the exact guarantee of the claim with the Group. Due to this, the transaction was disclosed as contingent assets in the Group's Annual Report for the year ending 30 June 2021.

On 2 December 2021, the refund has been received in relation to this claim comprising £27.2m principal and interest of £2.0m. This confirms the closure of the claim and the Group assessed no further appeal opportunities to any parties.

This is a material, one-off amount and as such has been excluded from underlying results.

Impairment charges and reversals
During the year, the Company recognised impairment charges of £2.8m and impairment reversal of £6.2m. The impairment charge were recognised for various reasons, including lower than anticipated performance post pandemic and low level of forecast earnings. On the other hand, the reversal were driven by better than anticipated performance and improved outlook in the identified Grosvenor venues.

The impairment charge and impairment reversals are material, non-cash and non-operational related items and as such, has been excluded from the underlying result.

Property provision
During the prior year, property provision held was released following a decision by the Group to exit leases at their expiration date. As these were material, infrequent items and did not form part of the underlying business performance, they are removed from the underlying results.

Gaming duty refund
During the prior year, the Company successfully concluded the legal process to reclaim gaming duty on casino chips provided by the casino to the player free of charge relating to the period from 2006 to 2013. This followed a judgement for another casino operator, which stated that free chips should not be included in the calculation of gross gaming yield for gaming duty purposes. The amount recognised in the prior year of £9.4m is the gaming duty claim. These have been removed from underlying operating results as they are material, infrequent in nature and do not represent underlying performance. This income is classified within operating costs which is where the costs were previously deducted.

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

4. Interest

	Year ended 30 June 2022 £000	Year ended 30 June 2021 £000
Interest income		
Interest income from Group companies	237	212
Interest income on leases	23	24
Interest income on VAT claim - SDI	2,046	-
Total	2,306	236
Interest expense in other loans	-	(16)
Interest expense on lease liabilities	(1,912)	(2,169)
Total	(1,912)	(2,185)
Total net interest income/ (expense)	394	(1,949)

5. Taxation

	Year ended 30 June 2022 £000	Year ended 30 June 2021 £000
Current tax		
UK corporation tax in respect of current year	3,071	(5,579)
SDI	2,144	1,773
Adjustment in respect of prior years	3,806	(62)
Total current tax	9,021	(3,868)
Deferred tax		
Origination and reversal of timing differences	(13)	(409)
SDI	4,096	-
Restatement of deferred tax due to rate change	239	2,009
Adjustment in respect of prior years	(3,753)	5
Total deferred tax	569	1,605
Tax charge/(credit) in the income statement	9,590	(2,263)

Current tax on separately disclosed items includes £Nil (2021: £1,782k) in relation to a gaming duty claim, a tax charge of £51k (2021: £101k) relating to the closure of venues, a tax credit of £12k (2021: £110k) relating to restructuring and relocation costs, a tax credit of £44k (2021: £Nil) on the impairment of assets, and a tax charge of £2,251k (2021: £Nil) in relation to a VAT claim and associated interest.

The deferred tax credit on separately disclosed items of £4,096k (2021: £Nil) is made up of a tax charge of £788k on the impairment of assets and licences and a tax charge of £3,308k in relation to a VAT claim and associated interest.

The adjustments in respect of prior periods predominantly relate to taxable losses generated in the year ended 30 June 2021. A current tax credit was recognised in the prior period in anticipation of these losses being carried back. The losses are instead to be carried forward to offset future taxable profits and therefore the credit is now recognised as deferred tax.

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

	Year ended 30 June 2022 £000	Year ended 30 June 2021 £000
Profit/(loss) before tax	48,430	(23,900)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2021:19.00%)	9,202	(4,541)
Effects of:		
Expenses not deductible for tax purposes	91	326
Adjustment in respect of prior years	53	(57)
Restatement of deferred tax due to rate change	239	2,009
Amount recognised in equity	5	-
Tax charge/(credit) in the income statement	9,590	(2,263)

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

Tax on items charged to equity

	Year ended 30 June 2022 £000	Year ended 30 June 2021 £000
Current tax		
Deferred tax charge on employee share schemes	(5)	-
Total tax (credit)/charge in reserves	(5)	-

6. Dividends

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

7. Impairment review of intangible assets, tangible assets and right of use assets
The carrying value of indefinite life casino licences as at 30 June 2022 was £70.6m (2021: £68.7m). The recoverable amount has been determined based on a value in use calculation using cash flow projections over the length of the associated lease or 50 years for freehold properties.

As a result of the year-end impairment review, we recognised that some Grosvenor venues have indicators of impairment, primarily caused by lower than anticipated performance post the pandemic and low level of forecast earnings. The Company recognised impairment charge of £2.8m (2021: £nil) for the year within SDI relating to intangible assets, tangible assets and right of use assets (see Notes 8, 9 and 10 respectively).

During the year, the Company also recognised a reversal of previously impaired assets of £6.2m driven by better than anticipated performance and improved outlook in the identified Grosvenor venues.

The Company considers each venue to be a separate cash-generating unit ('CGU'). The individual Grosvenor venues are aggregated for the purposes of allocating the Grosvenor goodwill.

As at 30 June 2022, goodwill and indefinite life intangible assets considered significant in comparison to the Group's total carrying amount of such assets have been allocated to groups of CGUs as follows:

	Goodwill		Intangible assets	
	2021/22 £m	2020/21 £m	2021/22 £m	2020/21 £m
Grosvenor – group of CGUs[1]	80.9	80.9	206.4	210.4

1. Each Grosvenor venue is a separate CGU, this includes Grosvenor Casino Limited and Grosvenor Casino (GC) Limited goodwill and intangible assets. Each venue holds at least one licence, but can hold multiple licences, which represents an indefinite life intangible asset. The individual Grosvenor venues are aggregated for the purposes of allocating the Grosvenor goodwill.

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment as required by IAS 36. If any such indication exists, then the asset's or CGU's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives, the recoverable amount of the related CGU or group of CGUs is estimated each year at the same time. The recoverable amount is determined based on the higher of the fair value less costs of disposal and value in use. The nature of the test requires that the Directors exercise judgement and estimation.

The impairment test was conducted in June 2022, and management is satisfied that the assumptions used were appropriate.

Testing is carried out by allocating the carrying value of these assets to CGUs, as set out above, and determining the recoverable amounts of those CGUs. The individual CGUs were first tested for impairment and then the group of CGUs to which goodwill is allocated were tested. Where the recoverable amount exceeds the carrying value of the CGUs, the assets within the CGUs are considered not to be impaired. If there are legacy impairments for such assets, except goodwill, these are considered for reversal.

The recoverable amounts of all CGUs or group of CGUs have been calculated with reference to their value in use. Value in use calculations are based upon estimates of future cash flows derived from the Group's strategic plan for the following three years. The strategic plan is updated in the final quarter of the financial year and has been approved by the Group Board of Directors. Future cash flows will also include an estimate of long-term growth rates which are estimated by business unit.

Pre-tax discount rates are applied to each CGU or group of CGUs' cash flows and reflect both the time value of money and the risks that apply to the cash flows of that CGU or group of CGUs. These estimates have been calculated by external experts and are based on typical debt and equity costs for listed gaming and betting companies with similar risk profiles. The rates adopted are disclosed in the table below.

	Pre-tax discount rate		Long-term growth rate	
	2021/22	2020/21	2021/22	2020/21
Grosvenor venues	11.3%	10.5%	2%	2%

Expenses are assessed separately by category. Assumptions include an extrapolation of recent cost inflation trends, known inflation trends such as national living wage and an expectation that costs will be incurred in line with agreed contractual rates.

Where a CGU does not have goodwill or indefinite life intangible assets, the CGU is only assessed for impairment where an indicator of impairment to the associated definite life intangible, right-of-use assets and/or property, plant and equipment is identified.

The approach to determine recoverable amounts for a CGU without goodwill or indefinite life intangibles is the same as that described above and is determined based on the higher of fair value less costs of disposal and value in use.

As a result of the procedures outlined above, the following impairment charges and impairment reversal have been recognised during the year and disclosed within SDIs in the Group income statement.

	Property, plant and equipment £m	Right-of-use asset £m	Intangible assets £m	Total £m
Impairment charges				
Grosvenor venues[1]	(1.2)	(1.3)	(0.3)	(2.8)
Impairment reversals				
Grosvenor venues[1]	2.9	1.1	2.2	6.2
Net impairment (charge) reversals	1.7	(0.2)	1.9	3.4

1. Impairment charge and reversal are recorded at the different individual Grosvenor venue CGUs. The total value in use of the CGUs where an impairment charge or impairment reversal was recognised totalled to £132.7m.

During the year, the Company also recognised a reversal of previously impaired assets of £13.3m relating to Grosvenor venues. The reversals were driven by better than anticipated performance and improved outlook in the identified Grosvenor venues.

Sensitivity of impairment review
The calculation of value in use is most sensitive to the following assumptions:

- revenue growth
- discount rates
- growth rates used to extrapolate cash flow beyond the forecast period

Revenue growth – the Group prepared cash flow projections derived from the most recent budget for the year ending 30 June 2023 and the Group's medium-term strategic plan to 30 June 2025, which applied a growth rate reflecting management's strategy for a period of three (3) years based on past performance and expectations of future changes in the market and Group's operating model.

Discount rates – Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

Growth rate estimates – Medium-term growth rates applied to the value-in-use calculations of each CGU reflect management's strategy for a period of three (3) years. Terminal values were determined using a long-term growth assumption for each CGU noted in the table above.

The Group assessed the impact of climate change in the impairment review and considers that the most significant impacts would be in relation to the cost of energy to the Group for which best estimates have been factored into future forecasts. The Group constantly monitors the latest government legislation in relation to climate related matters. At the current time, no legislation has been passed that will impact the Group. The Group will adjust the key assumptions used in value in use calculations and sensitivity to changes in assumptions should a change be required.

The Group has carried out sensitivity analysis on the reasonable possible changes in key assumptions in the impairment tests for (a) each CGU or group of CGUs to which goodwill has been allocated and (b) its venue CGUs (including indefinite life intangible assets).

For Grosvenor venues, the following sensitivities would result in changes to the recognised impairments. Grosvenor Venues CGUs (Grosvenor Casino Limited and Grosvenor Casino (GC) Limited).

Key Assumption	Reasonable Possible Change	Impact on impairment	£m
Revenue Growth	10% decrease in revenue in year 1 – London	Increase	(7.5)
	10% increase in revenue in year 1 – London	Decrease	4.9
Pre-tax discount rates	1% decrease in discount rates	Decrease	2.8
	1% increase in discount rates	Increase	(3.3)
Long-term growth rates	1% decrease in long-term growth rates	Increase	–
	1% increase in long-term growth rates	Decrease	–

8. Intangible assets

	Computer software £000	Casino licences £000	Total £000
Cost			
At 1 July 2021	4,230	79,434	83,664
Additions	111	-	111
At 30 June 2022	4,341	79,434	83,775
Aggregate amortisation and impairment			
At 1 July 2021	(3,166)	(10,702)	(13,868)
Charge for the year	(279)	-	(279)
Impairment charge	-	(319)	(319)
Impairment reversal	-	2,151	2,151
At 30 June 2022	(3,445)	(8,870)	(12,315)
Net book value			
At 30 June 2021	1,064	68,732	69,796
At 30 June 2022	896	70,564	71,460

Net impairment reversals for the year of £1.8m have been recognised in respect of SDI, comprising of an impairment charge of £0.3m and impairment reversals of £2.2m. There were no impairment charges or reversals in the prior year.

9. Tangible assets

	Freehold land and buildings £000	Leasehold land and buildings £000	Fixtures, fittings, plant and machinery £000	Total £000
Cost				
At 1 July 2021	9,413	25,240	188,511	223,164
Additions	-	65	5,726	5,791
Disposals	-	-	(3,562)	(3,562)
Reallocation between categories	164	75	(239)	-
At 30 June 2022	9,577	25,380	190,435	225,393
Aggregate depreciation and impairment				
At 1 July 2021	(4,797)	(20,662)	(150,943)	(176,402)
Charge for the year	(85)	(1,023)	(11,401)	(12,509)
Disposals	-	-	3,559	3,559
Impairment charge	-	(168)	(1,008)	(1,176)
Impairment reversal	-	420	2,515	2,935
At 30 June 2022	(4,882)	(21,433)	(157,278)	(183,593)
Net book value				
At 30 June 2021	4,780	4,578	37,568	46,762
At 30 June 2022	4,695	3,947	33,158	41,800

Assets under construction
Included in plant and machinery are assets in the course of construction of £2.3m (2021: £350k).

Land
Included in Freehold land and buildings is freehold land of £2,712k (2021: £2,712k).

Net impairment reversals for the year of £1.7m have been recognised in respect of SDI, comprising of an impairment charge of £1.2m and impairment reversals of £2.9m. There were no impairment charges or reversals in the prior year.

10. Right-of-use assets

	Right-of-use land and buildings £000	Right-of-use Fleet and machinery £000	Total £000
Cost			
At 1 July 2021	67,610	1,357	68,967
Additions	2,233	-	2,233
At 30 June 2022	69,843	1,357	71,200
Aggregate depreciation and impairment			
At 1 July 2021	(18,934)	(760)	(19,694)
Charge for the year	(9,449)	(363)	(9,812)
Impairment charge	(1,334)	-	(1,334)
Impairment reversal	1,100	-	1,100
At 30 June 2022	(28,617)	(1,123)	(29,740)
Net book value			
At 30 June 2021	48,676	597	49,273
At 30 June 2022	41,226	234	41,460

Net impairment charge for the year of £0.2m have been recognised in respect of SDI, comprising of an impairment charge of £1.3m and impairment reversals of £1.1m. There were no impairment charges or reversals in the prior year.

11. Stock

	At 30 June 2022 £000	At 30 June 2021 £000
Finished goods	551	480

There were no write downs of stock in either year.

12. Deferred tax

	At 30 June 2022 £000	At 30 June 2021 £000
Accelerated capital allowances	6,146	6,892
Other temporary differences	880	1
Right-of-use assets	1,420	1,660
Deferred tax asset	8,446	8,553
Casino licences	(17,336)	(16,879)
Deferred tax liability	(17,336)	(16,879)
Net deferred tax liability	(8,890)	(8,326)
Accelerated capital allowances	746	(2,268)
Casino licences	457	4,051
Right-of-use assets	240	(217)
Other temporary differences	(874)	39
Deferred tax expense in the income statement	569	1,605

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

Net deferred tax liability at start of year	(8,326)	(6,721)
Deferred tax (expense) in the income statement	(569)	(1,605)
Deferred tax credit to equity	5	-
Net deferred tax liability at end of year	(8,890)	(8,326)

13. Other receivables

	At 30 June 2022 £000	At 30 June 2021 £000
Amounts owed by parent and fellow subsidiary undertakings	95,272	31,047
Other receivables	1,651	1,584
Prepayments and accrued income	7,382	1,199
Amounts falling due within one year	104,305	33,830

No receivables were impaired at either balance sheet date. Other receivables do not contain impaired or past due assets.

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 was pooled in accordance with the Group's treasury policy to a fellow subsidiary as in prior years.

14. Trade and other payables

	At 30 June 2022 £000	At 30 June 2021 £000
Trade payables	7,804	4,912
Other tax and social security	13,031	9,168
Accruals	9,126	10,973
Current	29,961	25,053
Other payables	-	-
Non-current	-	-

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

15. Leases

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

	At 30 June 2022 £000
As at 1 July 2021	**63,971**
Additions	2,280
Accretion of interest	1,912
Payments	(15,697)
As at 30 June 2022	**52,466**
Current liabilities	12,740
Non-current liabilities	39,726
Total	**52,466**

The maturity analysis of lease liabilities is disclosed below:

	At 30 June 2022	
	Present value of the minimum lease payments £000	Total minimum lease payments £000
Not later than one year	12,739	14,002
After one year but not more than five years	10,288	11,308
After five years	29,439	32,358
	52,466	57,668
Less: total future interest expenses		(5,202)
Present value of lease liabilities		**52,466**

The following are the amounts recognised in income statement:

	Year ended 30 June 2022 £000
Depreciation expense of right-of-use assets	9,859
Interest expense on lease liabilities	1,912
Total amount recognised in income statement	**11,771**

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

16. Provision for other liabilities and charges

	Indirect tax provision £000	Pay provision £000	Total £000
At 1 July 2021	296	100	396
Released to income statement– SDI	-	(32)	(32)
At 30 June 2022	**296**	**68**	**364**

	At 30 June 2022 £000	At 30 June 2021 £000
Current	364	396
Non-current	-	-
Total	364	396

Indirect tax provision
The indirect tax provision relates to an amusement machine licence duty claim by HMRC. The balance of £296k (2021: £296k) represents the Director's best estimate of the outflow likely to arise.

Pay provision
The balance of £68k (2021: £100k) relates to the remaining settlements associated with the National Minimum Wage Regulations for those employees for whom the Company is still in contact for payment details.

17. Ordinary share capital

	At 30 June 2022 £000	At 30 June 2021 £000
Authorised, issued and fully paid		
39,000,000 ordinary shares of 100p each	39,000	39,000

18. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	At 30 June 2022 £000	At 30 June 2021 £000
Overdraft	(8,142)	-
Cash at bank and in hand	-	12,461
Total	(8,142)	12,461

19. Employees and directors

	Year ended 30 June 2022 £000	Year ended 30 June 2021 £000
Employee benefit expense during the year		
Wages and salaries	52,971	47,953
Social security costs	4,417	3,358
Pension contribution costs	1,726	1,435
Share based payments	8	(80)
Total	59,122	52,666

The average monthly number of employees in the year was 2,773 (2021: 2,897).

	Year ended 30 June 2022 £000	Year ended 30 June 2021 £000
Directors		
Aggregate emoluments	390	247
Company contributions to pension schemes	32	20
Total	422	267
Highest paid director		
Aggregate emoluments	192	108
Company contributions to pension schemes	18	9
Total	210	117

The payment of Director's emoluments are bome by another company within the group, therefore the figures shown above represents the amount recharged through management charges to the Company based on the group structure at the balance sheet date. No director exercised any share options or made any gains on the exercise of share options in either period.

20. Retirement benefits

The Company participates in a Group defined contribution plan under which the Company pays fixed contributions to a separate entity. Company contributions in the year ended 30 June 2021 were £1,719k (2021: £1,415k).

21. Capital commitments

	At 30 June 2022 £000	At 30 June 2021 £000
Contracts placed for future capital expenditure but not provided in the financial information	4,511	1,855

22. Financial assets and liabilities
The accounting policies for financial assets have been applied to the line items below:

	Other financial assets	
	At 30 June 2022 £000	At 30 June 2021 £000
Other receivables	104,305	33,830
Cash at bank and in hand	-	12,461
Total	104,305	46,291

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

	Other financial liabilities	
	At 30 June 2022 £000	At 30 June 2021 £000
Lease liabilities	52,466	63,971
Bank overdraft	8,142	-
Trade and other payables	29,961	15,884
Total	90,569	79,855

23. Contingent liabilities

Legal and regulatory landscape
Given the nature of the legal and regulatory landscape of the industry, from time to time the Company receives notices and communications from regulatory authorities and other parties in respect of its activities and is subject to compliance assessments of its licensed activities

The Company recognises that there is uncertainty over any fines or charges that may be levied by regulators as a result of past events and depending on the status of such reviews, it is not always possible to reliably estimate the likelihood, timing and value of potential cash outflows

24. Parent undertakings and related party transactions

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

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 or by written request to the Company Secretary at The Rank Group Plc, TOR, Saint Cloud Way, Maidenhead, Berkshire, SL6 8BN.