Rank Group

Company number:
03140769

To excite and to entertain

Annual Report 2022

Contents

Who we are

Over the course of more than three-quarters of a century, the Group has entertained many millions of customers in Britain and around the world. The Group's story is one of iconic brands and talented people.

Our purpose

To deliver exciting and entertaining experiences in safe, sustainable and rewarding environments.

We will achieve this through reflecting the changing needs and expectations of our customers, communities and colleagues.

To excite and to entertain.

Overview

2022 business highlights

- Underlying operating profit[1] for the full year was £40.4m, in line with guidance of £40m provided in June 2022.
- Second half performance was adversely impacted by difficult trading conditions in Grosvenor venues, particularly in London, which led to a reset of operating profit guidance for the full year.
- Underlying venues Net Gaming Revenue ('NGR')[1] up 209% year-on-year in the year but down 19% on CY 2019[2] reflecting the continued impact of, and gradual recovery from, the pandemic.
- Underlying digital NGR[1] grew 4% year-on-year supported by a 178% growth in active cross-channel customers.
- Six-fold increase in underlying digital operating profit[1] year-on-year to £18.7m as further synergies realised from the technology integration following the Stride acquisition in October 2019.
- Mecca digital business successfully migrated to the RIDE platform in January 2022 with the final brand, Grosvenor, migrating across by end of Q1 2022/23.
- Underlying venues operating profit[1] included energy costs of £23.2m, up significantly on the CY 2019[2] cost of £13.0m. Energy costs for 2022/23 would be approximately £46m based on current market prices.
- Mecca being reshaped to return to profitability with seven venues closed in Q1 2022/23.
- The strong cash position has enabled the acceleration of the Group's Transformation 2.0 programme, which is focused on improving the customer offer and growing customer numbers, has delivered with good returns from the £6.2m Grosvenor investment into new product and £5.3m casino refurbishments.
- Progression of the Group's ESG programme continues with significant developments introduced throughout the year to further enhance customer safety including a new online markers of harm model, a new risk model across Grosvenor casinos and the rolling out of a new machine management system in Mecca.
- Whilst the delay to the publication of the UK Government's gambling review White Paper is disappointing, we continue to build support for a programme of modest reforms for the land-based casino and bingo sectors.

Financial

- Underlying operating profit[1] of £40.4m compares with a loss of £82.4m in 2020/21 which was more heavily impacted by the pandemic with venues closed at various points throughout the year.
- Group operating profit of £82.1m reflects the net receipt of £77.1m from a VAT repayment, impairment charge of £25.8m net of impairment reversal, up from a Group operating loss of £92.9m in the prior year.
- Group returned to net cash position pre-IFRS 16 of £19.1m, supported by £100.7m cash inflow from operations and £83.1m of VAT receipts.
- Bank waiver restrictions lifted and returned to standard debt covenants from 1 July 2022.

1. On a like-for-like ('LFL') basis which removes the impact of club openings, closures, acquired businesses, foreign exchange movements and discontinued operations.
2. Year-on-year comparisons for our venues are distorted by significant periods of closure, curfews and regional restrictions in the 2020/21 financial year. The last comparable 12-month period that was unaffected by the COVID-19 pandemic was the 12 months to 31 December 2019 ('CY 2019') which the Group uses as a comparison to performance levels.

More information
To find out the latest about our business go to www.rank.com

About us

Rank has been entertaining Britain since 1937.

Today, we still love bringing excitement to millions around the world, with our gaming-based entertainment brands. And we believe that by doing it responsibly, and playing our part in the community, we can make sure our venues and online sites are filled with fun and laughter.

As we emerged from the pandemic we focused on refreshing our business to help us deliver our purpose, to excite and to entertain.

Refreshing our strategy and approach to ESG

"It is important to ensure our ESG objectives relate to and integrate with our company growth objectives."

John O'Reilly
Chief Executive

Learn more about our approach to ESG on pages 54-71
→

Above:
John O'Reilly,
Chief Executive

Reinforcing our approach to safer gambling is in our DNA

"The Group looks to challenge and motivate all colleagues to deliver in a manner that is underpinned by our commitment to safer gambling."

Katie McAlister
Non-Executive Director and Chair of the ESG & Safer Gambling Committee

Learn more about our commitment to safer gambling on pages 56-57
→

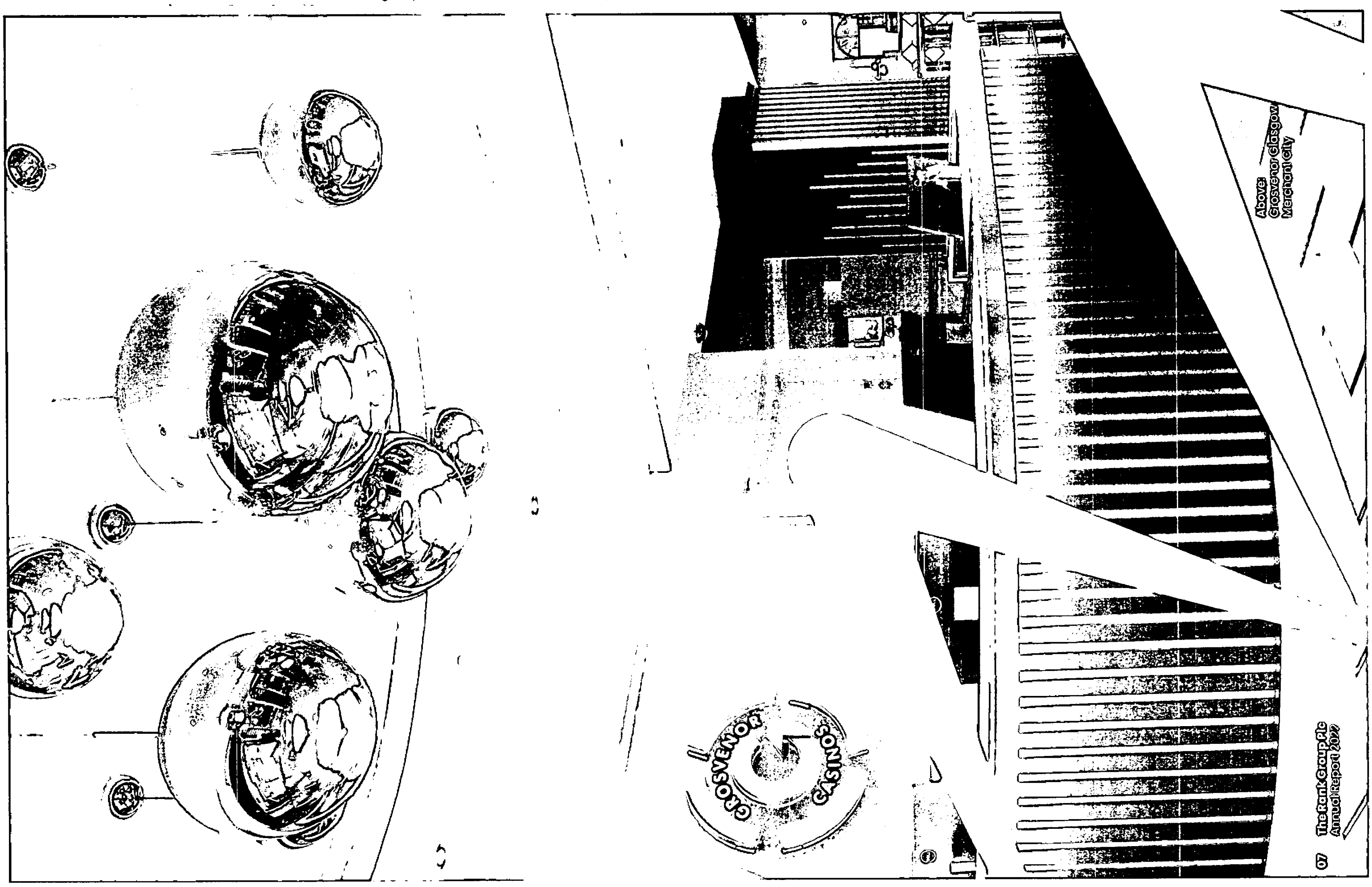
Above:
Grosvenor Casino
Sheffield

We are investing
in our venues

"We are changing our casinos, making them more relevant and appealing to a broader audience through upgrading our product and F&B offer."

Debbie Husband
Managing Director, Grosvenor Venues

Learn more about our investments in our Business Performance review on pages 17-22
→



Above:
Grosvenor Glasgow
Merchant City

Developing our digital and cross-channel offer

"We are excited by the roadmap ahead, as we look to bring the venues and digital experiences closer together."

Jon Martin
Managing Director, UK Digital

Learn more about our strategy on pages 40-51
→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Strategic Report

In this section:

We describe why we are confident that the improvements we are continuing to make to the customer proposition and the investments in our venues, alongside the gradually reducing impact of the pandemic, positions us well for the year ahead.

We also look at how we have strengthened our balance sheet and our understanding of what our customers want from the business.

Above:
Support Office, Maidenhead

The Group has ended the year with a strong balance sheet, positive trading momentum and a leadership team committed to delivering sustainable value for all its stakeholders.

Alex Thursby
Chair

Business updates

+14.2p

Earnings per share.

+98%

Underlying Group LFL Net Gaming Revenue ('NGR') up on prior year.

+4%

Underlying NGR for our UK digital business driven by the performance of our Grosvenor and Stride legacy brands.

Dear Shareholders

It has been a year of recovery for the Group, particularly for our venues businesses. Clearly the pace of recovery in the UK has been below expectations, but the Board and I are confident that robust plans are in place to drive the required growth and improvements.

It has also been an important year for our UK digital business. The Mecca brand was successfully migrated onto the RIDE proprietary platform in January 2022 and the Grosvenor brand is due to migrate in Q1 2022/23. Following Grosvenor's migration, all Group digital businesses will be operating on owned technology platforms providing greater agility and sophistication in responding to customer needs whilst delivering improved margins.

Great progress has been made in the year in establishing a Group-wide ESG and safer gambling strategy. A set of performance measures have been agreed which will evolve alongside our various initiatives. The Group remains dedicated to a safer gambling environment for our customers.

The Group recognises the inflationary pressures facing UK consumers but is confident that the programme of planned improvements alongside the reducing impact of the pandemic will position it well for future growth.

The Group has ended the year with a strong balance sheet, positive trading momentum and a refreshed leadership team committed to delivering sustainable value for all its stakeholders.

Regulation

Unfortunately, the UK Government's White Paper for gambling reform is yet to be published. Having originally expected its publication before the end of 2021, multiple ministerial changes and more recently the appointment of a new Prime Minster have resulted in further delays to its publication.

The Rank team continues to work hard outlining modest proposals to modernise the UK land-based casino and bingo sectors and it's still expected that the Group will benefit from the review when it concludes.

Performance

Underlying Group LFL NGR was up 98% on the prior year, with our venues back open and our venues' colleagues doing what they do best, entertaining and exciting our customers.

Our venues are still in post COVID-19 recovery, with underlying Group LFL NGR down 10% compared to our pre-pandemic performance[1]. We are confident that the Group's targeted capital programme can drive growth in customer visits and, alongside delivering operational efficiencies, an improved performance.

Our UK digital business also recovered in the year, with underlying Group LFL NGR up 4%, driven by the performance of Grosvenor and the Stride legacy brands which operate on the proprietary RIDE platform. The Board sees our digital business as a key provider of future growth for the Group.

Earnings per share ('EPS') was 14.2p, up from a loss per earnings of 16.5p in the prior year, due to our venues being back open and contributing positively to the Group. EPS before separately disclosed items was 4.3p.

Dividend

As we started the new financial year on 1 July 2022, we saw the removal of the bank-imposed restriction on not paying our shareholders a dividend which was a condition of our bank financial covenant waiver put in place during the pandemic. As the Group's performance continues to improve, we will reassess the Group's approach to paying dividends to our shareholders. We expect to provide further clarity around the resumption of paying dividends at the time of the half year results announcement in January.

Board changes

During the year, we continued to strengthen our Board with the appointment of two new members.

On 1 May 2022, we welcomed Richard Harris to the Group as Chief Financial Officer ('CFO') and to the Board following the departure of Bill Floydd on 31 December 2021. Richard brings extensive financial and operational experience which will be invaluable as Rank moves through the next phase of its transformation plan. I would like to take the opportunity on behalf of the Board to thank Bill for his excellent contribution to the Group as it navigated its way through the pandemic and to Simon Hay who took on the role of Interim CFO for the four months prior to Richard joining.

On 23 June 2022, we were delighted to announce that Lucinda Charles-Jones joined the Board as a Non-Executive Director. Lucinda's background in remuneration and people matters and experience of operating in regulated consumer-facing businesses will be a real asset to the Board.

We also said farewell to two long-serving Non-Executive Directors during the year. On 31 January 2022, Susan Hooper stepped down after serving over six years on the Rank Board. Susan also successfully chaired the ESG & Safer Gambling committee for four and a half years and was pivotal in ensuring ESG was considered in its wider form without losing our clear commitment to safer gambling. Katie McAlister was appointed Chair of the ESG & Safer Gambling Committee following Susan's departure.

On 19 January 2022, following his acceptance to join the Board of Nueva Codere, Chris Bell stepped down from the Board after serving six and half years as Senior Independent Director. Following Chris's departure, Karen Whitworth was appointed Senior Independent Director. Chris's contribution to the Rank Board has been invaluable and we wish both Susan and Chris well for the future.

Thank you

The Group has emerged from the pandemic with a renewed focus and energy. There lie many opportunities ahead for the Group and its future success will not be possible without the unwavering passion and resilience of the Rank team. On behalf of the Board I would like to say thank to all 7,600 colleagues for the part you play in delivering the Rank strategy.

Alex Thursby
Chair
17 August 2022

Learn more about our response to the Government's Gambling Review:
www.rank.com/en/responsibility
→

1. Year-on-year comparisons for our venues are distorted by significant periods of closure, curfews and regional restrictions in the 2020/21 financial year. The last comparable 12-month period that was unaffected by the COVID-19 pandemic was the 12 months to 31 December 2019 ('CY 2019') which provides a helpful comparison to performance levels.

A unique blend of experiences, branded venues and digital channels in the UK and Spain.

Our branded venues and digital channels

64 Mecca branded venues
Mecca is Rank's community-gaming brand for the British market. A national portfolio of 64 venues offering bingo, slot machine games, great value food and drink, and live entertainment.

Mecca digital channels
The digital channels offer a range of popular games like bingo, a wide range of slot games and table games.

64

52 Grosvenor branded venues
The UK's largest multi-channel casino operator with 52 venues. The brand offers a range of casino table games, including roulette, blackjack, baccarat and poker as well as electronic roulette and slot machine games.

Grosvenor digital channels
The brand's complementary digital channels offer many popular games, including its successful live casino, in addition to a sports betting offer.

52

9 Enracha branded venues
Enracha is Rank's community-gaming business for the Spanish market. Nine venues offering a range of popular community games like bingo and poker as well as electronic casino and slot games, great value food and drink, and live entertainment.

Enracha digital channels
Enracha also has a small complementary digital offer.

9

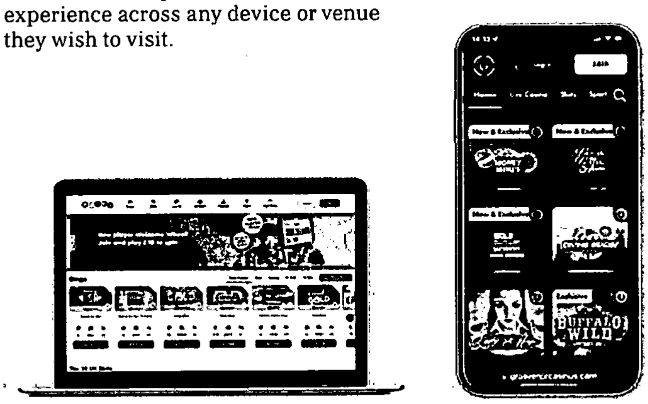
Our digital only brands

The Group operates the market-leading digital bingo brand, YoBingo, to the Spanish market alongside its newer digital casino offer, YoCasino.

In addition to its established brands, the Group also operates multiple digital brands using a combination of proprietary and non-proprietary licensed software providing online bingo, casino and slot gaming.

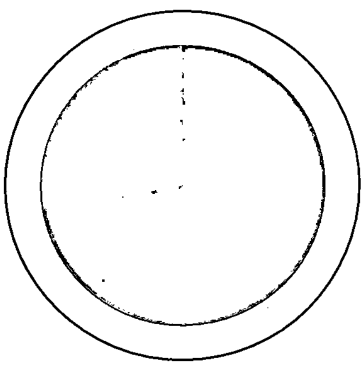
In venues and online – extending the customer experience

Our aim is to provide a seamless, continuous and personalised customer experience across any device or venue they wish to visit.



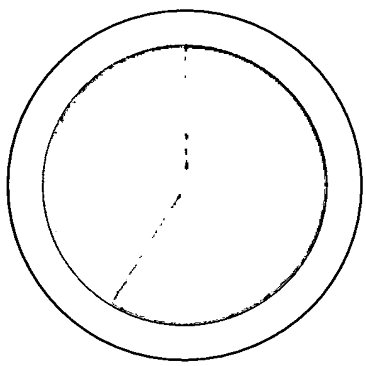
Our markets

Split of LFL NGR – UK



○ Venues £430.6m
○ Digital £162.3m

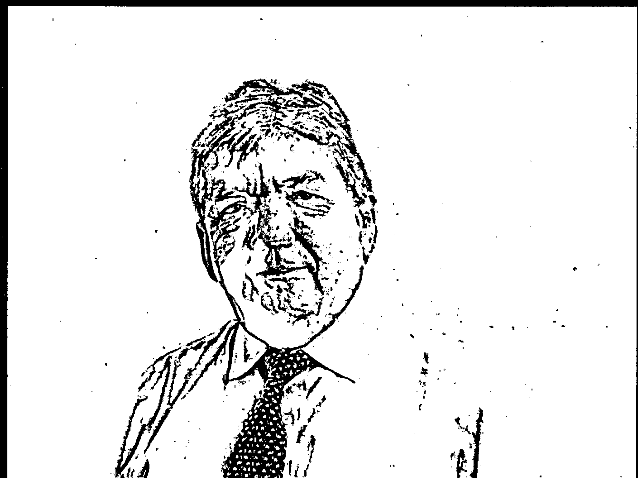
Split of LFL NGR – Spain



○ Venues £30.1m
○ Digital £21.0m

Our strong balance sheet enables continued investment in our Transformation 2.0 programme which positions the Group well both for growth and for the anticipated regulatory reform to land-based gaming.

John O'Reilly
Chief Executive



Business updates

+£40.4m

Underlying LFL operating profit of £40.4m compares with a loss of £82.4m in the prior year.

+275%

Grosvenor's underlying LFL Net Gaming Revenue ('NGR') was up 275% compared to the prior year.

+15%

Increase in spend per visit at Mecca venues on the core mainstage bingo game.

+£18.7m

Digital underlying LFL operating profit of £18.7m up from £3.1m in the prior year.

Strategic update

During the year, we took some time as a Board and executive team to revisit the Group's purpose, ambition and strategic aims.

Purpose

Our overarching purpose of delivering exciting and entertaining experiences remains unchanged. However, the Board recognised that our purpose statement must reflect our commitment to ensuring that we meet the needs of all of our stakeholders in a sustainable way.

Refreshed purpose statement:

To deliver exciting and entertaining experiences in safe, sustainable and rewarding environments. We will achieve this through reflecting the changing needs and expectations of our customers, communities and colleagues.

To excite and to entertain.

Ambition

Our stated Group ambition made reference to becoming a £1bn revenue international gaming business by 2023. The impact of the COVID-19 pandemic on our venues businesses has made this ambition unachievable within the timescale. Following the publication of the White Paper on UK gambling reform we will have a better understanding of our future growth trajectory and will restate our medium to long-term ambition.

Current trading and outlook

Overall, Group underlying NGR is running 3% ahead of the prior year in the first seven weeks of 2022/23. Underlying Digital NGR has grown 12% in the seven weeks, with venues down 1%. Grosvenor venues NGR is down 4% year-on-year but with average weekly NGR in the seven weeks 11% ahead of Q4, with the gradual return of overseas customers to our London casinos more than offsetting the softer trading conditions outside of London. Mecca is seeing visits up 8% and NGR up 2%.

Trading conditions are likely to remain challenging in the months ahead with high inflation hitting consumer discretionary expenditure and inflationary cost pressures, particularly the further rise in energy prices in recent weeks, continuing to impact operating margins. However, the successful migration to proprietary technology within the digital business and the investment into the venues estate, will result in us being able to compete strongly in the coming year. Moreover, the strong balance sheet enables continued investment in our Transformation 2.0 programme which positions the Group well both for growth and for the anticipated regulatory reform to land-based gaming following the outcome of the UK Government's review of gambling regulation.

Business performance

Year-on-year comparisons for our venues are distorted by significant periods of closure, curfews and regional restrictions in the 2020/21 financial year. The last comparable 12-month period that was unaffected by the COVID-19 pandemic was the 12 months to 31 December 2019 ('CY 2019') which the Group uses as a comparison to performance levels.

At a Group level, underlying LFL NGR of £644.0m was up 98% against the prior year. The largest growth was in Grosvenor venues which were subject to the most severe restrictions in 2020/21. In comparison to CY 2019, underlying LFL NGR was down 10%, reflecting the operating restrictions which were in place across the venues businesses in the first half and slower than expected recovery in our Grosvenor venues in the second half.

Underlying LFL operating profit of £40.4m compares with a loss of £82.4m in the prior year and a profit of £104.2m in CY 2019.

Despite the continued strong focus on driving efficiencies across each of the businesses, inflationary cost pressures in the Grosvenor and Mecca UK venues businesses negatively impacted operating margins. The material increase has been in energy which more than doubled to £22.4m in UK venues. Based on current market prices, energy costs for FY23 would be approximately £46m. Prices for the first quarter of the year are fixed and known but there remains exposure to market volatility beyond September. A number of initiatives, including energy efficiency programmes, are underway to mitigate some of the impact of higher energy prices.

NGR

	2021/22 £m	2020/21 £m	Change	CY 2019[1] £m	Change
Grosvenor venues	**296.6**	79.2	275%	364.1	(19)%
Mecca venues	**134.0**	53.8	149%	175.7	(24)%
Enracha venues	**30.1**	15.9	89%	31.6	(5)%
Digital	**183.3**	176.4	4%	144.0	27%
Underlying LFL[2]	**644.0**	325.3	98%	715.4	(10)%
Impact of venues closures and FX[3]	**–**	4.3		18.6	
Underlying	**644.0**	326.8	95%	734.0	(12)%

Operating profit

	2021/22 £m	2020/21 £m	Change	CY 2019 £m	Change
Grosvenor venues	**45.1**	(40.7)	(211)%	75.4	(40)%
Mecca venues	**(0.8)**	(17.5)	(96)%	33.0	(102)%
Enracha venues	**8.1**	0.6	1,233%	7.5	8%
Digital[2]	**18.7**	3.1	499%	22.9	(18)%
Central costs	**(30.7)**	(27.9)	9%	(34.6)	(11)%
Underlying LFL[2]	**40.4**	(82.4)	(149)%	104.2	(61)%
Impact of venues closures and FX[3]	**(0.6)**	(2.1)		0.5	
Underlying	**39.8**	(84.5)	(147)%	104.7	(62)%

1. Year-on-year comparisons for our venues are distorted by significant periods of closure, curfews and regional restrictions in the 2020/21 financial year. The last comparable 12-month period that was unaffected by the COVID-19 pandemic was the 12 months to 31 December 2019 ('CY 2019') which the Group uses as a comparison to performance levels.
2. Results are presented on a like-for-like ('LFL') basis which removes the impact of club closures, foreign exchange movements and discontinued operations.
3. A full analysis of these adjustments can be found in the Alternative Performance Measures ('APM') section.

Grosvenor venues

Grosvenor's underlying LFL NGR was up 275% compared to the prior year, where Grosvenor's venues were either closed or operating under curfew. Compared with calendar year 2019, underlying LFL NGR was down 19% reflecting the continued impact from the pandemic, the slow return of overseas customers to our London casinos and the pressure on UK consumer discretionary expenditure.

All of Grosvenor's 52 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.

Average weekly NGR of £6.1m in Q1 increased to £6.3m in Q2 as travel restrictions eased and revenues increased in our London casinos. In Q3 average weekly NGR fell to £5.3m with the impact of Omicron and very weak trading conditions in London. In Q4 average weekly NGR fell to just £5.1m, with the volume of overseas players into London only starting to pick up towards the end of the year. Compared with calendar year 2019, London NGR was down 27% for the full year, with the rest of the UK down 13%.

The strongest performing venues were those in UK 'staycation' locations such as Brighton, Blackpool and Bournemouth and venues such as Bristol, Walsall, Sheffield, London Victoria ('The Vic') and Nottingham which have traded strongly, some on the back of development investment.

The Grosvenor business continued to drive strong cost efficiencies throughout the year but with NGR falling 19% compared with CY 2019 and energy costs increasing significantly, the operating margin declined from 20.7% to 15.2% delivering an underlying LFL operating profit of £45.1m (operating loss of £40.7m in the prior year).

Key financial performance indicators

	2021/22 £m	2020/21 £m	Change	CY 2019[1]	Change
LFL[2] NGR	**296.6**	79.2	275%	364.1	(19)%
London	**101.6**	26.5	283%	138.7	(27)%
Rest of the UK	**195.0**	52.7	270%	225.4	(13)%
Total NGR	**296.6**	79.2	275%		
Underlying LFL[2] operating profit/(loss)	**45.1**	(40.7)	(211)%	75.4	(40)%
Underlying[3] operating profit/(loss)	**45.1**	(40.7)	(211)%		
Total profit/(loss)	**60.6**	(27.4)	(321)%		

1. Year-on-year comparisons for our venues are distorted by significant periods of closure, curfews and regional restrictions in the 2020/21 financial year. The last comparable 12-month period that was unaffected by the COVID-19 pandemic was the 12 months to 31 December 2019 ('CY 2019') which the Group uses as a comparison to performance levels. Please refer to the Alternative Performance Measures section to find out how CY 2019 has been calculated.
2. Results are presented on a like-for-like ('LFL') basis which removes the impact of club openings, closures, acquired businesses, foreign exchange movements and discontinued operations.
3. Before the impact of separately disclosed items.

During the year, Grosvenor recognised an impairment charge of £26.9m and an impairment reversal of £13.3m relating to a number of venues.

Despite a disappointing year from a trading perspective, a number of key initiatives have been successfully delivered to accelerate the transformation of the Grosvenor business as it recovers from long periods of lockdown and other restrictions through the pandemic.

£6.2m has been invested in new electronic roulette terminals, gaming machines, tables and wheels during the year. The healthy table margin of 17.8% was the result of continued investment in the latest roulette wheels, tighter table management controls and enhanced science being applied to table opening plans.

£5.3m has been invested in property development during 2021/22. Refurbishments were completed at Bristol, Blackpool, Walsall and Huddersfield to modernise the venues, add enhanced customer facilities including bars and restaurants, improve non-gaming lounge facilities and sports viewing areas, in addition to making improvements to gaming floors. An adult gaming centre licence has been added to additional space at the ground floor of the St Giles casino in Tottenham Court Road in readiness for the anticipated changes in casino regulations emanating from the UK Government's current review of gambling legislation. An additional casino licence has been added to Grosvenor Nottingham providing an additional 20 gaming machines.

Following extensive customer research, a new concept venue has been developed at the existing Merchant City site in Glasgow. The casino which opened shortly after the year end is more open and welcoming, providing more intuitive journeys for new customers. The venue presents a new Grosvenor brand logo and visual positioning to help underline the entertainment and excitement of the customer proposition. The venue has a bar, sports viewing areas, restaurant and gaming machine areas on the ground floor with a modern and vibrant gaming floor below. The new Glasgow Merchant City Casino is another important step for the Grosvenor brand in broadening the appeal of casinos to a larger audience of consumers.

A new customer safety model was trialled and successfully rolled out across the Grosvenor estate in November 2021. The model provides teams with data points on a daily basis which pinpoint customers requiring further review to ensure they are playing safely and within their means.

The hospitality sector has experienced considerable labour market pressures since reopening. Within the casino sector, the particular pressure point has been around licensed gaming personnel of whom a large percentage were previously nationals from mainland Europe. With this provision of gaming colleagues having dried up due to Brexit, the Grosvenor business rolled out clearer career pathways under a new employee value proposition and established gaming academies across the UK to support the training of newly recruited colleagues and those looking to transfer from food and beverage and other positions into licensed gaming roles. Over 440 colleagues qualified as Grosvenor gaming colleagues during the financial year.

“It’s so great to talk to and meet our customers in our venues again.”

Debbie Johnston
General Manager, Grosvenor Glasgow Merchant City

Above:
Grosvenor Glasgow Merchant City

Mecca venues

The impact of the pandemic has been severe on the bingo sector given the importance of an older cohort of customers to visitor numbers. Mecca's LFL NGR increased 149% on the prior year but was down 24% on CY 2019 on visit volumes down 32%.

Mecca witnessed a slow recovery from the pandemic with the biggest shortfall to pre-pandemic visitor numbers being amongst older customer segments. Compared with CY 2019, visitor volumes were down 32% in H1 at 2,548k. H2 performance was affected by Omicron case numbers across the UK which further impacted the willingness of older consumers to attend indoor hospitality. Nevertheless, visitor volumes improved to 2,687k in H2, down 33% on CY 2019.

Mecca has competed hard for customer's leisure time by cutting prices across a range of bingo sessions and guaranteeing strong prizeboards. Nevertheless, spend per visit on the core mainstage bingo game increased 15% on 2019 as customers utilised the increased value to buy more tickets in the game. Across the board spend per visit grew 13% on 2019 with gaming machine spend growing by 33% and food and beverage by 27%. Spend per visit on interval games declined 13% as expenditure transferred into the mainstage bingo game.

Key financial performance indicators

	2021/22 £m	2020/21 £m	Change	CY 2019[1]	Change
LFL[2] NGR	**134.0**	53.8	149%	175.7	(24)%
Total NGR	**134.0**	55.5	141%		
Underlying LFL[2] operating profit/(loss)	**(0.8)**	(17.5)	(95)%	33.0	(102)%
Underlying[3] operating profit/(loss)	**(0.8)**	(18.9)	(96)%		
Total profit/(loss)	**33.6**	(22.7)	(248)%		

1. Year-on-year comparisons for our venues are distorted by significant periods of closure, curfews and regional restrictions in the 2020/21 financial year. The last comparable 12-month period that was unaffected by the COVID-19 pandemic was the 12 months to 31 December 2019 ('CY 2019') which the Group uses as a comparison to performance levels.
2. Results are presented on a like-for-like ('LFL') basis which removes the impact of club openings, closures, acquired businesses, foreign exchange movements and discontinued operations.
3. Before the impact of separately disclosed items.

The underlying LFL operating loss of £0.8m, reflecting both the fall in NGR and the £8.1m increase in energy costs in the year, compares with a £17.5m operating loss in the prior year and a £33.0m underlying LFL operating profit in CY 2019.

Seven loss making venues at lease end have closed in Q1 2022/23.

During the year, Mecca recognised an impairment charge of £20.9m relating to a number of venues.

Mecca Luton reopened in March 2022 following a full redesign and refurbishment. This new Mecca concept venue provides for a wide range of entertainment experiences with bingo at the core. It is early days for Mecca Luton after a prolonged closure, but the customer reaction to the venue and the experience is very positive and we expect customer volumes and revenues to continue to build.

Bingo venues continue to provide an important social amenity and, with the emergence from the pandemic, a strengthened Mecca team has a clear focus on accelerating the rate of year-on-year growth, returning their venues to profitability in 2022/23.

Enracha venues

The Enracha venues business in Spain recovered strongly in 2021/22 despite having COVID-19 restrictions on opening hours and on capacity levels until well into H2. Underlying LFL NGR of £30.1m was up 89% against the prior year and down just 5% against pre-pandemic CY 2019.

Impacted by the pandemic, operating restrictions and lowered consumer confidence about indoor hospitality, the volume of visits to Enracha was down 33% against CY 2019. However, this was largely offset by a 29% growth in the spend per visit. This growth in customer expenditure has largely been driven by 6% growth in gaming machine NGR despite visitor numbers being down by a third. The investment made to the machine offering across the Enracha estate prior to the pandemic has delivered strong returns and this has been further enhanced by the gradual rollout of a new machine management system which is providing enhanced metrics and insights into customer play.

Key financial performance indicators

	2021/22 £m	2020/21 £m	Change	CY 2019[1]	Change
LFL[2] NGR	**30.1**	15.9	89%	31.6	(5)%
Total NGR	**30.1**	17.5	72%		
Underlying LFL[2] operating profit/(loss)	**8.1**	0.6	1,250%	7.5	8%
Underlying[3] operating profit/(loss)	**7.5**	(0.2)	(3,850)%		
Total profit/(loss)	**15.1**	(0.8)	(1,988)%		

1. Year-on-year comparisons for our venues are distorted by significant periods of closure, curfews and regional restrictions in the 2020/21 financial year. The last comparable 12-month period that was unaffected by the COVID-19 pandemic was the 12 months to 31 December 2019 ('CY 2019') which provides a helpful comparison to performance levels.
2. Results are presented on a like-for-like ('LFL') basis which removes the impact of club openings, closures, acquired businesses, foreign exchange movements and discontinued operations.
3. Before the impact of separately disclosed items.

The nine Enracha venues delivered an underlying LFL operating profit of £8.1m, an increase of 8% on CY 2019.

During the year, Enracha recognised an impairment reversal of £8.8m regarding a number of its venues.

"Our bingo venues continue to provide an important social amenity."

Andy Crump
Managing Director, Mecca Venues

Above:
Mecca Luton

Digital

The digital business performed strongly in the year, delivering underlying LFL NGR growth of 4% and increasing underlying LFL operating profit of £18.7m up from £3.1m in the prior year.

Within the UK-facing brands, Mecca NGR declined 3% year-on-year whilst Grosvenor grew 7% and the Stride legacy brands grew 11%. The Stride legacy brands on the RIDE proprietary technology platform grew 31%, whilst those operating on third-party platforms fell 14% as other operators caught up with the affordability processes and restrictions introduced across Rank's digital businesses in 2020.

Yo and Enracha grew NGR by 4% despite marketing investment being down 51% against the prior year following the advertising and other restrictions introduced by the Spanish Government in May 2021. Unique active players were down 19% as the volume of first time depositors halved, but the revenue per customer grew 27% as retention rates improved and the value of new customers increased.

Mecca was successfully migrated to the RIDE proprietary technology platform in January 2022. The Grosvenor online business will be migrated in September 2022, completing the successful integration of the Stride acquisition and freeing up significant development capability for new products, improved user journeys and enhanced omni-channel customer experiences within the technology roadmap.

Key financial performance indicators

	2021/22 £m	2020/21 £m	Change
LFL[1] NGR	**183.3**	176.4	4%
Mecca	**66.9**	68.7	(3)%
Grosvenor	**49.8**	46.5	7%
Enracha/Yo	**21.0**	20.1	4%
Other including Stride legacy brands	**45.6**	41.1	11%
Total NGR	**183.3**	177.4	3%
Mecca	**66.9**	68.7	(3)%
Grosvenor	**49.8**	46.5	7%
Enracha/Yo	**21.0**	21.1	0%
Other including Stride legacy brands	**45.6**	41.1	11%
Underlying LFL[1] operating profit/(loss)	**18.7**	3.1	503%
Underlying[2] operating profit/(loss)	**18.7**	3.2	484%
Total profit/(loss)	**4.2**	(11.3)	(137)%

1. Results are presented on a like-for-like ('LFL') basis which removes the impact of club closures and foreign exchange.
2. Before the impact of separately disclosed items.

During the year, further improvements were made to the UK digital operating model with a strengthening of the software engineering hub in Cape Town, additional growth in the Mauritius operations teams and several key appointments across technology, marketing and commercial functions.

Cost synergies from the Stride acquisition totalled £10.2m in 2021/22 with a further £4.5m expected to be delivered following completion of the Grosvenor migration.

The business continues to develop and roll out additional safety mechanisms to help protect customers by ensuring they are playing within their means. Affordability journeys continue to be improved to reduce unnecessary friction for customers. A new markers of harm model has been introduced which enhances real time identification of potentially at-risk play, triggering an appropriate interaction with the customer.

Within the international digital business, Enracha online was successfully migrated onto the Yo proprietary technology platform and in Q4 we launched Enracha Sports. A new Yo Sports service is in development for launch in H1.

Passion Gaming, the online Indian rummy business in which Rank holds a 51% share, saw NGR grow 18% in the year as legal restrictions in Tamil Nadu and Kerala were eased.

"Last year was transformational for the UK digital business."

Jon Martin
Managing Director, UK Digital

Strategic pillars
The Board reviewed Rank's six strategic pillars and concluded that the key focus areas of driving our digital business and evolving our venues is still very much the priority. Our focus on developing our cross-channel offering has now progressed into how we can better provide a seamless cross-channel service to our customers which better meets their needs. It was also concluded that our fourth pillar, which highlighted the need to innovate, is now rooted in all our channel initiatives and therefore should not be a separate distinct pillar.

We wanted to ensure we have a fully embedded sustainable strategy and that what may be classed as ESG aims were not dealt with separately. As a result, our final two strategic pillars now fully embed our sustainability focus areas of customers, colleagues, communities and the environment.

Refreshed strategic pillars:

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

For details of our strategic initiatives in the year please refer to Our Strategy section on page 40.

Sustainability
In January 2022, we issued our first-ever Responsible Business Report which outlined our ESG commitments.

We have continued to build on the good foundations set out in the January report and are pleased to report for the first time on our achievements within our corporate strategy. We have identified key performance indicators against each area of focus to enable us to report more broadly on our social and environmental impacts alongside our financial reporting calendar.

A comprehensive 2022 Responsible Business Report will be published in September and will be available to view and download from our corporate website, www.rank.com.

Regulatory update
We continue to await the publication of the Government's White Paper for gambling reform. Originally scheduled to be published before the end of calendar year 2021, ministerial changes in late 2021 contributed to a series of delays throughout the first half of 2022, which culminated in June with another key ministerial change in the Department for Digital, Culture, Media and Sport ('DCMS') and the Government-wide suspension of any new legislation or policy, prior to the appointment of a new Prime Minister.

Our understanding is that the publication of a White Paper is likely to be followed by a series of Gambling Commission consultations relating to specific policy recommendations. The timeline for these consultations is unconfirmed but likely to begin soon after the White Paper is published.

Over the course of the past year, we have worked hard to articulate our modest policy proposals with key parliamentary stakeholders, principally in terms of land-based reforms for casinos and bingo clubs, but also for sensible digital policy decisions.

"Our overarching purpose of delivering exciting and entertaining experiences remains."

John O'Reilly
Chief Executive

Below:
John O'Reilly, Katie McAlister and Alex Thursby

In terms of our casinos, we proposed a sliding scale (based on size of venue) for increased numbers of slot machines across UK casinos which would enable all venues to better cater to customer demand whilst preserving the character of a UK casino. We remain hopeful of deregulation in terms of slot machine numbers and believe that the sliding scale model is the most effective solution to ensure consistent and even-handed reform in line with the Government's original objectives. We have also proposed the availability of Random Number Generator based product on terminals in our clubs, along with the provision of sports betting which would help to ensure UK casinos start to catch up with what is widely available throughout the world. A solution to the issue of providing credit for High Net Worth individuals is important, particularly in our London casinos, and we have argued that any solution in this space must apply equally to all venues which compete for overseas customers.

Our proposals for land-based bingo reforms have been similarly modest. The existing '80:20' rule, which requires 80% of our machine mix in clubs to be increasingly obsolete Cat C or Cat D machines in order to provide the 20% balance of more popular B3 machines, is archaic. We have proposed the rule be removed and that the ability to offer side-bets on the main stage game of bingo be permitted. We continue to work with DCMS and to seek further engagement from the UK Gambling Commission in order to ensure that these modest reforms are fully understood and can be implemented.

Our UK digital business will likely be impacted by changes to the digital elements of the White Paper recommendations. We have argued against the imposition of a statutory levy and against the blanket banning of free bets, both of which would curtail our competitive abilities. We hope that any changes to affordability thresholds and online slot limits will provide a line in the sand which sensibly allows customers and operators to adjust to changes and deliver a safer gambling consistent experience without further regulatory creep.

Management changes

During the year we made a number of key appointments to the executive team.

On 1 May 2022, Richard Harris joined the Group as Chief Financial Officer ('CFO'). Richard joined us from London estate agents Foxtons Plc where he had been CFO for three years. Prior to joining Foxtons, Richard was Group Financial Controller for Laird plc.

On 2 May 2022, Enric Monton Montero joined us as Managing Director of Rank International, our Spanish venues and digital business. Enric has over 20 years of experience in the Spanish land-based and digital betting and gaming sector, most recently as Managing Director of Cirsa's Latin America business.

Debbie Husband was appointed Managing Director of the Grosvenor venues business on 3 May 2022. Debbie was previously National Operations Director for Grosvenor having joined the Group from Travelodge in September 2017.

Andy Crump joined the Group as Mecca Managing Director on 3 May 2022. Andy joined us from Marks and Spencer where he was Head of Hospitality Operations with P&L responsibility for over 400 cafes, bakeries and deli counters. Prior to Marks and Spencer, Andy spent 14 years in senior operational roles with Punch Taverns.

Emma Morning, who joined the transformation programme office in 2019 having previously worked with KPMG in the UK and Australia in various consulting roles, was promoted to the executive team during the year as Transformation and Strategy Director.

On 12 September 2022, Hazel Boyle will join the Group as Chief People Officer. Hazel joins us from Future plc, where she was most recently their Chief People Officer. Hazel brings a wealth of corporate experience and extensive knowledge of managing change and transformation across large groups, with a strong focus on talent management and development.

The new members of the executive team bring renewed energy to the transformation of the Group.

John O'Reilly
Chief Executive Officer
17 August 2022

Above:
Richard Harris

For more information on Richard Harris' appointment, see page 103
→

CFO's review

For the 12 months ended 30 June 2022 NGR increased by 95% to £644.0m due to the impact of COVID-19 enforced venue closures and operating restrictions in the prior year.

Richard Harris
Chief Financial Officer

Business updates

+£82.1m

Increase in operating profit with our venues back open, from an operating loss of £92.9m in the prior year.

+14.2p

Increase in basic EPS from (16.5)p in the prior year.

Within this section all prior year comparatives are to the year ended 30 June 2021.

Reported net gaming revenue ('NGR')

For the 12 months ended 30 June 2022 NGR increased by 95% to £644.0m due to the impact of COVID-19 enforced venue closures and operating restrictions in the prior year.

Operating profit

With our venues back open, operating profit grew to £82.1m, from an operating loss of £92.9m in the prior year.

Separately disclosed items ('SDIs')

SDIs are items that are infrequent in nature and/or do not relate to Rank's underlying business performance.

Total SDIs for the year ended 30 June 2022 were £46.2m.

The key SDIs in the year were as follows:

- Net VAT receipt of £77.1m (net of costs) plus the associated interest of £5.6m concerning a long-standing VAT claim regarding gaming machines during the period April 2006 and January 2013;
- Impairment charge of £47.8m relating to a number of Grosvenor and Mecca venues;
- An impairment reversal of £22.0m regarding a number of Grosvenor and Enracha venues following an improved current result and forecasted outlook;
- £10.4m release of a property provision created during the COVID-19 pandemic recognised to cover the Group becoming liable to make potential payments under a property arrangement if tenants defaulted;
- Amortisation costs of £11.7m relating to the acquired intangible assets of Stride and Yo brands;
- Closure costs of £4.7m regarding the closure of a number of Mecca venues; and
- Profit on disposal of £8.8m relating to additional proceeds from the disposal of the Belgium casino.

Further details regarding the SDIs can be found in note 4 of the financial statements.

Net financing charge

The £13.4m underlying net financing charge for the year ended 30 June 2022 was in line with the prior year's charge. The underlying net financing charge includes £6.7m of lease interest calculated under IFRS 16.

Cash flow and net debt

As at 30 June 2022, net debt was £162.6m. Debt comprised £78.8m in term loans and £181.7m in finance leases, offset by cash at bank of £97.9m. In the period, the Group repaid £29.6m of the term loan in line with the loan's agreed amortisation schedule.

The Group finished the prior year with net debt for covenant purposes of £65.5m. Following the receipt of the VAT repayment in December 2021 and the Group's venues back open generating cash we finished the year with net cash for covenant purposes of £6.7m.

	2021/22 £m	2020/21 £m
Operating profit from continuing operations	**39.8**	(84.5)
Operating profit from discontinued operations	**-**	1.5
Depreciation and amortisation	**67.4**	71.2
Working capital	**(6.2)**	(9.2)
Other	**(0.3)**	(0.2)
Cash inflow/(outflow) from operations	**100.7**	(21.2)
Capital expenditure	**(40.6)**	(22.2)
Net interest and tax	**(16.2)**	(16.3)
Lease principal payments	**(53.7)**	(31.8)
Cashflows in relation to SDIs	**70.6**	(5.9)
Net free cash flow	**60.8**	(85.6)
Share capital issued	**-**	68.1
Business acquisition and other	**(0.7)**	(0.5)
Business disposal	**8.8**	25.2
Total cash inflow	**68.9**	7.2
Opening net cash/(debt) pre IFRS 16	**(49.8)**	(57.0)
Closing net cash/(debt) pre IFRS 16	**19.1**	(49.8)
IFRS 16 lease liabilities	**(181.7)**	(206.9)
Closing net (debt) post IFRS 16	**(162.6)**	(256.7)

Taxation

The Group's underlying effective corporation tax rate in 2021/22 was 23.5% (2020/21: 15.6%) based on a tax charge of £6.2m (excluding impact of rate changes on deferred tax) on underlying profit before taxation. This is higher than the Group's anticipated effective tax rate of 17-19% for the year mainly as a result of lower than forecasted profits in overseas jurisdictions taxed at lower rates than the UK.

The underlying effective corporation tax rate for 2022/23 is expected to be 16-18%, being below the UK statutory tax rate. The tax rate is driven by some overseas profits being taxed at lower rates than the UK and Maltese tax credits associated with dividend payments to be received in 2022/23.

On a statutory basis, the Group had an effective tax rate of 22.7% (2020/21: 9.7%) based on a tax charge of £16.9m and total profit of £74.3m. This is higher than the effected tax rate on underlying profit because of certain separately disclosed items which do not result in a tax credit.

Further details of the tax charge are provided in note 6 of the financial statements.

Earnings per share ('EPS')

Basic EPS grew to 14.2p from (16.5)p in the prior year. Underlying EPS grew to 4.3p from (20.1)p in the prior year. For further details refer to note 10 of the financial statements.

Cash tax rate

In the year ended 30 June 2022, the Group had an effective cash tax rate of 13.3% on total profit before taxation (2020/21: (1.3)%). The cash tax rate is lower than the effective tax rate due to the utilisation of losses arising in 2020/21 to offset profits in 2021/22 resulting in a reduction in cash tax due.

The Group is expected to have a cash tax rate of approximately 1-3% in the year ended 30 June 2023. This is lower than the effective tax rate because of utilisation of brought forward tax losses and Maltese tax credits expected to be received in 2022/23.

Richard Harris
Chief Financial Officer
17 August 2022

Our external environment

Through understanding the markets in which we operate, and our customers' needs and expectations, we can continually drive improvements to our customer experience in a way that delivers value to all our stakeholders.

Working across disciplines and geographies to improve the customer experience

Above:
Sarah Powell and Katie McAlister

Meeting the changing needs of our customers

Customer insights

Our purpose is in part driven by meeting the changing needs and expectations of our customers.

Through customer insights we can understand how and what we need to do to deliver exciting and entertaining experiences.

Mecca venues

Mecca is our highly-trusted and community-focused land-based brand known for the friendliness of our colleagues and opportunities to win big.

- Bingo has relevance and appeal to approximately 30% of the population but needs to evolve to meet their changing needs.
- Overall, the bingo market continues to consolidate.
- There is a desire for new experiences that are engaging, safe and value for money.
- There is a desire for more accessible, modern and lively bingo venues complemented by an enjoyable food and beverage offer.
- Post the COVID-19 pandemic the returned younger players are playing more often but the older players are playing less.
- Average Mecca customer age is 44 years; however, the most frequent customers are females between 60 and 70 years old.

Customer analysis

Female	73%	Male	27%
New	15%	Existing	85%
Electronic Bingo (Max Bingo)	39%	Paper Bingo	61%
<35 years	39%	>35 years	61%
Recreational	88%	Higher frequency	12%
Cross-channel customer	24%	Venues only customer	76%

Grosvenor venues

- Approximately 8% of the UK population visit casinos at least once a year, though an additional 12% would consider visiting a casino if the offer was different to what they perceive a casino to be.
- There is a desire for fun, enjoyable, friendly and welcoming experiences in a safe and secure environment.
- There is a need for more modern and innovative experiences without losing the thrill and excitement of playing in a casino.
- Average Grosvenor customer age is 39 years; however, the customers that visit the most and have higher levels of spend are over 56 years old.
- Male to female split for Grosvenor's customers is 4:1.

Customer analysis

Female	27%	Male	73%
New	65%	Existing	35%
Occasional and casual	89%	Core and higher spending	11%
<35 years	66%	>35 years	34%
Cross-channel customer	5%	Venues only customer	95%

Enracha venues

Enracha is our Spanish land-based venues brand providing a predominantly bingo-based gaming experience.

- During 2019, before the COVID-19 pandemic, 2.4m people visited a bingo venue in Spain. This number decreased to 1.4m during 2020. Venues bingo in Spain has relevance and appeal to approximately 6% of the Spanish adult population.
- Following recent regulatory restrictions where the size of available prizes has been reduced, customers now value more the great customer service and seamless customer journeys.
- There is a need for state-of-the-art electronic gaming areas which are comfortable and modern, complemented by additional games such as customised jackpots and loyalty card functionality.
- Enracha's biggest customer group is the 26 to 35 years category, representing over 23% of total customers, but generating only 12% of total visits. Whereas customers over 65 years represent 14% of the customer base, but generate 29% of our visits.
- The most loyal and frequent Enracha customers are females over 65 years, who generate 19% of our total visits, with an average of 1.5 visits per month.
- Male to female split for Enracha's customers is 1:1.

UK Digital bingo

- 2% of the UK population play online bingo each month; the growth opportunity that exists within this segment remains significant.
- Customers are looking for their experience to be safe and secure, where it is easy to receive winnings, where they have fun and more chances to win.
- The experience needs to be intuitive and easy for customers to use. This includes having a reliable app which provides great, simple user experiences.
- There is a growing demand from customers for variety, whether that be the promotions that cater for a wider range of budgets, or the games and features available. Customers are wanting more interactive and free-to-play mechanics that allow their money to go further.
- Customers expect safer gambling to be embedded across their experience with the provision of safer gambling tools available upfront in their customer journeys.
- The average online bingo player age is 39 years, slightly older than that for Mecca at 38 years.

UK Digital casino

- 4% of the UK population play online casino each month, with opportunities for growth specifically around slots and poker.
- There is a desire for great looking sites which offer the best in new games along with strong promotions.
- Providing exciting and entertaining experiences and being a brand that listens to customer feedback and meets their needs is important to players, as is the need to reward loyalty and offer opportunities to win big.
- Customers have a preference for sites that provide tools to help them control their spend and where there is swift and seamless payment of winnings.
- The average online casino player age is 37 years, younger than that for Grosvenor at 41 years.

What this means for Rank

Rank is focused on the continuous development of new games and formats to further excite and entertain its customers. Refer to pages 44 to 47 for further details of how we are our building digital capability and scale and evolving our venues proposition.

Cross-channel

- With its 125 venues, Rank is uniquely placed to provide a cross-channel experience for both bingo and casino customers.
- Cross-channel customers tend to have higher level of engagement and loyalty than single channel customers.
- With only 12% of our UK venues customers playing with us both in venue and online there is significant opportunity for the Group to grow its cross-channel customer base.

Improving the customer experience in 2022

"Only 4% of the population visit a casino – we need to make our venues the go-to place for everyone who wants to be entertained."

"Responsible gaming sits at the heart of our customer offer."

"There is a need for more modern and innovative experiences without losing the thrill and excitement of playing in a casino."

"Bingo has relevance and appeal to c.30% of the population but needs to evolve to meet their changing needs."

Above:
Grosvenor Glasgow Merchant City

Operating in highly regulated geographies

Great Britain

Rank operates venues under its Mecca and Grosvenor Casinos brands across Great Britain.

The venues bingo and casino markets are well established and are highly regulated.

Unlike Mecca, there are a limited number of casino licences in Great Britain which are allocated to certain permitted areas.

	Casino	Bingo
Rank operated licences	71	63
Rank dormant licences	7	n/a
Total licences	78	63
Rank operated venues	52[1]	63

1. Excludes casino licence operated from Mecca Oldbury.

Rank operates its UK customer-facing digital business through Gibraltar, Alderney and UK online gaming licences.

Spain

Rank operates venues under its Enracha brand across Spain through Spanish gaming licences.

Like Great Britain, the Spanish venues market is a regulated and mature market.

Rank's Yo and Enracha digital brands are operated through Spanish online gaming licences.

India

Through a joint venture, Rank operates Passion Gaming, an online rummy business in India.

What this means for Rank

Our bingo and casino venues in England, Scotland and Wales accounted for more than 74% of Group revenue pre-COVID-19.

In addition, the majority of Rank's digital customers are based in Britain.

Pre-pandemic, our core market has provided a relatively stable environment for gaming and betting by comparison with many other jurisdictions around the world.

Working closely with regulators

We work closely with our regulators to uphold and drive forward the standards expected of our industry in an ever-evolving regulatory landscape and enforcement-led regulator approach. We are committed to operating in compliance with all relevant legislation, regulations and licensing requirements.

The UK Government launched its planned review of gambling legislation in December 2020. The review focuses heavily on online regulation but also recognises the need to ensure that the regulation of land-based gambling is appropriate for today's consumer and equitable, relative to online regulations. It is critical for the future of the industry that the right balance, evidence and proportionality is applied during this review. In its Call for Evidence, to which we responded, the Government highlighted that problem gambling has been stable in the UK for many years. However, as an industry we must ensure that we continue to do all we can to protect vulnerable customers whilst also ensuring we provide the best experience to the vast majority of customers who never experience any harm. The Government's White Paper on gambling reform is anticipated in the next few months.

In the last 12 months, the UK Gambling Commission ('Commission') has published its consultation responses on three areas: Remote Customer Interaction, Regulatory Panel Reform, and Licensing, Compliance and Enforcement Policy. In particular, under its conclusion to the customer interaction consultation, the Commission moved to implement minimum player protection standards that will be considered by the Government as part of the ongoing review referenced above. It also determined that new requirements to ensure that online gambling businesses do more to identify and take a more tailored approach to customer interactions to further protect customers at risk of harm published as guidance in June 2022 must be implemented in September 2022. During the year, we were also required to implement new remote technical standards requirements that came into force in October 2021 in relation to display of transactions, auto-play functionality, time requirements and reality checks and responsible product design.

In Spain, the Government passed a Royal Decree that imposed restrictions on online gaming related to advertising and responsible gambling, the key provisions of which came into force on 1 May 2021. This followed on from initial measures introduced earlier in 2020 to restrict online gaming advertising in light of the COVID-19 pandemic. In addition, we expect a further Royal Decree on safer gambling to be published in the next few months.

In July 2021 a new Act was passed on measures to prevent and fight tax fraud, which limits cash payments in Spanish venues.

What this means for Rank

Regarding its UK land-based operations, Rank is seeking harmonisation of the 1968 Act and the 2005 Act relating to casinos, specifically the ability to provide a more appropriate level of gaming machines across its 51 casinos licensed by the 1968 Act.

For our UK bingo venues business, Rank is seeking removal of the restriction surrounding the number of Category B3 machines permitted in each bingo venue along with certain other constraints which should result in product innovation and therefore a better experience for our Mecca customers.

For our UK-facing digital business, the political debate continues around player protection checks and we remain engaged and informed on developments through our own efforts and via the industry trade association.

Rank considers its regulators as a key stakeholder with whom engagement continues to be important (please see page 38 for more information about how we engage with them). We will continue to engage and evolve our approach to player protection and consumer fairness.

How we create long-term value

Section 172 statement

S172 factor	Relevant disclosure
The likely consequences of any decision in the long term	Company purpose (see inside cover and pages 17 and 98) Our business model (pages 72 to 73) Our strategy (pages 40 to 51) Engagement with regulators and legislators (page 38)
The interests of the Company's employees	Colleagues (pages 59 to 61) Inclusion and diversity (page 61) Employee engagement (page 36) Non-financial reporting (page 83)
The need to foster the Company's relationships with suppliers, customers and others	Customer engagement (page 35) Supplier engagement (page 39) Engagement with regulators and legislators (page 38) Responsible payment practices (page 39) Anti-bribery and corruption (page 59) Modern slavery (page 39)
The impact of the Company's operations on the community and the environment	Community engagement (page 37) Establishing the ESG & Safer Gambling Committee (page 56) TCFD disclosures (page 70) Rank Cares (page 71)
The desirability of the Company maintaining a reputation for high standards of business conduct	Brands (pages 14 and 15) Culture and values (pages 60 and 73) Engagement with regulators and legislators (page 38) Whistleblowing (page 59) Internal financial controls (page 108)
The need to act fairly between members of the Company	Shareholder engagement (page 39) Annual General Meeting (page 89) Rights attached to shares (page 145) Voting rights (page 145)

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 Board's principal decisions were taken in direct response to the 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.

The Board performed its duties by, amongst other things, discussing the following matters:

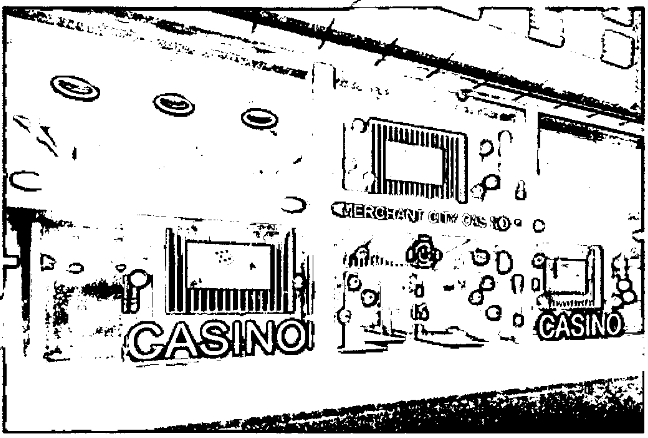
- a full review of the Group's strategy, purpose and values, particularly in light of the impact of the pandemic on the business and its continued recovery. Please see pages 40 to 51 for more information.
- continued development of Rank's ESG strategy following findings from the materiality assessment conducted during 2020/21. Please see pages 54 to 71 for more information.
- capital expenditure and investment opportunities. Please see pages 34 and 99 for more information.
- updates to the Group's corporate risk register and principal risks. Please see pages 74 to 81 for more information.
- the impact of increasing energy prices and inflationary pressures. Please see page 17 for more information.
- regulatory change impacting the Group, implemented during the year and anticipated in the forthcoming year. Please see pages 16 to 25 for more information.

Examples of how principal decisions in 2021/22 took into account stakeholder interests can be found on pages 33 and 34. Other examples of Board engagement can be found within the 'Stakeholder engagement' section on pages 35 to 39.

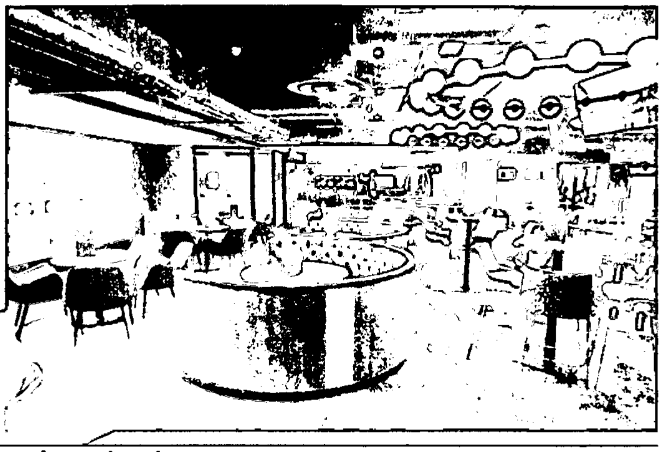
Principal decision	Refreshed purpose and strategy
Context	During the year, the Board revisited and discussed with management the Group's purpose, ambition and strategic aims to determine whether these continued to be fit for purpose as the Company recovers from the pandemic and embeds sustainability.
Decision-making process	The Board reviewed Rank's strategic pillars. It discussed Rank's position within the gambling industry and the wider leisure industry and considered market trends and competitor analysis. It also reflected on economic conditions and the outlook as Rank recovers from the impact of the pandemic. The Board wanted to ensure that Rank has a fully embedded sustainability strategy and also considered the impact of the UK Government's Gambling Act 2005 review. The Board discussed revised five-year plans presented by each area of the business. It determined that the key focus areas of driving our digital business and evolving our venues is still very much the priority. It concluded that the business' focus on developing our cross-channel offering has now developed into how we can better provide a seamless cross channel service to our customers which better meets their needs.
Key stakeholder considerations	**Customers** – player protection, customer experience and relevance of offering **Our people** – opportunities for progression, inclusion & diversity, opportunities to share ideas and make a difference and wellbeing **Communities** – positive community impact and employment **Regulators and legislators** – openness and transparency, safer gambling, policy and gambling regulatory change **Shareholders & Investors** – strategy, performance and outlook, corporate governance and ESG **Suppliers** – robust business, long-term partnerships and a collaborative approach
Key ESG considerations	Ensuring that the strategic pillars fully embed our sustainability focus areas of customers, colleagues, communities and the environment.
Actions and outcomes	The Board approved: – A refreshed purpose statement – to deliver exciting and entertaining experiences in a safe, sustainable and rewarding environment. – Refreshed strategic pillars: 1. Provide a seamless and tailored experience for customers across venues and online 2. Drive digital growth powered by our proprietary technology and live play credentials 3. Continuously evolve our venues estate with engaging propositions that appeal to both existing and new customers 4. Be passionate about the development and wellbeing of our colleagues and the contribution we make to our communities 5. Build sustainable relationships with our customers by providing them with safe environments in which to play
Impact of these actions on the long-term success of the Company	A strong purpose and clear strategic pillars that resonate with all stakeholders creates a combined vision, positioning the Company to create long-term value and sustainable growth.

Above:
Jonathan Plumb, Karen Whitworth and Richard Harris

Above:
John O'Reilly, Jon Martin and Alex Thursby



Above:
Grosvenor Glasgow Merchant City



Above:
Grosvenor Glasgow Merchant City

Principal decision	**Grosvenor, Glasgow Merchant City redevelopment**
Context	The Board commenced the 2021/22 financial year focused on initiatives to drive growth including by way of venue redevelopment. Glasgow Merchant City was identified as one such venue.
Decision-making process	Following extensive customer research and insights work that had commenced in 2019/2020, and as part of the Transformation plans, the Chief Transformation Officer and Venues Managing Director presented to the Board redevelopment plans for Glasgow Merchant City. The Board challenged management to ensure that it had considered the views of all key stakeholders in developing the plans. This included local authority and licensing considerations, relationships with suppliers, colleague views and the overall anticipated return on investment. It discussed the potential impact of land-based reforms under the UK Government's Gambling Act 2005 review on the property. It also discussed the role of this redevelopment in Grosvenor's overall strategy, noting that the proposition would be a new concept casino and the need therefore to evaluate and reflect on learnings in order to inform further Grosvenor venues investments. Under the Board's delegated authority the Finance Committee reviewed and approved the final capital expenditure for the Merchant City redevelopment.
Key stakeholder considerations	**Customers** – player protection, customer experience, relevance of offering and health & safety **Our people** – opportunities for progression, opportunities to share ideas and make a difference, health & safety and wellbeing **Communities** – positive community impact and local employment **Regulators and legislators** – compliance with laws and regulations, safer gambling, policy and gambling regulatory change **Shareholders & Investors** – strategy, performance and outlook, corporate governance and ESG **Suppliers** – robust business, long-term partnerships and a collaborative approach
Key ESG considerations	Customer – engagement informed development plans, safer gambling, customer service, product quality and health & safety Colleague – engagement, training, ongoing opportunities for development Environment – energy-efficient approach, such as to lighting and air conditioning Community – impact on local environment, redevelopment is aligned with and builds on local area investment
Actions and outcomes	The Board challenged the business to consider how the redevelopment aligns and will continue to align with the strategic pillars. Management to report back on initial customer feedback, venue performance following reopening and how this redevelopment will inform other similar investments.
Impact of these actions on the long-term success of the Company	The Board recognises the need to continuously evolve the venues estate with engaging propositions that appeal to both existing and new customers in order to create long-term value and sustainable growth.

Stakeholder engagement

We believe that to secure our long-term success, we must take account of what is important to our key stakeholders. This is best achieved through proactive and effective engagement, which helps us to identify and focus on the issues that matter most and factor stakeholders' views into our decision-making. Active stakeholder engagement is a key part of how we manage risks and unlock opportunities.

While the majority of engagement with stakeholders takes place within the business divisions and is led by divisional management, the Board engages directly with certain stakeholders. The Directors are also kept regularly appraised of all stakeholders' views through divisional reports to the Board, so that Directors are able to have regard to such views in their decision-making, as illustrated by reference to various stakeholders' interests in our Section 172(1) statement on page 32 and the case studies on pages 33 and 34. We also engaged with our key stakeholders in conducting the materiality assessment that shaped and informed our ESG strategy (please see page 55 for more information).

Understanding and balancing the respective needs and expectations of our stakeholders over the past year has been as important as ever and we remain committed to doing so.

Above:
Mecca Luton

Customers

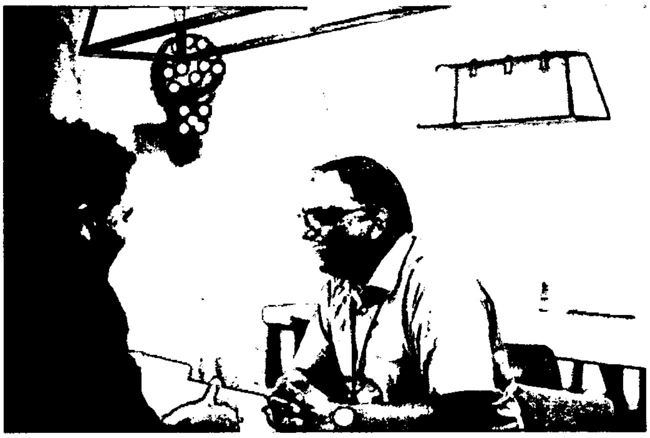
Ensuring our customers are at the heart of our decision-making is crucial to our strategy. Understanding their changing needs, preferences and behaviours helps us to ensure that our offering remains safe, fair, current and appealing.

Key areas of consideration
- Player protection
- Customer experience
- Relevance of offering
- Health, safety and wellbeing

How we engage
We 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.

2021/2022 highlights
- 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 intercept interviews, accompanied visits and four mixed age customer groups made up of both infrequent and regular bingo customers after the reopening of Mecca Luton in May 2022.
- Utilised an 'always on' customer survey focusing on customer experience in Mecca venues, which can be completed in-person or via an app.
- 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.

Above:
Grosvenor Glasgow Merchant City



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.

Key areas of consideration
- Opportunities for progression
- Inclusion and diversity
- Fair pay and reward
- Opportunities to share ideas and make a difference
- Health, safety and wellbeing

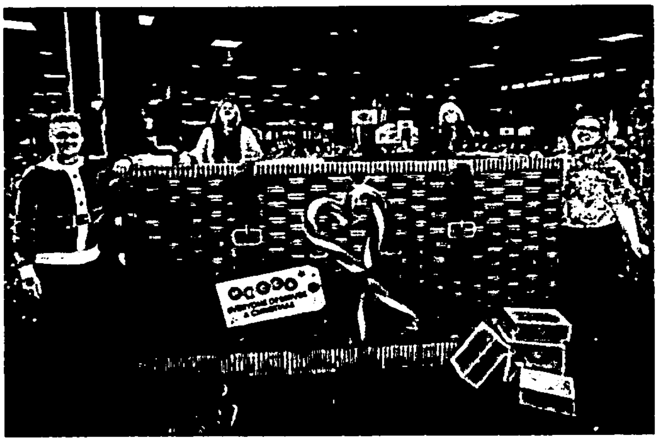
How we engage
We seek an open dialogue culture and host forums throughout the year to enable the exchange of opinion between colleagues and the sharing of views with senior management and the Board. Other engagement methods include, but are not limited to, monthly Group and business unit Town Halls, frequent newsletters and corporate communications to share news and developments, employee opinion surveys, regular performance and development reviews and venue visits by Board members and senior management.

We also continue to offer a confidential whistleblowing hotline to all colleagues.

Above:
Support Office, Maidenhead

2021/2022 highlights
- 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 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 Board considered workforce engagement updates from designated 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.
- Board Directors conducted site visits to engage firsthand with colleagues.

Above:
Mecca Luton



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.

Key areas of consideration
- Charitable initiatives
- Positive community impact
- Employment
- Reputation

How we engage
Our 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.

We 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.

Above:
Mecca Dagenham
Everyone Deserves a Christmas

2021/2022 highlights
- 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.

Above:
Grosvenor The Victoria
City Poker Night charity event

Regulators and legislators

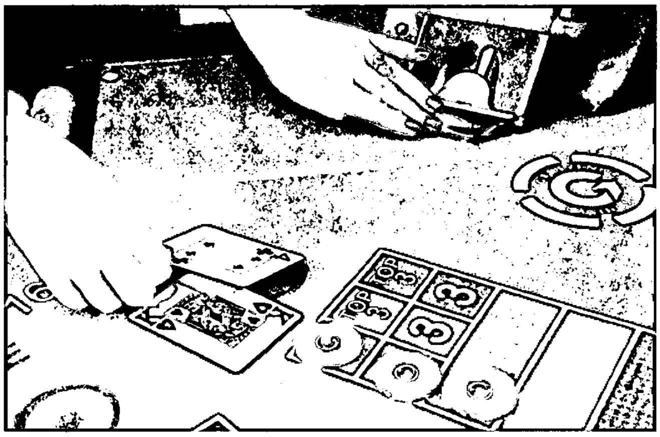
Regulators and legislators play a key role in shaping the gambling landscape and an ongoing open dialogue is essential to ensure we better understand the expectations underpinning regulation and that regulation is founded in an understanding of the customer. Regulators also monitor the high standards by which we operate.

Key areas of consideration
- Openness and transparency
- Compliance with laws and regulations
- Consumer fairness and player protection
- Policy and the direction of future gambling regulation

How we engage
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. We 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. We strive to establish strong working relationships with the aim that our contributions are valued in terms of delivering customer-oriented laws and regulations.

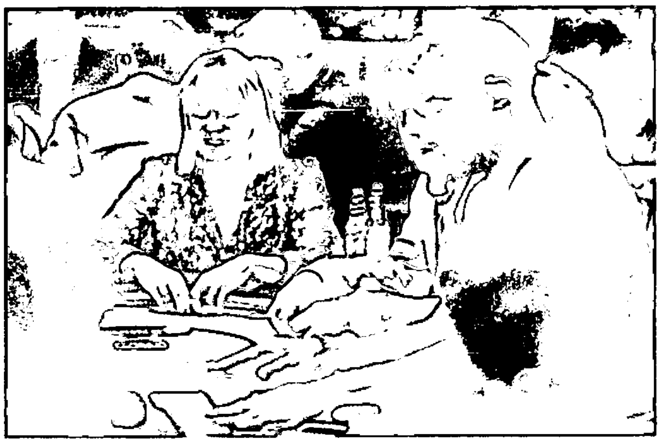
From a compliance perspective, we participate in regular meetings and communications with the UK Gambling Commission ('Commission'), as well as other regulatory bodies and authorities by whom we are licensed.

Above:
Grosvenor Glasgow Merchant City



2021/2022 highlights
- 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.
- 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.

Above:
Grosvenor Glasgow Merchant City



Shareholders and investors

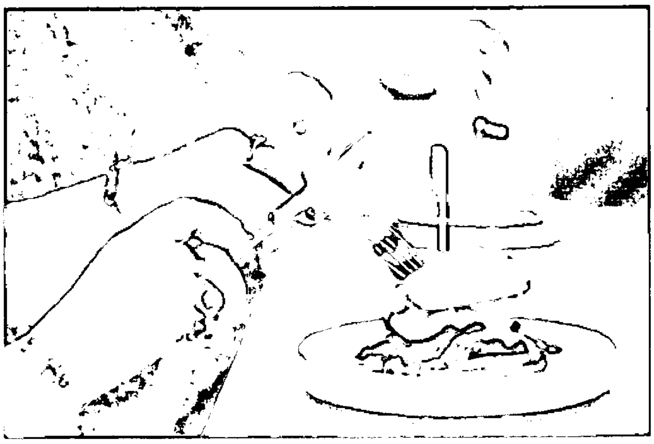
We adopt an open and transparent approach with our shareholders and analysts to communicate our performance and use their feedback to inform our strategy and decision-making.

Key areas of consideration
- Strategy, performance and outlook
- Leadership capability
- Executive remuneration
- Corporate governance
- Environmental, social and governance (ESG) performance

How we engage
We adopt a proactive approach to investor relations, conducting a comprehensive programme of regular contact and consultation throughout the year. Our investor relations programme includes regular updates, meetings, roadshows and our Annual General Meeting. The other key way in which we communicate with all shareholders is via our corporate website, www.rank.com.

2021/2022 highlights
- 38 meetings held with 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.
- Chair and Senior Independent Director engaged with shareholders in response to specific meeting requests, which included discussions on ESG.
- Consultation with major shareholders on the Recovery Incentive Scheme which was subsequently approved by shareholders at the 2021 AGM.
- Received votes from 93.19% of shareholders for the 2021 AGM.

Above:
Grosvenor The Victoria City Poker Night charity event



Suppliers

We have relationships with circa 1,200 suppliers, ranging from small 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.

Key areas of consideration
- Robustness of our business
- Long-term partnerships
- Fair engagement and payment terms
- Collaborative approach

How we engage
We 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.

2021/2022 highlights
- 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.

The Group's Modern Slavery Statement can be found on www.rank.com
→

Above:
Grosvenor Casinos

Our strategy is to evolve our position as an entertainment brand

Learn more about our business model on pages 72-73
→

This year we are reporting under our five refreshed strategic pillars. Our strategy remains focused on driving our digital business and evolving our venues, alongside a seamless cross-channel experience.

We took the opportunity to ensure our sustainability objectives were fully embedded in the Group's strategy and now have two pillars dedicated to our sustainability focus areas of customer, colleagues, communities and the environment.

Our five strategic pillars:
1. Provide a seamless experience
2. Drive digital growth
3. Evolve our venues
4. Be passionate about our colleagues
5. Build sustainable relationships

Above:
Mecca Luton

Strategic pillar 1

Provide a seamless and tailored experience for customers across venues and online

Above:
Grosvenor The Rialto

In the markets in which we operate, Rank is one of the few gaming companies in a position to provide customers with a genuine one-brand gaming experience across both venues and online. Our key assets are our 125 venues, our membership-based models, our customer relationships and the high levels of engagement that our team members enjoy with our customers.

What we said	What we did
- Launch Mecca's big money Fortune game once joint liquidity functionality is rolled out across the Mecca venues estate.	- Delivered first to market product, Mecca Fortune, providing live bingo across our Mecca estate and online.
- Unify registration across venues and online for Mecca customers.	- Delivered phases 1 and 2 of Mecca's unified registration across venues and online meaning customers can sign up seamlessly irrespective of channel via their mobile phones or via QR codes in our Mecca venues.
- Develop microsites for key Mecca venues.	- Launched Mecca venues specific pages onto meccabingo.com where customers can discover more about their venue before visiting.
- Enhance functionality of the My Mecca app to deliver greater personalisation.	- Considered as part of Mecca's overall app strategy which was further developed during the year.
- Further development to improve cross-channel customer journeys in Grosvenor, particularly as we migrate to the new proprietary platform, RIDE.	- Launched thevic.com where customers can discover much more about the venue before they visit. Also launched rialtocasino.com. - Developed a quicker sign-up journey, just five clicks, for both new and existing customers. - Cross-channel advocates onsite in all venues helping customers to register and experience our digital offerings. - Developed and piloted an industry-first electronic roulette progressive jackpot game across five casinos providing our customers the ability to win an estimated jackpot of over £1m from a £1 stake. Option to link to digital under investigation.
- Enhance our sportsbook proposition in selected Grosvenor venues.	- Completed enhanced sports viewing areas in eleven of our casinos enabling customers to have better visibility of odds and offers from our Grosvenor sportsbook and bet directly using QR codes. - Dedicated new sports zones in our casinos in Huddersfield, Sheffield, Blackpool, Luton and Glasgow Merchant City.
- Develop brand apps to support cashless transactions in venues.	- Continued to develop app strategy for each brand and this remains a priority focus area for 2022/23.
- Multi-channel TV advertising campaigns for both Mecca and Grosvenor.	- This will be an area of focus for 2022/23 following the investment into digital customer journeys post-platform migration.
- Further development of Enracha's cross-channel offer.	- Work has focused on improving the digital offer in the current year and the focus will move to improving the cross-channel experience in 2022/23.

KPIs

Percentage of venues customers that play with us online

13%
Grosvenor +4ppts

9%
Mecca -5ppts

0%
Enracha +0ppts

Percentage of digital NGR from cross-channel customers

75%
Grosvenor +44ppts

23%
Mecca +4ppts

0%
Enracha +0ppts

Areas of focus for 2022/23:

- Further develop the app strategy for each brand ensuring customer needs are met for both online and in-venue experiences, removing the need for customers to move across multiple mono channel apps.
- Launch live streaming from a further four Grosvenor casinos to our online audiences and deliver improvements to the digital live roulette experience.
- Introduce artificial intelligence to better drive personalisation for our Grosvenor sports and gaming customers showing offers, bets and homepages tailored to their behaviour.
- Continue to deliver compelling Mecca offers focused on driving new customer acquisition and retention.
- Launch unified Mecca membership across online and in venues that will bring real time communication, personalised content, cross sell and improved onboarding.
- Introduce a new Mecca loyalty card embedded into our apps and single membership journey aligned to our single app strategy.

Strategic pillar 2

Drive digital growth powered by our proprietary technology and live play credentials

Above:
grosvenorcasinos.com

We have built strong positions in venues-based gaming which we are seeking to replicate across our digital channels. In 2021/22, our digital operations generated 28% of Group revenue. Across the UK as a whole, digital channels represented around 49% of the gambling market (excluding the National Lottery) pre-pandemic, presenting a significant growth opportunity.

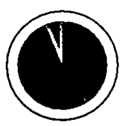
What we said	What we did
- Migrate meccabingo.com (Q3 2021/22) and grosvenorcasinos.com (Q4 2021/22) onto the proprietary platform.	- Meccabingo.com was successfully launched onto the RIDE platform in January 2022, on time and on budget. grosvenorcasinos.com is due to be migrated in Q1 2022/23. - We migrated our enracha.es site to the Yo proprietary platform, providing greater development flexibility and scalability.
- Continue the development of new features to enhance our digital experience.	- Enhanced personalisation delivered for grosvenorcasinos.com and meccabingo.com customers tailoring experience to their preferences. - Improvements delivered for meccabingo.com to improve customer engagement through the use of pop-ups and banners. - Additional live casino tables on rialto.com and thevic.com so online players can play in venues across different European cities. - Relaunched our sportsbook for enracha.es in the year following its migration onto the Yo platform.
- Optimise marketing effectiveness and scale investment to drive higher levels of customer acquisition.	- Launched Britain's Got Talent campaign on radio and in print to drive Mecca brand awareness alongside a daily retention game. - 5% increase in marketing investment in UK gaming brands.
- Refresh app strategies with a sharper focus on cross-channel and supporting venues experiences.	- A focused approach to our app strategies is a key priority for 2022/23.
- Launch new B2B international partnerships where Rank can provide its digital offer to established international gaming venues businesses.	- Various B2B partnership opportunities were investigated in the year, however none were considered suitable at this current time.

KPIs

Digital NGR

- UK £162.3m; +4%
- International £21.0m; +4%

Customer numbers



- UK digital 746k; 0%
- International digital 47k; -39%

Areas of focus for 2022/23:

- Migrate grosvenorcasinos.com onto our RIDE platform.
- Enhance Grosvenor's Daily Retention Game offering our customers greater variety and range of prizes.
- Launch the streaming online of live immersive events in our Mecca venues to help drive cross channel acquisition.
- Deliver the significant development roadmap which follows the migration of Grosvenor onto the RIDE platform.
- Launch a new Spanish sports betting site YoSport.
- Launch new apps for YoCasino and YoSport in Spain.
- Roll-out a cross-channel strategy for Enracha.
- Launch YoBingo in Portugal to replicate the successful YoBingo model.
- Upgrade the proprietary Yo technology platform.

Strategic pillar 3

Continuously evolve our venues estate with engaging propositions that appeal to both existing and new customers.

Above:
Grosvenor Bristol

Our casino and bingo venues provide entertainment for millions of customers each year and generate the majority of the Group's revenue and profits. By continuously evolving our venues (in terms of product, environment and service) and by creating new concepts, we are constantly enhancing the experiences that we offer our customers, whether they be existing or new.

What we said	What we did
- Refurbishment of further casinos following the success of previous pre-COVID-19 investments.	- New brand proof of concept venue launched in Glasgow Merchant City offering a dramatic new look, new restaurant and bars and sports viewing zone. - Completed refurbishments in Huddersfield, Bristol, Blackpool, and Walsall improving casino gaming area layouts and providing better quality restaurants and bars. - Added an additional Adult Gaming Centre licence to our St Giles casino in London and expanded our slots offering in Nottingham. - New e-gaming terminals launched across London and in key regional casinos to improve customer choice and quality of experience.
- Launch the new Employee Value Proposition ('EVP') for Grosvenor colleagues.	- Launched to all Grosvenor employees offering a development pathway to further their career with Grosvenor.
- Introduce a new food and beverage proposition across the Grosvenor estate tailored to each local market.	- Pilots of new menu concepts trialled at The Vic, Merchant City and Blackpool casinos. Enhanced menus launched along with the refurbishments at our Huddersfield, Bristol and Walsall casinos.
- Develop a new demand rostering tool for Grosvenor covering all areas of the casino.	- Tool in pilot at our Nottingham and Birmingham Hill Street casinos. Performance has been in line with expectations and the tool will be rolled out across the remaining casino estate in Q1 2022/23.
- Development of a new concept Mecca venue in Luton.	- Our new concept venue at Luton opened in March 2022 with a new 'always on' bingo schedule and refreshed food and beverage menu.
- Expansion of Mecca's new and improved food and beverage offer to additional venues.	- New menus delivered for both food and beverage across 14 Mecca venues. - Further development underway and will be further trialled in another 16 venues in early 2022/23.
- Further develop improvements for Mecca's core mainstage bingo game.	- Investment in better value for our bingo customers with the introduction of lower prices and bigger guaranteed prizes. - A new portfolio of side bet games was introduced alongside the mainstage bingo game. - Upgraded 700 gaming machines, bringing improved variety to our customers.
- Implement new machine management system across the Enracha estate.	- Successful delivery has provided us with greater visibility of the performance of the machines across our Enracha venues.
- Open our first stand-alone Enracha Stadium venue.	- Currently on hold as we investigate further the available licensing options.

KPIs

Customer numbers

1,001k
Grosvenor venues +276%

635k
Mecca venues +104%

201k
Enracha venues +86%

Strategic investment

£11.8m
Grosvenor venues FY21 £0.3m

£3.7m
Mecca venues FY21 £0m

£0.4m
Enracha venues FY21 £0m

Net promoter score

57%
Grosvenor venues +4ppts

61%
Mecca venues -3ppts%

45%
Enracha venues* +9ppts

* Compared to FY20, not measured in FY21.

Areas of focus for 2022/23:

- Launch of new rewards and incentives programme for our Grosvenor venues.
- Continue the development and refurbishment of the Grosvenor estate with 12 venues listed for refurbishment in FY23.
- Launch of a new electronic roulette jackpot game, Going for Gold, across our Grosvenor estate.
- Focus on improving the slots performance of our Mecca venues through a better product mix and presentation in venue.
- Investigate opportunities to share space in our Mecca venues through complementary partnerships and collaborations with third parties.
- Continue the Enracha venues investment programme in our Andalucía and Sabadell venues.
- Consider prospective opportunities to continue growing in the Spanish market through targeted acquisitions.
- Deploy player tracking and new jackpots in each Enracha venue to improve customer experience.
- Full deployment of our Enracha venues loyalty card into all permitted venues.

Strategic pillar 4

Be passionate about the development and well-being of our colleagues and the contribution we make to our communities

Above:
Mecca Luton

We continue to build a high-performing culture through the engagement and development of colleagues who want to put exciting and entertaining customers at the heart of what they do. We strive for a culture of ownership and transparency that empowers our teams to achieve goals they did not think possible and to be the very best that they can be. We are also acutely aware of the role our venues, offices and colleagues play in the communities in which we operate and together as a collective organisation we strive to add value wherever possible.

What we said	What we did
- Implement 'Raising Our Game', our new Employee Value Proposition (EVP) across the Grosvenor venues business, to engage our colleagues in delivering a differentiated customer experience.	- Grosvenor launched a refreshed career pathway to 3,500 venues colleagues allowing them access to bespoke support through training and development activities. 'Raising our Game' was evolved during the year into a Group-wide programme, renamed 'Work. Win. Grow.'.
- Implement best in class service training to support the new Mecca brand proposition underpinning our 'Mecca of the Future' strategy.	- A new suite of training initiatives was implemented in the year covering a wide range of topics, from customer service principles to training on ensuring a deeper knowledge of each product on offer.
- Implement the 'Talent' workstream of Transformation 2.0, ensuring we recruit, develop and retain emerging and top talent.	- We have implemented talent programmes at three levels with appropriate levels of development and support for each. There are 70 colleagues across Rank in talent programmes with support for them ranging from individual coaching to group development programmes to post-graduate level programmes at prestigious universities or institutions specialising in leadership development.
- Continue to develop a high-performance culture, including understanding the progress being made through our Employee Opinion Survey.	- We continue to develop the culture at Rank and have seen an improvement of 3ppts in our engagement score during the year. Our work on Equality, Diversity and Inclusion ('ED&I') is an example of the progress we are making with a question on ED&I being among the highest scoring in the engagement survey. We continue to regularly recognise colleagues against Rank's STARS values.
- Continue to deliver the Group's inclusion and diversity strategy, including the annual calendar of events and building on the forums that are already in place, such as Families@Rank.	- Our key ED&I achievement in the year was the successful launch of six ED&I colleague network groups. The groups provide our colleagues with the opportunity to provide insightful feedback on where improvements can be made. Each group is sponsored by an Executive Committee member and supported by a leading external ED&I partner.
- Ensure colleague facilities are considered in all venue investments.	- We now ensure that all back of house colleague areas are considered as part of all venue refurbishments. In the year, specific improvements were made in our Bristol, Walsall and Glasgow Merchant City casinos.
- Review working environments and facilities for our support office colleagues.	- We have placed greater emphasis on collaboration and communication across our offices to accommodate the changes in colleague working patterns post-COVID-19.

KPIs

Females in senior positions

- Female 27%; +0ppt
- Male 73%; +0ppt

UK colleagues from ethnic minority backgrounds

- Ethnic minority 32%; +1ppt
- White British 68%; -1ppt

Contribution to good causes

£0.3m

+0%

EOS engagement score

68%

+3ppts

Greenhouse gas emissions intensity

39.2 tCO_2e per £m NGR

-40%

Areas of focus for 2022/23:

- Launch refreshed three-year ED&I strategy across the Group focused on ensuring the Group is recognised as an employer of choice by attracting, developing and retaining a truly diverse pool of talent.
- Expand the reach of the Group's ED&I colleague network groups and launch the Group's first neurodiverse colleague network group.
- Launch and embed the newly developed Group-wide EVP Work. Win. Grow.
- Continue the development of the Group's Net Zero Plan and look to set intermediate targets to lower the Group's carbon emissions and use of other natural resources.

Strategic pillar 5

Build sustainable relationships with our customers by providing them with safe environments in which to play

Above:
Mecca Luton

Millions of customers regularly enjoy the fun and excitement of gambling, but we recognise that a small percentage of customers can be at risk of problem gambling and a smaller number of people can suffer harm through excessive gambling. We recognise the importance of continuous innovation to refine our approach to making gambling as safe as possible thus ensuring we create and maintain sustainable relationships with all our customers.

What we said	What we did
- Rollout a more player centric risk-based affordability assessment model in Grosvenor venues.	- We have developed a holistic risk matrix to better identify potential 'at-risk' play and to assess a customer's level of affordability. The matrix was trialled in mid-2021, then rolled out in November to all Grosvenor venues.
- Deliver a real time monitoring tool looking at customer activity and changes in customer play in our casinos.	- This is still under development and will be delivered in H1 2022/23.
- Continue our safer gambling cultural assessment work with colleagues.	- Completed cultural assessment and findings incorporated into three key actions, as follows: - Vision: the articulation of what we stand for and why is safer gambling is important to us. - Messaging: consistent and regular communication from the leadership team to reinforce the vision. - Development of knowledge and skills: deliver role appropriate training supported by GamCare. This is ongoing and is due to complete by December 2022.
- Rollout further refreshed safer gambling messaging and communications across Rank businesses.	- For our UK digital customers, we introduced a new welcome journey with clear messaging around what safer gambling measures we have in place and what safer gambling mechanisms are available to our customers. - In our venues, we provide and make available to take away, clear and consistent safer gambling information for our customers.
- Introduce real time view of customer play across all brands and channels to help detect earlier potential at-risk customers in venues and online.	- We have commenced a project to deliver a cross-channel single customer view, expected to be delivered in 2022/23.
- Implement a more robust customer interaction evaluation framework to help inform and evolve our approach to player protection.	- To be delivered following further refinement as part of our safer gambling algorithm for digital customers.
- Further develop our holistic and risk-based model for early intervention for potentially at-risk play.	- Currently in development and due for implementation in H1 2022/23.

Areas of focus for 2022/23:

- Continue to refine and improve the holistic player protection model in our Grosvenor venues.
- Improve the tools available to Grosvenor venues colleagues to make decision-making more efficient and effective.
- Review and improve our digital customer onboarding journeys to remove unnecessary friction caused by 'know your customer' and player protection processes.
- Completion of role appropriate enhanced safer gambling training supported by GamCare to over 1,100 colleagues. The training is aimed at developing the necessary skills required to have more meaningful safer gambling interactions with our customers.
- Continue to develop our markers of harm model as part of a continuous improvement and evaluation of player protection risk models.
- Work towards achieving GamCare safer gambling accreditation across our UK operations.

Our key performance indicators

KPI: Financial KPIs	Strategic pillar	Page
Digital NGR	2	45
Strategic investment	3	47

KPI: Stakeholder KPIs	Strategic pillar	Page
Percentage of venues customers that play with us online	1	43
Percentage of digital NGR from cross-channel customers	1	43
Customer numbers (digital)	2	45
Customer numbers (venues)	3	47
Net promoter score	3	47
EOS score	4	49
Females in senior positions	4	49
UK colleagues from ethnic minority backgrounds	4	49
Contributions to good causes	4	49
Greenhouse gas emissions intensity	4	49

Our five strategic pillars:

1. Provide a seamless experience
2. Drive digital growth
3. Evolve our venues
4. Be passionate about our colleagues
● Build sustainable relationships

Financial KPIs

Underlying[1] net gaming revenue ('NGR')

Underlying NGR is an indicator of the Group's top-line growth. It is revenue retained from the amounts staked after paying out customer winnings and deducting customer incentives. Underlying NGR increased by 95% in the year due to the impact of venue closures and other restrictions during the pandemic in the prior year.

2022	£644.0m
2021	£329.6m
2020	£629.7m

Underlying[1] operating profit/(loss)

Underlying operating profit provides a picture of the underlying performance and is a key indicator of the Group's success in delivering top-line growth while controlling costs. Underlying operating profit increased to an operating profit of £39.8m due to the impact of venue closures and other restrictions during the pandemic in the prior year.

2022	£39.8m
2021	£(84.5)m
2020	£49.1m

Net debt

Net debt is calculated as total borrowings less cash and short-term deposits. Net debt decreased in the year due to £100.7m of cash generated from operations during the year and the £83.1m VAT repayment received in December 2021 offsetting the operational cash used in the business.

2022	£162.6m
2021	£256.7m
2020	£297.5m

Underlying[1] EBITDA

Underlying EBITDA is earnings before interest, tax, depreciation, amortisation and separately disclosed items. It is calculated by taking underlying operating profit before separately disclosed items and adding back depreciation and amortisation. Underlying EBITDA for the year increased to £107.2m due to the return to profit following the temporary closure of the Group's venues during the COVID-19 pandemic in the prior year.

2022	£107.2m
2021	£(14.2)m
2020	£123.8m

Stakeholder KPIs

Earnings per share ('EPS')

EPS is a key indicator of the Group's growth after allowing for all costs including separately disclosed items. EPS increased to 14.2p reflecting the operating profit generated in the year.

2022 14.2p

2021 (16.5)p

2020 2.5p

Underlying[1,2] EPS

Underlying EPS is a key indicator of the Group's growth before allowing for separately disclosed items.

Underlying EPS increased to 4.3p due to the operating profit generated in the year.

2022 4.3p

2021 (20.3)p

2020 6.7p

Dividend per share

Dividend per share is the sum of declared dividends issued by the Company for every ordinary share outstanding.

In light of the COVID-19 pandemic and the material impact on our business, the Group did not pay an interim dividend and the Board will not be proposing a final year dividend for 2021/22.

2022 0p

2021 0p

2020 2.80p

1. Underlying measures exclude the impact of amortisation of acquired intangibles; profit or loss on disposal of businesses; acquisition and disposal costs including changes to deferred or contingent consideration; impairment charges; reversal of impairment charges; restructuring costs as part of an announced programme; retranslation and remeasurement of foreign currency contingent consideration; discontinued operations, significant material proceeds from tax appeals and the tax impact of these, should they occur in the period. Collectively these items are referred to as separately disclosed items ('SDIs').
2. Before discontinued operations.

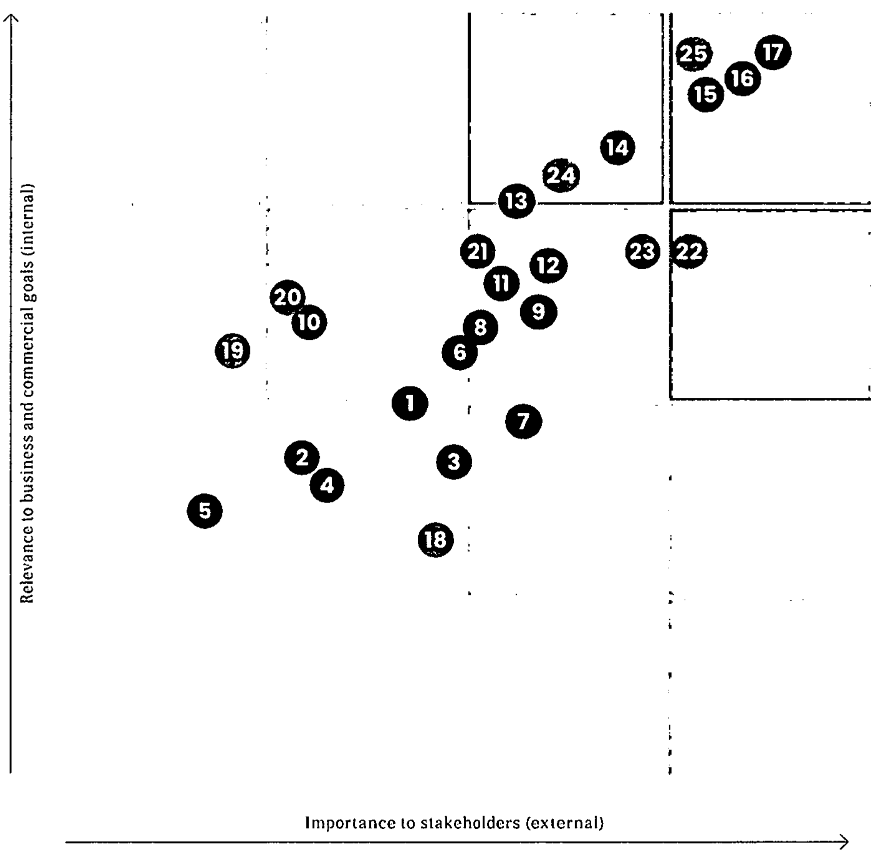
Our approach to ESG

The following report presents a summary of Rank's ESG & safer gambling commitments and approach. At Rank we are dedicated to ensuring we operate sustainably and we have aligned our processes and policies to international best practice as part of the strategy to build an even more resilient and responsible business.

Our more detailed sustainability disclosure is included in our maiden full year Sustainability Report (see www.rank.com), which includes indexes aligned to the Sustainability Accounting Standards Board (SASB) and the Global Reporting Initiative (GRI). We have included in both the Annual and Sustainability Reports, our full disclosure in line with the recommendations of the Task Force on Climate-related Financial Disclosures ('TCFD').

Materiality assessment

To ensure that what is most material to the business is being addressed in our ESG strategy, a key first step was conducting a materiality assessment that engaged with our stakeholders. Conducted during the 2020/21 financial year, this assessment established which issues are most important for Rank, from an internal and external perspective. The results have shaped and will continue to inform our ESG strategy.



Environment
1. Energy use
2. Carbon emissions
3. Waste management
4. Water use

People and Communities
5. Community investment
6. Diversity and inclusion
7. Health and safety
8. Employee engagement
9. Talent management
10. Employee wellbeing benefits
11. Employee training and development
12. Product safety and quality
13. Ethical marketing
14. Customer welfare
15. Customer privacy and data security
16. Protecting young and vulnerable customers
17. Safer gambling

Governance
18. Executive remuneration
19. Procurement practices
20. Supplier relations
21. Corporate governance
22. Economic performance
23. Leadership capability
24. Business ethics
25. Regulatory compliance

For Rank's 2022 Sustainability Report, please go to www.rank.com →

ESG strategy

During the development of our sustainability strategy, it has been important to ensure that our objectives relate to and integrate with our company growth objectives. Our aim and obligation to shareholders is to be careful custodians of their investment and this review of material issues within our operations has improved our appreciation of material risks, aiding our management and mitigation of potential issues to preserve value in our organisation.

We have established four key focus areas which feed into the overarching Group strategic pillars and are therefore integrated with our corporate strategy: Customer Experience; Colleague Experience; Environmental Management; and Community Engagement. Each focus area has underlying objectives and key material issues. We have also started to define a range of associated ESG-related key performance indicators on which to measure our progress.

Group strategic pillars

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

ESG focus areas and objectives

Customer experience

- Provide a safe, secure environment and personal experience
- Create and maintain good gambling behaviours
- Protect vulnerable customers

Colleague experience

- Educate our people to enable and encourage positive gaming behaviours
- Create a fair, safe and inspiring working environment

Environmental management

- Ensure that our operations minimise any negative impacts we may have
- Reduce our carbon emissions wherever possible

Community engagement

- Provide an essential social outlet for customers and generate lasting community spirit
- Drive community action and develop genuine social legacy

Key material issues

- Safer gambling
- Protecting young and vulnerable customers
- Customer privacy & data security

- Customer welfare
- Ethical marketing
- Product safety & quality
- Leadership capability
- Talent management

- Employee training & development
- Employee engagement
- Environmental management

- Community engagement
- Regulatory compliance
- Economic performance
- Business ethics

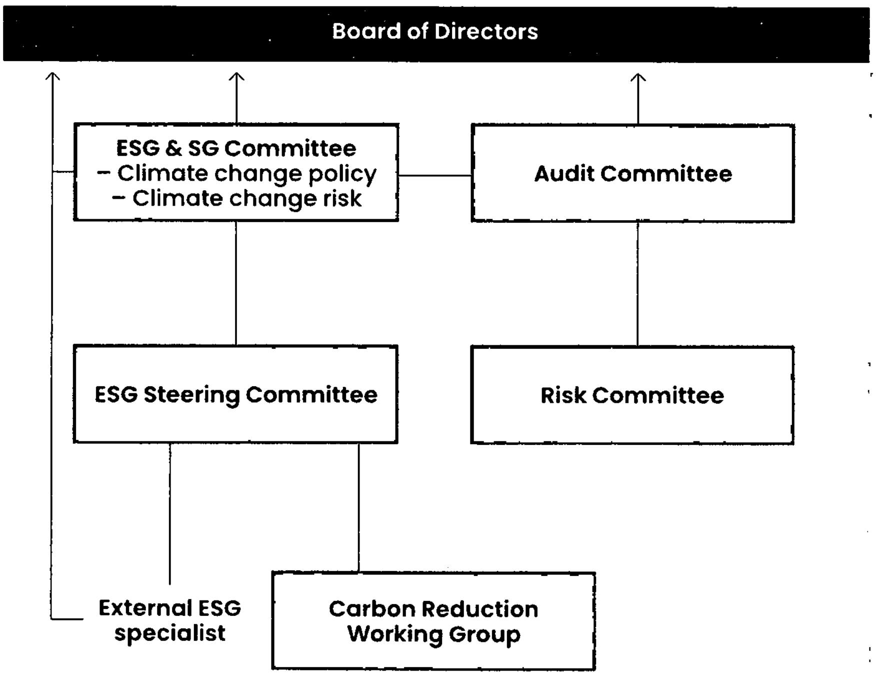
Data point	What this means
68% (2021: 65%) Employee opinion survey engagement score	To deliver an exciting and entertaining experience, we require a workforce of engaged and motivated employees.
39.2 tCO_2e per £m NGR (2021: 65.8 tCO_2e per £m NGR Energy use (intensity ratio)	We have engaged with our utility suppliers, fleet managers and carbon consultants to understand where we can make CO_2 savings across our operations.
£0.3m (2021: £0.3m) Charitable community contributions	Through our venues, we connect with a wide range of communities and have the ability to positively impact socio-economic standards, through jobs, tax payments and charitable donations.

ESG governance

To ensure effective governance of ESG-related matters and initiatives, during the year we implemented an updated governance structure.

While the Board continues to have overall responsibility for the Group's ESG strategy, responsibilities are delegated to the ESG & Safer Gambling Committee as set out in the Committee's Terms of Reference (for more information, please see the ESG & Safer Gambling Committee Report on page 114). This includes overseeing the progress made by the business under each of our four ESG focus areas established this year: Customer Experience, Colleague Experience, Environmental Management, and Community Engagement. The Chair of the Committee keeps the Board appraised of the Group's ESG performance and any arising issues. The Group's Risk Committee also keeps the Board and Audit Committee informed of new or emerging ESG risks as they relate to the Group.

At management level, our cross-disciplinary ESG Steering Committee is responsible for reporting on ESG-related data points and initiatives under each of the four focus areas. Its members include representatives from each area of the business together with subject matter experts from across the Group. The steering committee is responsible for providing updates to the ESG & Safer Gambling Committee. The steering committee ensures that it is informed of ESG issues through multiple channels including webinars, publications, and ongoing advice from ESG corporate advisors. As our approach to ESG management continues to mature, our governance of ESG matters will become further embedded into the business.



Learn more about our approach to ESG governance in our ESG & Safer Gambling Committee Report on page 114
→

Customers

Our purpose is to provide an entertaining and exciting experience for our customers, and we are continually engaging and listening to feedback in order to deliver products and services to best suit them.

Concurrently, working in the gambling industry we fully appreciate the associated responsibility to customers' welfare and minimising the risk of gambling-related harm. That is why our commitment to protecting our customers and promoting safer gaming is intrinsic to everything we do. Through advocating an understanding of responsible play, providing a range of robust safer gambling tools, utilising technology to identify 'at risk' customers, and cultivating a culture of awareness, we are well placed to fulfil this commitment.

Safer Gambling

As every customer is different, there is no one-size-fits-all approach to identifying 'at-risk' play. We employ a wide range of safer gambling measures to identify any issues at the earliest possible opportunity. Assessment and improvement of these measures is ongoing as we respond to developments in technology and customer understanding, as well as new legislation and regulation. However, the most effective means of preventing harm and ensuring a positive experience is through empowering our customers. By providing access to safer gambling tools and educating customers about responsible play, we are equipping our customers with the understanding to use our products and services safely.

> "We are equipping our customers with the understanding to use our products and services safely."

Adele Farrell
Director of Compliance & Responsible Gambling

Safer gambling messaging

Commensurate with our commitment to keeping our customers safe, safer gambling messaging is incorporated into our operations and communications. Our dedicated responsible gambling website, Keep It Fun (https://keepitfun.rank.com/), provides a hub for advice and information on safer gambling tools, and the Keep It Fun messaging appears on all our communications as standard. We are keen that this messaging is ubiquitous so that customers can easily access support should it be required.

Within our venues, safer gambling messaging is continually visible. We have resources on the casino floors and in bingo halls, display responsible gambling signage, and promote safer gambling on our media screens. We also have resources in the back offices of our venues to ensure that our employees remain cognisant of our commitment to safer gambling and are able to quickly access safer gambling materials.

Safer gambling tools utilised by Rank

We are continually assessing and improving the safer gambling measures we have in place with the objective of minimising the risk of gambling-related harm. The proportion of individuals that display problem gambling behaviours is very small, and we strive to identify these individuals and focus our efforts on providing them with the support they require, whilst at the same time seek to provide a seamless user journey for our customers. The approach that we take inevitably varies by channel and also by jurisdiction. We utilise data models to better identify 'at-risk' players, have 24/7 live monitoring for our online brands, and are progressing our ability to have a real-time single customer view.

Learn more about our approach to Safer Gambling in our 2022 Sustainability Report at www.rank.com

→

Safer gambling tools available to customers

In addition to the tools that we deploy to identify those customers who may require support and with whom to interact when appropriate, we also provide tools to help our customers remain in control of their play and reduce the risk of harm. All the information, advice, and signposting for support is available to customers on our dedicated safer gambling website, Keep It Fun.

Customers themselves can apply machine loss and time limits at slots and electronic roulette machines in our Grosvenor venues, B3 gaming machines in the Mecca estate, and deposit alerts on Mecca Max electronic touch screen tablets. When a customer triggers an alert or reaches a self-set machine spend, an interaction is triggered and a notification is sent to a dedicated mobile handset carried by the relevant venue's manager.

For customers that are concerned that they have a problem with gambling and feel that the tools available are not sufficient to protect them, they can choose to self-exclude. Our Grosvenor Casinos, Mecca Bingo clubs and online sites all offer the option to self-exclude, which is an enforced break from gambling. To support a customer that has self-excluded, their status will be updated automatically on our CRM system which will suppress all marketing communications to that customer and the process of re-joining following a self-exclusion is also arduous by design.

Employee training

To ensure these tools are used to best effect, it is imperative our employees are equipped with the skills and understanding to support customers and intervene when necessary. Every employee must complete mandatory safer gambling training, with progress being monitored through our online platform. In the past year we have invested significantly in additional safer gambling training for our colleagues. In partnership with GamCare, the leading charity in our sector for support with problem gambling, we are delivering further training to employees to build upon their existing knowledge and skills as to how to interact with customers and recognise changes in patterns of play.

Preventing underage play and protecting vulnerable customers

At Rank, we pay particular attention to protecting our younger and more vulnerable customers from being harmed or exploited by gambling in accordance with the Gambling Commission for Great Britain's ('Commission') Licence Conditions and Codes of Practice.

Recognising that customers under-25 are more vulnerable than those in higher age brackets, we factor in the age of our customers as part of our affordability model, and apply automatic deposit limits for all customers under-25.

We employ a range of measures to prevent underage play online and in our venues. For example, our policy of registration at all Grosvenor venues limits the risk of under-18s entering the premises, and we use third-party credit reference databases to check and validate customer registration details online. We do not market our products and facilities in such a way as to appeal to children or young people.

As a means of providing reasonable assurance that we have effective policies and procedures to prevent underage gambling, Rank's casinos and bingo venues participate in collective test purchasing programmes organised by the respective trade associations.

Customer privacy and data security

At Rank we take responsibility for protecting our customers' privacy and keeping their data secure when they play with us. We have a mature approach to data security; our priority is to prevent breach or loss of data and to ensure data is used in a fair and transparent manner.

This is managed via appropriate tooling and processes, with broad alignment to ISO 27001 and enhanced requirements of other regulators including the Commission, the Information Commissioner's Office and PCI-DSS regulations. We employ a wide range of protection measures, and to ensure the effectiveness of our systems we have regular audits and assessments. All employees are required to abide by policies and procedures that relate to the key data protection principles and information security protocols and must complete mandatory training in respect of data and information security.

Customer service

In order to continually drive improvements in our customer experience, we need to understand what it is our customers are looking for when they visit us in venue or online. Through a variety of channels, we engage with our customers to establish their preferences, gather feedback, and resolve any issues that may arise.

Above:
Mecca Luton

Product safety and quality
For Rank, our focus on product safety and quality means ensuring fairness of play. Customers are not going to play on machines if they are not fair. Failing to ensure product safety and quality can also have regulatory consequences. Rank is required to source its gambling equipment and software for its UK-based casinos, bingo venues and online sites from companies licensed by the Commission. We ensure that our physical and digital games are compliant with regulatory requirements including, but not limited to, speed of play, random number generation, product performance, and return-to-player rate.

Ethical marketing
When advertising our products, our sole intention is to reach our intended audience, to enable those who are permitted to gamble with us to know about our products and offers and decide if they wish to play with us. We consider the appropriate level of marketing to deliver to our existing customers and the means by which it is delivered, taking a tailored approach rather than producing a high volume of communications. We also follow strict processes to prevent marketing communications from being received by vulnerable groups or persons who have self-excluded. We are constantly evaluating the content of our messaging, ensuring that it aligns with our values as a business and our approach to safer gambling.

Health and safety
While physical health and safety risk is not the most material issue in our wider industry, we treat the health and safety of our customers and colleagues as high priority and are committed to achieving the highest level of standards and ongoing improvement across the Group.

The General Managers of each of our venues are responsible for ensuring that their respective venue's operations meet the requisite standards and a check and balance is provided in the UK by the dedicated health and safety team conducting regular health and safety assessments for each venue. Results are circulated to the venues leadership team, completion of resulting actions is monitored and any significant issues are escalated and followed up by management teams, with the assistance of specialist external consultants where needed.

Colleagues

In order to deliver an exciting and entertaining experience, we require a workforce of engaged, motivated and skilled employees. As such we are committed to providing training and support to our colleagues, and that they are given the opportunity to develop and progress through the Group whilst themselves experiencing a safe and fun working environment.

Leadership capability
Our Board and Executive Committee members are required to lead from the front to drive the business forwards and deliver on the long-term strategy. We make sure that all our leaders have the appropriate knowledge and skills to deliver against Rank's objectives and we employ succession planning to ensure the continuity of capability in key roles. We offer executive coaching and leadership courses, and succession plans are maintained for the Board, Executive Committee and other senior leadership positions.

Employee training and development
Mandatory training
All employees must complete compliance training to make sure that every individual in the Group is aware of the expectations for professional behaviour and we maintain the highest standards in business ethics. This includes GDPR, anti-money laundering, anti-bribery, and health and safety training, as well as other training specific for the different areas of the business, which is provided through our e-learning platform or in-person. Colleagues are also made aware, on an ongoing basis, of Speaking Up, the Group's whistleblowing programme. To establish strong awareness across the Group, every individual at Rank must also complete mandatory safer gambling training, with progress being monitored through our online platform.

In relation to business ethics, we endeavour to conduct our business with integrity and adopt values and standards designed to help guide our colleagues in their conduct and business relationships. In addition to training, Rank has in place policies, procedures, management systems and internal controls to prevent bribery and corruption occurring. This includes a requirement that all colleagues and other individuals working for us adhere to our gifts and hospitality policy, which requires them to consider the appropriateness of the giving and receiving of gifts and hospitality and is reinforced by ratcheting approval levels.

Recruitment and development opportunities
In order to attract and retain the most talented individuals we are focusing on streamlining our recruitment process and making sure we are hiring the most qualified individuals from a diverse pool of candidates as quickly as possible. We are currently developing our new employee value proposition. Work. Win. Grow.. which focuses on creating exciting opportunities for our employees, and attracting talented, energetic people to join our global team.

We offer a host of training opportunities including an e-learning platform that holds over 700 courses, and place high potential individuals on succession plans.

Employee engagement and wellbeing

Our industry is a truly exciting one in which to operate. This resonates across the Group, with colleagues valuing the interesting nature of our business and the skilled roles we provide. Our business strategy is also well communicated to ensure that everyone understands and is working towards the same goals.

Rank's culture is defined by its established values – service, teamwork, ambition, responsibility and solutions (STARS) – and its purpose. From the point of recruitment, all colleagues are made aware of our values and these are incorporated into many development initiatives to ensure they are at the heart of a successful career at Rank. To ensure our workforce remains connected and motivated, we operate a number of initiatives to facilitate engagement with colleagues, to allow feedback and the articulation of any issues, and for business communications from the Executive. We have also put increased focus upon mental health and wellbeing this year, providing a number of resources and events for colleagues to access and attend, to ensure that everyone is getting the support they need.

Above:
Mecca Luton

Equality, diversity and inclusion

Creating a working environment that embodies equality, diversity and inclusion ('ED&I') is incredibly important at Rank. We have four stated aims against which we have delivered a number of initiatives in the past year.

1. **Create an inclusive environment which facilitates our colleagues to develop, be creative and deliver exceptional service**
- We have a variety of family support policies and this year launched our Menopause Policy which includes the offer of financial support for treatment.
- We are continually assessing how we can improve our approach to ensure all our colleagues feel supported and heard in their roles and we will be looking to publish a new three-year ED&I strategy before the end of H1 2022/23.

2. **Ensure there is a diverse workforce across all grades**
- We have several initiatives in place to support under-represented groups, in particular women in senior positions, and to support them in developing their careers.
- Our analysis of data and feedback is essential to track progress, identify areas for improvement and measure the impact of initiatives we have delivered.

3. **Make inclusion and diversity integral to how we do business**
- To ensure that all colleagues have a voice, we further embedded our six ED&I colleague network groups: Wellbeing; Women; Racial Equality and Diversity; LGBT+; Families; and general ED&I (incorporating religious celebrations).
- Alongside this, we created a calendar of twelve ED&I events (two for each group) that aligned with national or international events and will be refreshed on an annual basis.

4. **Demonstrate leadership on inclusion and diversity, internally and externally, positioning Rank as an 'employer of choice'**
- We support our colleagues with training and development and operate a High Performing Sponsorship Programme ('HPSP') that supports the development of female colleagues.
- We are looking to onboard an external platform that will enable high performing colleagues, including those on the HPSP, to access world-class coaching and mentoring services.

At a glance

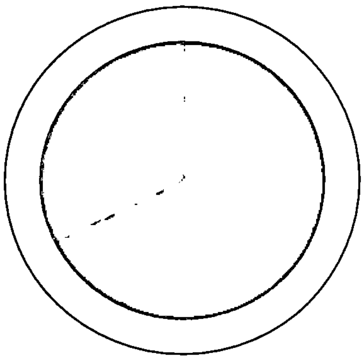
Male:female split of total Group

	Male	Female
Board	5	3
Senior management	51	19
Whole Group	3,952	3,618

Gender pay gap

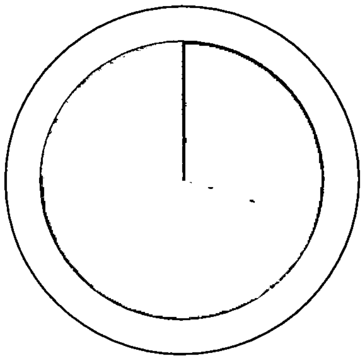
Mean	30.3%
Median	30.0%

% of UK employees are White British



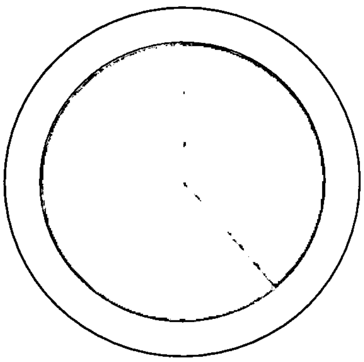
White British **68%**
Other **32%**

% of colleagues by age band



<30 **30%**
30-50 **46%**
>50 **24%**

% of employees who are part-time



Part-time **39%**
Full-time **61%**

% of colleagues by country

UK	87%
Spain	7%
Mauritius	4%
South Africa	1%
Gibraltar	1%
Malta	<1%
Israel	<1%

Our approach

As a Group, we recognise the importance of reducing our environmental impact and ensuring that we are operating as sustainably as possible. As part of our ESG strategy, we are currently mapping out our environmental commitments, assessing where carbon reduction measures can be implemented and how our venues can operate more efficiently.

We are starting to incorporate ESG considerations into our due diligence processes, by requesting environmental policies from suppliers and including in our Requests for Proposal a requirement to support the Group's environmental agenda.

Above:
Support Office, Maidenhead

Environment

Energy usage
The most significant area of contribution to the Group's carbon footprint is our venues' energy usage. We are working with our energy consultants to determine where reduction opportunities lie and once the assessment is complete we will set a target to reflect these findings.

Power capacity review
Our energy consultants, Consultus, are conducting a power capacity review of our properties. Of the 41 supplies approved for capacity reductions, 23 have been processed, 8 are in a queue to be processed, and 10 require re-analysis following confirmation of existing details. Once the project has concluded, Consultus will issue a formal review to detail successful price reduction by venue.

Waste and water management
Rank is working with its suppliers and providers to assess our use of resources and evaluate where improvements can be made.

We are engaged in early stage conversations with our water provider, SES, as well as a water efficiency business, with the objective of reducing water consumption and surface water impact on our business.

We have asked our waste provider, Biffa, to revisit our Waste & Recycling Guide and update it to reflect our current waste consumption and subsequently outline appropriate measures for waste reduction. Biffa will be creating on site collateral to instruct employees on waste segregation and thereby reduce waste to landfill, and we are considering further measures to raise awareness for recycling and best practice in waste management.

Travel and fleet management
The Group is looking at specific areas where it can reduce its environmental impact from travel and is working with consultants to consider a range of carbon reduction initiatives. As a result of the pandemic, remote working has changed our commuting practices. We will be reviewing our travel policy in order to ensure it is fit for purpose, and we are also reviewing options to electrify our fleet.

Climate change and net zero planning
In line with the ambitions set out in the Paris Agreement and commitments set out at the recent COP26 UN Climate Conference, Rank is considering its roadmap towards a carbon net zero future.

In tandem with our energy usage and power capacity review, we will be developing our carbon reduction strategies with our operational partners and will update stakeholders on our progress.

This will be formalised through a net zero framework and targets and criteria that involves achieving actual emissions reduction and neutralisation of any residual carbon from our operations.

Task Force on Climate-related Financial Disclosures ('TCFD')
Commensurate with the requirement under Listing Rule (LR 9.8.6) regarding disclosures to the Task Force on Climate-related Financial Disclosures, Rank has developed its reporting framework to take into account the TCFD recommendations. We will align our performance and strategy reporting to the four pillars of the TCFD: governance, strategy, risk management, and metrics and targets.

Governance
Board oversight
To enable oversight and governance of climate-related issues, it is important that such considerations are made, and discussions had, by Rank's leadership. As such, both the Board and the ESG & Safer Gambling Committee are informed of climate-related issues. The Audit Committee has also been made aware of the climate change accounting consideration in the preparation of this year's Annual Report and Accounts. While the Group recognises climate change as a relevant risk and/or opportunity for the business, that risk is presently considered low to the business over the short, medium and long term.

The ESG & Safer Gambling Committee has responsibility for the oversight of climate change policy, strategy and operational oversight, and identifying climate-related risks and contributing those to the Audit Committee for review. The Audit Committee holds responsibility for assessing the integrity of the ESG & Safer Gambling Committee's climate-related risk process and ensuring that it is in line with risk management process, as well as climate change disclosure.

Further, the Group's Risk Committee plays a key role in the management of risks to the business. Further detail on committee activity can be found within the Governance Report section of this report.

The Board is kept appraised of progress on all climate-related matters via the Chair of ESG & Safer Gambling Committee, and the Committee is informed by the Carbon Reduction Working Group.

The Group's assessment of climate-related risks and opportunities continues to develop, and the Board's consideration of such issues in FY 2022 reflects both this and the current understanding of climate change as being of low risk to Rank at present.

At the direction of the Board, the ESG & Safer Gambling and Audit Committees were both tasked with developing a better appreciation for climate-related risk and its potential impacts upon the business. The ESG & Safer Gambling Committee received a presentation from an ESG specialist and receives guidance from advisors on an ongoing basis.

The Board also considered climate-related issues when reviewing and shaping the ESG strategy. This strategy was developed by the ESG & Safer Gambling Committee, informed by senior leadership across the business, and endorsed by the Board.

Material in annual budgeting is the regular investment into our real estate, and current considerations include insulation, lighting, and heating, ventilation and air conditioning (HVAC) control. Climate-related issues will continue to be a consideration for the Board in reviewing and guiding performance objectives, monitoring and performance.

As the assessment of climate-related issues matures and integrates more deeply into the strategic and risk assessment processes of the business, the business may integrate greater consideration of climate matters into other decision-making processes.

Management oversight
Climate change has the potential to impact the Group in a myriad of ways. Therefore, considerations from multiple segments of the business must feed into Rank's assessment of climate-related risks and opportunities. For the Group's finances, climate-related risk has the potential to impact financial performance and cost base; regarding investor relations, it is material in the management of Rank's capital markets profile and awareness of emerging capital market risks and requirements; for our Procurement Team, a key consideration is Scope 3 emissions management in order to meet net zero ambitions; and the management of our property portfolio through improving efficiencies and decarbonisation is material in reducing Scope 1 and 2 emissions.

Climate change is presently considered an emerging risk for the Group. To remain abreast of climate-related matters, management are informed by engaging with all of the Group's corporate advisors (ESG, broking, legal and accounting) through webinars, publications, 1-2-1 training sessions and ongoing discussions. In addition to advisor engagement, management monitor climate-related issues and their materiality on an ongoing basis. Risk Committee meetings (which also consider financial risks) are held monthly; the risk and audit functions work very closely together; and the risk registers are reviewed monthly by management and on a constant basis by each business unit.

Management informs the Board of climate-related risks and opportunities via two key channels. Management personnel submit climate-related information via board and committee papers; this year, papers were issued to the Audit Committee detailing the TCFD recommendations, climate change accounting considerations. Management also attend Board and Board Committee meetings by invitation.

Strategy
The Group defines the short, medium, and long-term time horizons as the following:

- Short – present to 2030
- Medium – 2030 to 2040
- Long – 2040

The financial impact of differing levels of risk are defined as follows:

- Low – managed as part of existing processes
- Medium – additional mitigation or investment required
- High – significant investment required and considered material risk to the business

Rank takes into consideration the useful life of the organisation's assets or infrastructure and the fact that climate-related issues often manifest themselves over the medium and longer terms. During the year, Rank's accounting team conducted an assessment of climate-related matters that may impact the Group's financial statements. A summary of each is included below:

Intangible assets, property, plant and equipment, leased assets
Climate-related risks may have a substantive financial or strategic impact of the Group's business, affecting the useful lives and residual values of intangible and tangible assets. It could be determined after assessment that useful lives may need to be reduced and depreciation and amortisation accelerated.

Impairment of assets
Impairment indicators should include significant changes in the technological, market, economic or legal environment that have an adverse of the Group. Increased awareness of the consequences of environmental change is triggering regulatory action, which is affecting stakeholders' perspectives.

Provisions
As the Group takes action to address the consequences of climate change, these actions may result in the recognition of new liabilities or, where the criteria for recognition are not met, new contingent liabilities may have to be disclosed.

Fair value measurement
The Group should be ensuring that relevant fair value measurements appropriately consider the relevant climate-related risk factors. Climate change can have a tangible effect on assets and liabilities now or in the future (e.g. rising water levels, changing weather patterns, increased pollution levels etc.).

Summary findings
The Group constantly monitors latest government legislation on climate-related matters. As at year end, there is no legislation in place that will financially 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.

Climate-related risks and opportunities
The specific climate-related issues that could have a material financial impact on Rank have been identified for each time horizon and included in the Risk Table on page 65. Climate-related physical risks, considered with reference to their potential impact on the financial performance of the Group as a whole, are being integrated into our business strategy through the mitigation activity flowing from the risk management processes monitored by the Risk Committee.

Some risks and opportunities are considered by geography. Flood risk, for example, is of greater risk in the UK, and we also consider law dependent on UK or EU jurisdiction. In terms of opportunity, the access to renewal energy is greater in Spain than in the UK.

Climate change does also present some opportunities. Organisations that shift their energy usage toward low emission energy sources could potentially save on annual energy costs. Furthermore, innovation and development of new low emission products and services may improve a business competitive position and capitalise on shifting consumer and producer preferences.

At year end, climate-related risk is not anticipated to have a material financial impact on the business and the risk overall is considered low. Such issues do mean an adjustment in the Group's strategy to accommodate greater recognition of climate risk, and how this is assessed, resourced and communicated to stakeholders. The Board, Executive and working groups will continue to monitor all climate-related issues.

Risk

Transition: Transitioning to a lower-carbon economy may entail extensive policy, legal, technology, and market changes to address mitigation and adaptation requirements related to climate change.

Type	Risk description	Potential outcomes	Mitigating activities	Timeframe
Policy and Legislation	That Rank is not able to respond to increasingly stringent reporting obligations to the frequency or quality required.	Legal and/or reputational issues, which in turn drive compliance costs and potentially impact cost of capital. Financial impact: low	Monitor potential legislative and regulatory changes. Considering ability to achieve net zero by 2035 target. Working to define net zero strategy and set interim targets.	Short to medium
Policy and Legislation	That nation states may introduce carbon emission levies, placing an additional fee upon energy consumption costs.	This may increase Rank's operating costs. Financial impact: low to medium	Assess property portfolio to determine investment programmes that make building more energy efficient, less carbon intensive. Seek to source green energy.	Short
Policy and Legislation	That new climate-related laws or regulations for which Rank is not prepared.	Rank may be subject to an increase in accounting provisions, not initially budgeted for. This may impact profitability. Rank may be subject to increased compliance costs. Financial impact: low	Define decarbonisation strategy to remain ahead of regulation.	Short to medium
Technology	Technology advances introducing more environmentally friendly equipment to replace existing IT infrastructure.	Whilst Rank does not rely on carbon intense assets for value generation it nevertheless uses IT equipment to fulfil a variety of functions: **1. Gaming machines on playing floors.** Much of this equipment is sourced from the US. Whilst the US committed to a 2050 net zero target, any variances in time commitments and energy efficiency requirements of electrically powered equipment, between the US market and the markets we operate in may lead to unexpected cost implications. **2. Online gaming platform IT infrastructure and general business/operating IT infrastructure** may suffer a reduction in useful life driven by major advances in IT energy efficiency, driving increase in depreciation and amortisation costs.	Regular investment.	Short to medium

Type	Risk description	Potential outcomes	Mitigating activities	Timeframe
Market	Climate induced changes to customer preferences for leisure.	Changes in consumer preferences may encourage more players to play online at home, rather than incur possible transportation emissions and continued utilisation of inefficient spaces. Financial impact: low	Formalise and communicate clear decarbonisation strategy.	Long
Market	Supply chain cost inflation.	Increased costs related to the use of new environmentally friendly materials or processes could result in contracts previously expecting to be profitable becoming loss making. Financial impact: low	Commencing Scope 3 assessment to better understand Rank's exposure to high emitting sections of its value chain. In time, will seek increased information regarding climate risk exposure from key suppliers.	Medium
Reputational	Failure to meet internal or external stakeholder climate-related expectations, impacting relations.	Perceived higher risk investment, increasing cost of capital with investors, financial institutions, and insurers. Reduced revenues due to challenges in attracting new talent and increased opex from employee turnover. Financial impact: low to medium	Define and communicate our net zero ambitions.	Short

Risk

Physical: Physical risks resulting from climate change can be event driven (acute) or longer-term shifts (chronic) in climate patterns.

Risk description	Potential outcomes	Mitigating activities	Timeframe
Extreme weather events like drought, flooding and storms.	Damage to our properties and vehicles which will incur increased capex and insurance costs. Impacts of supply chain disruption from increased severity of extreme weather events may impact opex and capex, as well as impact revenue if customer demands for online entertainment cannot be met. Financial impact: low to medium	Business continuity and crisis management plans in place.	Short to long
Changes in average climate conditions including rising sea levels, coastal flooding and increased average temperatures.	Increased operating costs driven by the as the increased use of climate control systems across our properties. Increased maintenance and insurance costs. Financial impact: low to medium	Investment into property portfolio.	Short to long

Scenario analysis

To evaluate the resiliency of the Group's approach to climate-related risks and opportunities, we have conducted an analysis for two different possible scenarios: the rise in global temperature is limited to less than 2 degrees, or the global temperature rises by more than 2 degrees. The risks and opportunities to the Group under each scenario are presented against short, medium, and long-term time horizons.

<2-degree scenario

Our less than 2°c scenario assumes that we act responsibly, improve the efficiency of our portfolio working with our landlords, and reduce our GHG emissions. This may include the introduction of carbon pricing by national governments. We consider transition risks to pose the greater threat to our business and strategy under this scenario, with only a limited and manageable impact on our operations from physical risks. That said, we consider this threat to be limited in the short term and therefore our strategy resilient under this scenario. We considered the IEA's Net Zero Scenario in developing this scenario.

Short term (to 2030)	Medium term (2030 to 2040)	Long term (beyond 2040)
Risks Higher transition risks associated with moving to a low-carbon economy - Compliance risk if we fail to meet regulatory requirements, including emissions reporting obligations. - Reputational risk with investors, customers and employees, if we do not adequately address climate change. - Increased cost of climate-related levies/ increased pricing of greenhouse gas (GHG) emissions.	**Risks** Continued transition risks - Continuing compliance risk if we fail to meet regulatory requirements, including emissions reporting obligations. - Increasing reputational risk with investors, customers and employees, if we do not adequately address climate change. - Increased cost of climate-related levies/ increased pricing of GHG emissions. - Changing customer behaviour.	**Risks** Less significant increase in physical risks - Continued isolated extreme weather events causing manageable direct business disruptions to office locations, and impacts to suppliers in our moderate supply chain. - Higher summer temperatures and rapid changes in temperature and humidity causing challenges for venue cooling, and increases in energy costs across our venues and offices.

Opportunities
- Define net zero strategy to meet increasing stakeholder expectations.
- Potential to develop a zero-emissions online product, or facility that allows customers to offset.
- As demand for more energy efficient infrastructure and equipment increases in the market, so demand will increase which is likely to reduce costs. This will enable investment that will ultimately reduce energy costs.

>2°c scenario

This scenario assumes global climate policy is less effective and unabated GHG emissions cause climate change above that envisaged by the Paris Agreement. Under this scenario, informed by the IEA's SDS scenario, we would expect physical risks to become much more apparent in the longer term and outweigh transitional risks. Under this scenario our business and strategy remains resilient in the short term. Further work to define the resilience of our strategy beyond this time horizon is still required.

Short term (to 2030)	Medium term (2030 to 2040)	Long term (beyond 2040)
Risks Slight increase in transition and physical risks in the short term - Isolated and manageable business disruptions caused by extreme weather events, such as flooding or drought. - Insurance costs rise in step with increase in physical damage to properties. - Ad-hoc supply chain interruptions.	**Risks** Increasing physical risks due to a failure to adequately transition to a low-carbon economy - Increase in energy costs as traditional energy sources become more constrained, whilst under investment into cleaner energy fails to bridge energy demand gap. - Flooding at certain high-risk venues due to increased sea level.	**Risks** Increased physical risks due to a failure to adequately transition to a low-carbon economy - Increase in energy costs. - Flooding at certain high-risk venues due to increased sea level.

Opportunities
- Define net zero strategy to meet increasing stakeholder expectations.
- Potential to develop a zero-emissions online product, or facility that allows customers to offset.
- As demand for more energy efficient infrastructure and equipment increases in the market, so demand will increase which is likely to reduce costs. This will enable investment that will ultimately reduce energy costs.

Risk Management

To determine the relative significance of climate-related risks in relation to other risks, in 2021 we conducted a materiality assessment. This process, engaging a range of stakeholders both internal and external to the organisation, placed climate risk as a low-risk matter, relative to other ESG issues. We also monitor the regulatory space in order to be informed of any developments that could impact the effect of climate-related issues. Currently, there are existing and emerging regulatory requirements related to climate change that are considered a risk by Rank.

As the Group's appreciation for the complexities of climate risk has developed, (that the risks may manifest in a variety of transitional and physical risks) so it has evolved its representation of climate risk within its risk register. As such, climate risk is included as an emerging risk on the Company's risk register. The potential size and scope of identified climate-related risks is determined in the same manner as any risk on the risk register.

The Group's risk management process involves an analysis which weights 'Impact' against 'Likelihood'. The financial impact of risk is defined thus: Low – managed as part of existing processes; Medium – additional mitigation or investment required; and High – significant investment required and considered material risk to the business.

Decisions to mitigate, transfer, accept, or control climate-related risks are made in the same manner as any risk on the risk register, as climate risk is included as a stand-alone risk on our risk register and is therefore integrated into the overall risk management framework. Defining climate as an emerging risk also means that the Audit Committee has general oversight of this issue. Additionally, through guidance from the ESG & Safer Gambling Committee, the Audit Committee are encouraged to consider climate-related matters when considering the following Principal Risks:

1. Taxation (should a carbon price be introduced)
2. Business continuity planning and disaster recovery (should any physical climate-related risks impact the business or its supply chain – flash flooding etc.)
3. People (desire to work for an employer that is committed to net zero etc.)

Over the coming months the Group will start to consider the spread of physical and transitional risks on our register. As previously acknowledged, climate-related risks are varied and permeate many other existing risks overseen by the Board.

During the year, we conducted desktop assessment to review the perceived flood risks of our UK properties, which comprises 92% of our portfolio. Using UK Government and Scottish Environmental Protection Agency online tools, we identified the following:

	Surface risk	River risk	Coastal risk
High	12.20%	0.80%	1.60%
Medium	17.10%	3.25%	
Reservoir			5.70%

Metrics & Targets

The metrics currently used by Rank to assess climate-related risks and opportunities in line with its strategy and risk management process are Scope 1 and 2 emissions and are published as part of the Group's obligations to report in line with Streamlined Energy & Carbon Reporting (SECR).

SECR report

Objectives of this report

This report has been prepared to support Rank's compliance with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and the companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2019.

These pieces of legislation require quoted companies to report energy consumption and greenhouse gas emissions arising from activities for which those companies are responsible. The report also provides Rank with an annual review of the Group's energy consumption.

Scope Boundaries

An operational control approach has been used to define the Greenhouse Gas (GHG) emissions boundary.

For Rank's mandatory scope, this captures emissions associated with the operation of Rank's sites and company-owned transport. The 'full scope' also includes the voluntary disclosure of emissions resulting from electricity transmission and distribution losses, private vehicles (used for company business), air travel and waste disposal. All emissions, mandatory and voluntary, refer to UK and Spain operations only.

This information was collected and reported in line with the methodology set out in the UK Government's Environmental Reporting Guidelines 2019.

Emissions have been calculated using the 2021 conversion factors provided by Defra. There are no material omissions from the mandatory Scope 1 and 2 emissions. The reporting period is July 2021 to June 2022, as per Rank's financial accounts.

Supporting material

An emissions data file has been compiled according to a specification agreed with Rank. The data file will be retained by Consultus International Group (Consultus) and is available for audit upon request. The supporting data, as supplied by Rank and relevant third parties is held by Consultus and can be made available on request.

Emissions intensity

For purposes of baselining and ongoing comparison, it is required to express the GHG emissions using a carbon intensity metric. The intensity metric chosen is £m NGR. Rank's NGR in 2021/22 was £644.0m, giving an intensity of 39.2 tCO_2e per £m NGR, 40% lower than last year.

Quantification and Reporting Methodology

The Group has taken guidance from the UK Government Environmental Reporting Guidelines (March 2019), the GHG Reporting Protocol – Corporate Standard, and from the UK Government GHG Conversion Factors for Company Reporting document for calculating carbon emissions. Energy usage information (gas and electricity) has been obtained directly from our energy suppliers and half-hourly (HH) data, where applicable, for the HH supplies.

For supplies where there was not complete 12-month energy usage data available, flat profile estimation techniques were used to complete the annual consumption. Transport mileage and/or fuel usage data was provided for company and employee-owned vehicles. tCO_2e emissions were calculated using the appropriate emission factors from the UK Government GHG conversion information and retained within the organisation's Data File for reference where required with the exception of Spain which is from the IEA.

Overall Group Position kWh

Emission source Energy type	2021/22 kWh	2020/21 kWh	% of 2021/22 total	Change +/-
Gas	**63,554,204**	54,304,890	52%	17%
Electricity	**61,279,863**	47,548,865	46%	29%
Company travel	**3,993,358**	2,529,333	2%	58%
Total	**128,827,425**	104,383,088	100%	23%

UK Group Position kWh

Emission source Energy type	2021/22 kWh	2020/21 kWh	% of 2021/22 total	Change +/-
Gas	**63,110,578**	53,356,974	54%	18%
Electricity	**57,120,020**	43,524,462	44%	31%
Company travel	**3,993,358**	2,529,333	3%	58%
Total	**124,223,956**	99,410,769	100%	25%

• Company travel 2021/22 includes all Scope 1 and Scope 3 data.

Spain Group Position kWh

Emission source Energy type	2021/22 kWh	2020/21 kWh	% of 2021/22 total	Change +/-
Gas	**443,626**	293,036	9%	51%
Electricity	**4,159,843**	2,845,759	91%	46%
Total	**4,603,469**	3,138,795	100%	47%

• Belgium's emission data included in overall group position for 2020/21.

GHG Emissions Summary

	2021/22		2020/21	
Energy type	tCO_2e	%	tCO_2e	%
Gas (Scope 1)	**11,641**	**43.4%**	9,946	41.3%
Company transport (Scope 1)	**551**	**2.1%**	622	2.6%
Employee transport (Scope 3)	**206**	**0.8%**	–	0.0%
F-Gases (Scope 1)	**145**	**0.5%**	50	0.2%
Electricity (Scope 2)	**12,897**	**48.1%**	11,066	46.0%
Transmission & losses (Scope 3)	**1,089**	**4.1%**	–	0.0%
Air travel (Scope 3)	**198**	**0.7%**	15	0.1%
Waste (Scope 3)	**112**	**0.4%**	2,368	9.8%
Total	**26,840**	**100%**	24,067	100%

Energy type	2021/22	2020/21
Scope 1 (mandatory)	**12,337**	10,618
Scope 2 (mandatory)	**12,897**	11,066
Mandatory total	**25,235**	21,684
Scope 3 (compulsory)	**1,605**	2,383
Total	**26,840**	24,067

Whilst we embrace the recommendations, we recognise that our disclosures are not yet fully consistent with some of the TCFD recommendations and in such cases we have explained why and provided a description of the priority actions to be taken to close the gaps. All information considered material to our TCFD disclosures are presented within this TCFD section.

Compliance table

TCFD Pillar	Recommended Disclosures	Compliance status and future activity
Governance	a. Describe the Board's oversight of climate-related risks and opportunities.	Status: green Intention: the Board and relevant committees to strengthen the consideration of climate-related issues when reviewing and guiding business plans, major capital expenditure and M&A activity.
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	Status: green Intention: the Group is to clarify the mandate of the Carbon Reduction Working Group and to keep improving mechanisms for informing managers of climate-related matters.
Strategy	a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	Status: green Intention: continue to mature scenario analysis and resilience testing of risks over the short, medium and long term.
	b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Status: amber Intention: seek to prioritise the factoring of climate-related risks and opportunities into investment strategies and financial planning.
	c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°c or lower scenario.	Status: amber Intention: continue to mature scenario analysis and resilience testing of risks over the short, medium and long term.
Risk management	a. Describe the organisation's processes for identifying and assessing climate-related risks.	Status: amber Intention: build greater capacity within the Group to identify and assess climate related risks.
	b. Describe the organisation's processes for managing climate-related risks.	Status: amber Intention: whilst each of the transitional and physical risks listed in the report are deemed low to medium financial risk to the business in the short term, further research is required to determine the financial materiality of these risks over the medium and longer term.
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Status: amber Intention: further resource and consideration to be given to the management of climate-related risks.
Metrics and targets	a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Status: amber Intention: whilst the Group already reports Scope 1 and 2 emissions, certain Scope 3 emissions are captured and the business may consider the adoption of an internal carbon price to measure impact and the potential payback on business plans and relevant capital investment programmes.
	b. Disclose Scope 1, Scope 2 and, if appropriate Scope 3 greenhouse gas (GHG) emissions and the related risks.	Status: green Intention: whilst the Group already reports Scope 1 and 2 emissions, certain Scope 3 emissions are captured and it is the intention of the business in the coming years to set a firm net zero target, in line with the requirement of the Science Based Targets Initiative.
	c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Status: red Intention: to announce decarbonisation targets during the next financial year.

Green – Disclosure met; Amber – Programme of work underway to meet disclosure; Red – Programme of work yet to start to meet disclosure.

Community

A central role in the community
We have always occupied a central role in the communities in which we operate, and our Mecca venues in particular are a social hub for local people. Playing bingo is a key form of social interaction for many isolated and older people and our clubs will continue to provide this leisure service for generations to come. The strong ties we have with local communities influence our approach in this area: our colleagues go beyond the expected to support their customers, we champion charitable initiatives on a venue-by-venue basis and advertise employment opportunities locally, and we chose our Group-wide charity partner, Carers Trust, on the basis of its network of carers centres across the UK that support people doing vital unpaid work.

Developing our community strategy
As a result of the pandemic, the understanding of the integral role we play in communities came into sharper focus. We made it a priority to keep supporting our customers even when our venues were forced to shut during lockdowns. As the pandemic restrictions eased, we were still keen to maintain this community focus. In the longer term, we want to maintain this momentum and we recognise that our customers and communities will continue to need support. While much of our activity has been driven locally and we will continue to operate initiatives on a venue-by-venue basis, we are working towards formalising a central strategy on community engagement and support. Our new Mecca Managing Director will play a significant role in developing this strategy.

Our Group-wide charity partnership: Carers Trust
Since 2014 Rank has been partnered with Carers Trust, a charity which works to improve services, support, and recognition for unpaid carers. During our partnership so far, the Group has raised £3,193,763.79 for the charity and supported 13,135 carers. In order to take ownership of a specific project to support the Carers Trust, we established Rank Cares Grants. Enabled by the fundraising efforts of our colleagues across the Group, we give grants to carers in three areas:

- **Carers Essentials Fund** – carers can apply for grants towards the cost of vital equipment such as washing machines, cookers, fridge freezers or beds.
- **Carers Take Time Out Fund** – giving carers time out from caring to relax, do something for themselves and recharge their batteries.
- **Carers Skills Fund** – enabling carers to learn new skills to help them with caring or to return to work.

For a carer to receive a grant, they must submit an application with one of our 120 network partners around the UK. These applications are then reviewed by a Grants Panel. We invite colleagues from around the business to sit on these panels so that they can appreciate the impact of our fundraising and the importance of supporting carers.

"This time out allows me to have something more positive to enjoy in life which in turn allows me to be more positive in my caring role at home."

Jackie
Unpaid carer

Below:
City Poker Night
Rank Cares charity fundraiser

Our business model

What we do

We have been entertaining Britain since 1937, from our origins in motion pictures to today's gaming-based entertainment brands.

Our purpose is to work together to create exciting environments that reflect the changing needs and expectations of our customers and our colleagues, delivering stimulating and entertaining experiences every time. To Excite and To Entertain. This is how we do it.

We are the only Group that offers customers both venue and digital bingo and casino experiences.

Venues

- Largest venues casino operator in Great Britain (52 venues).
- Second-largest venues bingo operator in Great Britain (64 venues).
- Growing venues bingo presence in Spain (9 venues).
- Our venues businesses operate in mature and well-established gambling markets.
- Mecca and Enracha are bingo-led brands which offer community-based gaming.
- Grosvenor is a casino-led brand principally focused on table and machine gaming.
- Our venues businesses operate through a mainly leasehold estate.
- Our venues are membership-based and free to join.
- A food and beverage offer is available across all our venues.
- Revenue is generated in our venues when a customer bets against the house (games of chance). Underlying profit is generated once the cost of customer incentives, sales and other operating costs are deducted.

Digital

- A diverse portfolio of over 140 digital brands covering casino, bingo, slots and sports betting.
- Our Mecca and Grosvenor online offers complement our established venues brands.
- All digital customers play with our online brands through a brand wallet.
- Revenue is generated online when a customer bets against the house (games of chance). Underlying profit is generated once the cost of customer incentives, sales and other operating costs are deducted.

Stakeholder value created

Our customers

2,400k

We create value for our 2,400k customers by providing them with market-leading gaming experiences through our venues, online, or across both channels.

Our people

7,600

7,600 passionate and committed employees.

Our suppliers

1,200

Over 1,200 suppliers, who through meaningful engagement and collaboration are key in helping us deliver our strategic aims.

Our communities

£300,000

£300,000 charitable donations made to Carers Trust.

Governments

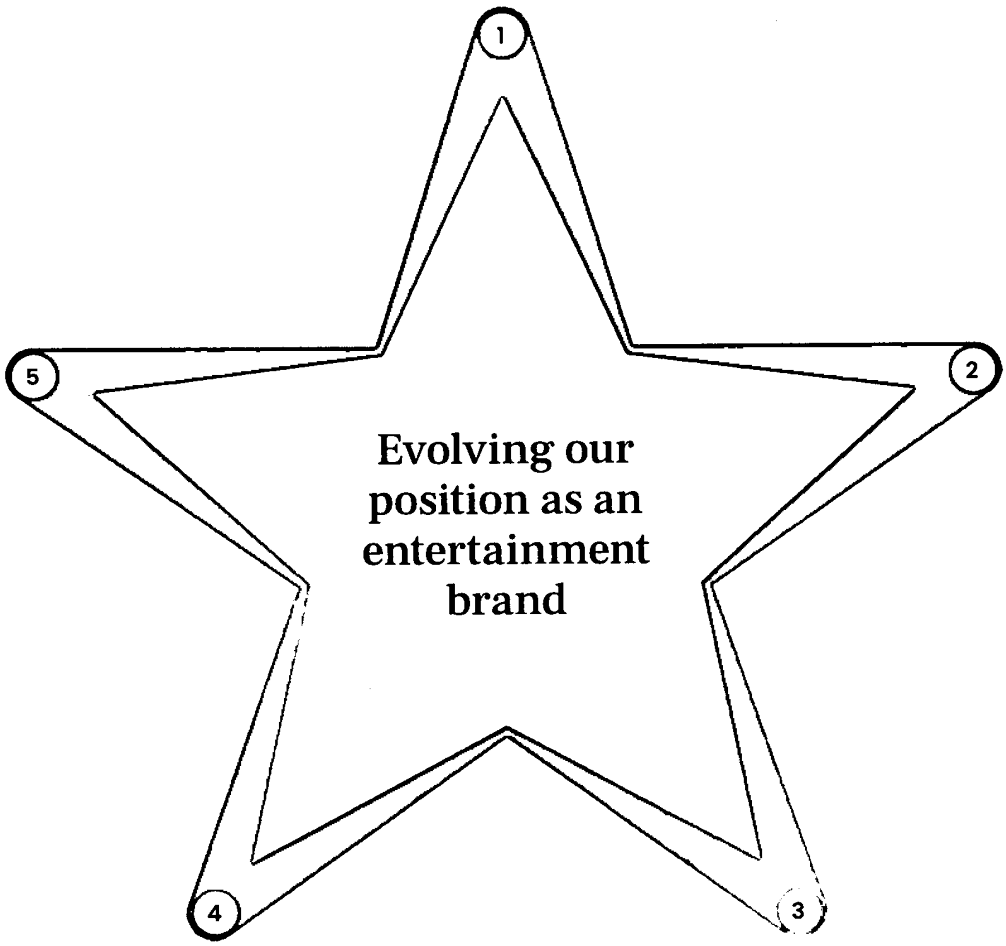
£171.5m

£171.5m generated for tax authorities and local governments.

Our shareholders

Through our disciplined approach to strategic delivery and unwavering commitment to safe and fairer gambling, we are focused on creating sustainable value for our shareholders.

What we need to create value



❶ Customer insights/engagement
Through customer insights drawn from customer research and data science we can better understand what our current and potential customers want, ensuring we provide relevant, exciting and entertaining experiences.

❷ Strong brand positioning
Rank has a portfolio of brands, which include its three well-established cross-channel brands, Grosvenor Casinos, Mecca and Enracha, alongside our 140 digital-only, proprietary and non-proprietary brands.

❸ Player protection
Our three lines of defence model, involving our front-line colleagues, our compliance team and our internal audit team, seeks to ensure that we are taking the appropriate actions to protect our customers.

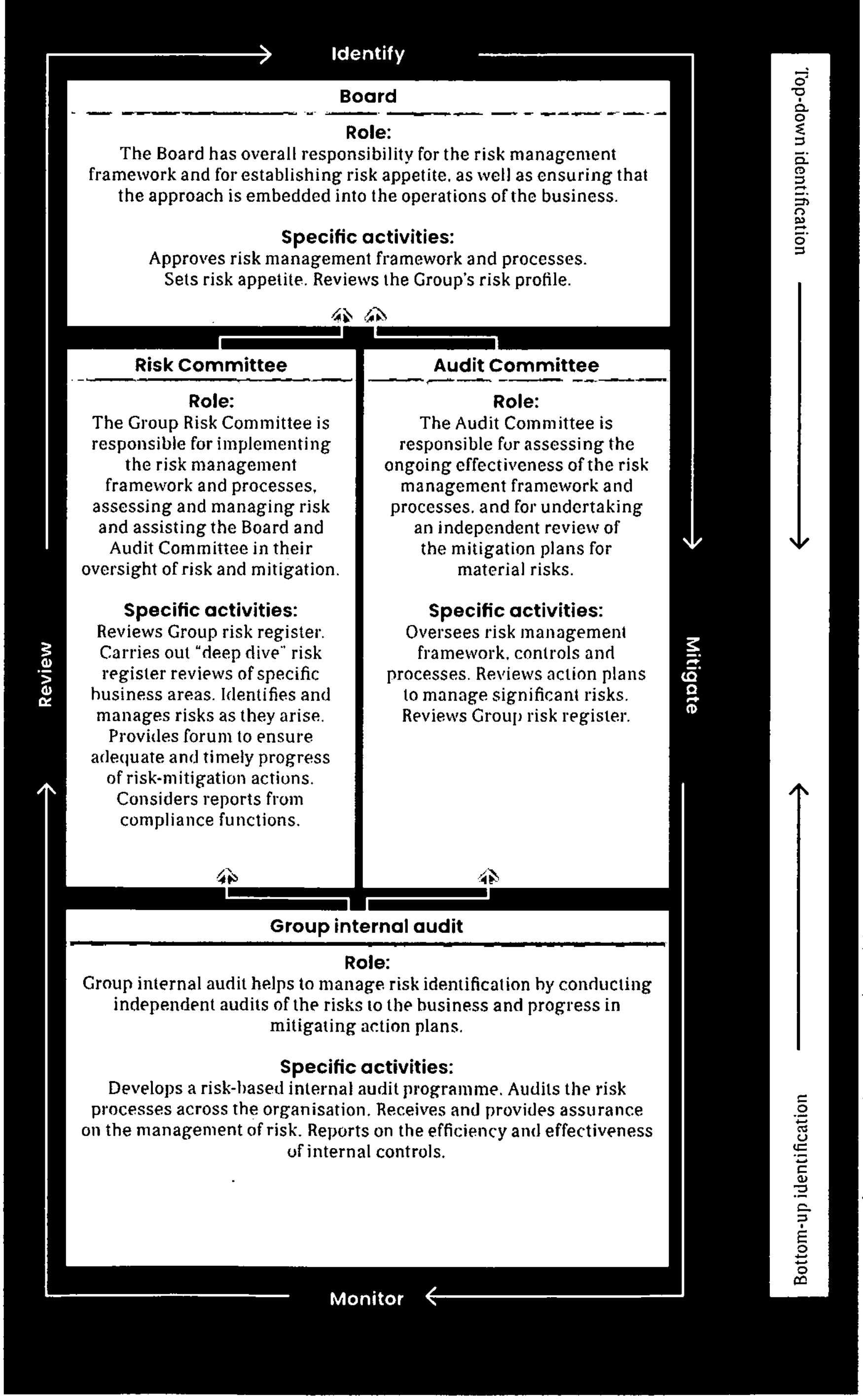
❹ Innovation and technology
- Our goal is to offer seamless and instant journeys across our digital and venue brands which requires innovation and investment in technology.
- Investment is driven by our strategic priorities and where returns are proven.

❺ Inspiring people
- Our people are our key asset. They are the face of our venues' brands. Through strong teamwork, regular training and a dedicated support network our team members are experts at delivering a customer-focused experience.
- Our five STARS values are at the core of everything we do. In delivering these values, we can achieve our purpose and exceed our strategic goals.
- A comprehensive employee engagement programme alongside our equality, inclusion and diversity strategy ensures we have an inclusive and sustainable culture.

Supported by robust governance and financial management
- Strong leadership during the pandemic meant the right decisions were made at the right time.
- Rank's Board and Executives provide a broad mix of skills, knowledge and experience to meet the Group's needs, ensuring it delivers on its strategy.
- A strong, disciplined approach to liquidity through careful cash management provided the necessary support to the balance sheet through the COVID-19 pandemic resulting in a strong position for future investment.

Improving our ability to identify, mitigate, monitor and review key risks

Our risk management framework



How we manage risk

Understanding, accepting and managing risk are fundamental to Rank's strategy and success. We have a Group enterprise-wide risk management framework and approach, which is integrated into our organisational management structure and responsibilities. The aim of this is to provide oversight and governance of the key risks we face, as well as monitoring upcoming and emerging risks and performing horizon scanning over the medium to long term.

Key or material risks are identified and monitored through risk registers at a Group level and within business units, ensuring both a top-down and bottom-up approach to risk management.

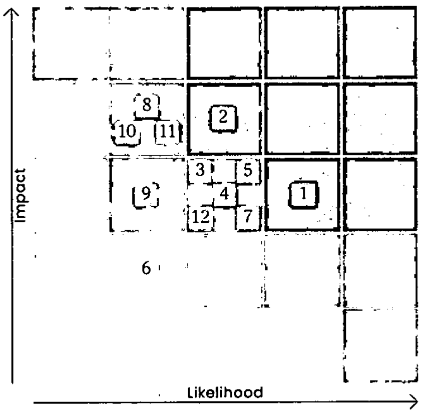
Over the past year we have continued to enhance our Group enterprise risk management framework and improve our ability to identify, mitigate, monitor and review key risks. For each principal risk identified, the Risk Committee assessed the likelihood and consequence, and confirmed a 'risk owner' who is a member of the Executive Committee. The risk owner is responsible for defining and implementing mitigations which are reviewed for appropriateness and monitored regularly.

Risk appetite

Defining risk appetite is key in the process of embedding the risk management system into our organisational culture. Our risk appetite approach is to minimise our exposure to reputational, compliance and excessive financial risk, whilst accepting and encouraging more risk in pursuit of our purpose and ambition. As part of the establishment of risk appetite, the Board will consider and monitor the level of acceptable risk it is willing to take in each of the principal risk areas.

We recognise that our appetite for risk varies according to the activity undertaken, and that our acceptance of risk is subject always to ensuring that potential benefits and risks are fully understood before developments are authorised, and that sensible measures to mitigate risk are established.

Principal risks and uncertainties heatmap
Summary Residual Risk



		Yearly change
1	Uncertain trading environment	N/A
2	Compliance with gambling laws and regulations	↑
3	Safer gambling	N/A
4	People	↑
5	Health and safety	↕
6	Taxation	↕
7	Change programmes: Integration, transformation and technology projects	↕
8	Business continuity planning and disaster recovery (operational resilience)	↕
9	Data protection and management	↕
10	Cyber resilience	↕
11	Dependency on third parties and supply chain	↕
12	Pandemic	↓

Principal risks and uncertainties

The Board has conducted a robust assessment of the Company's principal and emerging risks. The risks outlined in this section are the principal risks that we have identified as material to the Group. They represent a 'point-in-time' assessment, as the environment in which the Group operates is constantly changing and new risks may always arise.

Risks are considered in terms of likelihood and impact and are based on residual risk rating of: high, medium and low, i.e. after taking into account controls already in place and operating effectively. Mapping risks in this way helps not only to prioritise the risks and required actions but also to direct the required resource to maintain the effectiveness of controls already in place and mitigate further where required.

The risks outlined in this section are not set out in any order of priority, and do not include all risks associated with the Group's activities.

Additional risks not presently known to management, or currently deemed less material, may also have an adverse effect on the business. Risks such as these are not raised as principal risks but are nevertheless periodically monitored for their impact on the Group.

Emerging risks

Our risk management processes include consideration of emerging (including opportunity) risks; horizon scanning is performed with a view to enabling management to take timely steps to intervene as appropriate.

Our methodology used to identify emerging risks includes reviews with both internal and external subject matter experts, reviews of consultation papers and publications from within and outside the industry and the use of key risk indicators. Throughout the year some new risks have emerged and developed which have been monitored by management and action taken when they started to crystallise.

The most significant near-term emerging risk is the forthcoming proposed changes to UK gambling regulation with the Government's proposed White Paper on legislative and regulatory reform expected to be published in the coming months. Mitigation has taken the form of ongoing monitoring and risk assessments, ongoing membership and contribution to trade associations, and continuing to build on and maintain relationships with our stakeholders. We also continue to develop our plans and consider our strategy, to the extent possible based on available information, so as to ensure we are well-placed to react to the impacts and opportunities presented by such regulatory change.

The Group's assessment of climate-related risks and opportunities continues to develop (please see pages 62 to 70 for more information). However, whilst climate risk is an emerging risk for the Group, it is not of itself currently regarded as a principal risk and the risk itself is currently considered low. We nevertheless continue to keep this under review.

Principal risk: 1
Uncertain trading environment

Yearly change – N/A

Principal risk

Recovery from the pandemic is slowed by inflationary pressures impacting consumers' discretionary expenditure. Such pressures influence customer behaviour and can reduce spend on entertainment and leisure activities such as those offered by the Group, and propensity to visit our venues. This could impact our performance and strategic decisions.

Moreover, the sharp rise in energy cost is impacting the operating margins of our venues businesses and this will be further impacted if prices continue to increase. Related risks caused by current macroeconomic and geopolitical uncertainty are energy availability and the increased cost of products and services, all of which could impact our future performance and strategic decisions.

Residual risk rating and change in risk impact

New (evolved from 'Changing Customer Needs (venues)') and considered high residual risk.

With the current trading environment, inflationary pressures, energy prices at record highs, increases in interest rates and labour shortages post-COVID-19 impacting the leisure sector in particular, the risk here is considered high.

Risk mitigation strategy

We are actively monitoring the situation and continue to put contingency measures in place to manage these risks, including:

- monitoring economic developments and undertake scenario analysis where appropriate. In particular, the Group focuses on impacts in the short and medium term that may result from changes in customer behaviour.
- reviewing operational plans to ensure that they are robust and well managed.
- undertaking regular insight and tracking work in relation to our brands, and continue to assess the relevance of our products to our customers.
- considering ways to manage the Group's exposure in respect of external conditions beyond its control, including forward buying of energy and reviewing the extent of interest rate risk exposure.
- ensuring that our procurement team conducts tender processes and leverages our scale to effectively control costs and ensure pricing is competitive.

Link to strategy

Pillars 2 and 3

Principal risk: 2
Compliance with gambling laws and regulations

Yearly change

Principal risk

Regulatory and legislative regimes for betting and gaming in key markets are constantly under review and can change (including as to their interpretation by regulators) at short notice. These changes could benefit or have an adverse effect on the business and additional costs might be incurred in order to comply. Failing to comply leads to an increased risk of investigation(s) and regulatory action and sanctions by way of licence conditions, financial penalties and/or loss of an operating licence.

Residual risk rating and change in risk impact

Considered high residual risk and increasing.

There is ongoing increased regulatory focus on compliance by regulators in the jurisdictions in which the Group operates. The risk of potential non-compliance increases with the pace of change in regulation, particularly when limited time is provided to ensure compliance. Regulatory change in the UK is often delivered through ad hoc Gambling Commission guidance which is often open to interpretation; this further increases the risk of a negative outcome from a regulatory compliance assessment.

Risk mitigation strategy

The Group ensures that:

- it seeks ongoing and regular engagement with government, key civil servants involved in determining gambling policy and with regulators.
- it monitors legislative and regulatory developments and announcements in relation to prospective change.
- it has defined policies and procedures in place, which are periodically reviewed and updated as appropriate to take account of regulatory changes and guidance.
- it has a dedicated compliance team led by an experienced Director of Compliance & Safer Gambling, which monitors implementation of and compliance with such policies and procedures and provides regular reports to the venues' senior management, as well as to the Compliance and Group Risk Committees. The Director of Compliance & Safer Gambling also provides bi-annual reports to the Audit Committee.
- its Compliance Committee meets on a monthly basis, with agenda items including data trends, monitoring programme outputs, proposed changes to compliance models, tools and processes and trade association updates.
- all colleagues undertake annual mandatory compliance training (including anti-bribery and corruption and money laundering), with additional training being undertaken as required/requested or as may be appropriate to a specific role.
- it actively promotes a compliant environment and culture in which customers can play safely.
- it engages with regulators as appropriate and examines the learnings from, and measures adopted by, other operators and sectors of the gambling industry.

Link to strategy

Pillars 1, 2, 3, and 5

Principal risk: 3
Safer gambling

Yearly change – N/A

Principal risk
Safer gambling underpins our strategy with one of our five strategic pillars being that we will build sustainable relationships with our customers by providing them with safe environments in which to play. Minimising the potential for our customers to suffer harm from their gambling will assist the Group in ensuring that it grows the business in a sustainable way. We are committed to delivering the highest possible levels of player safety and protection.

Failure to provide a safe gambling environment for our customers could have regulatory implications, affect trust in our brands and impact our ability to build a sustainable business.

Residual risk rating and change in risk impact
New as a stand-alone principal risk and considered medium residual risk.

Our most material ESG issue is to ensure the highest possible levels of player safety and protection.

Risk mitigation strategy
The Group ensures that:

- it actively promotes a safer gambling culture.
- it interacts and engages with its customers on a regular basis.
- it makes available a range of tools on all brands across all channels to support customers in managing their spend and play.
- it invests continuously in the development of its people, processes and technology, including with the assistance of expert third parties, to introduce new and ongoing improvements to enable it to identify and effectively interact with at-risk customers.
- it continues to invest in data analytics to better identify potentially at-risk play by consumers and in the resultant processes which deliver the appropriate interactions with those customers and the ongoing evaluation of the effectiveness of those interactions.
- all colleagues undertake annual mandatory safer gambling training, with additional training (including provided externally, for example by GamCare) as required/requested or as may be appropriate to a specific role.
- it invests significantly in improvements for tackling the problem through donations to research, treatment and education initiatives, as well as through driving collaboration across the industry with other operators, charities and regulatory bodies.
- it has a dedicated and experienced first and second line safer gambling teams.

Link to strategy
Pillars 1 and 5

Principal risk: 4
People

Yearly change

Principal risk
People are pivotal to the success of the organisation and a failure to attract or retain key individuals may impact the Group's ability to deliver on its strategic priorities.

A prerequisite to achieving all of the strategic priorities is ensuring the Group has the right people with the right skills, deployed within the right area of the business.

Residual risk rating and change in risk impact
Considered medium residual risk and increasing.

Considered increasing as the availability of colleagues and competition for talent continues to be a focus area, particularly for our UK venues business post both the pandemic and the impact of Brexit on the broader hospitality sector.

Risk mitigation strategy
The Group ensures that it:

- regularly engages with colleagues and reviews its reward propositions in order to retain existing talent and attract the best candidates to roles.
- conducts benchmarking exercises in relation to its compensation packages.
- provides training and induction programmes to new joiners tailored as appropriate for those who are new to the sector.
- monitors attrition and recruitment rates.
- is focused is on developing diversity across the Group.
- continues to develop its succession plans.
- offers opportunities for colleagues to develop their skills and progress in their careers.
- continues to consider the development of its culture, including how this is viewed by colleagues in employee opinion surveys and the actions that can be taken in light of the output.

Link to strategy
Pillars 1, 2, 3, 4 and 5

Principal risk: 5
Health and safety

Yearly change

Principal risk
Failure to meet the requirements of the various domestic and international rules and regulations relating to the health and safety of our employees and customers could expose the Group (and individual Directors and employees) to material civil, criminal and/or regulatory action with the associated financial and reputational consequences.

Residual risk rating and change in risk impact
Considered medium residual risk and stable.

No significant changes in domestic and international standards/regulations are anticipated in the short term.

Risk mitigation strategy
The Group ensures that:

- it has defined policies and procedures in place, which are periodically reviewed and updated as appropriate.
- it has a dedicated health and safety team led by an experienced Head of Health and Safety, which monitors implementation of and compliance with such policies and procedures and provides regular reports to the venues' senior management, as well as to the Health & Safety and Group Risk Committees. The Head of Health & Safety also provides bi-annual reports to the Audit Committee.
- all colleagues undertake annual mandatory training, with additional training being undertaken as required/requested or as may be appropriate to a specific role.

Link to strategy
Pillars 3 and 5

Principal risk: 6
Taxation

Yearly change

Principal risk
Changes in fiscal regimes in domestic and international markets can happen at short notice. These changes could benefit or have an adverse effect with additional costs potentially incurred in order to comply.

Residual risk rating and change in risk impact
Considered low residual risk and stable.

Tax changes in the immediate future are not anticipated to be material in their impact on the Group.

Risk mitigation strategy
The Group's tax strategy is approved annually by the Board. Responsibility for its execution is delegated to the Chief Financial Officer who reports the Group's tax position to the Board on a regular basis.

The Group ensures that it:

- has an appropriately qualified and resourced tax team to manage its tax affairs.
- continues to monitor tax legislation and announcements in relation to prospective change and, where appropriate, participate in consultations over proposed legislation, either directly or through industry bodies.
- engages with regulators as appropriate.
- performs analysis of the financial impact on the Group arising from proposed changes to taxation rates.
- seeks external advice and support as may be required.
- develops organisational contingency plans as appropriate.

Link to strategy
Pillars 2 and 3

Principal risk: 7
Change programmes: Integration, transformation and technology projects

Yearly change

Principal risk
Key Group projects and programmes could fail to deliver, resulting in missed market opportunities, and/or take longer to deliver, resulting in missed synergies and savings.

Residual risk rating and change in risk impact
Considered medium residual risk and stable.

Failure to deliver key strategic projects and programmes impacts on customer loyalty and the strategic growth of the business and therefore remains a medium residual risk, but is also regarded as stable.

Risk mitigation strategy
The Group ensures that change programmes:

- use a structured and disciplined delivery methodology to ensure that they are robustly managed to achieve their outcome.
- are subjected to detailed management oversight as well as having sponsorship from a senior-level stakeholder.
- follow a comprehensive risk management approach and are managed by experienced project and programme managers.

Link to strategy
Pillars 1, 2 and 3

Principal risk: 8
Business continuity planning and disaster recovery (operational resilience)

Yearly change

Principal risk
Planning and preparation of the organisation, to ensure it could overcome serious incidents or disasters and resume normal operations within a reasonably short period, is critical to ensure that there is minimal impact to its operations, customers and reputation.

Typical disasters might include: natural disasters such as fires and floods, pandemics, accidents impacting key people, insolvency of key suppliers, events that result in a loss or lack of availability of data or IT systems, negative media campaigns and market upheavals.

Residual risk rating and change in risk impact
Considered medium residual risk and stable.

The geographical nature of the operating environment and key risk exposures are known and understood.

Risk mitigation strategy
The Group seeks to develop, embed and refine its approach to incident and crisis management on an ongoing proactive basis.

Group business continuity plans are regularly reviewed for key sites and business areas and this work includes reviewing the resilience of and disaster recovery for IT systems.

Link to strategy
Pillars 1, 2, 3 and 5

Principal risk: 9
Data protection and management

⊜ Yearly change

Principal risk
The inability to adequately protect sensitive customer data and other key data and information assets that could be leaked, exposed, hacked or transmitted would result in customer detriment, formal investigations and/or possible litigation leading to prosecution, fines and/or damage to our brands.

Residual risk rating and change in risk impact
Considered medium residual risk and stable.

The Group continues to develop and enhance its control environment in relation to customer data controls and regulatory requirements.

Risk mitigation strategy
The Group has in place data protection policies in order to protect the privacy rights of individuals in accordance with GDPR and other relevant local data protection and privacy legislation (as applicable). These are monitored by an experienced Data Protection Officer ('DPO') to ensure that the business is aware of, and adheres to, legal requirements and industry best practice. The DPO provides regular reports to the Group Risk Committee on relevant data and trends, monitoring programme outputs, ongoing projects and any potential regulatory matters. The DPO also provides bi-annual reports to the Audit Committee.

All colleagues undertake annual mandatory training, with additional training being undertaken as required/requested or as may be appropriate to a specific role.

Technology and IT security controls are in place to restrict access to sensitive data and ensure individuals only have access to the data they need to do their job. The Group also carries out periodic penetration testing of security controls around data.

Link to strategy
Pillars 1, 2 and 3

Principal risk: 10
Cyber resilience

⊜ Yearly change

Principal risk
Cyber-attacks can disrupt and cause considerable financial and reputational damage to the Group. If a cyber-attack were to occur, the Group could lose assets, reputation and business, and potentially face regulatory fines and/or litigation – as well as the costs of remediation.

Operations are highly dependent on technology and advanced information systems (such as the use of cloud computing) and there is a risk that such technology or systems could fail, or outages occur.

Residual risk rating and change in risk impact
Considered medium residual risk and stable.

Due to the programme of work in place and ongoing monitoring and response to new and emerging attack vectors, this is considered a stable risk for the Group.

Risk mitigation strategy
The Group:

- has a Security Operations Centre (SOC) and Vulnerability Management service tools(s) to provide increased visibility of security events and enable vulnerabilities to be monitored/quickly addressed.
- has in place security policies and procedures and conducts training for colleagues to ensure ongoing awareness.
- employs a dedicated, specialist Group security team.
- carries out periodic attack and penetration testing, with actions arising followed-up, tracked and remediated by the security team.
- follows a rolling programme of work to continue to enhance cybersecurity and resilience within the IT estate.

Link to strategy
Pillars 1, 2 and 3

Principal risk: 11
Dependency on third parties and supply chain

Yearly change

Principal risk

The Group is dependent on a number of third-party suppliers for the operation of its business. The withdrawal or removal from the market of one or more of these third-party suppliers, failure of these suppliers to comply with contractual obligations, or reputational issues arising in connection with these suppliers could adversely affect operations, especially where these suppliers are niche.

Residual risk rating and change in risk impact

Considered medium residual risk and stable.

The third-party operating environment and key risk exposures have remained the same but the potential risk to supply chain due to the current macroeconomic environment continues to be monitored.

Risk mitigation strategy

The Group has a central procurement team that oversees the process for acquisition of suppliers across the Group, utilising a supplier risk management framework. Our policies and procedures require due diligence to be carried out on suppliers.

We require that supplier contracts include, amongst other things, appropriate clauses on compliance with applicable laws and regulations, the prevention of modern slavery and anti-bribery. We seek to work with suppliers who are actively managing climate risks.

Business owners are responsible for communication with key suppliers and are ultimately accountable for such relationships and ensuring that contractual requirements are met.

Link to strategy

Pillars 1, 2, 3, 4 and 5

Principal risk: 12
Pandemic

Yearly change

Principal risk

All restrictions have been lifted since August 2021 in the UK. However, as a result of the severe impact that COVID-19 had on the business, the rate of its recovery since the venues reopened and restrictions were lifted (including the rate of return of customers, particularly from overseas), and the residual risk that restrictions could be reintroduced, or customers may elect to reduce their social contacts if cases were to increase, we continue to take a cautious approach to the reduction of risk at this time.

Residual risk rating and change in risk impact

Considered low residual risk but decreasing.

The risk of re-introduction of restrictions at short notice has to be balanced with the reassurances provided by the success of vaccination programmes and no social distancing measures having been in place in the UK for over twelve months. Further to this, the risk is regarded as low and continuing to decrease.

Risk mitigation strategy

The Group continues to monitor the risk in each jurisdiction in which it has venues or offices. The health and safety of our colleagues and customers remains of paramount importance and risk assessments continue to be an essential part of ensuring a safety first approach.

We also continue to review our crisis management and business continuity plans on a lessons learnt basis and to ensure that they remain up-to-date.

Link to strategy

Pillars 1, 2, 3, 4 and 5

Compliance statements

Going concern and viability statement

Assessment

In adopting the going concern basis and viability statement for preparing the financial information, the Directors have considered the circumstances impacting the Group during the year as detailed in the operating review on pages 16 to 25, including the budget for 2022/23 ('the base case'), the five-year business plan for the Group, and recent trading performance, and have reviewed the Group's projected compliance with its banking covenants and access to funding options for the 12 months ending 31 August 2023 for the going concern period and for the three years ending August 2025 for the viability assessment.

The Directors recognise that there is uncertainty at this time caused by the slower than anticipated return of customers to UK land-based leisure entertainment venues, the impact of current geopolitical influences on consumer sentiment and disposable incomes, increase in inflation rates and the overall impact on consumer demand. The Directors note that this has had an impact on the accuracy of budgeting and forecasting in the 2021/22 financial year, and with trading being weaker than anticipated upon the reopening of venues, this has been considered by management when setting the base case for the 2022/23 financial year.

The Directors have reviewed and challenged management's assumptions on the Group's base case. Key considerations are the assumptions on the levels of customer visits in the venues businesses, the number of first time and returning depositors in the digital businesses, and the average level of spend per visit for each. The key base case assumptions on costs are as follows:

- Payroll costs are adjusted for increases in the National Minimum Wage and a pay rise is awarded in April 2023;
- Rent due during the 2022/23 financial year is paid on time;
- All tax and duty is paid on time;
- Capital expenditure is in line with strategic plans; and
- Standard payment terms are assumed for supplier payments.

Allowance is made for one-off costs associated with implementation of the Group's strategic plan.

The base case contains certain discretionary costs within management control that could be reduced in the event of a revenue downturn. These include reductions to overheads, reduction to marketing costs, reductions to the venues' operating costs and reductions to capital expenditure.

The committed financing position in the base case within the going concern assessment period is that the Group continues to have access to the following committed facilities:

- Term loan of £78.8m which reduces to £44.4m in May 2023 due to a scheduled loan repayment; and
- Revolving credit facilities ('RCF') of £80.0m, reducing to £55.0m in July 2023.

At the date of approval of the consolidated and Company financial statements, the term loan was £78.8m and the £80.0m RCF was undrawn.

In undertaking their assessment, the Directors also reviewed compliance with the banking covenants ('Covenants') which are tested bi-annually at June and December. The Group expects to meet the Covenants at December 2022 and June 2023 and has available cash to meet liabilities as they fall due.

Sensitivity analysis

The base case plan reflects the Directors' best estimate of the future prospects of the business. A number of plausible but severe downside risks, including consideration of possible mitigating actions, have been modelled with particular focus on the potential impact to cash flows, cash headroom and covenant compliance throughout the going concern period.

The potential impact on the Group of a combination of scenarios over and above those included in the base case plan has also been tested. The two downside scenarios modelled are:

(i) customer/depositor numbers and/or average spend per visit are below base case expectations, offset by direct cost mitigations, and

(ii) as for scenario (i), but taking the revenue decline across the Group further to reflect more recent performance in the last quarter of the 2021/22 financial year, along with a 5% inflationary impact on the variable cost base, in addition to the 8% already included in the base case, to reflect additional impact on underlying costs due to geopolitical influences and pressures on consumers disposable incomes, offset by reduction in controllable operating cost.

Having modelled the downside scenarios, the indication is that the Group would continue to meet its Covenants in both cases and have available cash to meet liabilities.

Accordingly, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period at least through 31 August 2023. For these reasons, the Directors continue to adopt the going concern basis for the preparation of these consolidated and Company financial statements and in preparing the consolidated and Company 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.

Going concern statement

Based on the Group's cash flow forecasts and business plan, the Directors believe that the Group will generate sufficient cash to meet its liabilities as they fall due for the period up to 31 August 2023. In making such statement, the Directors highlight forecasting accuracy in relation to the level of trading performance achieved as the key sensitivity in the approved base case.

The Directors have considered two downside scenarios which reflect a reduced trading performance and inflationary impacts on the cost base. In these events, the Group will generate sufficient cash to meet its liabilities as they fall due and meet covenant requirements for the period to 31 August 2023.

Viability statement

In accordance with provision 31 of the 2018 UK Corporate Governance Code, the Directors confirm that they have considered the current position of the Group and assessed its prospects and longer-term viability over the three-year period to August 2025. Although longer periods are used when making significant strategic decisions, three years has been used as it is considered the longest period of time over which suitable certainty for key assumptions in the current climate can be made. This is supported by the Group's business plan.

Having undertaken their assessment and considered the overall circumstances of the Group, the Directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year period to August 2025.

In making this statement, the Directors have performed a robust assessment of the principal risks facing the Group which includes an assessment of both financial and non-financial risks that may threaten the business model, future performance, liquidity and solvency of the Group.
The key assumptions made are that:

- The Group performs in line with the base case budget for FY23 used for the going concern assessment, and the strategic plan approved by the Board.
- The Group continues to have access to its existing RCF, following the expiry of £25.0m RCF in the going concern period, with the remainder having maturity dates in 2024, and that the Group is able to arrange new RCF at a level required as existing facilities mature.
- The Group repays £78.8m of debt financing on time in the plan period.

The Directors have also considered the potential outcome from the Government's review of the Gambling Act 2005, which based on the information available and their understanding at the date of this statement, is anticipated to have a positive impact on the Group.

Our approach to risk management and details of the principal risks facing Rank, together with the impact of each risk, the direction of travel and the actions taken to mitigate such risks are set out on pages 74 to 81. The risks considered include (without limitation): uncertain trading environment, changes to regulation (including gambling laws and regulations), people, safer gambling, health and safety, tax and technology risks (including data and cybersecurity).

The Group's business plan is reviewed at least annually. It considers current trading trends, the impact of capital projects, existing debt facilities and compliance with covenants and expected changes to the regulatory and competitive environment, as well as expectations for consumer disposable income. In carrying out the assessment the Directors have reviewed and challenged key assumptions within the Group's business plan. Details of the assumptions included in the assessment and the sensitivity analysis applied to the base case plan are set out above on page 82.

Non-financial information statement

We aim to comply with the Non-Financial Reporting Directive requirements from sections 414CA and 414CB of the UK Companies Act 2006. The table below sets out where relevant information is located in this Annual Report.

Reporting requirement	Some of our relevant policies	Where to find more in the Annual Report	Pages
Environmental matters		- Environment	62 to 70
Employees	- Health and safety policy - Whistleblowing policy - Code of conduct	- Colleagues - Diversity & Inclusion - Equal opportunities - Customers - Stakeholder engagement	59 to 61 and 36
Human Rights	- Modern slavery statement	- Human rights	39
Social Matters	- Health and safety policy - Code of conduct - Whistleblowing policy	- Customers - Colleagues - Communities	35 to 37, 55 to 61 and 71
Anti-corruption and anti-bribery	- Anti-corruption and bribery, gifts and hospitality policy - Code of conduct - Whistleblowing policy - Anti-money laundering policy	- Colleagues - Audit Committee	36, 59 to 61 and 108 to 109
Business model		- Our business model	72 to 73
Principal risks and uncertainties		- Description of risk processes, risk management, risk governance	74 to 81
Non-financial key performance indicators		- Our key performance indicators - Our strategy - Our ESG strategy - Our external environment	40 to 51, 52 to 53 and 54 to 71

Alternative Performance Measures

When assessing, discussing and measuring the Group's financial performance, management refer to measures used for internal performance management. These measures are not defined or specified under UK-adopted International Financial Reporting Standards ('IFRS') and as such are considered to be Alternative Performance Measures ('APMs').

By their nature, APMs are not uniformly applied by all preparers including other operators in the gambling industry. Accordingly, APMs used by the Group may not be comparable to other companies within the Group's industry.

Purpose

APMs are used by management to aid comparison and assess historical performance against internal performance benchmarks and across reporting periods. These measures provide an ongoing and consistent basis to assess performance by excluding items that are materially non-recurring, uncontrollable or exceptional. These measures can be classified in terms of their key financial characteristics.

Profit measures allow management and users of the financial statements to assess and benchmark underlying business performance during the year. They are primarily used by operational management to measure operating profit contribution and are also used by the Board to assess performance against business plan.

The following table explains the key APMs applied by the Group and referred to in these statements:

APM	Purpose	Closest equivalent IFRS measure	Adjustments to reconcile to primary financial statements
Underlying like-for-like ('LFL') net gaming revenue ('NGR')	Revenue measure	NGR	- Separately disclosed items - Excludes contribution from any venue openings, closures, disposals, acquired businesses and discontinued operations - Foreign exchange movements
Underlying operating profit/(loss)	Profit measure	Operating profit/(loss)	- Separately disclosed items - Excludes contribution from any venue openings, closures, disposals, acquired businesses and discontinued operations - Foreign exchange movements
Underlying profit/loss before taxation	Profit measure	Profit/(loss) before tax	- Separately disclosed items
Underlying profit/(loss) after taxation	Profit measure	Profit/(loss) after tax	- Separately disclosed items
Underlying earnings/(loss) per share	Profit measure	Earnings/(loss) per share	- Separately disclosed items
Free cash flow	Cash measure	Net cash generated from operating activities	- Lease principal repayments - Cash flow in relation to SDIs - Cash capital expenditure - Net interest and tax payments

The tables below reconcile the underlying performance measures to the reported measures of the continuing operations of the Group.

	2021/22 £m	2020/21 £m
Underlying LFL net gaming revenue (NGR)	**644.0**	325.3
Closed/disposed venues	–	2.5
Foreign exchange ('FX')	–	1.8
Underlying NGR – continuing operations	**644.0**	329.6

Calculation of comparative underlying LFL NGR

	2020/21
Reported underlying LFL NGR	288.2
Reversal of Stride (acquired business)	41.1
Reversal of 2020/21 closed venues	0.3
2021/22 closed venues	(2.5)
2021/22 FX	(1.8)
Restated underlying LFL NGR	325.3

	2021/22 £m	2020/21 £m
LFL underlying operating profit/(loss)	**40.4**	(82.4)
Opened, closed and disposed venues	**(0.6)**	(2.1)
Underlying operating profit/(loss) – continuing operations	**39.8**	(84.5)
Separately disclosed items	**42.3**	(8.4)
Operating profit/(loss) – continuing operations	**82.1**	(92.9)

Calculation of comparative underlying LFL operating profit

	2020/21 £m
Reported underlying LFL reported operating loss pre IFRS 16	(67.0)
Reversal of Stride (acquired business)	(16.4)
Opened and closed venues	(1.1)
2021/22 closed venues	2.0
2021/22 FX	0.1
Underlying LFL operating profit	(82.4)

	2021/22 £m	2020/21 £m
Underlying current tax (charge)/credit	**(9.6)**	8.0
Tax on separately disclosed items	**(10.5)**	0.3
Deferred tax	**3.2**	2.1
Tax (charge)/credit	**(16.9)**	10.4

	2021/22 Pence	2020/21 Pence
Underlying EPS	**4.3p**	(20.1)p
Separately disclosed items	**9.9p**	3.6p
Reported EPS	**14.2p**	(16.5)p

Calculation of Calendar Year 2019 (CY 2019) comparative

	Add: 12 months to 30 June 2019	Less: six months to 31 December 2018	Add: six months to 31 December 2019	LFL adjustments[1]	Calendar Year 2019
NGR:					
Grosvenor venues	338.2	(172.1)	198.1	(0.1)	364.1
Mecca venues	193.5	(96.2)	91.9	(13.5)	175.7
Enracha avenues	44.9	(22.6)	24.2	(14.9)	31.6
Digital	118.5	(57.3)	83.2	(0.4)	144.0
Group	**695.1**	**(348.2)**	**397.4**	**(28.9)**	**715.4**
Operating profit:					
Grosvenor venues	44.9	(19.4)	48.1	1.8	75.4
Mecca venues	28.6	(11.4)	13.7	2.1	33.0
Enracha venues[2]	9.3	(4.1)	5.3	(3.0)	7.5
Digital	20.7	(11.0)	11.9	1.3	22.9
Less Central costs	(31.0)	15.6	(19.2)	-	(34.6)
Group	**72.5**	**(30.3)**	**59.8**	**2.2**	**104.2**

1. Like-for-like removes the impact of club openings, closures, acquired businesses, foreign exchange movements and discontinued operations.
2. Enracha venues Blankenberge casino disposal on 1 April 2021.

Rationale for adjustments – Profit and debt measure

1. Separately disclosed items ('SDIs')

SDIs are items that bear no relation to the Group's underlying ongoing performance. The adjustment helps users of the accounts better assess the underlying performance of the Group, helps align to the APMs used to run the business and still maintains clarity to the statutory reported numbers. The following provides the rationale for treating these items as SDIs.

Further details of the SDIs can be found in the Financial Review and note 4 of the Financial Statements.

2. Contribution from any venue openings, closures, disposals, acquired businesses and discontinued operations

In the prior period (2020/21), the Group closed five Mecca venues. For the purpose of calculating like-for-like ('LFL') measures its contribution has been excluded from the prior period numbers and current period numbers, to ensure comparatives are made to measures on the same basis.

3. Foreign exchange movements

During the year the exchange rates may fluctuate, therefore by using an exchange rate fixed throughout the year the impact on overseas business performance can be calculated and eliminated.

Governance Report

In this section:

We provide an overview of our corporate governance structure, policies and practices.

We also look at the key activities undertaken during the year by our Board and its Committees in ensuring effective leadership, oversight and application of best practice principles at Rank.

Above:
Jonathan Plumb, Karen Whitworth and Richard Harris

Learn more about our governance structure at www.rank.com/en/about-us/corporate-governance →

Chair's introduction to governance

The Board has a clear commitment to robust corporate governance. We believe that good governance leads to stronger value creation and reduces risk for shareholders and indeed all our stakeholders.

Alex Thursby
Chair

Dear shareholders
I am pleased to present this year's Directors' and Corporate Governance Report. The Board has a clear commitment to robust corporate governance and we believe that good governance leads to stronger value creation and reduces risk for shareholders and indeed all our stakeholders. The Board has maintained its focus on high standards throughout the year, ensuring that our governance framework meets the needs of the business and is appropriately aligned with best practice.

ESG and safer gambling
I am particularly pleased that this financial year we cemented our commitment to ESG, refreshing our Group purpose and strategic pillars to ensure that sustainability is clearly identified as being at the core of what we do and publishing our first full sustainability report. The Board is unanimous in its view that this will enable us to create an even more successful business. We are comfortable that the work undertaken to date provides us with a clear framework within which we can focus on the issues that matter most to us and our stakeholders. As a further demonstration of ESG sitting at the heart of our strategy, we have incorporated ESG metrics into Executive Director remuneration and during the forthcoming year will continue to expand on our approach to ensure ongoing alignment between shareholder and management interests in this regard.

With safer gambling being our primary ESG focus area, we continue to place additional emphasis on our response to the risk of gambling-related harm and promoting a safer gambling culture. It remains of the utmost importance to us that whilst providing an exciting and entertaining experience to our customers, they maintain trust in our brands and feel safe. Ongoing regulatory developments, and in particular the review of gambling legislation in the UK, will mean that the pace of delivery only continues to accelerate, and the Board is committed to ensuring that Rank is proactive and innovative in its approach.

Developing our relationships with stakeholders

Stakeholder engagement enables us to better understand what matters most to those persons with an interest in our business, consider all relevant factors and select the best course of action for long-term business success. I remain confident in the Board's ability to effectively engage with our key stakeholders and utilise that engagement in its decision-making. Some of the highlights of how the Board engaged during the year are:

- Colleagues: visits to our venues and offices to engage with colleagues first-hand in their place of work
- Regulators: corresponded and participated in meetings with regulators specifically focused towards Board Directors
- Shareholders: held more than 40 meetings during the course of the year with our shareholders

More information about our stakeholder engagement is set out on pages 35 to 39 of this report.

Culture

We seek to apply corporate governance guidelines in a way that is beneficial to our business, consistent with our culture and true to our shared values. In last year's report, we reaffirmed our commitment to Rank's established values – service, teamwork, ambition, responsibility and solutions – which we know continue to resonate strongly with colleagues. Our Board and the leaders in our business are accountable for role modelling our values, and we take care to ensure that we recruit and appraise individuals against them in order to protect and enhance our culture.

The Board regularly monitors the culture of the business in a number of ways. During the year, this included:

- Interaction with Executives, members of the leadership team, and other colleagues in Board meetings and on visits to offices and venues
- Regular reports from the Executive Committee, particularly the Chief Executive and the Human Resources Director, on culture-related matters, including feedback from employee opinion survey results and actions arising from such feedback
- Update reports following various employee forums held during the year from the Human Resources Director and designated Non-Executive Director, Steven Esom, in respect of workforce engagement

Board changes

There have been a number of changes to the Board during the 2021/22 financial year. We were delighted to appoint Richard Harris as Chief Financial Officer, following the departure of Bill Floydd at the end of 2021. Richard joined us in May 2022 from Foxtons where he had helped navigate the business through the financial impact of the pandemic, led a broad range of M&A activities, and delivered significant cost improvement across the business. In addition, Lucinda Charles-Jones joined the Board as an independent Non-Executive Director in June 2022. Lucinda brings a wealth of people and remuneration expertise to the Board, together with wider corporate responsibility experience and will undoubtedly add value as we seek to embed further ESG within our corporate strategy. Further detail of the process for these appointments is set out on pages 102 to 103.

During the year in addition to Bill Floydd's departure, Susan Hooper and Chris Bell stepped down from the Board. I would like to take this additional opportunity to thank them for their respective considerable contributions to Rank, in each case for over six years as independent Non-Executive Directors.

Board effectiveness and composition

The Board considers evaluation to be an essential check and balance on whether its composition, focus and approach is in line with the Company's overall goals. During the year, we engaged Lintstock Limited to undertake an external review and I am pleased to report that the output of this work was that the Board and its Committees are operating efficiently and productively. More details of the evaluation process can be found on page 104.

Our broad range of Board talent covers a variety of skills and our diverse group of Non-Executive Directors continue to bring much experience and challenge to the Board, enhanced by this year's appointments (as set out above). My focus will continue to be on maintaining strong Board leadership to drive further improvements where possible and developing succession plans to ensure that we are well-placed to continue delivering into the future.

The year ahead

The Board remains conscious of the ongoing need for good governance and I am reassured that our framework is strong and effective. The past year has been challenging in particular for our UK venues businesses as we recover from the impact of the COVID-19 pandemic. The resilience shown by colleagues is admirable and I would like to take this opportunity to pay tribute, on behalf of the Board, to all our colleagues in the business for their continued drive and commitment and to my fellow Directors for the valued contribution.

As we look ahead to the coming year, the publication of the UK Government's White Paper for gambling reform will be a key milestone for Rank and for the wider industry. We have been engaging openly and proactively with all aspects of the process and are hopeful that it will create the highest possible regulatory standards in a proportionate manner, presenting opportunities for sustainable growth alongside additional safeguarding measures.

We go into the year ahead with renewed confidence in our strategic plans and in the knowledge that the Company is led by a highly competent and professional team. I look forward to the support of our shareholders as the business continues its recovery journey and takes advantage of the opportunities that lie ahead. I look forward to engaging with you further at this year's Annual General Meeting on Thursday 13 October 2022.

Alex Thursby
Chair

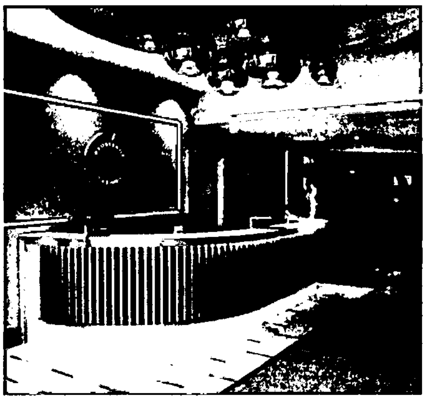
Board in action – at a glance

Throughout the year, the Board maintained its focus on recovery and future growth. It also remained keen to retain its focus on adopting a truly customer-centric approach to its decision-making, whilst developing its sustainability agenda. This is reflected in the Board's activities for the year, which focused in particular on strategic plans and investments aligned to growth initiatives.

Strategy day

It is incumbent on the Board to ensure that the purpose and strategic direction of the Company remain appropriate. A key outcome from this year's Board strategy day was the approval of a refreshed purpose and strategic pillars.

See page 98 for more information.



Capital investment

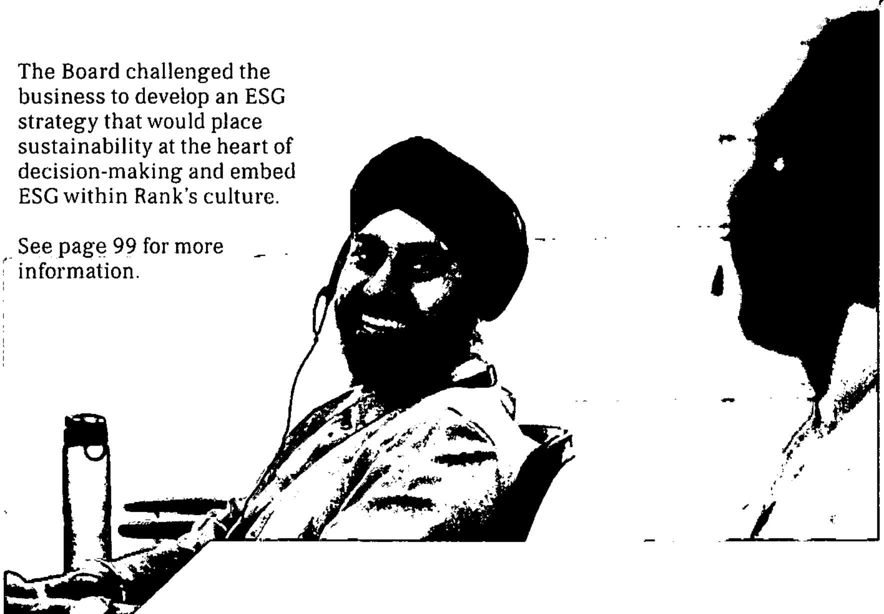
With an emphasis on its purpose – to excite and to entertain – the Board focused on initiatives to drive improvements in the key areas of venue redevelopment and technology. In doing so, it ensured that the views of key stakeholders were considered as part of planning processes, as well as the impact of anticipated regulatory change.

See page 99 for more information.

ESG

The Board challenged the business to develop an ESG strategy that would place sustainability at the heart of decision-making and embed ESG within Rank's culture.

See page 99 for more information.



Above left:
Grosvenor Glasgow Merchant City

Above bottom:
Support Office, Maidenhead

Above top:
Katie McAlister, Karen Whitworth and Alex Thursby

Above middle:
Katie McAlister and Alex Thursby

Learn more about our Board in action on pages 98–99
→

2018 Code Compliance Statement

The Board remains committed to maintaining the highest standards of corporate governance across the Group, recognising the importance of a strong governance framework to underpin our strategic objectives. I am pleased to report that, for the year under review, we have consistently applied the principles of good governance contained in the 2018 UK Corporate Governance Code (the '2018 Code') and are in full compliance with its provisions, save in respect of Provision 38. Whilst pension contribution rates for newly appointed Executive Directors will be aligned with the wider workforce on appointment (as has been the case in respect of Richard Harris' appointment), the pension contribution rate for John O'Reilly will be aligned with the rate available to the majority of the wider workforce (currently 3%) from 1 January 2023. Further information is available on page 132.

	How we comply with the UK Corporate Governance Code 2018	More information on pages
1	**Board leadership and company purpose**	
A	Effective and entrepreneurial Board that promotes long-term sustainable success	95 to 96
B	Purpose, strategy, values and culture	36, 40 to 64, 72, 73, 89, 92 and 115
C	Governance framework and Board resources	92, 98 to 99, and 111
D	Stakeholder engagement	35 to 39
E	Workforce policies and practices	59 to 61
2	**Division of responsibilities**	
F	Board roles	93
G	Independence	94
H	External commitments and conflicts of interests	93 and 95 to 96
I	Board efficiency and key activities	98 to 99 and 104 to 105
3	**Composition, succession and evaluation**	
J	Appointments to the Board	95 to 96
K	Board skills, experience and knowledge	94 to 96 and 104
L	Annual Board evaluation	104 to 105
4	**Audit, risk and internal control**	
M	Financial reporting	109 to 111
	External auditors and internal audit	109 to 111
N	Fair, balanced and understandable – 2022 Annual Report review	109
O	Internal financial controls	108 to 109
	Risk management	74
5	**Remuneration**	
P	Linking remuneration with purpose and strategy (please see comments above in regard to pension contribution rates)	132 to 139
Q	Remuneration policy	123 to 130
R	Performance outcomes	133 to 134

The 2018 Code can be found on the Financial Reporting Council's website www.frc.org.uk.

How we are governed

Board leadership, Company purpose and governance structure

The Rank Group Plc Board

The Board is ultimately responsible for the direction, management and performance of the Company. It meets formally on a regular basis, with additional ad-hoc meetings scheduled in line with business needs. The Directors view their meetings as an important mechanism through which they discharge their duties, particularly under s.172 of the Companies Act 2006 (see pages 32 to 34 for more information).

Board Committees

Nominations Committee

The Nominations Committee recommends appointments to the Board. It oversees succession planning for Directors and the process for succession planning for the senior management team. It ensures that there is an appropriate mix of skills and experience on the Board. The Nominations Committee promotes diversity on the Board and across the Group.

Read more on pages 100 to 106.

Audit Committee

The Audit Committee oversees the Group's financial reporting and monitors the independence of internal and external audit. It is responsible for internal controls and monitors risk management including the identification of emerging risks. The Audit Committee is responsible for the relationship with the external auditor.

Read more on pages 107 to 113.

Remuneration Committee

The Remuneration Committee is responsible for establishing a Remuneration Policy and setting the remuneration for the Chair of the Board, Executive Directors and senior management. It oversees remuneration policies and practices across the Group.
The Remuneration Committee is responsible for the alignment of reward, incentives and culture and approves bonus plans and long-term incentive plans for the Executive Directors and senior management.

Read more on pages 120 to 142.

ESG & Safer Gambling Committee

The ESG & Safer Gambling Committee is responsible for assisting the Company in the formulation and monitoring of its environmental, social and governance strategy. Reflective of Rank's products and services, the ESG & Safer Gambling Committee also has a particular focus on the Company's safer gambling strategy and policy for the prevention of gambling-related harm in each of the jurisdictions and channels in which it operates.

Read more on pages 114 to 117.

Finance Committee

The Finance Committee is authorised by the Board to approve capital expenditure and make finance decisions for the Group up to authorised limits in accordance with the Group's delegation of authority. The Finance Committee also acts as the Board's disclosure committee for the purposes of the Market Abuse Regulation.

Read more on pages 118 to 119.

Executive Committee

The Executive Committee manages the day-to-day operations of the Group's business within levels of authority delegated by the Board. It comprises the Chief Executive, Chief Financial Officer, Group General Counsel & Company Secretary, the Managing Directors for each of Grosvenor Venues, Mecca Venues, Interactive and International, Group Human Resources Director, Chief Information Officer, Chief Transformation Officer, Group Transformation Strategy Director, Chief Innovation Officer and the Director of Investor Relations & Communications.

Three senior management committees, the Risk Committee, the Health and Safety Committee and the Compliance Committee, support and report to the Audit Committee in order to ensure that the appropriate internal controls for risk management are implemented and monitored. In addition, the ESG Steering Committee, comprising senior management from around the Group reports to the ESG & Safer Gambling Committee.

For more information about the Company's approach to risk management, please see pages 74 to 83.

Board purpose
The Board is responsible for the long-term success of the Company and its role is to provide leadership within a structure that provides for effective controls and enables risk to be assessed and managed. In undertaking this role, and with the clear understanding that the Board retains ultimate responsibility for the exercise of its powers and authorities, there is a formal framework of Committees of the Board to support it in discharging its duties, as set out on page 92. Each Committee operates under terms of reference approved by the Board, which are reviewed annually and can be found on the Company's website, www.rank.com.

Division of responsibilities
Chair and Chief Executive
Rank has established a clear division between the respective responsibilities of the Non-Executive Chair and the Chief Executive.

The Chair
- Is responsible for the leadership and effectiveness of the Board, including setting its agenda, overseeing corporate governance matters and undertaking the evaluation of the Board, its Committees and Directors.
- Ensures that the Board as a whole plays a full and constructive part in the development and determination of Rank's strategy.
- Oversees effective engagement with the Company's various stakeholders.
- Ensures a culture of openness and debate around the Board table.
- Sets and manages the Board's agenda in consultation with Executive Directors and the General Counsel & Company Secretary. Ensures that Directors receive accurate, timely and clear information and that they are fully informed of relevant matters, so as to promote effective and constructive debate and support sound decision-making.
- Ensures that adequate time is available for discussion of the principal risks, important matters and key decisions affecting the Company.

The Chief Executive
- Is accountable to the Board for all aspects of the performance and management of the Group, including developing business strategies for Board approval and achieving timely and effective implementation while managing risk.
- Is responsible for the day-to-day operations of the business.
- Ensures effective communication with all stakeholders.
- Manages the Executive Committee and is responsible for leading and motivating a large workforce of people.
- Promotes the strategy, values, ambition and purpose of Rank and conducts the Company's affairs to the highest standards of integrity, probity and corporate governance.
- Takes responsibility for Group health and safety policies.
- Is responsible for the ESG strategy and embedding a safer gambling culture across the Group.

Non-Executive Directors and Senior Independent Director
The Non-Executive Directors support the Chair and provide objective and constructive challenge to management. They are required by their role to, amongst other things, oversee the delivery of the strategy within the risk appetite set by the Board, scrutinise the performance of management in meeting agreed goals and objectives, monitor the reporting of performance and ensure compliance with regulatory requirements. The Non-Executive Directors participate in meetings held by the Chair without the Executive Directors present.

The Senior Independent Director provides a sounding board for the Chair and serves as an intermediary for the Chief Executive and other Directors when necessary. She leads the process of evaluating the Chair's performance and is available if shareholders have any concerns that they have been unable to resolve through the normal channels.

Company Secretary
The Company Secretary makes sure that appropriate and timely information is provided to the Board and its Committees and is responsible for advising and supporting the Chair and the Board on all governance matters. All Directors have access to the Company Secretary and may take independent professional advice at the Company's expense in furtherance of their duties.

Conflicts of interest
The Group believes it has effective procedures in place to monitor and deal with any potential conflicts of interest and ensure that any related-party transactions involving Directors, or their connected parties, are conducted on an arm's length basis.

Directors are required to disclose any conflicts of interest immediately as and when they arise throughout the year. In addition, a formal process is undertaken each year when all Directors confirm to the Board details of any other directorships that they hold. These are assessed by the Nominations Committee, and then the Board. No Director is counted as part of the quorum in respect of the authorisation of his or her own conflict.

Board re-election
In accordance with the Company's articles of association and the 2018 Code, all continuing Directors will stand for re-election and Richard Harris and Lucinda Charles-Jones, as new Directors appointed during the year, will stand for election at the 2022 Annual General Meeting.

Insurance cover
The Company has arranged insurance cover and indemnifies Directors in respect of legal action against them to the extent permitted by law. Neither the insurance nor the indemnity applies in situations where a Director has acted fraudulently or dishonestly.

Our Board

Board independence

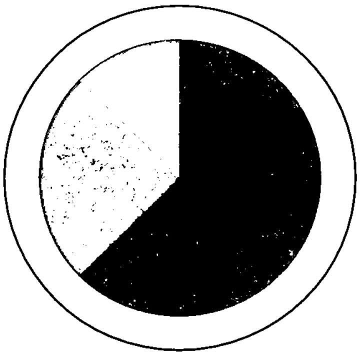
	Independent	Appointed
Chair		
Alex Thursby[1]	Yes	August 2017
Executive		
John O'Reilly	No	May 2018
Richard Harris	No	May 2022
Non-Executive		
Steven Esom	Yes	March 2016
Katie McAlister	Yes	April 2021
Chew Seong Aun	No	December 2020
Lucinda Charles-Jones	Yes	June 2022
Karen Whitworth	Yes	November 2019

1. Alex Thursby was originally appointed to the Board on 1 August 2017 and became Non-Executive Chair with effect from 17 October 2019.

Skills of the Non-Executive Directors

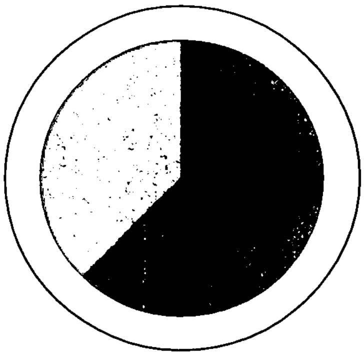
	Karen Whitworth	Steven Esom	Chew Seong Aun	Alex Thursby	Katie McAlister	Lucinda Charles-Jones
1. Customer Centric/hospitality	●	●	●		●	
2. Environment, Sustainability and Governance	●	●	●	●	●	●
3. Financial (accounting and/or finance)	●	●	●	●		
4. Gaming						
5. Marketing	●	●			●	
6. People	●	●	●	●		●
7. Real estate & property	●					
8. Risk & Compliance	●	●	●	●		
9. Strategy	●	●	●	●	●	●
10. Technology/digital			●		●	●

Board tenure



● 0-3 years **5**
○ 3-6 years **2**
○ 6-9 years **1**

Board gender



● Male **5**
○ Female **3**

Committee membership

	Audit Committee	Finance Committee	Nominations Committee	Remuneration Committee	ESG & Safer Gambling Committee
Alex Thursby		○	○		●
John O'Reilly		●			●
Richard Harris		●			
Steven Esom	●		○	○	
Katie McAlister	●			●	○
Chew Seong Aun					
Lucinda Charles-Jones			○	●	●
Karen Whitworth	○		○	●	●

Key
● Committee member
○ Committee Chair

Chair

Alex Thursby
Chair

Appointment
August 2017[1]

Independent on appointment

Ethnicity/Nationality
White/Australian

Age
62

Key strengths
- Broad financial and international experience, having worked across multiple markets and product groups in the banking sector for many years.
- Extensive leadership experience, with a strong understanding of governance and investor relations.

Previous experience:
Alex was a non-executive director at Barclays Bank Plc from 2018 to 2019. He was chief executive officer at National Bank of Dhabi from 2013 to 2016 and a non-executive director at AMMB Holdings Berhad, a Bursa Malaysia listed company and part of the AM Bank Group, from 2008 to 2012. Alex held various senior roles at Australia and New Zealand Banking Group (ANZ) for five years, including CEO of the International Institutional Banking division. Prior to this, he was with Standard Chartered Bank for 21 years, where his roles included head of the wholesale banking client relationship in Northeast Asia.

Key external commitments
Alex is chair of the Board of Governors at Giggleswick School.

Committee membership
○ Finance Committee (Chair)
○ Nominations Committee (Chair)
● ESG & Safer Gambling Committee

1. Alex was originally appointed to the Board on 1 August 2017 and became the Non-Executive Chair with effect from 17 October 2019.

Executive Directors

John O'Reilly
Chief Executive

Appointment
May 2018

Non-Independent

Ethnicity/Nationality
White/British

Age
62

Key strengths
- Significant and extensive experience of the betting and gaming industry.
- Proven business leadership with a breadth of strategic, commercial and operational experience. Strong shareholder understanding.

Previous experience:
John was a non-executive director at William Hill Plc from 2017 to 2018, non-executive director and chair at Grand Parade 2015 to 2016 and a non-executive director and chair of the remuneration committee at Telecity Group Plc from 2007 to 2016. He was a senior executive at Gala Coral Group from 2011 to 2015 and prior to this, at Ladbrokes, where he held several senior positions, including managing director of remote betting and gaming, and subsequently, executive director from 2006 to 2010.

Key external commitments
John is a non-executive director and chair of the audit and risk committee at Weatherbys Limited and a trustee of the New Bridge Foundation, the prisoner befriending charity.

Committee membership
● Finance Committee
● ESG & Safer Gambling Committee

Richard Harris
Chief Financial Officer

Appointment
May 2022

Non-Independent

Ethnicity/Nationality
White/British

Age
39

Key strengths
- Has held CFO and senior finance roles in a number of consumer-facing organisations, developing a strong understanding of corporate finance, commercial finance, investor relations and financial reporting.
- Extensive operational experience, particularly in acquisitions, disposals and business improvement.

Previous experience:
Richard's previous roles include Chief Financial Officer at Foxtons Group plc from 2019 to 2022, Group Financial Controller at Laird Plc from 2016 to 2019, and over 11 years at Marks and Spencer plc where he held a number of senior financial roles. He is a CIMA qualified management accountant.

Key external commitments
None.

Committee membership
● Finance Committee

Non-Executive Directors

Karen Whitworth
Senior Independent Director

Appointment
November 2019

Independent

Ethnicity/Nationality
White/British

Age
53

Key strengths
- Significant strategic, financial and leadership experience gained through a number of senior commercial, operational and governance roles.
- Extensive knowledge of consumer-facing, multi-site retail, and multi-channel businesses.

Previous experience:
Karen was previously a non-executive director and chair of the audit committee at Pets at Home Plc. She was a supervisory board member and member of the audit committee at GS1 UK Limited from 2015 to 2018. Karen spent over 10 years at J Sainsburys plc, latterly as director of non-food grocery and new business. Prior to joining J Sainsburys, she was finance director at online entertainment business BGS Holdings Limited and held a number of senior global roles at Intercontinental Hotels Group plc. Her early career was spent at Coopers & Lybrand (now PwC), where she qualified as a chartered accountant.

Key external commitments
Karen is a non-executive director at Tritax Big Box REIT plc and Tesco Plc.

Committee membership
○ Audit Committee (Chair)
○ Nominations Committee
● Remuneration Committee
● ESG & Safer Gambling Committee

Non-Executive Directors continued

Lucinda Charles-Jones
Non-Executive Director

Appointment
June 2022

Independent

Ethnicity/Nationality
White/British

Age
56

Key strengths
- Extensive remuneration and people experience, both UK and internationally.
- Experience in strategic development of environmental and social aspects of corporate responsibility.

Previous experience:
Lucinda has more than 25 years' executive-level experience in human resources roles. She was chief people & corporate responsibility officer of AXA UK and Ireland, part of the AXA SA Group, from 2015 to 2022 and group HR director for Towergate Partnership Co Ltd from 2011 to 2014. Prior to this, Lucinda was group global HR director for Hays Plc and has also previously held human resources roles at RAC PLC, consumer division and Vivendi SA.

Key external commitments
Lucinda is a non-executive director on the board of Trustees for Business in the Community where she also chairs the remuneration committee.

Committee membership
Nominations Committee
● Remuneration Committee
● ESG & Safer Gambling Committee

Chew Seong Aun
Non-Executive Director

Appointment
December 2020

Non-Independent

Ethnicity/Nationality
Asian/Malaysian

Age
57

Key strengths
- A breadth of strategic and operational knowledge having worked across a number of companies in the Hong Leong Group.
- Extensive experience in finance and banking.

Previous experience:
Seong Aun has over 30 years' experience in finance and banking and has been with the Hong Leong Group for more than 15 years. He was the chief financial officer of Hong Leong Financial Group Berhad, an associated company of Guoco Group Limited listed in Malaysia from 2006 to 2020. In his earlier career, Seong Aun held various senior banking positions in the Middle East and Asia for over 10 years. He is an ICEAW qualified Chartered Accountant (FCA) and member of the Asian Institute of Chartered Bankers in Malaysia.

Key external commitments
Seong Aun is an executive director and the group chief financial officer of Guoco Group Limited ('Guoco'), listed in Hong Kong. He is also a non-executive director of GuocoLand Limited, (a key subsidiary of Guoco listed in Singapore) and a non-executive director of Lam Soon (Hong Kong) Limited (listed in Hong Kong), all of which are members of the Hong Leong Group.

Committee membership
None.

Steven Esom
Non-Executive Director

Appointment
March 2016

Independent

Ethnicity/Nationality
White/British

Age
61

Key strengths
- A wealth of commercial experience at consumer-focused, multi-site, retail businesses.
- Long-standing plc and strategic experience and shareholder experience.

Previous experience:
Steven was chair of the GB Boxing board from 2013 to 2021, chair of the British Retail Consortium from 2011 to 2020, the senior independent director at Cranswick Plc from 2009 to 2018 and a non-executive director and chair at Carphone Warehouse from 2005 to 2009. Prior to that, his retail career included 11 years at Waitrose between 1995 and 2007, the last five of which were as managing director and a period of time as executive director of food at Marks & Spencer plc. His earlier career was spent at Ladbrokes and Sainsbury's where he held various commercial roles.

Key external commitments
Steven is a non-executive chair at Advantage Travel Partnership, chair at Sedex and chair of the British Wrestling Association.

Committee membership
○ Remuneration Committee (Chair)
Nominations Committee
● Audit Committee

Katie McAlister
Non-Executive Director

Appointment
April 2021

Independent

Ethnicity/Nationality
White/British

Age
46

Key strengths
- Extensive digital and marketing experience, both UK and internationally.
- Responsible for several digital transformation and business change programmes and a strong interest in environmental, social and governance (ESG) initiatives.

Previous experience:
Katie joined TUI in 1998 in the commercial area of TUI UK and Ireland with roles in trading, product, and destination services. She is currently chief marketing officer for TUI Northern Region (UK, Ireland and Nordic).

Key external commitments
Katie is chief marketing officer for TUI Northern Region (UK, Ireland and Nordic) and sits on the TUI Northern Region Board. She is responsible for core marketing disciplines including brand advertising, digital CRM and e-commerce for TUI UK and Ireland, First Choice, Marella Cruises, as well as sales channels.

Committee membership
○ ESG & Safer Gambling Committee (Chair)
● Remuneration Committee
● Audit Committee

Board and Committee meeting attendance

The Directors' attendance at formally scheduled Board and Committee meetings during the year is recorded in the table below. It shows the number of formally scheduled Board and Committee meetings attended by each Director against the number of such meetings that the relevant Director was eligible to attend as a member.

Director	Board	Audit Committee	Finance Committee[1]	Nominations Committee	Remuneration Committee	ESG & Safer Gambling Committee
Chris Bell[2]	4/4	2/2		2/2	2/2	2/2
Lucinda Charles-Jones[3]	0/0			0/0	0/0	0/0
Chew Seong Aun	8/8					
Steven Esom	8/8	4/4		4/4	4/4	
Bill Floydd[4]	4/4		2/2			
Richard Harris[5]	1/1		2/2			
Susan Hooper[6]	5/5			3/3	3/3	3/3
Katie McAlister[7]	8/8	2/2		4/4	4/4	4/4
John O'Reilly	8/8		8/8			4/4
Alex Thursby	8/8		8/8	4/4		4/4
Karen Whitworth[8]	8/8	4/4		0/0	4/4	4/4

1. Simon Hay was appointed to the Finance Committee whilst he was interim CFO between 1 January 2022 until 30 April 2022.
2. Chris Bell resigned from the Board on 18 January 2022.
3. Lucinda Charles-Jones was appointed to the Board on 22 June 2022 and to the Nominations, Audit and ESG & Safer Gambling Committees.
4. Bill Floydd resigned from the Board on 31 December 2021.
5. Richard Harris was appointed to the Board on 1 May 2022 and appointed to the Finance Committee.
6. Susan Hooper resigned from the Board on 31 January 2022.
7. Katie McAlister was appointed as ESG & Safer Gambling Committee Chair on 1 February 2022. She was appointed to the Audit Committee on 18 January 2022. Following a review of Committee composition, Katie stepped down from the Nominations Committee on 21 June 2022.
8. Karen Whitworth was appointed to the Nominations Committee on 21 June 2022.

Company Secretary

Luisa Wright
Group General Counsel
& Company Secretary

Appointment
May 2018

Experience
Luisa joined Rank in 2018 as its Group General Counsel & Company Secretary. Prior to joining Rank, she held the position of group general counsel and company secretary at Sportech PLC for six years, having previously spent ten years at Olswang LLP, where she specialised in advising clients in the gambling, sport and media sectors.

Good governance enables better performance

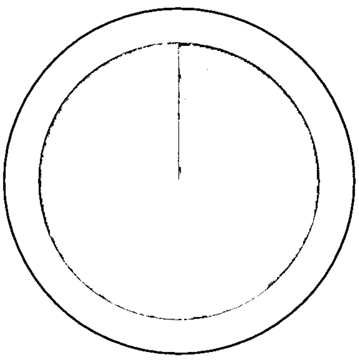
"Our best-practice approach to corporate governance enables and supports delivery of our objectives and plays an important role in relationships with our key stakeholders."

Luisa Wright
Group General Counsel
& Company Secretary

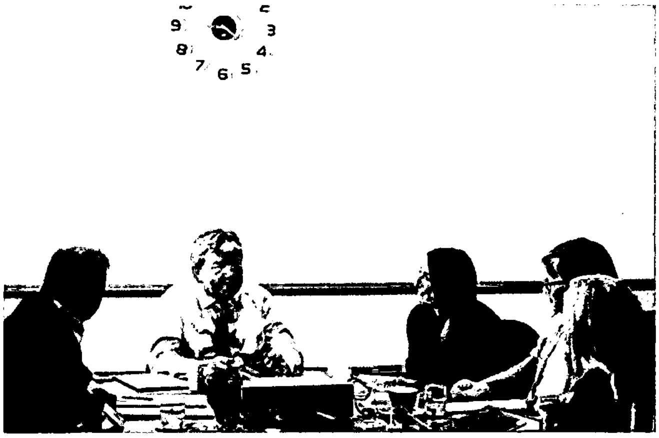
How governance supports delivery
A year in review

Good governance includes developing a strategy, selecting and supporting leadership to deliver that strategy, and assurance as to its delivery, all to the highest standards of safety and transparency.

Time on Board activities



- Business Reviews **17%**
- Financial **22%**
- Transformation & Strategy **36%**
- Governance & Investor Relations **20%**
- Regulatory & Risk **5%**



Strategy day

In early March 2022, the Board met for its annual strategy review. This year, the meeting focused on five-year plans for each of Grosvenor, Mecca, Digital and International. The Board was also challenged to consider whether the Group's strategic pillars remained fit for purpose in light of those plans and its commitment to embed sustainability within its corporate strategy. It concluded that the key focus areas of driving the digital business and evolving venues are still very much the priority, as is developing our cross-channel offering so as to provide a seamless cross channel service to our customers that better meets their needs.

The Board considered market trends and competitor analysis. It discussed Rank's position within the gambling industry and the wider leisure industry and reflected on economic conditions and the outlook as Rank recovers from the impact of the pandemic. It observed that the strong balance sheet would enable continued investment in the Transformation 2.0 programme positioning the Group well for recovery and the impact of the anticipated gambling regulatory reform.

Presentations were given by senior management from each area of the business to enable a deeper dive into customer insights, research findings and how these have influenced the ongoing development of growth initiatives that fed into each area's plans. The Board also reflected on the importance of ongoing investment into technology, data and the approach to multi-channel delivery as key drivers in achieving sustainable growth. The Board noted agreed action plans arising from the day and required that updates on each area would be provided at its meetings thereafter.

Following the strategy day discussions, in April the Board approved the revised purpose and strategic pillars, having satisfied itself that, whilst the overarching purpose of delivering entertaining and exciting experiences remains unchanged, Rank's purpose and the strategic pillars should also clearly reflect our commitment to ensuring that we meet the needs of all stakeholders in a sustainable way (see pages 33, 40 to 51 and 55).

Above:
Board Strategy Day, March 2022

Capital Investment

Further to approval of the Transformation 2.0 plan, the Board commenced the 2021/22 financial year focused on initiatives to drive growth in the key areas of venue redevelopment and technology. It was keen to ensure that such initiatives considered customer insights and other stakeholder interests at the project planning phase, during the development phase and in conducting reviews and evaluations following delivery. Over the course of the year, the Board closely monitored progress through regular updates from senior management and challenged management to reflect on the decisions being made from a strategic perspective, particularly following its refresh of the strategic pillars in April 2022 and in anticipation of the Government's review of the Gambling Act 2005.

Venue redevelopment

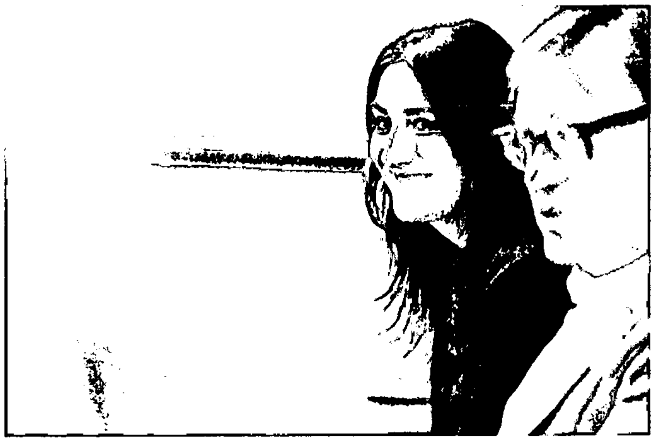
In line with strategy discussions, the Board reflected on customer insights work presented by management that informed proposals for the redevelopment of venues. It challenged management to ensure that stakeholders were properly considered before, during and after planning such development work and that it was clear where each such development sat under the strategy. It also acknowledged that Rank's people are a key asset in ensuring venue refurbishments are a success.

Technology

Throughout the year, the Board regularly discussed the migration project, to move all digital operations to the RIDE proprietary platform. It received updates, and challenged management, on project timelines, costs and synergies and was provided with presentations on the product and platform development roadmap and opportunities for growth once the migration is completed. The Board was pleased to note the successful migration of Mecca to the RIDE platform in January 2022, and was keen to ensure that appropriate learnings were considered in preparing for the Grosvenor migration that will take place before the end of Q1 2022/23.

During the year, the Board also considered and approved key technology contracts related to driving forward technological improvements across the Group.

Above:
Katie McAlister, Karen Whitworth and Richard Harris



ESG

During the year, the Board approved new terms of reference for the renamed ESG & Safer Gambling Committee and welcomed the appointment of Katie McAlister as its Chair. The Board challenged the Committee to develop a strategy that would enable sustainability to be at the heart of all decision-making and embed ESG within Rank's culture. The Committee approved the ESG strategy in January 2022 and the Board ensured that the output from the Committee's discussions formed part of its own review of the Group's strategic pillars and purpose. It was keen to ensure that what may be classed as ESG aims were not dealt with separately and that the corporate strategy fully embeds Rank's sustainability focus areas of customers, colleagues, communities and the environment.

The Board approved publication of the Group's Responsible Business Report in January 2022 which set out the initial work undertaken to establish the Group's ESG framework. During the year, it also tasked management to commence development of Rank's net zero plan and delegated to its ESG & Safer Gambling and Audit Committees the approach to be taken to the new Task Force on Climate-related Financial Disclosures requirements. The ESG & Safer Gambling Committee also focused on developing the KPIs and metrics that would underpin the new ESG strategy. The Board further tasked the Remuneration Committee with reviewing Executive pay from an ESG perspective (to complement the existing safer gambling measure), resulting in a new approach to the bonus scheme for the forthcoming year (as explained on page 121).

The Board has approved the publication of the Group's first full sustainability report alongside this Annual Report.

Above:
Katie McAlister and Alex Thursby

Nominations Committee Report

"The Committee continues to demonstrate its important role in succession planning, inclusion & diversity and proposing new directors for appointment to the Board in order to maintain the right balance of knowledge, skills and attributes."

Alex Thursby
Chair of the Nominations Committee

Committee membership and attendance

	Appointed to Committee	Attendance
Current members		
Alex Thursby (Chair)[1]	August 2017	4/4
Lucinda Charles-Jones[2]	June 2022	0/0
Steven Esom	March 2016	4/4
Karen Whitworth[3]	June 2022	0/0
Other members during the year		
Chris Bell[4]	*July 2015*	*2/2*
Susan Hooper[5]	*September 2015*	*3/3*
Katie McAlister[6]	*April 2021*	*4/4*

1. Alex Thursby took over as Chair in October 2019.
2. Lucinda Charles-Jones was appointed to the Committee in June 2022.
3. Karen Whitworth was appointed to the Committee in June 2022 following a review of Committee composition.
4. Chris Bell stepped down from the Committee in January 2022 following his resignation from the Board.
5. Susan Hooper stepped down from the Committee in January 2022 following her resignation from the Board.
6. Katie McAlister stepped down from the Committee in June 2022 following a review of Committee composition.

Other attendees

Group General Counsel & Company Secretary.

One additional meeting was convened during the year to consider the appointment of Richard Harris as Chief Financial Officer and to the Board. The Committee also met separately during the year to discuss matters without the presence of management.

Role and responsibilities

The Committee is responsible for leading the process for appointments, ensuring plans are in place for orderly succession to both the Board and senior management positions, and overseeing the development of a diverse pipeline for succession. Its key responsibilities are to:

- Lead a rigorous and transparent procedure for Board appointments.
- Regularly review and refresh the Board's composition, taking into account the length of service of the Board as a whole, in order for it to remain effective and able to operate in the best interests of shareholders.
- Ensure plans are in place for orderly succession to positions on the Board and oversee succession planning for senior management.
- Oversee the development of a diverse pipeline for succession.
- Work and liaise with other Board Committees as appropriate, including with the Remuneration Committee with respect to any remuneration package to be offered to new appointees to the Board.

The formal terms of reference of the Committee are available at www.rank.com or by written request to the Group General Counsel & Company Secretary, who acts as secretary to the Committee.

Key activities during the year

- Recommended the appointment to the Board of Richard Harris and Lucinda Charles-Jones.
- Continued to monitor diversity initiatives under the Inclusion and Diversity Strategy.
- Reviewed succession plans.

Dear shareholders
I am pleased to present the Nominations Committee Report covering the work of the Committee during the 2021/22 financial year. It has again been a busy year, with a number of changes to the Board, its Committees and to the Executive Committee. We have continued to focus on the important areas of succession planning, our inclusion and diversity strategy and evaluating the Board's composition, skills and experience.

Director appointments
I was delighted to welcome two new directors to the Board this year.

Appointment of Chief Financial Officer
Richard Harris was appointed as Chief Financial Officer, and to the Board, with effect from 1 May 2022. The search process leading to his appointment was conducted by the Chief Executive and Group Human Resources Director, assisted by external agency, Odgers Berndtson. The process that led to Richard's appointment is set out in more detail on page 103 and details of his experience can be found on page 95.

Non-Executive Director appointment
Lucinda Charles-Jones was appointed as an independent Non-Executive Director of the Board on 22 June 2022. The search process that led to her appointment was conducted by the Chair, assisted by the Group Human Resources Director and external agency, Spencer Stuart. The process that led to Lucinda's appointment is set out in more detail on page 102 and details of Lucinda's experience can be found on page 96. Lucinda became a member of the Remuneration, Nominations and ESG & Safer Gambling Committees on her appointment.

Neither of the search agencies used in connection with these appointments has any other connection with the Company or any of its Directors.

All new Board members receive an induction following their appointment, which is led by the Group General Counsel & Company Secretary and comprises both a general and personalised programme. The general induction includes their duties and responsibilities as a director of a listed company, whilst the personalised induction is devised and tailored to each new director's background, experience and role.

Executive Committee appointments
There were new appointments also to the Executive Committee this year. Following search processes conducted by the Chief Executive and Group Human Resources Director, with external agency assistance as appropriate, the Committee noted the following appointments:

- Managing Director, Grosvenor – Debbie Husband, who joined Rank in 2017 as National Operations Director for Grosvenor, was promoted to Managing Director, Grosvenor in May 2022. Prior to joining Rank, Debbie was UK Operations Director at Travelodge.
- Managing Director, Mecca – Andy Crump joined the Company in May 2022 as Managing Director, Mecca. His previous role was Head of Hospitality Operations at Marks and Spencer PLC.
- Managing Director, International – Enric Monton joined Rank in May 2022 as Managing Director, International. He joined the Company from Cirsa where he served as Latin America Managing Director of Sportium, Cirsa's digital and sportbook branch.
- Group Transformation and Strategy Director – Emma Morning, who joined the Company in October 2019 as transformation lead, was promoted to Group Transformation and Strategy Director in January 2022.

During the year, the Committee also recommended the appointment of Simon Hay, the current director of Group finance, as interim Chief Financial Officer for the period from 1 January 2022 to 30 April 2022 (commencing on Bill Floydd's departure from the business and ending upon Richard Harris' appointment).

Board composition
In line with the requirements of the 2018 UK Corporate Governance Code, we spent considerable time this year looking at Board composition, reviewing the length of tenure of Board members and looking at ways in which Board membership might be refreshed. Whilst the Committee considers that the Board has the necessary mix of skills, knowledge and experience to fulfil its role effectively, we identified that there was a succession planning need in relation to remuneration and people matters. This led to a process resulting in the appointment of Lucinda Charles-Jones as a new independent Non-Executive Director (as referenced above).

We are satisfied that the Board is well balanced, providing an appropriate blend of executive and non-executive skills and a collective competence to meet the Group's current needs and deliver its strategy. Nevertheless, we continue to evaluate the skillsets of Board members on an ongoing basis and build this evaluation into our Board succession plans.

The composition and chair-ship of the Board's Committees were also reviewed during the year. Following Chris Bell and Susan Hooper stepping down from the Board in January 2022, Karen Whitworth was appointed as Senior Independent Director and Katie McAlister as Chair of the ESG & Safer Gambling Committee, with Katie also appointed to the Audit Committee. The membership of the Board's Committees was revisited again following the appointment of Lucinda Charles-Jones in June 2022, with Lucinda appointed to the Remuneration, Nominations and ESG & Safer Gambling Committees, Karen being appointed to the Nominations Committee and Katie stepping down from the Nominations Committee. The current membership of each Committee is set out on page 94.

The composition of the Executive Committee was also considered during the year. I can confirm that the Committee is satisfied that the Board, its Committees and the Executive Committee are appropriately composed.

During the year, the Committee considered the other significant commitments of our Non-Executive Directors and was satisfied that each Director has sufficient time to discharge their responsibilities effectively.

Appointment of Lucinda Charles-Jones as Non-Executive Director

Establishing role requirements

The Nominations Committee considered the tenure of the Board Directors during the year with a particular focus on the independent Non-Executive Directors. Following a detailed review of skills and experience, coupled with Chris Bell and Susan Hooper's departures, a search for a new Non-Executive Director commenced. The Nominations Committee identified a desire to appoint a new Non-Executive Director with remuneration and people experience, and corporate governance experience at a FTSE listed company gained in a consumer-facing business. It determined it appropriate to do so during this financial year.

Identifying candidates

The Nominations Committee was particularly mindful of the need to meet the skill requirements and independence criteria. It also wanted to continue to promote diversity on the Board.

It determined on this occasion to engage an external headhunter to assist with the search and following a review of three executive search firms, Spencer Stuart was engaged based on their previous experience in delivering similar roles, their knowledge and access to diverse candidates in the marketplace and their competitive pricing.

Following a detailed briefing on the key requirements, Spencer Stuart presented a list of 35 candidates selected from a diverse pool. The Chair and the Group Human Resources Director, in consultation with Spencer Stuart, assessed candidates against the brief and shortlisted six candidates to proceed to the First Stage Assessment.

Process

First Stage Assessment

This First Stage Assessment comprised an interview with the Chair and the ESG & Safer Gambling Committee Chair. Two candidates progressed to the Second Stage Assessment.

Second Stage Assessment

The Second Stage Assessment comprised interviews with the other independent Non-Executive Directors. One candidate progressed to the Final Stage Assessment.

Final Stage Assessment

The Final Stage Assessment comprised interviews with the Chief Executive and the non-independent Non-Executive Director.

Final Decision

The Chair gathered and assessed the feedback from the assessment process and recommended to the Nominations Committee Lucinda Charles-Jones as the preferred candidate. The Nominations Committee concurred with this view, regarding Lucinda as possessing the desired experience and wider skills to add value to the Board. The Nominations Committee agreed that the Chair should make a recommendation to the Board that Lucinda Charles-Jones be appointed. The Board subsequently approved her appointment and Lucinda was appointed to the Board, and to Rank's Remuneration, Nominations and ESG & Safer Gambling Committees on 22 June 2022.

Induction process

Lucinda Jones-Charles and Richard Harris participated in an intensive and tailored induction programme upon their respective appointments, which included the following:

Area and met with:
Governance and investor relations – met with Chair, Group General Counsel & Company Secretary and Director of Investor Relations & Corporate Communications. Also met with fellow Board members, brokers and corporate PR advisors.
Business and strategy – met with Chair, Chief Executive and each member of the Executive Committee.
Gambling laws and regulations – met with Group General Counsel & Company Secretary, Director of Compliance & Responsible Gambling, and Director of Public Affairs.
Finance and risk – met with Director of Group Finance, Director of Tax, Director of Analytics, Director of Risk & Internal Audit, Audit Committee Chair and the external auditor. Lucinda Charles-Jones also met with Richard Harris as the newly appointed CFO.
Remuneration – met with the Chair, Remuneration Committee Chair, Director of Reward, Human Resources Director and key executives.
Succession planning and inclusion and diversity – met with the Chair and Human Resources Director.
ESG – met with the ESG & Safer Gambling Committee Chair.
Site visits – met with General Managers and other venues colleagues.

Overview of matters covered:

Approach to corporate governance at Rank, Board and Committee structure, investor relations and corporate communications.

Management structure and operations across the Group, including marketing, innovation and omni-channel, IT, governance and employee interests. Strategic pillars and Company purpose.

In respect of Richard Harris, a more detailed introduction to the business and performance for Mecca, Grosvenor, Digital and International.

The compliance framework at Rank, gaming industry regulation, the Group's relationships with Governments and regulators and emerging regulatory risks and opportunities.

An understanding of the Group's financial position and the key risks and challenges for the Group, particularly in light of the impact of COVID-19 on the business and its recovery.

An understanding of the remuneration policy and remuneration matters at Rank.

Approach to succession planning and the strategic approach to inclusion and diversity.

An overview of the Group's strategy for ESG and safer gambling and where Rank is on its ESG journey.

A series of site visits to see the business in action, which included direct experience of our customer journeys and gaming products.

Appointment of Richard Harris as Chief Financial Officer

Establishing role requirements

The Nominations Committee commenced a recruitment process for a new Chief Financial Officer following Bill Floydd's notice of resignation in August 2021. The Group Human Resources Director and Chief Executive prepared the role specification for the search, which focused on strong strategic, operational and technical experience, along with excellent relationship skills. The specification was approved by the Committee.

Identifying candidates

The Nominations Committee approved the engagement of an external headhunter to assist with the search, and following a review of three executive search firms, Odgers Berndston was engaged based on their previous experience in delivering similar roles, their knowledge of the industry, their access to diverse candidates and their competitive pricing.

Following a detailed discussion with Odgers Berndston, a candidate brief was developed. Their search of candidates considered those who were already on publicly listed boards as CFOs or where there might be a natural step up into a CFO role. A diverse pool of 88 candidates was initially identified from both inside and outside the industry. 50 of the identified candidates were included on an initial shortlist, which following consultation between the Chief Executive and Group Human Resources Director with Odgers Berndston was reduced to 20 to proceed to the First Stage Assessment.

Process

First Stage Assessment

This First Stage Assessment comprised an interview with the Chief Executive and the Group Human Resources Director. Two candidates progressed to the Second Stage Assessment.

Second Stage Assessment

The Second Stage Assessment comprised interviews with the Chair and the Senior Independent Non-Executive Director. One candidate progressed to the Final Stage Assessment.

Final Stage Assessment

The Final Stage Assessment comprised interviews with all other members of the Board.

Final Decision

The Chief Executive gathered and assessed the feedback from the assessment process and discussed his recommendation that Richard Harris be appointed with the Chair who was in support. The recommendation was presented to the Nominations Committee, which agreed and confirmed that the Chair should make the recommendation to the Board. The Remuneration Committee approved the proposed remuneration package and the Board subsequently approved Richard's appointment. He was appointed as Rank's Chief Financial Officer and to the Board on 1 May 2022.

Succession planning

Succession plans are maintained for the Board, Executive Committee and other senior leadership positions and were reviewed by the Committee during the year. Succession planning for the Chief Financial Officer turned into a recruitment process following Bill Floydd's notice of resignation in August 2021 and resulted in the appointment of Richard Harris as mentioned earlier in this report. During the year, the Committee also conducted a detailed review of the succession plan for the Chief Executive.

The Committee welcomed the notable examples of succession planning and diversity in action in the promotion of Debbie Husband and Emma Morning to the Executive Committee as set out on page 101 of this Report. An overview of the development offered to Debbie leading to her promotion, from her own perspective, can be found in our 2022 Sustainability Report. Other internal senior management promotions were to the roles of Chief Operating Officer for Grosvenor (please see our 2022 Sustainability Report) and Director of Legal.

Training

We regularly consider training requirements for the Board with a view to enhancing knowledge and skillsets and to ensure appropriate account is taken of changing circumstances. Directors are invited to identify to the Group General Counsel & Company Secretary any additional information, skills and knowledge enhancements that they require.

During the year, Directors received monthly reports of current and forecast trading results and treasury positions. They also received regular briefings on the political and regulatory gambling environment. Directors received corporate governance updates from the Group General Counsel & Company Secretary on matters such as the Financial Reporting Council ('FRC') report on corporate governance in the UK, the FRC areas of supervisory focus for 2022/23, Investor Association expectations for 2023, new climate-related reporting requirements, and from the Group's auditor on matters such as the BEIS consultation on restoring trust in audit and corporate governance and new ISA considerations. Directors also undertook mandatory Company training on matters including the Gambling Commission for Great Britain's Licensing Objectives, Equality and Diversity in the Workplace, the Bribery Act and GDPR.

Board effectiveness review

It is incumbent on the Committee to ensure that a formal and rigorous review of the effectiveness of the Board, its Committees and each Director is conducted each year. The process for this year's review is set out opposite, together with progress against last year's Board actions and outcomes from this year's evaluation.

Process for 2021/22 review

The evaluation this year was conducted by Lintstock Limited. Lintstock is an independent advisory firm that specialises in Board evaluations, and provides no other services to the Group.

The following process was followed for the 2021/22 evaluation:

Stage 1
Decision taken for exercise to be facilitated by Lintstock Limited, following presentations by potential providers

Stage 2
Evaluation process and questionnaires agreed between Lintstock and key project sponsors

Stage 3
Evaluation questionnaires completed by Board members

Stage 4
Evaluation findings presented

Stage 5
Improvements and areas of focus identified and agreed for the Board and each Committee for the forthcoming year

The results and recommendations from the evaluation in respect of the Board and each Committee were circulated to all Directors, presented to the Board and discussed at the relevant Committee meetings. The areas of focus for the Board are set out on the following page and the areas of focus for each Committee are set out in the respective Committee reports, including on page 106 in respect of this Committee.

During the year, I held one-to-one meetings with all Non-Executive Directors to discuss their performance, drawing on the results of the evaluation exercise and to identify whether they continue to contribute effectively to the Board and demonstrate commitment to their role. I also met with and evaluated the performance of the Chief Executive utilising feedback from the exercise. The Senior Independent Director combined responses to the exercise with feedback from separate discussions she held with the Non-Executive Directors, Executive Directors and the Group General Counsel & Company Secretary on my performance, before discussing the results with me.

Board progress against 2020/21 actions

During the year, the Board considered its delivery against the areas of particular focus that had been identified under the 2020/21 evaluation exercise. Overall, it considered that it had made good progress as follows:

Agreed action areas	Progress made in 2021/22
1. Strategy	Management was asked to present a revised five-year strategy to the Board for approval, which it is noted happened prior to the 2020/21 year end. Updates as to progress were provided throughout the year, culminating in a full review and refresh of the Company's strategic pillars following its March 2022 strategy day.
2. Workforce engagement	The Board discussed data from the annual Employee Opinion Survey and the 'Pulse' survey conducted during the year, together with reports from the Non-Executive Director responsible for workforce engagement. There has been a continued focus on overseeing actions and challenging management to evaluate their impact. The Board and Committee meetings in November 2021 took place in Brighton, enabling time to be spent at Pier Nine and a series of scheduled Non-Executive Director venue visits took place in July 2022. This was in addition to other ad hoc venue visits by Directors throughout the year.
3. Managing talent	The Board considered that it should conduct a more detailed review during the year of the overall approach to talent management. This was undertaken in part, but has been scheduled for a deeper review during the forthcoming year following recent Board and senior management changes.
4. ESG	The Board approved a new ESG strategy, the Company's first Responsible Business Report in January 2022 setting out an overview of the initial work taken to develop such strategy and the first full Sustainability Report published alongside this Annual Report.

Outcomes from 2021/22 review – Board

Overall, the Directors believed that the Board was functioning well. The areas for particular focus for the forthcoming year were agreed as follows:

1. **Strategy** – whilst acknowledging that the main immediate focus has to be on business recovery, following the review and refresh of the strategic pillars the Board considered that there needs to be a continued focus on developing the longer-term strategy, particularly in respect of Mecca venues.
2. **Developing the ESG Strategy** – there was clear recognition of the significant progress made in this area during the 2021/22 financial year, but it was also noted that the next financial year will be important in embedding the strategy within the business.
3. **Managing talent, generally and more specifically from a diversity and inclusion and remuneration perspective** – the Board recognised that this was a carry forward from the previous financial year, but felt that it was in a stronger position to undertake this review during 2022/23 following recent Board and senior management changes.

"We are satisfied that the Board provides an appropriate blend of executive and non-executive skills to meet the Group's needs."

Alex Thursby
Chair of the Nominations Committee

For more information on our Board skills, experience and tenure, please see pages 94–96.
→

Board and senior management diversity

We recognise that to be a successful Company and achieve our strategic goals, Rank must be both inclusive and diverse. Such recognition must be reflected throughout the organisation, including on the Board, and I am pleased to report that women now comprise more than a third of our Directors and the Board meets the recommendations of the Parker Report. The Committee nevertheless noted the new requirements from the Financial Conduct Authority that the Board should be looking to achieve 40% gender diversity and that at least one senior board position should be held by a female. The Board meets the latter requirement, following the appointment of Karen Whitworth as Senior Independent Director in January 2022.

As at 30 June 2022, 37.50% of the Board was female (37.50% at the date of this report), 30.77% of the Executive Committee (30.77% as at the date of this report) and 30% of management-level direct reports to the Executive Committee (30% as at the date of this report). Further details of the gender breakdown of Directors, senior management and the Group can be found on page 61 of this report. The Committee is committed to continuing to review its composition from a diversity perspective, including working towards meeting the 40% gender target and increasing BAME representation in senior roles.

In order to ensure that we have oversight of progress made in this area across the Company, the Committee considers performance against the Company's inclusion and diversity strategy, which emphasises the desire to achieve a diverse workforce across all grades. The strategy is based on four key aims namely, (i) create an inclusive environment which facilitates our colleagues to develop, be creative and deliver exceptional service, (ii) ensure there is a diverse workforce across all grades, (iii) make inclusion and diversity integral to how we do business, and (iv) demonstrate leadership on inclusion and diversity, internally and externally, positioning Rank as an 'employer' of choice. The Committee considered and welcomed the progress made during the year against each of the four aims as set out on page 61 and in more detail in our 2022 Sustainability Report.

During the year, the Committee also considered the results of the Employee Opinion Survey (full in September 2021 and Pulse in May 2022) so far as questions related to inclusion and diversity and was pleased to see that the Group-wide engagement score increased between September and April and the inclusion and diversity-related activities during the year were well-received. The Committee also received recruitment data to review and challenge as it deemed appropriate to ensure alignment with our policy to recruit the best candidate having regard to the skills and experience required, but with a mind to diversity, including gender and ethnicity.

Nominations Committee evaluation

As mentioned above, it is incumbent on the Board to ensure that a formal and rigorous review of the effectiveness of the Committee is conducted each year. Progress against last year's actions, as well as the outcomes from this year's evaluation, are set out below.

Progress against 2020/21 review

1.
Agreed action areas

To ensure that succession plans for the key roles of Chief Executive and Chief Financial Officer continue to develop, alongside plans for the Chair and other Non-Executive Directors with longer tenures.

Progress made during 2021/22

During the year there was a detailed review of the succession plan for the Chief Executive. Furthermore, a review of Board skillsets with succession planning in mind led to the appointment of Lucinda Charles-Jones as an independent Non-Executive Director. The succession plan for the Chief Financial Officer was replaced with a recruitment process, resulting in the appointment of Richard Harris.

2.
Agreed action areas

To ensure that there is ongoing challenge as to progress/achievements against the inclusion and diversity strategy, with a particular focus on the Executive Committee (and to be considered alongside succession planning for the Executive Committee) and the impact of the pandemic on colleagues.

Progress made during 2021/22

The Committee assessed progress of inclusion and diversity initiatives throughout the year. The positive increase in female representation on the Executive Committee was welcomed, although it was noted that a pipeline for succession is required to ensure that the desired levels are maintained and that further work is required with regard to ethnic diversity.

3.
Agreed action areas

To focus on the effectiveness, and how the Committee can further evaluate/demonstrate the effectiveness, of the Board and its Committees, it being noted that an external evaluation will in any event be conducted during the 2021/22 financial year.

Progress made during 2021/22

The Directors considered that the external evaluation process conducted by Lintstock Limited assisted it in reflecting on its effectiveness during the year. Overall the performance of the Committee was highly rated.

Outcomes from 2021/22 review

This year's Committee evaluation exercise concluded that the Committee continues to operate effectively. Having considered the findings, the Committee agreed that its focus for the forthcoming year should be:

1. To evaluate the success of previous succession plans and focus, in particular, on succession planning for the Chair and the Executive Committee.
2. To continue to ensure there is ongoing challenge as to progress/achievements against the inclusion and diversity strategy, with a particular focus on ethnic diversity and the pipeline for maintaining progress in relation to gender diversity.
3. To conduct a more in-depth external evaluation of the Board and its Committees, involving Director interviews, once recent changes in Board composition have settled.

I look forward to meeting shareholders at the forthcoming AGM, when I will be happy to answer any questions on this report.

Alex Thursby
Chair of the Nominations Committee

Audit Committee Report

"The Committee continues to perform a key role within the Group's governance framework, supporting the Board in monitoring and reviewing the systems for risk management, internal control and financial reporting."

Karen Whitworth
Chair of the Audit Committee

Committee membership and attendance

	Appointed to Committee	Attendance
Current members		
Karen Whitworth (Chair)	November 2019	4/4
Steven Esom	March 2016	4/4
Katie McAlister	January 2022	2/2
Other members during the year		
Chris Bell[1]	*June 2015*	*2/2*

1. Chris Bell stepped down from the Committee in January 2022 following his resignation from the Board.

Other attendees

Chief Executive
Chief Financial Officer
Board Chair
Group General Counsel & Company Secretary
Director of Internal Audit
External Auditor

The Committee met separately during the year to discuss matters without management present. The external auditor and the Director of Internal Audit were provided the opportunity at each meeting to discuss matters without the presence of management.

Role and responsibilities

The role of the Committee is primarily to support the Board in fulfilling its corporate governance obligations so far as they relate to the effectiveness of the Group's risk management systems, internal control processes and financial reporting. Its key responsibilities include:

- Reviewing the integrity of financial statements and any announcements relating to financial performance.
- Reviewing and challenging key accounting judgements and narrative disclosures.
- Monitoring internal control and risk management processes.
- Performing a robust assessment of the Company's principal and emerging risks.
- Monitoring and reviewing the effectiveness of the internal audit function, ensuring that it is able to exercise independent judgement.
- Considering the appointment of the external auditor, their reports, performance, effectiveness and independence.
- Agreeing the external auditor's terms of engagement and the appropriateness of the audit fee.

The formal terms of reference of the Committee are available at www.rank.com or by written request to the Group General Counsel & Company Secretary, who acts as secretary to the Committee.

Key activities during the year

- Re-assessed ongoing and emerging risks as the Company continues its recovery from the impact of the COVID-19 pandemic.
- Considered approach to impairment review and resulting impairment and reversals of impairment.
- Discussed the proposed disclosures and assurance programme to enable the Group to report against the Task Force on Climate-related Financial Disclosures requirements.
- Considered the BEIS consultation on 'Restoring Trust in Audit and Corporate Governance' and its potential impact on the Group.
- Conducted a deepdive into cyber and information security.

Dear shareholders

I am pleased to present the Audit Committee Report for the 2021/22 financial year. During the year, the Committee has continued to carry out a key role within the Group's governance framework, supporting the Board in monitoring and reviewing the systems for risk management, internal control and financial reporting.

Key activities

The COVID-19 pandemic caused substantial disruption to the Company and the current macroeconomic climate presents additional risk and uncertainty. Further to this, the Committee carried out a robust reassessment of the Group's principal risks, which can be found on pages 74 to 81. We received regular updates on the work of the Risk Committee and debated the extent to which there were new risks and/or increased risk within the business and how such risks were mitigated. The Committee also continued its work on the essential oversight of internal control (more detail of which is set out below) and the Company's risk management systems.

The recovery of the business and associated risks also contributed to our work on going concern and viability. We reviewed financial models (including downside scenarios) to consider headroom over the course of the financial year 2021/22 and beyond, taking time to understand and challenge, where necessary, significant judgements and assumptions in the modelling, the reverse stress test models and covenant and liquidity headroom. More detail on this work, together with our going concern and viability statements, is on pages 82 to 83. We also reviewed our approach to impairments and discussed management's assessment for indicators of impairment of assets, reversal of impairment and associated disclosures. More detail can be found on page 110.

During the year, the Committee discussed and approved the proposed disclosures and assurance programme to enable the Group to report against the Task Force on Climate-related Financial Disclosures requirements for the first time, as described on pages 63 to 70.

We also considered the BEIS consultation on 'Restoring Trust in Audit and Corporate Governance', receiving updates at each meeting on the audit and governance reform agenda. We approved and reviewed the outcome of a comparison exercise against current controls, undertaken with support from an external advisor and the output of that exercise will be used to develop a comprehensive roadmap and implementation plan to be overseen by the Committee. The Committee will continue to review preparations for anticipated reform during the year ahead.

Internal controls

The Board has overall responsibility for the risk management framework, as explained further on page 74. It delegates responsibility for reviewing the effectiveness of the Group's systems of internal control to the Committee. This covers all material controls including financial, operational and compliance controls and risk management systems. During the year, we received detailed reports from each of the three lines of defence so as to enable us to maintain oversight and discuss the risks and challenges to the Group. In particular, the Committee reviewed the following:

- **Enterprise risk management:** We considered the manner in which the risk management framework has evolved and the overall appetite to risk. We reviewed the risk management methodology and confirmed that it continues to be appropriate. We also considered the Group risk register in respect of both current and emerging risks and challenged the Executive Directors on such risks and the management of the same. The Group's principal and emerging risks are set out on pages 74 to 81.
- **Legal and regulatory:** Reflective of the regulatory environment in which Rank operates, and with an added emphasis on recovery from the impact of the pandemic on the Company, we continued to examine the effectiveness of the Company's framework of compliance controls. This included internal audit reviews, reports on anti-money laundering from the Nominated Officer, updates on material regulatory matters, taking account of correspondence from and guidance issued by regulators (including following compliance assessments), and reviews of progress made on areas requiring improvement. The Committee also discussed the status of material litigation and regulatory matters affecting the Company, including any financial impact and/or disclosure requirements.
- **Health and safety:** We considered during the year ongoing health and safety projects for the venues estate. We also received reports from the Group's Head of Health and Safety on relevant data and trends, monitoring programme outputs and any potential regulatory matters, including reports made under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR).
- **Information security, data privacy and disaster recovery:** We considered during the year progress made in respect of information security and data privacy controls. This included a review of the specific key risk indicators for these areas and updates on trends relating to data compliance further to the Group's monitoring programme. The Committee also received deep-dive presentations on the Group's approach to information security and disaster recovery respectively from the Director of IT Security and the Chief Information Officer. The presentations provided, in each case, an overview of the Company's critical systems, areas of key risk (and mitigation, as appropriate) and development roadmaps. The Committee also received reports from the Data Protection Officer on relevant data and trends, monitoring programme outputs, ongoing projects and any potential regulatory matters.

- **Code of conduct and whistleblowing:** We reconfirmed the ongoing appropriateness of the Group-wide whistleblowing policy and procedure, which is operated by an external third-party provider, Safecall. The service provides a multilingual communication channel, and enables employees and other stakeholders to report in confidence and, if they wish, anonymously, to Safecall, which then submits reports to the allocated appropriate individual within the business for investigation as necessary. Reports received during the year were kept strictly confidential and the concerns identified were referred to appropriate managers within the Group for investigation and resolution. We received an analysis of all reports submitted during the year. The Company's code of conduct, which was refreshed during the year, is available on www.rank.com.

Internal audit

The Group's internal audit function forms the primary source of internal assurance to the Committee via the delivery of the internal audit plan, which is structured to align with the Group's strategic priorities and key risks and is developed by internal audit with input from management and the Committee. Its role is to provide independent, objective assurance and consulting services designed to add and protect value by improving the Group's operations. Internal audit assists the Group in accomplishing its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

For more information on our approach to risk management see pages 74-81.
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Each year, the Committee reviews and approves the internal audit plan. The plan is kept under review, depending on operational or other business requirements, with any changes being discussed and agreed with the Committee. The Director of Internal Audit submits reports on completed audits to each Committee meeting. The findings are discussed by the Committee, together with any implications arising from such findings on the broader control environment. Recommendations arising from internal audit reviews are communicated to the relevant business area for implementation of appropriate corrective measures and the Committee monitors senior management's responsiveness to the same.

The work undertaken by internal audit during the year included: cyber-active directory review, marketing compliance and data quality review, cyber-perimeter security review and a review of high value customer controls. Venues audits recommenced in August 2021. In addition to the above, the internal audit team also assisted with ad hoc regulatory matters and controls improvement work that arose during the year.

During the year the Committee reviewed the skills and depth of the internal audit team and approved the recruitment of additional resources, including a specialist internal IT auditor.

The planned external quality assessment of the internal audit function was on hold due to the venues closures at the start of 2021. It is anticipated that it will proceed in the next financial year.

Fair, balanced and understandable

One of the key compliance requirements in relation to a group's annual report and accounts is that, taken as a whole, they are fair, balanced and understandable.

The coordination and review of Group-wide contributions to Rank's Annual Report and Accounts follows a well-established process, which is performed in parallel with the formal process undertaken by the external auditor. A summary of the process is as follows:

- The Annual Report and Accounts are drafted by appropriate senior management with overall coordination by a team comprising the Group General Counsel & Company Secretary, the Chief Financial Officer, the Director of Investor Relations and the Director of Group Finance to ensure consistency;
- Comprehensive reviews of the drafts of the Annual Report and Accounts are undertaken by management, the Executive Committee and the Board Chair and respective Chair of each Committee;
- A near-final draft is reviewed by the Committee;
- A final draft is reviewed by the Board; and
- Formal approval of the Annual Report and Accounts is given by a committee of the Board (usually the Finance Committee).

Taking this approach enabled the Committee to recommend to the Board, and then the Board itself, to confirm that the Company's 2022 Annual Report taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Key judgements and financial reporting matters

The Committee assesses and challenges whether during the year suitable accounting policies have been adopted and whether management has made appropriate estimates and judgements. Key accounting judgements considered, conclusions reached and their financial impacts during the year under review are set out in the table on page 110. Additionally, we discussed with the external auditor the significant issues addressed by the Committee during the year and the areas of particular focus, as described in the independent auditor's report on pages 150 to 159.

Key judgements and financial reporting matters 2021/22	Audit Committee review and conclusions
Going concern and viability statement	
The Directors must determine that the business is a going concern for the period up to 31 August 2023 from the date of signing the accounts. Furthermore, the Directors are required to make a statement in the Annual Report as to the longer-term viability of the Group. This has been analysed in detail, including the downside scenarios modelled in the viability statement.	The Committee conducted an annual assessment pursuant to which the Directors were able to conclude that it is appropriate to prepare the financial statements on a going concern basis, as set out in more detail on pages 82 and 83. We reviewed financial models (including downside scenarios), taking time to understand and challenge, where necessary, significant judgements and assumptions in the modelling, the reverse stress test models and covenant and liquidity headroom. Furthermore, the Committee evaluated management's work in conducting a robust assessment of the Group's longer-term viability, affirmed the reasonableness of the assumptions, considered whether a viability period of three financial years remained most appropriate, and confirmed that it was as part of a recommendation to the Board. Further detail can be found on pages 82 and 83.
Treatment of separately disclosed items ('SDIs')	
The Group separately discloses certain costs and income that impair the visibility of the underlying performance and trends between periods. The separately disclosed items are material and infrequent in nature and/or do not relate to underlying business performance. Judgement is required in determining whether an item should be classified as an SDI or included within the underlying results.	The Committee reviewed the presentation treatment of SDIs and agreed that the items listed in note 4 are appropriate. The Committee noted that from a quality of earnings perspective, both accretive and dilutive impacts had been recorded in both the current and prior years.
Impairment review	
For goodwill and indefinite-life assets, the Group performs an annual impairment review. In addition, the Group reviews assets that are subject to amortisation or depreciation for events or changes in circumstances that indicate that the carrying amount of an asset or cash-generating unit may not be recoverable. If an asset has previously been impaired the Group considers whether there has been a change in circumstances or event that may indicate the impairment is no longer required. The Group considers each venue to be a cash-generating unit and the review covers approximately 130 individual cash-generating units ('CGU'), with goodwill and indefinite life assets considered at a group of CGU level.	The Committee reviewed management's impairment review process including, where applicable, the potential indicators of impairment and/or reversal, cash flow projections, continued post-COVID-19 revenue recovery, growth rates and discount rates used to derive a value in use ('VIU'), multiples used in VIU, the sensitivity to assumptions made, and used VIU for all CGUs consistent with the prior year. The Committee reviewed and agreed the value of impairment charges and reversals recognised in 2021/22 and reviewed the disclosures including the sensitivity disclosures of changes in key assumptions. Further details are disclosed in note 14 on pages 188 to 191.
Compliance with laws and regulations	
The Group operates in an evolving regulatory environment with increasingly complex laws and regulations, particularly gambling-related regulations. The Group has received income from governments during the year, particularly the Coronavirus Job Retention Scheme ('CJRS'), the rules for which are often complex and with which the Group is required to comply.	The Committee reviewed management's approach to complying with laws and regulations including assessing the potential financial impact, accounting and disclosure for any potential non-compliance. The Committee reviewed and agreed the accounting for the CJRS in 2021/22 and received updates on the quantum and timing of claims on an ongoing basis throughout the year.
Taxation	
The Group holds provisions for certain tax matters, in addition to the normal provisions for corporation tax. In assessing the appropriateness of indirect tax provisions, the Group must estimate the likely outcome of uncertain tax positions where judgement is subject to interpretation and remains to be agreed with the relevant authority.	At both the half and the full year, the Committee considered the Group's approach to tax provisioning, in order to satisfy itself how management came to its best estimate of the likely outcome. The Committee received and considered an update paper covering the Group's ongoing direct and indirect tax matters. This covered continuing operations where tax returns submitted have been, or are likely to be, challenged by the relevant tax authority. It also reviewed and agreed the treatment of Rank's successful VAT claim on slot machines income and associated interest from 2006 to 2013 at the First-tier Tribunal as an SDI and reviewed disclosures for transparency. The Committee considered that management's best estimate of tax liabilities is appropriate.

"We continue to consider the impact of the BEIS consultation on 'Restoring Trust in Audit and Corporate Governance' on the Group."

Karen Whitworth
Chair of the Audit Committee

For more information on our SDIs, please go to note 4 on page 179.
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Governance

All members of the Committee are independent Non-Executive Directors and the Board is satisfied that they have significant knowledge and business experience in financial reporting, risk management, internal control and strategic management. In addition, I meet the requirement to bring recent and relevant financial experience to the Committee and further information about my experience can be found on page 95. I can confirm that the Board is satisfied that the Committee has the resources and expertise to fulfil its responsibilities and, has competence relevant to the sector in which the Company operates.

External auditor and the external audit

Ernst & Young LLP ('EY') has been the Company's external auditor since 2010. Following an audit tender process conducted by the Committee in accordance with its regulatory requirements which concluded in June 2019 (the process for which was detailed in the 2019 Annual Report), EY's re-appointment as the auditor of the Group was approved by shareholders at the 2019 Annual General Meeting (and at each subsequent Annual General Meeting). There was a change of external audit partner following completion of the 2018/19 external audit. There were no contractual or similar obligations restricting the Group's choice of external auditor.

EY is engaged to express an opinion on the financial statements. It reviews the data contained in the financial statements to the extent necessary to express its opinion. It discusses with management the reporting of operational results and the financial position of the Group and presents findings to the Committee. The Directors in office at the date of this report are not aware of any relevant information that has not been made available to EY and each Director has taken steps to be aware of all such information and to ensure it is available to EY. EY's audit report is published on pages 150 to 159.

In order to assess the independence and effectiveness of the external auditor (including its objectivity, mindset and level of professional scepticism), the Committee carried out an assessment. This was facilitated by use of a questionnaire which posed questions in relation to different aspects of the external audit process, including the planning, execution and quality of the audit. Feedback was sought from members of the Committee and senior management of the business areas subject to the audit. The feedback was considered, discussed and summarised by management and reported to the Committee and Board. Having conducted such review, and reviewed overall performance, we have concluded that EY has demonstrated appropriate qualifications and expertise throughout the period under review, and that the audit process was effective.

Non-audit services

The Committee oversees the nature and amount of any non-audit work undertaken by the external auditor to ensure that it remains independent. Consequently, we are required to approve in advance all non-audit services priced above £25,000, with any non-audit services below such amount being within the delegated authority of the Chief Financial Officer (although in practice he would still notify the same to the Committee). When seeking external accountancy advice in relation to non-audit matters, the Group's policy is to invite competitive tenders where appropriate. It is also the Group's policy to balance the need to maintain audit independence with the desirability of taking advice from the leading firm in relation to the matter concerned and being efficient.

The total non-audit fees paid to EY during the period under review was £35,314 (2021: £37,600) (including interim fees). Rank has used the services of other accounting firms for non-audit work during the period under review.

Audit Committee evaluation

It is incumbent on the Board to ensure that a formal and rigorous review of the effectiveness of the Committee is conducted each year. Our progress against last year's actions, as well as the outcomes from this year's evaluation, are set out below.

Outcomes from 2020/21 review

1.

Agreed actions

To undertake a review of, and develop further, the risk management framework and ensure that there is a further focus on emerging risks (including as regards people).

Progress made during 2021/22

The tender process for the intended internal audit effectiveness and risk management framework review was placed on hold in 2021. As mentioned above, the review is anticipated to proceed during the 2022/23 financial year.

The Committee's review of the Company's principal risks included a focus on emerging risks.

2.

Agreed actions

To focus on ways of working and develop further the relationship with the external auditor.

Progress made during 2021/22

The Committee Chair and the Chief Financial Officer have regular meetings with the external audit partner. Additional meetings took place during the year to focus in particular on ways of working.

3.

Agreed actions

To continue to ensure that the Committee is able to focus on the key areas of risk and on which to challenge management.

Progress made during 2021/22

The Group's corporate risk register, and mitigating actions, were reviewed in detail by the Committee during the year. This included periodic review for each identified risk of likelihood and impact and risk appetite throughout the year and respective mitigating actions. The supporting key risk indicators (with defined tolerance levels) were also reviewed during the year.

Outcomes from 2021/22 review

This year's Committee evaluation exercise, facilitated externally by Lintstock Limited, concluded that the Committee continues to operate effectively. The process for the review is set out on page 104. Having considered the findings, we agreed that our focus for the forthcoming year should be:

1. Supporting a review of Group finance controls following the arrival of Richard Harris as Chief Financial Officer and as the Company further considers the impact of BEIS on the Group (including the proposed introduction of an audit and assurance policy) and feedback from the BEIS benchmarking work.
2. Continuing to build on the relationship and develop efficient ways of working with the external auditor.
3. Ensuring there is clear prioritisation for the Committee in relation to its work for the forthcoming year, bearing in mind in particular the current macro-economic conditions impacting the Group.

In concluding this report, I would like to recognise and thank the Rank management and finance team, the internal audit team and EY for their commitment and valuable contributions over the past twelve months.

I look forward to meeting shareholders at the forthcoming Annual General Meeting when I will be happy to take questions on this report and our work during the year.

Karen Whitworth
Chair of the Audit Committee

2021/22 activity

Area of focus	Matters discussed	Frequency
Financial reporting	Reviewed the integrity of all draft financial statements (including narrative).	P
	Reviewed accounting developments and their impacts and significant accounting issues.	P
	Reviewed and recommended approval of interim and preliminary results announcements.	B
	Reviewed Group accounting policies and reporting practices.	P
	Considered approval process for confirming and recommending to the Board that the 2021 Annual Report is fair, balanced and understandable.	A
	Reviewed and recommended approval of the Annual Report, as required by the Board.	A
	Reviewed appropriateness of accounting policies and going concern assumptions.	A
	Reviewed and recommended inclusion of the viability and going concern statements in the Annual Report.	A
	Reviewed TCFD disclosures and compliance with ESEF/XBRL requirements.	A
	Reviewed Director and officer expenses.	A
Internal audit	Monitored the effectiveness of the internal audit function.	P
	Reviewed major audit findings and approved remediation plans.	Q
	Reviewed the 2021/22 annual audit plan.	B
	Reviewed the scope of audit coverage and approved planned work for 2022/23.	A
External audit	Considered the external auditor's reports and views.	Q
	Reviewed the objectivity, independence and expertise of the external auditor.	A
	Considered the Auditor's Report on the 2020/21 annual results.	A
	Assessed the effectiveness of the 2020/21 external audit.	A
	Reviewed and approved the 2021/22 annual external audit plan and fee proposal.	A
	Considered the initial results of the 2021/22 external audit.	A
	Reviewed audit and non-audit fees incurred during 2021/22.	A
Risk and internal control	Oversaw the implementation of changes to internal processes as a result of matters reported as key events to regulatory bodies, and guidance published by regulatory bodies as learnings for the gaming industry.	P
	Reviewed risk management reports and Risk Committee updates.	Q
	Reviewed and assessed the corporate risk register (including emerging risks).	Q
	Reviewed and monitored developments in relation to health and safety, information security and data protection.	B
	Reviewed anti-money-laundering matters and matters relating to source of funds and enhanced due diligence.	B
	Reviewed the risk management framework across the Group and the internal governance structure (further detail on Rank's approach to the management of risk, its principal risks and uncertainties and the controls in place to mitigate them can be found on pages 74 to 81).	A
Governance and other	Received corporate governance updates.	P
	Considered and approved tax strategy and reviewed tax matters.	A&P
	Met privately with the Director of Internal Audit and the external auditors.	Q
	Reviewed notifications made under the Group-wide whistleblowing policy and procedure, ensuring that appropriate actions were taken following investigation of notifications, and reviewed notifications made in relation to the code of conduct, acknowledging the ongoing need for a review of the same.	B
	Considered material litigation and regulatory matters.	B&P
	Reviewed the Committee's terms of reference and confirmed adherence during 2021/22.	A
	Reviewed feedback and recommendations following Committee evaluation.	A
	Reviewed internal financial controls.	A

Key
A Annual
B Biannual
Q Quarterly
P Periodically

ESG and Safer Gambling Committee Report

"The Committee recognises that how we consider ESG risk and opportunity is critical to the success and sustainability of the business."

Katie McAlister
Chair of the ESG & Safer Gambling Committee

Committee membership and attendance

	Appointed to Committee	Attendance
Current members		
Katie McAlister (Chair)[1]	April 2021	4/4
Lucinda Charles-Jones	June 2022	n/a
John O'Reilly	May 2018	4/4
Alex Thursby	October 2019	4/4
Karen Whitworth	November 2019	4/4
Other members during the year		
Chris Bell[2]	*March 2016*	*2/2*
Susan Hooper[3]	*July 2017*	*3/3*

1. Katie McAlister was appointed Chair with effect 1 February 2022.
2. Chris Bell stepped down from the Committee in January 2022 following his resignation from the Board.
3. Susan Hooper stepped down from the Committee in January 2022. She was Chair of the Committee until her departure on 31 January 2022.

Other attendees

Group General Counsel & Company Secretary
Director of Compliance & Responsible Gambling
Director of Public Affairs
Grosvenor Managing Director
Mecca Managing Director
Rank Interactive Managing Director

Role and responsibilities

The Committee is responsible for assisting the Company in the formulation and monitoring of its ESG strategy. The Committee also has a particular focus on the Company's approach to safer gambling. Its responsibilities include:

- Approving the Company's ESG and safer gambling strategy.
- Reviewing the Company's performance against the strategy, the effectiveness of the strategy and the governance in place to ensure successful delivery.
- Reviewing the effectiveness of Rank's systems for identifying and interacting with customers who are at risk of becoming problem gamblers.
- Reviewing the results of research projects.
- Reviewing how the strategy is received and regarded by the Company's stakeholders and other interested parties.
- Approving all ESG reporting.
- Approving the appointment of any auditor in relation to work undertaken in connection with the strategy.

The formal terms of reference of the Committee are available at www.rank.com or by written request to the Group General Counsel & Company Secretary, who acts as secretary to the Committee.

Key activities during the year

- Approved the Company's new ESG strategy and publication of the initial Responsible Business Report in January 2022. Monitored progress towards and approved publication of the 2022 Sustainability Report.
- Oversaw implementation of the governance structure to support the new strategy.
- Discussed and approved management's approach to developing its TCFD reporting framework.
- Reviewed and monitored delivery of safer gambling initiatives in each area of the business.
- Discussed Rank's contribution to developments across the industry, including consultation responses, working with trade associations and lobbying efforts in connection with the Government's review of gambling legislation.

Dear shareholders

In my first report as Chair of the ESG & Safer Gambling Committee, I am pleased to provide a summary of the work undertaken by the Committee over the past twelve months and present the progress made in evolving our ESG strategy.

The Group is committed to ensuring the sustainability of its operations by aligning its processes and policies to international best practice as part of its aim to build an even more resilient and responsible business. We recognise that how we consider ESG risk and opportunity is critical to the success of our business and that our key stakeholders are demanding greater transparency and disclosure.

At the beginning of 2022 we were pleased to launch our first Responsible Business Report, which provided an overview of the foundation work undertaken to establish the appropriate approach to ESG at Rank. Following the next stage of work, we are delighted to publish our 2022 Sustainability Report. Extracts from the report can be found on pages 54 to 71, and the full report is available at www.rank.com.

Key activities

Last year, the Committee determined that it would provide rigour, support and challenge to the business as it develops and implements its new ESG strategy. Following completion of the materiality assessment in 2021, this year the Committee approved the four key ESG focus areas that underpin the strategy:

1. Customer experience – providing a safe, secure environment and personal experience, creating and maintaining good gambling behaviours and protecting vulnerable customers.
2. Colleague experience – educating our people to enable and encourage positive gaming behaviours and creating a fair, safe and inspiring working environment.
3. Environmental management – ensuring that our operations minimise any negative impacts that Rank may have on the environment and reducing our carbon emissions wherever possible.
4. Community engagement – providing an essential social outlet for customers, generating lasting community spirit, driving community action and developing a genuine social legacy.

Each focus area has underlying objectives and baseline KPIs.

The Committee then challenged the business to ensure that the Company's ESG objectives relate to and are amalgamated with its corporate objectives. The refresh of the Group's purpose and strategic pillars, approved by the Board, ensured the integration of the four ESG focus areas into the Group's corporate aims, as articulated on page 55 of this Annual Report. As a result, the Committee is comfortable that Rank has a fully integrated ESG and corporate strategy going forwards that will enable the business to continue to be managed in a sustainable and responsible way.

During the year the Committee also oversaw the implementation of the necessary governance structure to ensure that there is effective oversight of the strategy and delivery of initiatives under it.

In developing its approach, the business, overseen by the Committee, ensured that each existing ESG initiative was allocated to one of the four focus areas with an owner, timeline and appropriate KPIs. Going forwards, updates on each initiative (and proposed new initiatives) will be considered on a monthly basis by the management-level ESG & Safer Gambling Steering Committee, which will report to this Committee on a regular basis. This will enable us to track and evaluate progress and provide Board-level oversight of performance against strategy, as well as global best practices.

Initial work on each of the four focus areas was presented to the Committee during the year, which prompted more detailed discussion on each area's key aims and initiatives and the manner in which the broader ESG strategy will be embedded within the business. This included, for example, discussions on colleague engagement and development, as well as broader debate on Rank's wider social impact and community-role as a primarily land-based national casino and bingo operator. It also included challenging management and the Board as a whole to focus in more detail going forwards on how environmental matters are considered within the decision-making process.

The Committee also oversaw management's work with consultant partners to develop its reporting framework to take account of Task Force on Climate-related Financial Disclosures ('TCFD') recommendations and in order to set Rank on a carbon net zero pathway. The Committee worked alongside the Audit Committee in relation to TCFD disclosures set out in this Annual Report.

Safer gambling initiatives

Safer gambling remains the Group's primary focus area. The Committee has been keen to ensure that the importance of safer gambling within Rank's wider ESG framework is not diminished. We are comfortable that this has not happened.

During the year the Committee welcomed reports from the managing directors of each business area updating on safer gambling initiatives. These initiatives take a 'customer-first' approach to increasing protection, as the Group continues to evolve its customer journeys and deliver targeted improvements for those players who need our support. The Committee has considered new initiatives presented by management as well as those introduced further to the Company's own monitoring work or as required by our regulators. We have also considered changes resulting from new regulatory requirements and industry commitments.

In addition, the Committee welcomed further work on embedding a safer gambling culture throughout the Group. The aim of this work is to instil a consistent approach in colleague mindset to ways of working and processes in line with Rank's purpose, delivering exciting and entertaining experiences within a safe environment. One of the ways in which this is being achieved is through a training programme being carried out in conjunction with GamCare, in which over 1,100 colleagues will take part. The training is intended to benefit not only customer-facing colleagues, but also those that support them to ensure a consistent and evolving ethos across the Group. The Committee will receive reports on the feedback and evaluation of the training programme during the forthcoming year.

During the year, the Committee continued to take the lead on reviewing the Group's response to the Gambling Commission's Annual Assurance Statement, which was then presented to the Board for approval prior to submission. We also considered over the course of the year progress against the initiatives highlighted in such statement.

Safer gambling horizon scanning and industry collaboration

The Committee regards safer gambling as a topic of key importance to all the Company's stakeholders and an important part of its work is to consider their views on the Company's approach. With this in mind, the Committee recognises that the Company cannot simply look at the initiatives it has in-train as a reaction to regulation, but must also pro-actively consider customer, regulator, colleague, shareholder, political and wider public sentiment in its plans. The Committee receives regular reports from the Director of Public Affairs to ensure that it remains up-to-date on external sentiment, influences, developments and political change. It challenges the business to ensure that it considers such views in all projects and initiatives across all workstreams.

In particular, during the year, the Director of Public Affairs presented regular updates to the Committee on Rank's ongoing contribution to the Government's review of gambling legislation in the UK. The Committee continues to consider stakeholder views and those of the industry and media on the review. We note that the Government's White Paper is expected to be published imminently and, following its publication, we will continue to monitor stakeholder reaction as the business assesses the impact of forthcoming changes. The Committee also considered the Commission's response to its remote customer interaction consultation and subsequent new requirements published as guidance in June 2022 for implementation in September 2022. The Committee will monitor effective implementation of any changes required to be implemented by the Company.

Rank's contributions to the Government's review and consultations have also extended to shaping responses from the Casino Chapter within the Betting and Gaming Council ('BGC'), the BGC itself and also the Bingo Association, all of which are important voices in respect of regulatory change. We continue to have representation on the BGC's committees and working groups, including all those specific to land-based gaming.

Research, education, treatment ('RET')

The proportion of our RET contributions during the year was maintained at the same level as the previous year. As well as contributing to GambleAware, such contributions included payments to YGAM and GamCare as part of Rank's four-year commitment to industry Safer Gambling Commitments. We are committed to maintaining the same proportion of RET contributions in respect of the forthcoming year, although the Committee is aware that the approach to RET payments is being considered within the Government's review of gambling legislation.

Climate change, net zero planning and Task Force on Climate-related Financial Disclosures

There has been increasing focus from stakeholders as to how climate change will impact companies. We recognise that there are both internal and external expectations on us to establish a clear emissions reduction strategy in line with international climate change targets and we are working with consultant partners in order to set Rank on a carbon net zero pathway. More detail on this is set out in the 2022 Sustainability Report.

The Committee is also cognisant of the new requirements under Listing Rule 9.8.6R, which the Group is required to adopt this year, to include a statement in this Annual Report setting out whether our climate-related financial disclosures are consistent with the recommendations of the TCFD. Our disclosures can be found on pages 63 to 69 with the compliance statement found on page 70 of this Annual Report. The Committee has worked alongside the Audit Committee to ensure the integrity of the Committee's climate-related risk process, as well as reviewing the recognition, measurement, presentation and disclosure of climate-related matters (including impact on the Group).

ESG & Safer Gambling Committee evaluation

It is incumbent on the Board to ensure that a formal and rigorous review of the effectiveness of the Committee is conducted each year. The Committee's progress against last year's actions are set out below.

Outcomes from 2020/21 review

1.

Agreed actions

To widen the remit of the Committee to encompass ESG more broadly, but without losing its focus on safer gambling.

Progress made during 2021/22

The Committee's remit has been widened, with the right level of emphasis being retained in respect of safer gambling. It is committed to ensuring this remains the case going forwards.

2.

Agreed actions

To consider and approve a wider ESG strategy and the priorities within that strategy to enable the Committee to assess delivery against it.

Progress made during 2021/22

The ESG strategy has been approved and the priorities and baseline KPIs have been determined based on the materiality assessment conducted the previous year.

Outcomes from 2021/22 review

This year's Committee evaluation exercise was facilitated externally by Lintstock Limited and concluded that the Committee continues to operate effectively. The process for such review is set out on page 104. Having considered the findings, we agreed that our priorities for the forthcoming year should be:

1. To develop the Committee's meeting agendas further in-line with the newly developed focus areas of Customer Experience, Colleague Experience, Environmental Management and Community Engagement and their associated KPIs.
2. To ensure clear accountability for reporting under the new KPIs, delivery of actions and tracking of progress.

In conclusion

Rank recognises the importance of sustainability and resilience to all our stakeholders and the value of continuing to develop a robust strategy that protects shareholder value, creates opportunities for growth and innovation and sets the foundation for long-term success. It is committed to doing so.

We also remain committed to providing a safe gambling environment for customers to enjoy the services that we offer. We aim to work constructively with regulators to ensure ongoing compliance with regulatory requirements and our industry peers to continue to develop a collaborative approach to safer gambling matters such as improving the identification of vulnerable customers. Finally, we continue to recognise the importance of driving cultural change throughout the organisation so as to ensure that safer gambling underpins all aspects of our decision-making.

Our 2022 Sustainability Report can be found at www.rank.com
→

On behalf of the Committee, I look forward to reporting on the further progress that will be made over the forthcoming year under our expanded ESG strategy and agenda.

Finally, my appointment as Chair followed the departure of Susan Hooper from the Board at the end of January 2022 and I wanted to take this opportunity to thank her for her contribution towards driving Rank's ESG and safer gambling agenda. In other changes to the Committee, I am delighted to welcome Lucinda Charles-Jones, our new independent Non-Executive Director, as a member. Lucinda has particular expertise in people, social and environmental matters and I look forward to her contribution as we progress into delivering the next stage of our ESG agenda.

I look forward to meeting shareholders at the forthcoming Annual General Meeting when I will be happy to answer any questions on this report.

Katie McAlister
Chair of the ESG & Safer Gambling Committee

"Safer gambling is the Group's primary ESG focus area and a topic of key importance to all our stakeholders."

Katie McAlister
Chair of the ESG & Safer Gambling Committee

Finance Committee Report

"The Finance Committee continues to provide an important level of oversight for material projects, estate management and other approvals within its delegated level of authority."

Alex Thursby
Chair of the Finance Committee

Committee membership and attendance

	Appointed to Committee	Attendance
Current members		
Alex Thursby (Chair)	October 2019	8/8
Richard Harris	May 2022	2/2
John O'Reilly	May 2018	8/8
Other members during the year		
Bill Floydd[1]	*November 2018*	*2/2*
Simon Hay[2]	*January 2022*	*4/4*

1. Bill Floydd stepped down from the Committee in December 2021 following his resignation from the Board.
2. Simon Hay was a member whilst he was interim Chief Financial Officer, from January 2022 to April 2022.

Other attendees

Group General Counsel & Company Secretary

Role and responsibilities

The Finance Committee is authorised by the Board to approve capital expenditure, make financing decisions and approve contractual commitments for the Group up to authorised limits. It also approves all Group insurance cover and reviews Non-Executive Director fees. The Committee acts as the Board's disclosure committee for the purposes of the Market Abuse Regulation which came into force on 3 July 2016 and considers the materiality of information and determines disclosure obligations on a timely basis of all such information to regulatory authorities including the London Stock Exchange.

The formal terms of reference of the Committee are available at www.rank.com or by written request to the Group General Counsel & Company Secretary, who acts as secretary to the Committee.

Key activities during the year

- Approved regulatory news statements (on authority delegated from the Board).
- Reviewed matters relating to key contracts and spend within its delegated level of authority and estate management.
- Reviewed and approved proposals for Group insurance renewal.
- Reviewed Non-Executive Director fees.
- Reviewed its terms of reference.

Dear shareholders

During the year, the Committee continued to provide an important level of oversight for material projects, estate management and other approvals in accordance with its delegated level of authority.

In reviewing the Committee's terms of reference, the members considered its role within the Company's governance structure, discussing those matters that were appropriate to be determined by the Executive Directors rather than the Committee, as well as those that would be appropriate to be considered by the Committee ahead of submission to the Board. I am satisfied that the re-alignment following this review will ensure that the Committee continues to operate effectively into the forthcoming year.

Estate management and capital investment

During the year under review, the Committee focused in particular on supporting executive proposals relating to estate management, with 41 lease events occurring during the course of the 2021/2022 financial year. The Committee also considered the proposed capex spend for refurbishment of Grosvenor Merchant City, which fell within its delegated authority. More information about this refurbishment can be found on page 34.

Utilities

The Committee monitored over the course of the year the position regarding escalating utilities costs, the increasingly volatile market and its impact on the Company. It considered the options available to the Company in seeking to mitigate such impact and management's preferred approach. The Committee referred the matter to the Board and provided updates to the Board as appropriate.

Group simplification

The Committee considered and approved two subsidiary simplification exercises during the financial year. The first of these was the migration of business from Rank Digital Espana S.A. to Bingosoft Plc, which simplified the Group's operating structure in Spain. The second of these was the transfer of ownership of Rank Interactive (Gibraltar) Limited ('RIGL') within the Group in preparation for the migration of business from Rank Digital Gaming (Alderney) Limited and Daub Alderney Limited to RIGL. The migration took place on 1 July 2022, consolidating the Rank Interactive business under one entity, with RIGL being the operator of this business going forwards.

Finance Committee evaluation

It is incumbent on the Board to ensure that a formal and rigorous review of the effectiveness of the Committee is conducted each year. This Committee's progress against last year's actions, as well as the outcomes from this year's evaluation, are set out below.

Outcomes from 2020/21 review

The only key action from the 2020/21 review was to undertake a more detailed review of the Committee's terms of reference. This took place during the year, with the revised terms of reference being put to, and approved by, the Board in June 2022.

Outcomes from 2021/22 review

This year's Committee evaluation exercise facilitated externally by Lintstock Limited (further details of which can be found on page 104), concluded that the Committee continues to operate effectively. Having considered the findings, the Committee agreed that, whilst there were no specific areas identified for improvement, it should continue to evaluate its role over the course of the forthcoming year to ensure that its place within the Company's governance structure remains appropriate and effective.

I would of course be happy to answer any questions about the role of the Committee and its activities during the year under review at the forthcoming Annual General Meeting.

Alex Thursby
Chair of the Finance Committee

Remuneration Committee Report

"The Committee's decision-making on remuneration outcomes has been shaped by the overall financial performance of the Company over the financial year."

Steven Esom
Chair of the Remuneration Committee

Committee membership and attendance

	Appointed to Committee	Attendance
Current members		
Steven Esom (Chair)	March 2016	4/4
Lucinda Charles-Jones	June 2022	0/0
Katie McAlister	April 2021	4/4
Karen Whitworth	November 2019	4/4
Other members during the year		
Chris Bell[1]	*June 2018*	2/2
Susan Hooper[2]	*September 2015*	3/3

1. Chris Bell stepped down from the Committee in January 2022 following his resignation from the Board.
2. Susan Hooper stepped down from the Committee in January 2022 following her resignation from the Board.

Other attendees
Chief Executive
Group General Counsel & Company Secretary
Board Chair
Group Human Resources Director
Independent advisor to the Committee

Additional meetings were convened on six occasions during the year to, amongst other things, finalise the rules, measures, targets and participants for the Recovery Incentive Scheme, confirm the 2020/21 bonus outcome and approve remuneration for new appointments to the Executive Committee. The Committee met separately during the year to discuss matters without management present.

Role and responsibilities

The role of the Committee is primarily to assist the Board in setting the remuneration packages for the Company's Executive Directors and other Executive Committee members. Its key responsibilities are to:

- Set the Remuneration Policy.
- Ensure that the Remuneration Policy operates to align the interests of management with those of shareholders.
- Within the terms of the Remuneration Policy (as applicable) and in consultation with the Chair and/or Chief Executive as appropriate, determine the total individual remuneration package of each Executive Director and other Executive Committee members.
- Approve the design of, and determine targets for, any performance related pay and share incentive schemes for approval by the Board and shareholders (as appropriate) and the total annual payments made under such schemes.
- Review pay and conditions across the Group and the alignment of incentives and rewards with culture.

The formal terms of reference of the Committee are available at www.rank.com or by written request to the Group General Counsel & Company Secretary, who acts as secretary to the Committee.

Key activities during the year
- Determining operation of the 2021/22 annual bonus and the 2021/22 LTIP award.
- Confirming the vesting of the 2017/18 four-year block award, which was heavily impacted by the pandemic and approving the new one-off Recovery Incentive Scheme, which was approved by shareholders at the 2021 Annual General Meeting.
- Continuing to keep wider workforce remuneration arrangements under review.
- Approving remuneration for new members of the Executive Committee, including for the Chief Financial Officer.

Dear shareholders

On behalf of the Board, I am pleased to present Rank's Remuneration Committee Report for the year ended 30 June 2022 which has been prepared in accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 (as amended) (the '2013 Regulations'). This report comprises my annual statement, our Directors' Remuneration Policy, which was approved at the Annual General Meeting held on 14 October 2021 ('Policy') and our Annual Report on Remuneration, which is presented in line with the Policy. This statement and the Annual Report on Remuneration are subject to an advisory vote at the 2022 Annual General Meeting.

Overview of 2021/22

As mentioned earlier in this Annual Report, it has been a challenging year, in particular for our UK venues businesses. The Group's operating profit of £66.2m reflects the continued impact of the pandemic, the slow return of overseas customers to our London casinos and the pressure on UK consumer discretionary expenditure. The Committee's decision-making on the remuneration outcomes for Executive Directors has been shaped by the overall financial performance for the full financial year.

Whilst we saw a number of departures at an Executive Director and senior management level during the year, we also welcomed arrivals in the form of our new Chief Financial Officer and new Managing Director appointments for Grosvenor, Mecca and the international business. We recognise the key challenges and opportunities for our business and will continue to ensure that the Executive Directors, and the senior management team, remain appropriately incentivised to achieve our strategic goals.

Base salaries

The Committee reviewed the Executive Director base salaries during the year. In 2021, in respect of the Chief Executive, the Committee had determined that due to COVID-19 no increase should apply. During the year under review, the Committee determined to increase the Chief Executive's salary by 3% in line with the overall increases awarded to the wider workforce and this increase applied with effect from 1 April 2022.

The Committee will consider a further review of Executive Director base salaries at the appropriate time during the forthcoming year.

Pension

With effect from 1 January 2023, the Chief Executive's payments in lieu of pension will be reduced from 10% of salary (less the lower earnings limit) (such 10% having been agreed under his service agreement when he joined Rank) to the rate currently available to the majority of the UK employees (currently 3%). The Chief Financial Officer's payments in lieu of pension were agreed at the rate currently available to the majority of the UK employees when he joined the Company in May 2022.

2021/22 bonus

The annual bonus for the 2021/22 financial year was based on a challenging profit after tax target that represented 100% of the potential bonus opportunity. The published profit after tax figure would have resulted in 100% of the maximum bonus opportunity being payable to the Chief Executive based on the formulaic outcome of the financial metric. However, the Committee determined that it was not appropriate to include the amount received by the Company in respect of the VAT claim referenced on page 27 of this report within such figure for the purposes of assessing whether the bonus targets had been met, and exercised discretion to exclude such amount, resulting in 0% of the maximum bonus opportunity being payable. Further details on performance against targets are set out on page 133. The Chief Financial Officer was not, in any event, entitled to any bonus in respect of the 2021/22 financial year in light of his joining date.

Recovery Incentive Scheme

Shareholders will recall that a new remuneration policy was approved at the 2021 Annual General Meeting under which a new one-off Recovery Incentive Scheme ('RIS') was introduced. Challenging financial targets for net gaming revenue and profit after tax for the 2021/22 financial year were set, together with a requirement for continued employment (without notice). Further to the Company's financial performance, such financial targets were not met and the Chief Executive's award therefore lapsed on 30 June 2022. No award was made to Bill Floydd following receipt in August 2021 of notice of his resignation from the Company.

2022/23 bonus scheme and ESG

The Committee has taken the opportunity this year to reconsider the measures used in connection with the bonus scheme. Performance will continue to be based on stretching targets, but the Committee has determined that the financial measures (this year to represent 85% of the maximum bonus opportunity) shall be based on adjusted earnings before interest and tax rather than profit after tax, as this is considered to be a better reflection of the Company's underlying financial performance. However, the Committee will consider the extent to which the Company has effectively managed both tax and interest liabilities when deciding the quantum of any final bonus award.

Furthermore, mindful of investor sentiment, it has determined that the remaining 15% of the maximum bonus opportunity will be based on specific Environmental, Social and Governance (ESG) targets. As further explained on pages 55 to 71 and 114 to 117 of this Annual Report, the Company's approach to ESG is developing and as a result, this year, a qualitative approach will apply. This remains a key area of focus for the Committee though as we go into the new financial year, as we are keen to ensure that ESG measures applied to bonus opportunities are robust, are clearly linked to implementation of the Company's strategy and are reflective of the industry in which we operate. With this in mind, in addition to the specific ESG measure, an over-arching safer gambling assessment will continue to apply.

Proposed LTIP grant under the 2020 LTIP during 2022/23

It is intended that an annual LTIP award will be made to Executive Directors in 2022/23. This is the third award under the 2020 LTIP, with 40% of the award being based on relative total shareholder return, 30% being based on earnings per share and 30% being based on strategic measures. It is intended that the Chief Executive will receive an award at 200% of salary and the Chief Financial Officer will receive an award at 150% of salary, with such awards to be made within six weeks of the date on which the results for 2022 are announced. The performance conditions will be based on performance in the 2024/2025 financial year. Further details can be found on page 142. The award will vest, subject to meeting the performance targets and continued employment, on the third anniversary of grant, and will be subject to a two-year post-vesting holding period.

Board changes

On 1 May 2022, Richard Harris, Chief Financial Officer, was appointed to the Board. The Committee approved the terms of his remuneration prior to his appointment and such terms are in accordance with the Policy. Lucinda Charles-Jones was appointed to the Board as Non-Executive Director on 22 June 2022. Details of the process for such appointments are set out in the Nominations Committee Report on pages 102 and 103.

The details of the termination arrangements for Bill Floydd, Chris Bell and Susan Hooper, who departed as Directors during the year under review, are set out on page 136, the terms of which are in accordance with the Policy.

Workforce engagement

As well as Chair of this Committee, I am also the Non-Executive Director with designated responsibility for workforce engagement. This subject is covered in more detail on page 36 of this report, but from a Committee perspective, it should be noted that in attending the workforce engagement forums I ensured that I was available to discuss executive remuneration with colleagues and report back to the Committee and Board as appropriate. The Chief Executive also responded to questions from colleagues in relation to executive remuneration and the approach being taken to wider Company pay as part of his regular Town Hall sessions. We continue to consider ways to improve further the level of engagement in this regard for the forthcoming year.

Looking ahead

Our Remuneration Policy is designed to be simple and transparent and to promote effective stewardship that is vital to the delivery of the Group's objectives in line with its purpose. To this end the Committee endeavours to provide clarity on how pay and performance is reported at Rank and how decisions made by the Committee support our purpose and the strategic direction of the Group. As we go into the new financial year, we continue to be mindful of investor views on remuneration as we strive to ensure that management is appropriately incentivised to achieve our strategic goals.

I look forward to receiving your support at our 2022 AGM, where I will be available to respond to any questions shareholders may have on this report or in relation to any of the Committee's activities. In the meantime, if you would like to discuss any aspect of our Remuneration Policy, please feel free to contact me through the Company Secretary.

Steven Esom
Chair of the Remuneration Committee

"Mindful of investor sentiment, 15% of the maximum bonus opportunity for 2022/23 will be based on ESG targets."

Steven Esom
Chair of the Remuneration Committee

Remuneration Policy

Introduction to Remuneration Policy

This report sets out the Policy for the Company, which was prepared in accordance with the 2013 Regulations.

The Policy was approved by shareholders at the Company's Annual General Meeting on 14 October 2021 receiving a 90.52% vote in favour and took effect on that date. The Policy has been reproduced below for information purposes and updated to reflect the passage of time, such as change in tense and page references and the Executive Directors' current remuneration packages for the purposes of the charts illustrating the application of the Policy in the coming year.

The Committee reviews the Group's overall remuneration philosophy and structure each year to ensure that the framework remains effective in supporting the Group's strategic objectives and fairly rewards individuals for the contribution that they make to the business, having regard to the size and complexity of the Group's operations and the need to motivate our employees. It recognises that the performance of the Company is dependent upon the quality of its Directors, senior executives and employees and that the Group therefore seeks to attract, retain and motivate skilled Directors and senior executives of the highest calibre. In order to attract such individuals, the Committee needs to ensure that the remuneration packages properly reflect an individual's duties and responsibilities, are appropriate and competitive (not paying more than is necessary), sensitive to pay elsewhere within the Group and directly linked to performance.

Alignment with Provision 40

As part of its review of the Remuneration Policy, the Committee has considered the factors set out in provision 40 of the 2018 UK Corporate Governance Code. In our view, the Policy addresses those factors as set out below:

Clarity – Our Policy is clearly disclosed each year in the Annual Report and engagement is sought from shareholders. Our Policy is well understood by our Executive Directors and the Committee receives regular updates on workforce pay and benefits during the year from management. The Committee and Board as a whole also receive updates from the non-executive director responsible for workforce engagement (who is also the chair of the Committee) to ensure transparency and effective engagement.

Simplicity – A key objective of the Committee is to ensure that our executive remuneration policies and practices are easily understood and straightforward to communicate and operate. Our remuneration structure is comprised of fixed and variable remuneration, with the performance conditions for variable elements clearly communicated to, and understood by, participants. The move to annual awards under the 2020 LTIP removed one of the more previously complex elements.

Risk – The Committee is mindful of the need to ensure that risks arising in connection with remuneration arrangements are identified and mitigated. Our Policy has been designed with this in mind, to ensure that inappropriate risk-taking is discouraged and will not be rewarded. It does so by means of: (i) the balanced use of both short- and long-term incentives; (ii) the emphasis on equity in our incentive plans, together with deferral of part of the annual bonus, the two-year post-vesting holding period in the 2020 LTIP and in-employment and post-cessation shareholding guidelines; and (iii) malus/clawback provisions, which specifically include reference to failure in risk management. The Committee also has overriding discretion to reduce awards where outturns are not a fair and accurate reflection of business performance.

Predictability – Our incentive plans are subject to individual caps, with our share plans also subject to market-standard dilution limits. Please see page 128 for more information on potential reward possibilities for different levels of performance. Where discretion may be exercised, this is clearly stated in the Policy.

Proportionality – The Committee is mindful of the need to ensure that outcomes do not reward poor performance and the Policy enables meaningful and appropriate targets to be set with a significant proportion linked to long-term shareholder value. Discretions available to the Committee ensure that awards can be reduced if necessary to ensure that outcomes represent a fair and accurate reflection of business performance.

Alignment to culture – The Committee ensures that measures used in our incentive structure are aligned with Rank's business strategy and values, for example the inclusion of ESG targets and a safer gambling measure in bonus objectives.

Remuneration Policy table
The key components of Executive Directors' remuneration are summarised below:

Base salary

Component and link to business strategy
To attract and retain skilled, high-calibre individuals to deliver the Group's strategy.

Operation
Base salaries are typically reviewed annually, with any change normally effective from 1 April. Any increases take into account:

- The role's scope, responsibility and accountabilities;
- Market positioning, including pay levels at other gaming operators;
- General rates of increase across the Group; and
- The performance and effectiveness of the individual and the Group.

Performance metrics
Not applicable, although the individual's performance will be taken into account when determining the level of increase, if any.

Maximum opportunity
While there is no maximum annual increase, ordinarily any increases in Executive Directors' base salaries will be limited, in percentage of base salary terms, to those received by the wider workforce during the year.

Where the Committee considers it necessary or appropriate, larger increases may be awarded in individual circumstances, such as a change in scope or responsibility or alignment to market levels.

For new Executive Director hires, the Committee has the flexibility to set the salary at a below-market level initially and to realign it over the following years as the individual gains experience in the role. In exceptional circumstances, the Committee may agree to pay above-market levels to secure or retain an individual who is considered by the Committee to possess significant and relevant experience which is critical to the delivery of the Group's strategy.

Insured and other benefits

Component and link to business strategy
Insured and other benefits are offered to Executive Directors as part of a competitive remuneration package.

Operation
Insured benefits may comprise private healthcare insurance for Executive Directors and dependants, life assurance and permanent health insurance.

Other benefits comprise a cash car allowance and the fuel cost of all mileage (private and business). The amount of the cash car allowance is reviewed periodically by the Committee in the light of market conditions.

Other benefits, in line with the provision to other employees, may be offered as appropriate and travel and related expenses may be reimbursed.

The Committee retains the discretion to offer relocation assistance in the form of an allowance or otherwise to support the movement of executive talent across the business. If provided, the Committee aims to ensure payments are not excessive and support business needs. As such, relocation assistance will be reviewed on a case-by-case basis taking into account factors such as the individual's circumstances and the geographies involved, meaning that there is no prescribed formula for calculating the level or structure of payments. Tax equalisation and overseas tax advisory fees may be payable.

Executive Directors may participate in HMRC-approved all-employee schemes up to HMRC limits.

Performance metrics
Not applicable.

Maximum opportunity
It is anticipated that the provision of insured and other benefits will not form a significant part of the package in financial terms.

The cost of the benefits provided may change in accordance with market conditions or in the event of the payment of relocation assistance.

Retirement provisions

Component and link to business strategy
Rewards sustained contribution and encourages retention of Executive Directors.

Operation
Executive Directors are offered membership of the Rank Group Retirement Savings Plan (the 'Pension Plan') or a cash allowance of equivalent value to the employer's contribution to the Pension Plan. An Executive Director may be automatically enrolled in The Rank Group NEST Workplace Pension Scheme (the 'Pension Scheme') in accordance with the Company's obligations under the Pensions Act 2008.

Performance metrics
Not applicable.

Maximum opportunity
For all new Executive Director appointments, the maximum pension contribution (defined contribution or cash allowance) will be aligned with the majority of the wider workforce (which is currently 3% of base salary).

The incumbent Executive Directors currently receive a pension contribution (up to any maximum contribution levels set annually by HMRC) or a cash allowance of 10% of the Executive Director's base salary (less the lower earnings limit) as part of their contractual arrangements.

The Chief Executive's pension allowance will align with the majority of the wider workforce with effect from 1 January 2023.

Annual bonus

Component and link to business strategy
Motivates the achievement of annual strategic, financial and personal performance. Rewards individual contribution to the success of the Group.

Operation
Rank operates an annual bonus scheme in which Executive Directors participate.

The bonus is based on stretching targets set annually. Bonus payouts are determined by the Committee after the year end following the Committee's assessment of performance relative to the targets set.

Any cash bonuses earned by the Executive Directors will be subject to a six-month deferral period and will be paid in the December following the 30 June financial year end. Any bonus earned by the Chief Executive above 100% of base salary, and 80% of base salary for other Executive Directors, will be deferred into shares under the Rank Group 2020 Deferred Bonus Plan ('the DBP') for a period of two years and will normally be settled in shares, but may be settled in cash in accordance with the rules of the DBP.

The Committee retains the discretion to override formulaic bonus outcomes, both upward and downward, where necessary, to take account of overall or underlying Company performance and to allow the Committee to assess the quality of earnings over the year. The Committee will consult with major shareholders prior to the exercise of any upward discretion.

Recovery and withholding provisions apply up to the end of the second financial year following the year in respect of which the award was granted in the event of a material misstatement, an act of gross misconduct, an error in the assessment of performance targets, a material financial loss to the Group or a material deterioration in Group profits which is inconsistent with the financial performance of the gaming industry, serious reputational damage, failure in risk management or corporate failure.

Dividend equivalents may be paid in respect of a vested DBP award (normally in shares, but may be settled in cash in accordance with the rules of the DBP) by reference to dividends with record dates arising during the award's vesting period.

Performance metrics
The bonus will be based at least 50% on the achievement of financial performance targets and may, from time to time as considered appropriate by the Committee, include non-financial measures and strategic and/or personal objectives.

Performance below threshold will result in zero payment. Up to 25% of the maximum opportunity may be payable for achieving a threshold level of performance. A full description of the performance measures in place and performance against them will be provided in the annual remuneration report on a retrospective basis, to the extent they are not considered to be commercially sensitive.

Maximum opportunity
Chief Executive: 150% of base salary.

Other Executive Directors: 120% of base salary.

Long-term incentive plan

Component and link to business strategy
The long-term incentive plan is intended to align the interests of the Executive Directors and shareholders through the creation of shareholder value over the long term.

Operation
Awards are normally granted annually.

Vesting is usually on the third anniversary of the date of grant, dependent on the achievement of stretching performance conditions measured over a period of three financial years and will normally be settled in shares, but may be settled in cash in accordance with the rules of the LTIP.

Executive Directors are required to retain vested LTIP shares, net of tax, for a further period of two years. During this two-year period, awards would lapse/shares would be forfeited if the Executive Director (i) was determined to be in breach of their service agreement or (ii) is engaged by a competitor in an executive capacity, unless the Committee exercised its discretion to allow the Executive Director to retain the award/shares.

The Committee retains the discretion to override formulaic vesting outcomes, both upward and downward, where necessary, to take account of overall or underlying Company performance. The Committee will consult with major shareholders prior to the exercise of any upward discretion.

Recovery and withholding provisions apply up to the third anniversary of the awards vesting in the event of a material misstatement, an act of gross misconduct, an error in the assessment of performance targets, a material financial loss to the Group or a material deterioration in Group profits which is inconsistent with the financial performance of the gaming industry, serious reputational damage, failure in risk management or corporate failure.

Performance metrics
Performance targets may relate to both financial and non-financial measures linked to the Group's long-term business strategy, including but not limited to:

- Group or business unit profit;
- Group or business unit revenue;
- Return on capital; and
- Strategic objectives of the Group.

The Committee may choose different measures and weightings between them, if it deems it appropriate, taking into account the strategic objectives of the Company. At least 50% of the award will be subject to financial targets and/or relative TSR.

For each performance metric, a threshold and stretch level of performance is set. At threshold, no more than 25% of the relevant element vests, rising on a straight-line basis to 100% for performance between threshold and maximum.

At the end of the applicable performance period, the Committee will have absolute discretion to determine the extent to which the relevant awards will vest, if at all, taking account of underlying Group, individual and share price performance.

Maximum opportunity
The Chief Executive may receive an annual grant of up to 200% of base salary and other Executive Directors may receive an annual grant of up to 150% of base salary.

Recovery Incentive Scheme ('RIS')

Operation
The RIS is a one-off plan with awards granted shortly after the 2021 Annual General Meeting.

Vesting will be:

- 50% on the first anniversary of the date of grant; and
- 50% on the second anniversary of the date of grant,

dependent on the achievement of performance conditions measured over the 2021/22 financial year. Vesting will normally be settled in shares but may be settled in cash in accordance with the rules of the RIS.

Executive Directors are required to retain vested RIS shares, net of tax, until the later of six months following the vesting of the relevant award and the announcement of results for the six-month period commencing immediately prior to the relevant vesting date. During this holding period, awards would lapse/shares would be forfeited if the Executive Director (i) was determined to be in breach of their service agreement or (ii) is engaged by a competitor in an executive capacity, unless the Committee exercised its discretion to allow the Executive Director to retain the award/shares.

The Committee retains the discretion to override formulaic vesting outcomes, both upward and downward, where necessary, to take account of overall or underlying Company performance. The Committee will consult with major shareholders prior to the exercise of any upward discretion.

Recovery and withholding provisions apply in the event of a material misstatement, an act of gross misconduct, an error in the assessment of performance targets, a material financial loss to the Group or a material deterioration in Group profits which is inconsistent with the financial performance of the gaming industry, serious reputational damage, failure in risk management or corporate failure.

Performance metrics
Performance targets will be set by reference to:

- net gaming revenue; and
- profits after tax, with both targets needed to be met for vesting to occur.

At the end of the applicable performance period, the Committee will have absolute discretion to determine the extent to which the relevant awards will vest, if at all, taking account of underlying Group, individual, ESG (Environmental, Social and Governance) and share price performance.

Maximum opportunity
The Chief Executive and Chief Financial Officer may receive a one-off grant of up to 100% of base salary in financial year 2021/22.

In-employment shareholding requirement

Component and link to business strategy
To create greater alignment between Executive Directors and shareholders.

Operation
Subject to there being sufficient free float, Executive Directors are required to build a shareholding of 200% of base salary within five years of appointment. Shares subject to unvested deferred bonus awards and vested but unexercised deferred bonus awards, RIS and LTIP awards may be included on a net-of-tax basis.

Performance metrics
Not applicable.

Maximum opportunity
Not applicable.

Post-employment shareholding requirement

Component and link to business strategy
To ensure continued alignment of the long-term interests of Executive Directors and shareholders post-cessation.

Operation
Subject to there being sufficient free float, Executive Directors are required to maintain a shareholding equivalent to the in-employment shareholding requirement immediately prior to departure (or the actual share- and award-holding on departure, if lower) for two years post-cessation. Shares subject to unvested deferred bonus awards and vested but unexercised deferred bonus awards, LTIP and RIS awards may be included on a net-of-tax basis.

The requirement will apply to shares vesting under deferred bonus, LTIP and RIS awards made from 11 November 2020.

There are appropriate arrangements in place to ensure enforceability.

Performance metrics
Not applicable.

Maximum opportunity
Not applicable.

Committee's approach to setting pay, performance measures and targets

The Committee intends that the base salary and total remuneration of Executive Directors should be competitive against other similar gaming peers and companies of a broadly similar size. Remuneration is benchmarked against rewards available for equivalent roles in suitable comparator companies, with the aim of paying neither significantly above nor below market levels for each element of remuneration at target performance levels.

The Committee also considers general pay and the employment conditions of all employees within the Group and is sensitive to these, to prevailing market and economic conditions and to governance trends when assessing the level of salaries and remuneration packages of Executive Directors and other members of the Executive Committee.

The Committee will set targets for the different components of performance-related remuneration so that they are both appropriate and sufficiently demanding in the context of the business environment and the challenges facing the Group. It reviews and selects performance measures at the beginning of each award cycle under both the annual bonus plan and the LTIP, being informed by the short- and long-term priorities of the Group at the time. The Committee considers the Group's key performance indicators and strategic business plan when selecting measures and calibrating targets. The Committee is aware that targets for both financial and non-financial measures should be appropriately stretching yet achievable. Details of these are included in the Annual Report each year (other than where they are considered by the Board to be commercially sensitive in which case they will be disclosed following vesting). Factors that the Committee may consider include the strategic plan, the annual budget, economic conditions, individuals' areas of responsibility, the Committee's expectations over the relevant period and input from the majority shareholder.

Committee discretion in operation of variable pay schemes

The Committee operates under the powers it has been delegated by the Board. In addition, it complies with rules that are either subject to shareholder approval (the LTIP and the RIS) or approval from the Board (the annual bonus scheme and the DBP). These rules provide the Committee with certain discretions which serve to ensure that the implementation of the Policy is fair, both to the individual Executive Director and to shareholders. The Committee also has discretion to set components of remuneration within a range, from time to time. The extent of such discretion is set out in the relevant rules, the maximum opportunity or the performance metrics section of the Policy. To ensure the efficient administration of the variable incentive plans outlined above, the Committee will apply certain operational discretions. These include, but are not limited to, the following:

- Selecting the participants in the plans;
- Determining the timing of grants of awards and/or payments;
- Determining the quantum of awards and/or payments (within the limits set out in the Policy);
- Determining the choice of (and adjustment of) performance measures and targets for each incentive plan in accordance with the Policy and the rules of each plan;
- Determining the extent of vesting based on the assessment of performance and discretion relating to measurement of performance in certain events such as a change of control or reconstruction;
- Determining if awards need to be cash-settled in exceptional circumstances, such as for tax or regulatory reasons or where there is insufficient free float or where the amount required to be withheld for tax purposes is to be cash-settled;
- Overriding formulaic annual bonus outcomes, RIS and LTIP vesting outcomes, taking account of overall or underlying Company performance;
- Whether malus and clawback shall be applied to any award in the relevant circumstances and, if so, the extent to which they shall be applied;
- Making appropriate adjustments required in certain circumstances, for instance for changes in capital structure;
- Determining 'good leaver' status for incentive plan purposes and applying the appropriate treatment; and
- Undertaking the annual review of weighting of performance measures and setting targets for the annual bonus plan and LTIP award, where applicable, from year to year.

If an event occurs which results in the annual bonus plan, RIS or LTIP performance conditions and/or targets being deemed no longer appropriate (e.g. material acquisition or divestment or an unforeseen material change in gaming regulation or taxation which was unforeseen at the time the measures and targets were set), the Committee will have the ability to adjust appropriately the measures and/or targets and alter weightings, provided that the revised conditions are not materially less challenging than the original conditions. Any use of the above discretion would, where relevant, be explained in the annual report on remuneration and may, as appropriate, be the subject of consultation with the Company's major shareholders.

Legacy arrangements

The Committee may approve payments to satisfy commitments agreed prior to the approval of this Policy. This includes previous incentive awards that are currently outstanding. The Committee may also approve payments outside of the Policy in order to satisfy legacy arrangements made to an employee prior to (and not in contemplation of) promotion to the Board.

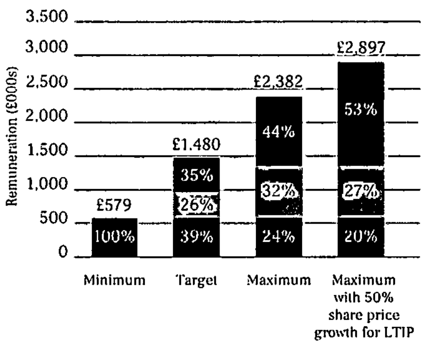
All historic awards that were granted but remain outstanding are eligible to vest, based on their original award terms.

Differences in the Policy for Executive Directors relative to the broader employee population

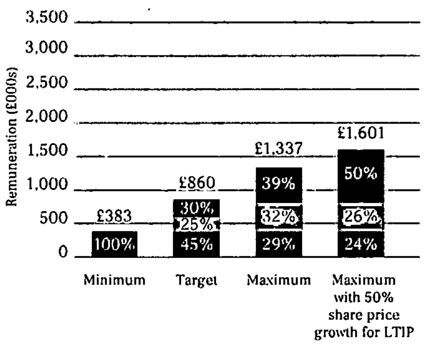
The Policy in place for the Executive Directors is informed by the structure operated for the broader employee population. Pay levels and components vary by organisational level but the broad themes and philosophy remain consistent across the Group:

- Salaries are reviewed annually with regard to the same factors as those set out in the Policy table for Executive Directors;
- Members of the Executive Committee participate in an annual bonus plan aligned with that offered to the Executive Directors. Other members of senior management participate in the same plan, dependent on performance of the Group and/or performance of business division, according to their role and level;
- Members of the senior management team can be considered for awards under the LTIP. These are intended to encourage share ownership in the Company and align the management team with the strategic business plan; and
- Eligibility for and provision of benefits and allowances varies by level and local market practice. It is standard for senior management to receive a Company car allowance. Pension provision is overall at lower contribution rates, with the majority of the Group's eligible employees now being automatically enrolled into the NEST Workplace Pension Scheme with contributions in line with legislative requirements. The rate applicable to the Chief Executive will be brought into line with effect from 1 January 2023. It should be noted that a significant proportion of employees remain in the Group's Retirement Savings Plan, with contribution levels higher than mandatorily required.

2022 Scenario chart
Chief Executive



Chief Financial Officer



● Fixed pay ● Annual bonus
● Long-term incentives ('LTIP')

Minimum: Comprises the value of fixed pay using the current base salary (before any voluntary reductions) and pension and the value of last year's benefits.
Target: Minimum plus assumes half of the bonus is earned and the LTIP vests at 50%.
Maximum: Minimum plus assumes full bonus is earned and the LTIP vest in full.
Maximum with 50% share price growth: Maximum pay and the impact of an assumed 50% share price growth on the LTIP.

Remuneration for new appointments

The Committee will apply the Policy to new Executive Directors in respect of all components of remuneration. Base salary and benefits will be set in accordance with the Policy and relocation assistance may be provided for both internal and external appointments, if necessary. In addition, the maximum level of annual bonus which may be earned is 150% of base salary for the Chief Executive and 120% of base salary for other Executive Directors.

New Executive Directors may participate in the LTIP and receive an annual award of up to 200% of base salary. The Committee may also make an additional award of cash or shares on the appointment of a new Executive Director in order to compensate for the forfeiture of remuneration from a previous employer. Such awards would be made to the extent practicable on a comparable basis, taking account of performance, the proportion of the performance period remaining and the type of award. The Committee will set appropriate performance conditions and vesting would be on broadly the same time horizon as the forfeited award.

New Non-Executive Directors will be appointed with the same remuneration elements as the existing Non-Executive Directors. It is not intended that variable pay, day rates or benefits in kind be offered.

Approach to termination payments/leavers

The Group does not believe in reward for failure. The circumstances of an Executive Director's termination (including the Director's performance) and an individual's duty to mitigate losses are taken into account in every case. Rank's policy is to stop or reduce compensatory payments to former Executive Directors to the extent that they receive remuneration from other employment during the compensation period.

Compensatory payments are limited to an amount equal to base salary, cash car allowance, and pension contributions (or cash allowance) payable under applicable notice provisions (which shall not in any event be more than an amount equal to twelve months of such payments). In addition, the Company may pay reasonable outplacement and legal fees where considered appropriate and may provide a leaving gift and/or leaving event for an Executive Director (including payment of any tax thereon) where the Committee feels it is appropriate to do so, up to a maximum cost of £1,000. The Company may also pay any statutory entitlements or settle or compromise claims in connection with a termination of employment, where considered in the best interests of the Company.

Annual bonus awards will normally lapse in their entirety in the event an individual is no longer employed or serving their notice period at the time of payout. For certain good leaver reasons, a bonus may become payable at the discretion of the Committee. Where the bonus is payable, the Committee retains discretion as to whether it is all payable in cash or whether part of it is deferred either in cash or as deferred bonus awards.

Deferred bonus awards held by leavers will ordinarily be forfeited, except where the participant is a 'good leaver' (due to death, ill-health, injury, redundancy, business transfer or other reasons at the discretion of the Committee) in which case the deferred bonus awards ordinarily vest on the normal timetable. The Committee can permit early vesting at its discretion.

LTIP or RIS awards (each as applicable) held by leavers (which in the case of the RIS includes the participant being under notice) will ordinarily be forfeited, except where the participant is a 'good leaver' (due to death, ill-health, injury, redundancy, business transfer or other reasons at the discretion of the Committee), in which case their LTIP or RIS award will ordinarily vest on normal timetable. The extent to which an LTIP or RIS award will vest in these situations will depend upon two factors: (i) the extent to which the performance conditions (if any) have, in the opinion of the Committee, been satisfied over the original performance measurement period; and (ii) pro-rating of the award to reflect the proportion of the normal vesting period spent in service. The Committee can decide to pro-rate an LTIP or RIS award to a lesser extent (including as to nil) if it regards it as appropriate to do so in the circumstances. In addition, awards/shares will ordinarily be forfeited during the approximately six-month holding period for the RIS awards and the two-year holding period for the LTIP awards if the Executive Director (i) was determined to be in breach of their service agreement or (ii) is engaged by a competitor in an executive capacity, unless the Committee exercised its discretion to allow the Executive Director to retain the award/shares.

Change of control

In the event of a change of control, the Committee has absolute discretion as to whether and on what basis awards should vest under the LTIP and/or the RIS. The Committee would normally allow awards to vest upon a change of control subject to satisfaction of performance criteria and reduction on a time-apportioned basis.

Executive Directors' service agreements

It is the Group's policy that Executive Directors have rolling service agreements.

Provision	Detailed terms
Remuneration	– Base salary – Pension – Cash car allowance – Private health insurance for Director and dependants – Life assurance – Permanent health insurance – Participation in annual bonus plan, subject to plan rules – Participation in other incentive plans, subject to plan rules – 25 days' paid annual leave, increasing to 30 days with length of service
Notice period	Six months' notice from both the Company and the Director
Termination payment	Payment in lieu of notice equal to: – Six months' base salary – Cash car allowance – Pension supplement – All of the above would be paid in monthly instalments, subject to an obligation on the part of the Director to mitigate his/her loss such that payments would either reduce, or cease completely, in the event that the Director gained new employment
Restrictive covenants	During employment and for six months after leaving

Copies of the Executive Directors' service contracts are available for inspection at the Company's registered office.

Service agreements outline the components of remuneration paid to the individual Executive Director but do not prescribe how remuneration levels may be adjusted from year to year.

Length of service (as at 30 June 2022) for Executive Directors who served on the Board during the year, together with the date of their respective service agreements, is as follows:

Position	Name	Date of contract/Commencement date	Length of Board service
Chief Executive	John O'Reilly	30 April 2018/ 7 May 2018	4 years 2 months
Chief Financial Officer	Richard Harris	20 December 2021/ 1 May 2022	2 months
Chief Financial Officer	Bill Floydd	1 November 2018/ 12 November 2018	2 years 8 months[1]

1. Bill Floydd was appointed to the Board on 1 May 2019. He stepped down from the Board on 31 December 2021.

Policy for Non-Executive Directors (including Chair)

Component	Purpose and link to business strategy	Mechanics operation and performance framework	Maximum
Fees	To attract and retain skilled, high-calibre individuals to approve and challenge the Group's strategy.	Fees are reviewed in the first quarter of each calendar year to reflect appropriate market conditions. Fee increases, if applicable, are effective from 1 April. The base fee includes membership of all Board Committees. Non-Executive Directors are not entitled to any benefits in kind and are not eligible for pension scheme membership, bonus or incentive arrangements.	Aggregate annual fees limited to £750,000 by the Company's Articles of Association. Current fee levels are set out in the annual report on remuneration.

All Non-Executive Directors have letters of engagement setting out their duties and the time commitment expected. They are appointed for an initial period of three years, after which the appointment is renewable by mutual consent at intervals of not more than three years. Non-Executive Directors' appointments are terminable without compensation. The Chair's appointment is terminable on three months' notice.

In accordance with the Corporate Governance Code 2018, all Directors offer themselves for annual re-election by shareholders. The date of appointment of each Non-Executive Director who served during the year is set out in the table below.

Non-Executive Director	Original date of appointment to Board	Date of letter of engagement	Total length of service
Chris Bell	1 June 2015	5 May 2015	6 years 7 months
Lucinda Charles-Jones	22 June 2022	22 June 2022	< 1 month
Chew Seong Aun	10 December 2020	9 December 2020	1 year 6 months
Steven Esom	1 March 2016	24 February 2016	6 years 4 months
Susan Hooper	1 September 2015	11 August 2015	6 years 5 months
Katie McAlister	28 April 2021	26 April 2021	1 year 2 months
Alex Thursby	1 August 2017	21 August 2019[1]	4 years 11 months
Karen Whitworth	4 November 2019	4 November 2019	2 years 7 months

1. Alex Thursby has a letter of engagement dated 21 August 2019, which is effective from 17 October 2019 and replaced his original non-executive letter of engagement dated 21 June 2017.

External appointments
The Committee recognises that Executive Directors may be invited to become non-executive directors in other companies and that these appointments can enhance their knowledge and experience to the benefit of the Company. Subject to pre-agreed conditions, and with the prior approval of the Board, each Executive Director is permitted to accept one appointment as a non-executive director in another listed company. The Executive Director is permitted to retain any fees paid for such service.

Shareholder engagement
In designing the Policy, the Chair wrote to the Company's major shareholders, ISS, Glass Lewis and the Investment Association and the Committee took shareholders' feedback into account when finalising the Policy. The Committee informs major shareholders in advance of any material changes to the way that the Policy is implemented and will offer a meeting to discuss these details, as appropriate and/or required.

Statement of consideration of employment conditions elsewhere in the Group
As described in the notes to the Policy table on page 128, the overarching themes of the Policy in place for Executive Directors are broadly consistent with those applied to the wider employee population. The Committee is informed of pay and conditions in the wider employee population and takes this into account when setting senior executive pay.

Annual Report on Remuneration

The Directors' Remuneration Report has been prepared on behalf of the Board by the Committee, under the chair-ship of Steven Esom.

The Committee has applied the principles of good governance set out in the FRC's 2018 UK Corporate Governance Code and, in preparing this report, has complied with the requirements of the 2013, 2018 and 2019 Regulations.

The Company's external auditor is required to report to shareholders on the audited information contained in this report and to state whether, in its opinion, it has been prepared in accordance with the 2013 Regulations.

Directors' single remuneration figure (Audited)

The table below presents a single remuneration figure for each Director determined in accordance with the 2013 Regulations for the years ended 30 June 2022 and 30 June 2021 in respect of performance during the years ended on those dates. This records the full vesting of the 2017/18 LTIP in June 2021 (notwithstanding that it is only accessible to the Executive Directors in accordance with a three-year vesting schedule). Both tables also include pro forma figures for the Executive Directors to reflect the vesting schedule (please see footnotes to the tables for further information):

	Fixed pay (£)				Performance pay (£)					
2021/22	Salary/ fees	Taxable benefits[1]	Pension	Total fixed	Cash bonus	Deferred bonus	3-year block LTIP award vesting	Total variable	Other	2021/22 total remuneration (£)
Executive Directors										
John O'Reilly	503,750	31,259	49,751	584,760	0	0	0[2]	0	n/a	584,760
John O'Reilly (pro forma)[2]	*503,750*	*31,259*	*49,751*	*584,760*	*0*	*0*	*34,663*	*34,663*	*n/a*	*619,423*
Bill Floydd[3]	175,000	11,845	17,188	204,033	0	0	0[3]	0	n/a	204,033
Richard Harris[4]	58,833	3,129	1,734	63,696	0	0	n/a	0	212,862[5]	276,558
Non-Executive Directors										
Chris Bell[6]	28,677	0	0	28,677	n/a	n/a	n/a	n/a	n/a	28,677
Chew Seong Aun[7]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0
Lucinda Charles-Jones[8]	1,346	0	0	1,346	n/a	n/a	n/a	n/a	n/a	1,346
Steven Esom	57,500	0	0	57,500	n/a	n/a	n/a	n/a	n/a	57,500
Susan Hooper[9]	31,208	0	0	31,208	n/a	n/a	n/a	n/a	n/a	31,208
Katie McAlister	51,458	0	0	51,458	n/a	n/a	n/a	n/a	n/a	51,458
Alex Thursby	160,000	0	0	160,000	n/a	n/a	n/a	n/a	n/a	160,000
Karen Whitworth	60,141	0	0	60,141	n/a	n/a	n/a	n/a	n/a	60,141

1. Taxable benefits comprise car allowance, fuel benefit (other than for Richard Harris), and life, long-term disability and private medical insurances.
2. Unaudited note: The performance period for the 2017/18 block award ended on 30 June 2021. The performance was assessed as at 30 June 2021 and full details of the assessment can be found on pages 124 and 125 of our 2021 Annual Report and Accounts. The award vests, subject to continued employment, in three equal tranches from 1 October 2021. The first tranche of the award vested on 1 October 2021 and was included in last year's Report on a pro forma basis and in the table below. The pro forma figure shown in the table above is the second tranche which will vest on 1 October 2022, using the average share price (106.9p) for the three months to 30 June 2022. This will be restated next year using the actual share price when the award vests.
3. Bill Floydd stepped down from the Board on 31 December 2021. The second tranche and third tranche of his 2017/18 block award lapsed in full on departure.
4. Richard Harris was appointed to the Board on 1 May 2022.
5. Richard Harris received buyout awards comprising a cash award of £12,862 in June 2022 in lieu of a bonus forfeited and a share award of £200,000 in May 2022 in lieu of share awards forfeited from his previous employer.
6. Chris Bell stepped down from the Board on 18 January 2022.
7. Chew Seong Aun does not receive any payment for his role as a Non-Executive Director.
8. Lucinda Charles-Jones was appointed to the Board on 22 June 2022.
9. Susan Hooper stepped down from the Board on 31 January 2022.

2020/21	Fixed pay (£) Salary/ fees[1]	Taxable benefits[2]	Pension	Total fixed	Performance pay (£) Cash bonus	Deferred bonus	Block LTIP award vesting	Total variable	2020/21 total remuneration (£)
Executive Directors									
John O'Reilly	486,539	29,742	48,030	564,311	0	0	179,018[3]	179,018	743,329[3]
John O'Reilly (pro forma)[4]	*486,539*	*29,742*	*48,030*	*564,311*	*0*	*0*	*57,317*	*57,317*	*621,628*
Bill Floydd	297,436	20,027	29,120	346,583	0	0	82,335[3]	82,335	428,918[3]
Bill Floydd (pro forma)[4]	*297,436*	*20,027*	*29,120*	*346,583*	*0*	*0*	*23,820*	*23,820*	*370,403*
Non-Executive Directors									
Chris Bell	51,092	0	0	51,092	n/a	n/a	n/a	n/a	51,092
Chew Seong Aun[5]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0
Steven Esom	55,969	0	0	55,969	n/a	n/a	n/a	n/a	55,969
Susan Hooper	52,060	0	0	52,060	n/a	n/a	n/a	n/a	52,060
Katie McAlister[6]	8,910	0	0	8,910	n/a	n/a	n/a	n/a	8,910
Tang Hong Cheong[7]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0
Alex Thursby	155,692	0	0	155,692	n/a	n/a	n/a	n/a	155,692
Karen Whitworth	57,432	0	0	57,432	n/a	n/a	n/a	n/a	57,432

1. Executive and Non-Executive Directors in situ at the time volunteered a 20% reduction in salaries and fees with effect from 1 April 2020 until 15 August 2020.
2. Taxable benefits comprise car allowance, fuel benefit, life, long-term disability and private medical insurances.
3. In accordance with the 2013 Regulations, LTIP vesting values in respect of the 2017/18 block award, for which the performance period finished on 30 June 2021, are shown in the single remuneration figure for John O'Reilly and Bill Floydd as having vested in full on 30 June 2021. This had the effect of recording the full vesting in the 2020/21 financial year even though it was only accessible to these Executive Directors in accordance with a three-year vesting schedule, subject to continued service and a post-vesting holding period. For John O'Reilly, the figures shown in the table have been restated to include the value of the first tranche which vested on 1 October 2021 using the share price (176.8p) on the first vesting date of 1 October 2021 and two-thirds of the full vesting value by reference to 30 June 2021. For Bill Floydd, the figures shown in the table have been restated to include the value of the first tranche which vested on 22 November 2021 using the share price (152p) on the first vesting date of 22 November 2021 and two-thirds of the full vesting value by reference to 30 June 2021. Based on the performance conditions assessed as at 30 June 2021 (see pages 124 and 125 of our 2021 Annual Report and Accounts for full detail of the vesting conditions), a total of 97,257 shares for the Chief Executive and 47,013 shares for the Chief Financial Officer were expected to vest, in three equal tranches from 1 October 2021 (22 November 2021 for the Chief Financial Officer) provided that the individuals met the service requirements and subject to a post-vesting two-year holding period.
4. Unaudited note: The 2017/18 LTIP award was a 'block award' with vesting in three equal tranches subject to continued employment. Based on the actual share price applicable at vesting of the first tranche of the award of 176.8p for the Chief Executive and 152.0p for the Chief Financial Officer (due to different vesting dates) the value of that first tranche was £57,317 for the Chief Executive (32,419 shares) and £23,820 for the Chief Financial Officer (15,671 shares) which would have resulted in total remuneration (restated on a pro forma basis with only that first tranche of the 2017/18 LTIP being included) of £621,628 for the Chief Executive and £370,403 for the Chief Financial Officer as stated in the above table.
5. Chew Seong Aun was appointed to the Board on 10 December 2020. He does not receive any payment for his role as a Non-Executive Director.
6. Katie McAlister was appointed to the Board on 28 April 2021.
7. Tang Hong Cheong was appointed to the Board on 15 January 2019 and stepped down on 10 December 2020. He did not receive any payment for his role as a Non-Executive Director.

Non-Executive Directors are entitled to receive fees only and details of those received are provided on page 142. These amounts are within the maximum annual aggregate amount of £750,000 currently permitted by the Company's Articles of Association.

Base salary (Audited)

The Committee reviewed the Executive Director base salaries during the year. In 2021, in respect of the Chief Executive, the Committee had determined that due to COVID-19 no increase should apply. During the year under review, the Committee determined to increase the Chief Executive's salary by 3% in line with the overall increases awarded to the wider workforce and this increase applied with effect from 1 April 2022. Richard Harris was appointed as Chief Financial Officer on 1 May 2022 and his salary on appointment is set out below.

	30 June 2022	1 April 2022	1 April 2021	% change
Chief Executive	**£515,000**	£515,000	£500,000	3%
Chief Financial Officer	**£353,000**	n/a	n/a	n/a

The Committee will consider a further review of Executive Director base salaries at the appropriate time during the forthcoming year.

Pension

The Chief Executive agreed that, with effect from 1 January 2023, his payments in lieu of pension will be reduced from 10% of salary (less the lower earnings limit) (such 10% having been agreed under his service agreement when he joined Rank) to the rate currently available to the majority of the UK employees (currently 3%). The Chief Financial Officer's payments in lieu of pension were agreed at the rate currently available to the majority of the UK employees when he joined the Company in May 2022.

Annual bonus plan (Audited)
The bonus for 2021/22 was based on a challenging target that was set by the Committee at the start of the financial year. A single financial performance target (based on profit-after-tax) made up 100% of the bonus opportunity.

The profit-after-tax target was £33.6m as at 30 June 2022. The threshold for payment against this target was set at 95% of target (£31.92m) and there was a straight line to a maximum of 105% (£35.28m). Straight-line vesting applied between threshold and maximum, as follows:

Payout	Threshold (0%)	Target (50%)	Maximum (100%)	Actual	Payout (% of max)
Profit-after-tax	**£31.92m**	**£33.6m**	**£35.28m**	**£(0.8)m[1]**	**0%**

1. For the financial year 2021/22, the Company reported a profit-after-tax of £66.2m, which included monies from the VAT claim referenced on page 27 of this report. The Committee determined that it was not appropriate to include the amount received by the Company in respect of the VAT claim for the purpose of assessing whether the bonus targets had been met, and exercised discretion to exclude this amount. This resulted in a profit-after-tax figure for these purposes of £(0.8)m, resulting in 0% of the maximum bonus payable.

An underpin of the business returning a positive operating profit applied, together with a safer gambling assessment which could negatively impact the size of any bonus award based upon weaknesses in control systems, lack of progress against key initiatives in the year or as a consequence of enforcement action by the Gambling Commission.

Outcome
Overall, the Committee determined that no bonus would be payable to the Chief Executive. The Chief Financial Officer was not, in any event, entitled to any bonus in respect of the 2021/22 financial year in light of his joining date.

	Chief Executive	Chief Financial Officer
Bonus payable for financial-based performance	0%	n/a
Discretion applied based on underpin	n/a	n/a
Total bonus payable for 2021/22 (% of maximum)	0%	n/a

Long-term incentives (Audited)
There are currently two different long-term incentive schemes in place for the Executive Directors and other senior management, namely the legacy four-year block award granted in 2017/18 and awards granted annually under the 2020 long-term incentive plan.

2017/18 LTIP (block award)
As reported last year, a single LTIP award was granted on 28 June 2018 to John O'Reilly based on performance over a four-year period ending 30 June 2021. The award made covered four years of annual grants. The performance of the award was assessed as at 30 June 2021. Full details of the performance assessment and vesting outcome can be found on pages 124 and 125 of our 2021 Annual Report and Accounts. The award vests in three equal tranches starting 1 October 2021. The second tranche of 32,419 will vest on 1 October 2022 and the third tranche of 32,419 will vest on 1 October 2023, in each case subject to continued employment.

2021/22 LTIP granted during the year (annual award)
An LTIP award was granted on 23 September 2021 to John O'Reilly, based on performance over a three-year period ending 30 June 2024. The performance measures and targets for such award were set by the Committee in August 2021, prior to the grant.

Director	John O'Reilly (Chief Executive)
Plan	2020 LTIP
Date of grant	23 September 2021
Face value at grant (% of salary)	200%
Face value at grant (£)	£1,000,000
Share price at grant	171.8p
Number of shares comprised in award	582,072
Performance period	1 July 2021 to 30 June 2024
Earliest vest date	23 September 2024

As with the 2020/21 grant, 40% of the award vests by reference to relative total shareholder return ('RTSR'), 30% vests by reference to earnings per share growth and 30% vests by reference to strategic measures. The performance metrics are the same as for the 2020/21 grant (as set out above). Straight-line vesting applies for all metrics between threshold and stretch. Vesting is also subject to a share price underpin and will take into consideration any current or impending safer gambling sanction and Rank's suitability to operate.

The strategic targets and share price underpin are deemed commercially sensitive and will be disclosed at the time of vesting.

	Weighting	Threshold target	Stretch target	Threshold vesting (% of max)
TSR	40%	Median	Outperform median by 25%	10%
EPS	30%	14.1p	24.5p	7.5%
Strategic Measures	10%	Group EBIT Margin (%)		2.5%
	10%	Digital NGR (£m)		2.5%
	10%	Venues NGR (£m)		2.5%
Total	**100%**			**25%**

Recovery Incentive Scheme (Audited)

At the 2021 Annual General Meeting, shareholders approved the introduction of a one-off Recovery Incentive Scheme (RIS) with a view to ensuring that the Executive Directors were retained and incentivised to deliver the required recovery in performance following the impact of COVID-19 on the business, whilst reflecting shareholder interests in remuneration arrangements. Following such approval, an award with a value of 100% of salary was granted on 25 October 2021 to John O'Reilly, based on financial performance for the 2021/22 financial year. The performance measures and targets for such award were set by the Committee in July 2021, prior to the grant (subject to shareholder approval of the scheme). The awards will vest 50% after one year and 50% after two years (subject to continued employment), and will be subject to a six-month holding period on vesting. For completeness, it should be noted that no such award was made to Bill Floydd as his notice of resignation was received in August 2021, prior to the 2021 Annual General Meeting at which the rules of the RIS were approved.

Director	John O'Reilly (Chief Executive)
Plan	Recovery Incentive Scheme
Date of grant	25 October 2021
Face value at grant (% of salary)	100%
Face value at grant (£)	£499,998
Share price at grant	163.5p
Number of shares comprised in award	305,772
Performance period	1 July 2022
Earliest vest date for first instalment	25 October 2022 (50%)
Vest date for second instalment	25 October 2023 (50%)

Outcome of the RIS

The following financial targets for net gaming revenue and profits after tax for the 2021/22 financial year applied to the award, with both targets needing to be met for the awards to vest.

Performance measure	Target	Actual achieved	% vesting
NGR	£740m	£644.0m	0%
PAT[1]	£33.6m	£(0.8)m[1]	0%

1. For the financial year 2021/22, the Company reported a profit-after-tax of £66.2m, which included monies received from the VAT claim referenced on page 27 of this Annual Report. The Committee determined that it was not appropriate to include the amount received by the Company in respect of the VAT claim for the purpose of assessing whether the RIS targets had been met, and exercised discretion to exclude this amount. This resulted in a profit-after-tax figure for these purposes of £(0.8)m, resulting in 0% vesting of the part of the RIS award subject to PAT.

Further to the above, the RIS award granted to John O'Reilly on 25 October 2021 lapsed in full on 30 June 2022.

Appointment of Richard Harris as Chief Financial Officer

Richard Harris was appointed as Chief Financial Officer and to the Board on 1 May 2022. His remuneration package was approved by the Committee and is in line with the Policy. It comprises an annual salary of £353,000, a pension allowance equal to that received by the wider workforce (currently 3%) and benefits in line with the Policy. Richard is eligible to participate in the Company's annual bonus scheme, receiving a maximum bonus opportunity of 120% of salary, and be considered for grants under the Company's LTIP.

Richard received a cash award on joining Rank of £12,862 in lieu of a cash bonus forfeited from his previous employer. Such payment was made in accordance with the Policy and is repayable if Richard were to leave Rank within 12 months of it having been paid to him. In addition, on 6 May 2022, Richard received an award over 186,636 shares to replace awards granted by his previous employer which were forfeited on joining the Company, the details of which are set out on the following page. Such award was granted outside the Company's LTIP but, save as expressly stated otherwise in the deed of grant for such award, is subject to the rules of the LTIP. It was made in accordance with the exemption contained in Rule 9.4.2(2) of the UK Listing Rules and the Policy. Vesting is subject to continued employment but not subject to any performance conditions and is in two equal tranches, with the vesting date for each such tranche being 13 May 2023 and 16 March 2024 respectively.

Director	Richard Harris (Chief Financial Officer)
Plan	N/A (made in accordance with the exemption contained in Rule 9.4.2(2) of the UK Listing Rules and the Policy)
Date of grant	6 May 2022
Face value at grant (£)	£200,000
Share price at grant	107.16p
Number of shares comprised in award	186,636
Vest date for first instalment	13 May 2023 (50%)
Vest date for second instalment	16 March 2024 (50%)

Appointment of new Non-Executive Director

Lucinda Charles-Jones was appointed to the Board as Non-Executive Director on 22 June 2022. Her fees were approved by the Board at £50,000 per annum (being the base Non-Executive Director fee payable to other Non-Executive Directors).

Historic Chief Executive pay and total shareholder return chart (unaudited)

The tables below show former and current Chief Executive total remuneration over the last ten years and their achieved annual variable and long-term incentive pay awards as a percentage of the plan maximum. As with the single remuneration figure table above, the first table includes full vesting of the 2017/18 LTIP in 2020/21 (notwithstanding that it is only accessible to the Chief Executive in accordance with a three-year vesting schedule) and we have also included pro forma figures in the table which reflect the actual vesting in tranches – please see footnotes to the table for further information). The same approach has been taken in the second table below in respect of the former chief executive and the vesting of the 2014/15 LTIP:

John O'Reilly (from 7 May 2018)		Single figure of total remuneration[1]	Annual cash bonus: actual payout vs. maximum opportunity	LTIP vesting rates against maximum opportunity
2021/22	(12 months)	584,760	0%	0%
2021/22 (pro forma)[3]	*(12 months)*	*619,423[4]*	*0%*	*2.0%*
2020/21	(12 months)	743,329[2]	0%	6.1%
2020/21 (pro forma)[3]	*(12 months)*	*621,628[5]*	*0%*	*2.0%*
2019/20	(12 months)	552,238	0%	n/a
2018/19	(12 months)	580,328	0%	n/a

1. Along with the other Executive and Non-Executive Directors, John O'Reilly volunteered a 20% reduction in salary with effect from 1 April 2020 until 15 August 2020. His contracted salary continued to be used for the purposes of insured benefits.
2. The figure has been restated in this table to include the actual value of the first tranche at vesting on 1 October 2021 and two-thirds of the full value of the 2017/18 block award LTIP vesting by reference to 30 June 2021.
3. Unaudited note: The 2017/18 LTIP award was a 'block award' with vesting in three equal tranches in October 2021, October 2022 and October 2023, subject to continued employment and a post-vesting holding period. Pro forma figures have been included in the table to reflect the actual vesting in tranches.
4. Unaudited note: The figure includes the second tranche of the 2017/18 block award LTIP vesting on 1 October 2022, subject to continued employment, using three-month average share price to 30 June 2022.
5. Unaudited note: The figure has been restated to reflect the actual share price applicable at vesting of the first tranche of the award of 176.8p. The value of that first tranche was £57,317 for the Chief Executive, which resulted in total remuneration (restated on a pro forma basis with only that first tranche of the 2017/18 LTIP being included) of £621,628 for the Chief Executive in 2020/21.

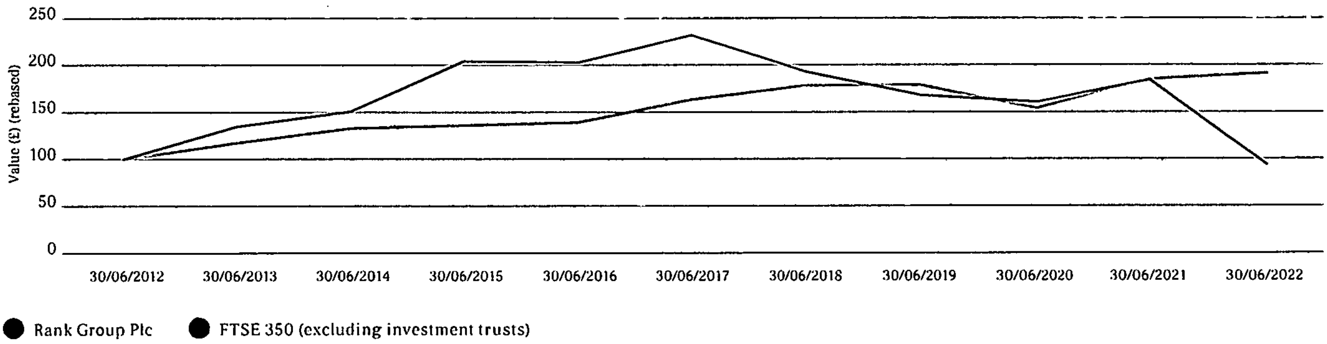
Henry Birch (from 6 May 2014 until 7 May 2018)		Single figure of total remuneration	Annual cash bonus: actual payout vs. maximum opportunity	LTIP vesting rates against maximum opportunity
2017/18	(10 months)	£487,006	0.00%	n/a
2016/17	(12 months)	£2,054,662	63.15%	37.50%
2016/17 (pro forma)[1]	*(12 months)*	*£1,275,650*	*63.15%*	*12.5%*
2015/16	(12 months)	£932,639	80.00%	n/a
2014/15	(12 months)	£916,010	87.20%	n/a
2013/14	(2 months)	£81,850	0.00%	n/a

1. Unaudited note: The pro forma disclosure sets out the single figure if only one-third of the 2014/15 LTIP block award is included.

Ian Burke (until 16 May 2014)		Single figure of total remuneration[1]	Annual cash bonus: actual payout vs. maximum opportunity	LTIP vesting rates against maximum opportunity
2013/14	(10.5 months)	£663,804	0.00%	0.00%
2012/13	(12 months)	£1,267,489	0.00%	96.25%
2011/12	(18 months)	£3,254,000	40.00%	100.00%

1. This included an exceptional discretionary bonus equal to 100% of base salary to reward exceptional efforts of the then Chief Executive in creating additional sustainable long-term shareholder value via the transformation of the Company's balance sheet, that was paid by three equal instalments in September 2012, April 2013 and December 2013.

Total shareholder return
(Source: Datastream)



This graph shows the value, by 30 June 2022, of £100 invested in Rank on 30 June 2012, compared with the value of £100 invested in the FTSE 350 Index (excluding Investment Trusts) on the same date. The other points plotted are the values at intervening financial year-ends.

Leaving arrangements (Audited)
Bill Floydd stepped down from the Board and left the business on 31 December 2021. He did not receive any payment in lieu of notice or any payment for loss of office. Bill did not receive any bonus in respect of the 2021/22 financial year and all his outstanding LTIP awards (2017/18 LTIP tranches 2 and 3 and 2020/21 LTIP) lapsed in full on his leaving date. His first tranche under the 2017/18 LTIP vested on 22 November 2021 based on performance achieved (see page 132) and remains subject to a two-year holding period.

Chris Bell stepped down from the Board on 18 January 2022. He did not receive any payment in lieu of notice or any payment for loss of office.

Susan Hooper stepped down from the Board on 31 January 2022. She did not receive any payment in lieu of notice or any payment for loss of office.

The position adopted in relation to each such departing Director was in accordance with the Policy.

Executive Director external appointments (Unaudited)
John O'Reilly is a non-executive director of Weatherbys Limited and a member of the board of trustees of the prisoner befriending charity New Bridge Foundation.

Share ownership guidelines and Directors' interests in shares (Audited)

Increased share ownership guidelines of 200% of salary for all Executive Directors were approved at the 2018 General Meeting, subject to there being sufficient free float. Executive Directors have five years to build up shareholdings.

Shareholdings of Directors of the Company and its subsidiaries are not considered to be in public hands for the purposes of determining the sufficiency of the percentage of shares in public hands (the 'free float') in the context of qualification for a listing on the UKLA's premium market. Up until December 2021, the free float requirement was 25% and, in view of the low level of the Company's free float following the completion of Guoco Group Limited's general offer for Rank in July 2011, the shareholding guidelines for Executive Directors were suspended. The suspension was lifted on 2 March 2015 when free float was comfortably in excess of 25% but the guidelines were re-suspended on 22 June 2016. Following amendment to the UK Listing Rules on 3 December 2021 so as to reduce the free float requirement level to 10%, the Committee determined to lift the suspension and re-apply the share ownership guidelines with effect from 1 July 2022.

Directors' shareholdings and details of unvested share awards as at 30 June 2021 and 30 June 2022 are set out in the table below. All awards were made as conditional awards:

	Ordinary shares as at 30 June 2021	**Ordinary shares as at 30 June 2022**	Unvested share awards subject to performance conditions as at 30 June 2021	Unvested share awards subject to continued employment only as at 30 June 2021	Unvested share awards subject to performance conditions as at 30 June 2022	Unvested share awards subject to continued employment only as at 30 June 2022
Non-Executive Directors						
Chris Bell	29,614	**29,614**[1]	n/a	n/a	n/a	n/a
Lucinda Charles-Jones	0	**0**	n/a	n/a	n/a	n/a
Chew Seong Aun	n/a	**0**	n/a	n/a	n/a	n/a
Steven Esom	90,000	**90,000**	n/a	n/a	n/a	n/a
Susan Hooper	20,000	**20,000**[2]	n/a	n/a	n/a	n/a
Katie McAlister	n/a	**0**	n/a	n/a	n/a	n/a
Alex Thursby	25,000	**25,000**	n/a	n/a	n/a	n/a
Karen Whitworth	20,000	**20,000**	n/a	n/a	n/a	n/a
Executive Directors						
Bill Floydd	45,000	**53,282**[3]	369,177	0	n/a	n/a
Richard Harris	n/a	**75,000**	n/a	n/a	0	186,636
John O'Reilly	302,748	**319,899**	813,179	0	1,362,832	0

1. Position as at 18 January 2022 when Chris Bell stepped down from the Board.
2. Position as at 31 January 2022 when Susan Hooper stepped down from the Board.
3. Position as at 31 December 2021 when Bill Floydd stepped down from the Board.

Dilution limits (Unaudited)

The DBP, LTIP and RIS, being the Company's only equity-based incentive plans at present, incorporate the current Investment Association guidelines on headroom which provide that overall dilution under all plans should not exceed 10% over a ten-year period in relation to the Company's issued share capital, with a further limitation of 5% in any ten-year period for executive plans. The award made to Richard Harris on 6 May 2022 was granted outside of the Company's LTIP (as allowed for in Rule 9.4.2(2) of the UK Listing Rules) and will be satisfied by market-purchased shares.

The Committee monitors the position and prior to the making of any award considers the effect of potential vesting of awards to ensure that the Company remains within these limits. Any awards which are required to be satisfied by market-purchased shares are excluded from the calculations. No treasury shares were held or utilised in the year ended 30 June 2022.

The current level of dilution, based on the maximum number of shares that could vest as at 30 June 2022, and on the basis that no shares under the Company's current equity-based incentive plans are currently required to be satisfied by market-purchased shares (it being noted that the Committee has not yet made a decision in relation to the same although the current expectation is that awards would be satisfied with market-purchased shares) is set out below:

	Total awards under discretionary schemes as at 30 June 2022	**Percentage of issued share capital as at 30 June 2022**
Maximum number of shares needed to satisfy existing unvested awards as at 30 June 2022	**4,644,856**[1]	**1.02%**
Total number of shares issued in respect of awards granted after 30 June 2012	**Nil**	**0%**
Total	**4,644,856**	**1.02%**

1. For the avoidance of doubt, this number reflects tranche 2 and tranche 3 of the 2017/18 LTIP, which will vest in October 2022 and October 2023 respectively. For further information, please see pages 124 and 125 of our 2021 Annual Report and Accounts.

Relative importance of spend on pay (Unaudited)

The table below shows the expenditure and percentage change in overall spend on employee remuneration and distributions paid to shareholders through the dividend paid and share buybacks in the year (and previous year).

	2021/22	2020/21	Percentage change
Overall expenditure on pay	**189.9**	£166.6m	14%
Dividend paid in the year	**Nil**	Nil	n/a
Share buyback	**Nil**	Nil	n/a

Statement of change in pay of all Directors compared with other employees (Unaudited)

The table below sets out the percentage change in each Director's base salary/fee, benefits and annual bonus amounts for the year ended 30 June 2022 versus previous year, alongside the average change in gross earnings for all UK employees across the Group. The 'salary' and 'benefits' column reflects that the Directors volunteered a reduction in their respective salary/fee for the period from 1 April 2020 until 15 August 2020, with the majority of such reduction applying to the 2019/20 financial year versus the 2020/21 financial year (please see footnotes to the table for further information):

Directors	Year[1]	Salary[2]	Benefits[2]	Bonus
Chief Executive	2021/22 vs 2020/21	3.5%	4.2%	n/a
	2020/21 vs 2019/20	2.4%	-1.8%	n/a
	2019/20 vs 2018/19	-5.0%	-3.8%	n/a
Chief Financial Officer[4]	2021/22 vs 2020/21	-21.4%	-31.0%	n/a
	2020/21 vs 2019/20	4.4%	11.9%	n/a
	2019/20 vs 2018/19	470.0%	496.6%	n/a
Chris Bell	2021/22 vs 2020/21	-43.9%	n/a	n/a
	2020/21 vs 2019/20	0.6%	n/a	n/a
	2019/20 vs 2018/19	-3.2%	n/a	n/a
Steven Esom	2021/22 vs 2020/21	2.7%	n/a	n/a
	2020/21 vs 2019/20	2.5%	n/a	n/a
	2019/20 vs 2018/19	-5.0%	n/a	n/a
Susan Hooper	2021/22 vs 2020/21	-40.1%	n/a	n/a
	2020/21 vs 2019/20	2.4%	n/a	n/a
	2019/20 vs 2018/19	-3.1%	n/a	n/a
Katie McAlister	2021/22 vs 2020/21	477.5%	n/a	n/a
	2020/21 vs 2019/20	n/a	n/a	n/a
	2019/20 vs 2018/19	n/a	n/a	n/a
Alex Thursby	2021/22 vs 2020/21	2.8%	n/a	n/a
	2020/21 vs 2019/20	27.2%	n/a	n/a
	2019/20 vs 2018/19	107.8%	n/a	n/a
Karen Whitworth	2021/22 vs 2020/21	4.7%	n/a	n/a
	2020/21 vs 2019/20	61.7%	n/a	n/a
	2019/20 vs 2018/19	n/a	n/a	n/a
Chew Seong Aun[5]	2021/22 vs 2020/21	n/a	n/a	n/a
	2020/21 vs 2019/20	n/a	n/a	n/a
	2019/20 vs 2018/19	n/a	n/a	n/a
Average employees[3]	2021/22 vs 2020/21	8.6%	9.3%	-44.0%
	2020/21 vs 2019/20	7.4%	-7.7%	1.6%
	2019/20 vs 2018/19	-10.32%	-10.32%	-10.32%

1. Excludes any Non-Executive Directors appointed during 2021/22.
2. The Executive and Non-Executive Directors volunteered a 20% reduction in salary with effect from 1 April 2020 until 15 August 2020. The table above reflects such voluntary reduction. Contracted salaries continued to be used for the purposes of insured benefits.
3. Calculated on basis of all UK employees, including the CEO, which was determined to provide the most meaningful comparison, as no employees are employed by The Rank Group Plc. For 2018/19, individual compensation elements are not readily available to compare separately as previously disclosed on page 123 of the 2020 Annual Report and Accounts.
4. The figures for the Chief Financial Officer are the sums of salaries, benefits and bonuses received by the former and current CFOs.
5. Chew Seong Aun does not receive any fees in respect of his role on the Board.

CEO pay ratio (Unaudited)

The Committee considered the appropriate calculation approaches for the CEO pay ratio as set out in the 2013 Regulations. Consistent with the approach taken for 2021, for this year it has chosen Option C, as it believes this to be the most appropriate due to the challenges of calculating full-time-equivalent pay for UK employees as a result of the furlough scheme and different return-to-work arrangements for different employee populations. Option C enables the Company to use data other than, or in addition to, gender pay gap information to identify the three UK employees as the best equivalents of the 25th, 50th and 75th percentiles. Having identified these colleagues based on pay and benefits as at 5 April 2021, the total remuneration is calculated on a similar basis as the Chief Executive single total figure of remuneration. This requires:

- Starting with colleague pay that was calculated based on actual base pay, benefits, allowances, bonus and long-term incentives for the 12 monthly and 13 four-weekly payrolls within the full financial year. Earnings for part-time colleagues are annualised on a full-time-equivalent basis to allow equal comparisons;
- Adding in the employer pension contribution;
- Future years' ratios will be disclosed building incrementally to show the ratios over a ten-year period; and
- To ensure the data accurately reflects individuals at each quartile, the single figure values for individuals immediately above and below the identified employee at each quartile were also reviewed.

The table below shows the ratio of Chief Executive pay in 2021/22, using the single total figure remuneration as disclosed on page 131 to the comparable, indicative, full-time-equivalent total reward of those colleagues whose pay is ranked at the 25th, 50th and 75th percentiles in our UK workforce.

Year		25th percentile ratio	50th percentile ratio	75th percentile ratio
2022 figures	**(Option C)**	**30:1**	**28:1**	**23:1**
2022 figures (pro forma)[1]	***(Option C)***	***32:1***	***29:1***	***25:1***
2021 figures[1,2]	(Option C)	39:1	38:1	30:1
2021 figures (pro forma)[1,3]	*(Option C)*	*34:1*	*32:1*	*25:1*
2020 figures	(Option A)	32:1	31:1	24:1

	2021/22 Salary	2021/22 Total pay and benefits
CEO	£503,750	£584,760
25th percentile	£18,195	£19,198
50th percentile	£20,198	£21,198
75th percentile	£22,822	£24,903

1. The 2013 Regulations require the full value of the 2017/18 LTIP block award to be included in the 2021 figures. If the CEO single figure for 2021 is adjusted to include only the first tranche of the 2017/18 LTIP (on the basis that it actually vests in equal tranches over three years), this would have the impact on CEO total pay and benefits for 2021 indicated in the 2021 pro forma disclosure. If the CEO single figure for 2022 is similarly adjusted to include only the second tranche of the 2017/18 LTIP, this would have the impact on the CEO pay ratio for 2022 indicated in the 2022 pro forma disclosure.
2. The 2021 figures have been restated to include the actual value of the first tranche at vesting on 1 October 2021 and two-thirds of the full value of the 2017/18 block LTIP vesting by reference to 30 June 2021.
3. The 2021 pro forma figures have been restated to reflect the actual vesting value of the first tranche of the 2017/18 block award on 1 October 2021.

Gender pay gap (Unaudited)

The Committee reviewed and approved Rank's Gender Pay Gap Report, which can be found at www.rank.com. The report, in line with regulations provides gender pay gap calculations as at 5 April 2021. In April 2021 a significant proportion of colleagues were furloughed in response to national lockdowns and other restrictions that reduced trading. This impacted the gender pay gap calculations for the second consecutive year as the Government Equalities Office confirmed that the furlough scheme is classified as temporary leave, so where colleague salaries are not topped up to 100%, they were excluded from the pay calculations, but included in the bonus calculations, where applicable. To put this into perspective in terms of the results that were reviewed by the Committee, as a result of being furloughed, 93% of colleagues were excluded from the gender pay calculations.

The published results show mean and median gap increased slightly by 4.6% and 8.7% respectively. However, the Committee does not believe these results are truly representative of the situation, with only 441 qualifying colleagues from a maximum total of 6,456 colleagues included in the pay gap analysis, representing just 7% of the workforce.

The bonus gap analysis included all employees. The mean gender bonus gap was broadly consistent year-on-year and the median gender bonus gap significantly improved from 22.5% to 5.2%.

Whilst the results for this year may be viewed as largely arbitrary, the Committee remains committed to doing everything that it can to reduce any gender pay and bonus gaps and address the balance of men and women employed in roles across the various job levels within the Group.

Committee activity during the year (Unaudited)

Matters discussed by the Committee during the year include the following:

- Finalising the rules for a new recovery incentive scheme for Executive Directors (further to shareholder consultation, but subject to shareholder approval at the 2021 Annual General Meeting) and senior management and determining the performance measures and targets for the same;
- Analysis of shareholder voting at the 2021 Annual General Meeting on the proposed new remuneration policy and annual remuneration report;
- April 2022 fixed pay review;
- 2020/21 and 2021/22 annual bonus outcomes;
- 2022/23 annual bonus plan structure;
- 2021/22 LTIP grant performance measures and targets;
- 2017/18 and 2020/21 LTIP grant performance;
- Remuneration of the Chair, independent Non-Executive Director and Executive Committee members appointed during 2021/22;
- Corporate governance and regulatory matters;
- Executive Director shareholding guidelines and the Company's free float position;
- Review and approval of the annual remuneration report;
- Review and approval of the Company's Gender Pay Gap Report; and
- Reviewing the Committee's effectiveness.

Advisers to the Committee (Unaudited)

The Committee has access to external information and research on market data and trends from independent consultants. The Committee was advised by the UK Executive Compensation practice of Alvarez & Marsal ('A&M') as external remuneration advisers to the Committee. A formal tender process was conducted in March 2022, pursuant to which the Committee determined to continue to work with A&M as its retained advisor on remuneration. A&M are signatories to the Remuneration Consultants' Code of Conduct, which requires their advice to be impartial, and they have confirmed their compliance with the Code to the Committee.

During the year, the Committee requested A&M to advise on all aspects of remuneration practice, including but not limited to the provision of benchmarking data, guidance on forthcoming changes to and application of remuneration related regulations and insight on market practices. A&M was paid fees totalling £51,764 for services provided to the Committee during the year (fees are based on hours spent). A&M did not provide any services other than advice in relation to remuneration practice to the Group during the period under review and thereafter the Committee is satisfied that the advice provided was independent.

Committee evaluation (Unaudited)

It is incumbent on the Board to ensure that a formal and rigorous review of the effectiveness of the Committee is conducted each year. Our progress against last year's actions, as well as the outcomes from this year's evaluation, are set out below.

Outcomes from 2020/21 review

Agreed actions	Progress made during 2021/22
Continuing to review the alignment of management incentives with strategy, particularly as the Company recovers from the impact of the pandemic.	The Retention Incentive Scheme was introduced to help ensure senior management is retained and incentivised to deliver as the Company recovers from the impact of COVID-19 on the business. Nevertheless, the Committee notes that this area continues to be a work in progress.
Managing the transition between the legacy 2017/18 award to the new annual LTIP and, subject to shareholder approval, the grant of the proposed recovery incentive scheme.	This was successfully completed with grants made under the Retention Incentive Scheme during the year.
Continuing to consider the alignment of shareholder views and the need to retain, motivate and incentivise management and ensure appropriate challenge to proposals made and advice received.	This remains an area of ongoing review, but notably the approach to the annual bonus has been revisited this year and also includes ESG targets in relation to 15% of the maximum bonus opportunity for Executive Directors.

Outcomes from 2021/22 review

This year's Committee's evaluation exercise, facilitated externally by Lintstock Limited concluded that the Committee continues to operate effectively. The process for such review is set out on page 104. Having considered the findings, we agreed that our focus for the forthcoming year should be, in particular:

1. Reviewing alignment of management incentives with strategy, particularly in light of the refresh of the Company's strategic pillars this year.
2. Reviewing approach to stakeholder engagement from a remuneration perspective.
3. Considering ways in which to further embed ESG metrics in reward.

Statement of shareholder voting (Unaudited)

The table below shows the voting outcome of the Directors' Remuneration Policy and the 2020/21 Directors' Remuneration Report at the October 2021 Annual General Meeting. Votes are shown both including and excluding the Company's majority shareholder:

October 2021– Approval of Directors' Remuneration Policy

	No. of votes 'For' and 'Discretionary'	% of votes cast	No. of votes 'Against'	% of votes cast	Total no. of votes cast	% of total shareholders eligible to vote	No. of votes 'Withheld'[1]
Including majority shareholder	395,127,965	90.52	41,372,471	9.48	436,500,436	93.18	29,918
Excluding majority shareholder	132,162,051	76.16	41,372,471	23.84[2]	173,534,522	84.46	29,918

1. A vote 'withheld' is not a vote in law.
2. The Committee noted that whilst over 90% of all voting shareholders voted for the new Policy, over 20% of voting shareholders excluding the majority shareholder voted against it. The only substantive change to the Policy from the Remuneration Policy approved the previous year (in November 2020) was the inclusion of the Recovery Incentive Scheme. The Committee reflected on the level of votes against and concluded that this remained an appropriate one-off mechanism to align the interests of Executive Directors with business strategy and shareholder interests in exceptional circumstances coming out of COVID-19 and it was satisfied that it had appropriately engaged with major shareholders in respect of the proposal, and taken their feedback into account. It should also be noted that, as a result of Company performance against the challenging financial targets set by the Committee, the Chief Executive's award has lapsed.

October 2021 – 2021 annual report on Directors' remuneration

	No. of votes 'For' and 'Discretionary'	% of votes cast	No. of votes 'Against'	% of votes cast	Total no. of votes cast	% of total shareholders eligible to vote	No. of votes 'Withheld'[1]
Including majority shareholder	432,954,734	99.19	3,533,808	0.81	436,488,542	93.18	41,812
Excluding majority shareholder	169,988,820	97.96	3,533,808	2.04	173,522,628	84.45	41,812

1. A vote 'withheld' is not a vote in law.

During the 2021/22 financial year, the Chair of the Committee engaged with our major shareholders (representing 92.18% of shares as at 30 June 2021) in relation to the introduction of the one-off Recovery Incentive Scheme. Feedback from shareholders was taken into account when finalising the scheme.

Implementation of policy in 2022/23 (Unaudited)

Salaries

Salaries will be reviewed during the year with the current expectation that any changes will be effective 1 April 2023. Current base salaries are as follows:

- John O'Reilly – £515,000
- Richard Harris – £353,000

Pension policy

There will be no change to pension arrangements:

- John O'Reilly – 10% of contracted salary (less lower earnings limit)
- Richard Harris – 3% of contracted salary (less lower earnings limit),

save that with effect from 1 January 2023, John O'Reilly's payments in lieu of pension will be reduced from 10% of salary (less the lower earnings limit), such 10% having been agreed under his service agreement when he joined Rank, to the rate available to the majority of the wider workforce (currently 3%).

Annual bonus

The maximum bonus potential for the Chief Executive is 150% of salary, and 120% of salary for the Chief Financial Officer. Performance will continue to be based on stretching targets. Financial targets representing 85% of the maximum bonus opportunity will be based on adjusted earnings before interest and tax and non-financial measures to represent 15% of the maximum bonus opportunity will be based on specific Environmental, Social and Governance (ESG) targets. This is in addition to the continued application of a safer gambling assessment which could negatively impact the size of any bonus award based upon weaknesses in control systems, lack of progress against key initiatives in the year or as a consequence of enforcement action by the Gambling Commission.

Disclosure of the targets is considered commercially sensitive and therefore will be disclosed retrospectively in next year's report. Any bonus payable in excess of 100% of salary for the Chief Executive and 80% of salary for the Chief Financial Officer will be deferred into shares under the deferred bonus plan for two years. The remainder will be payable in cash.

Long-term incentive

It is anticipated that an annual award will be made to Executive Directors in 2022/23. 40% of the award will vest by reference to relative total shareholder return, 30% will vest by reference to underlying earnings per share growth and 30% will vest by reference to strategic measures. It is intended that the Chief Executive will receive an award at 200% of salary and the Chief Financial Officer will receive an award at 150% of salary, with such awards to be made within six weeks of the date of this report.

The performance conditions will be based on performance in the 2024/2025 financial year. The award will vest, subject to meeting the performance targets and continued employment, on the third anniversary of grant. Vesting will take into consideration any current or impending safer gambling sanction and Rank's suitability to operate.

The strategic targets are deemed commercially sensitive and will be disclosed at the time of vesting.

	Weighting	Threshold target	Stretch target	Threshold vesting (% of max)
TSR	40%	Median	Outperform median by 25%	10%
Underlying EPS	30%	11.8p	18.3p or higher	7.5%
Strategic Measures	10%	Group EBIT Margin (%)		2.5%
	10%	Interactive NGR (£m)		2.5%
	10%	Venues NGR (£m)		2.5%
Total	**100%**			**25%**

Non-Executive Director fees

Non-Executive Director annual base and additional fees effective 1 April 2022 comprise:

	Fee
Board Chair	£160,000
Base Non-Executive annual fee	£50,000
Audit Committee Chair	£9,000
Remuneration Committee Chair	£7,500
ESG and Safer Gambling Committee Chair	£3,500
Senior Independent Director	£2,500

1. The above fees have been unchanged for more than six years (other than the fee for Chair of the ESG & Safer Gambling Committee which has itself been unchanged since the Committee was established in 2018). Application of increases to independent Non-Executive Director fees approved by the Company's Finance Committee to apply from 1 April 2020 were not implemented due to COVID-19. The fees were reviewed again during the year and the following changes were approved by the Remuneration Committee in respect of the Chair and by the Finance Committee in respect of the Non-Executive Directors, but were not implemented due to the performance of the Company: (i) Chair: £175,000 (9%), (ii) Base Non-Executive annual fee: £52,000 (4%), (iii) Remuneration Committee Chair: £9,000 (20%), (v) ESG and Safer Gambling Committee Chair: £9,000 (157%), and (vi) Senior Independent Director: £6,000 (140%). No change was proposed to the Audit Committee Chair fee. The date for implementation of such increases will be considered again in November 2022, save in respect of the Chair, where the date for implementation will be 1 April 2023.

Directors' Report

The Directors present their report together with the audited consolidated financial statements for the year ended 30 June 2022.

The Companies Act 2006 ('CA 2006'), the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, the Companies (Disclosure of Auditor Remuneration and Liability Limitation Agreements) Regulations 2008, the Financial Reporting Council's UK Corporate Governance Code (July 2018), the Financial Conduct Authority's ('FCA') Listing Rules ('LR') and the FCA's Disclosure Rules and Transparency Rules ('DTR') contain mandatory disclosure requirements in relation to this Annual Report in respect of the year ended 30 June 2022.

The Directors' Report should be read in conjunction with the Strategic Report.

Strategic Report disclosures – Information that the Board considers to be of strategic importance which would otherwise need to be disclosed in the Directors' Report has been included in the Strategic Report as permitted by section 414C(11) of the CA 2006.

References to where that information can be found are provided in the index below.

Information required in the Directors' Report which has been disclosed within the Strategic Report	Location in Strategic Report	Page number
Business description	Our business	Inside cover and 14
Business objectives, strategies and likely future developments	Our strategy	40 to 51 52 to 53
Corporate responsibility: employees and community (including hiring, continuing employment and training, career development and promotion of disabled persons)	Our approach to ESG	54 to 71
Diversity	Colleagues	61
Dividends	Chair's letter	13
Stakeholder engagement	Stakeholder engagement	35 to 39
Going concern and viability statement	Compliance statements	82 to 83
Greenhouse gas emissions	Environment	69 to 70
Particulars of important events affecting the Company and its subsidiary undertakings occurring after the year end	Chair's letter and Chief Executive's review	13 and 16 to 25
Principal risks and uncertainties	Risk management	74 to 81
Profits	CFO's review	26 to 27
Research and development	Our strategy Customers and customer insights Stakeholder engagement	40 to 51 55 to 59 35 to 39

Disclosures required under LR 9.8.4 R

For the purposes of LR 9.8.4C R, details of the existence of the controlling shareholder relationship agreement, required to be disclosed in accordance with LR 9.8.4 R, can be found on page 144. There are no other disclosures required under this Listing Rule.

Directors

The Directors who served during the period under review are:

Name	Position	Notes
Chris Bell	Senior Independent Director	Stepped down from the Board on 18 January 2022
Lucinda Charles-Jones	Non-Executive Director	Appointed to the Board 22 June 2022
Chew Seong Aun	Non-Executive Director	
Steven Esom	Non-Executive Director	
Bill Floydd	Chief Financial Officer	Stepped down from the Board on 31 December 2021
Richard Harris	Chief Financial Officer	Appointed to the Board on 1 May 2022
Susan Hooper	Non-Executive Director	Stepped down from the Board on 31 January 2022
Katie McAlister	Non-Executive Director	
John O'Reilly	Chief Executive	
Alex Thursby	Chair	
Karen Whitworth	Non-Executive Director and Senior Independent Director	Appointed Senior Independent Director on 18 January 2022

Incorporation and registered office

The Rank Group Plc is incorporated in England and Wales under company registration number 03140769. Its registered office is at TOR, Saint-Cloud Way, Maidenhead SL6 8BN.

Stock market listing

The ordinary shares of the Company have been listed on the Official List and traded on the main market of the London Stock Exchange for listed securities since 7 October 1996 (Share Code: RNK and ISIN: GB00B1L5QH97). This is classified as a premium listing. The share registrar is Equiniti Limited.

Share capital

The Company's authorised share capital as at 30 June 2022 was £180m (£180m as at 30 June 2021), divided into 1,296,000,000 ordinary shares of 13⁸⁄₉p each. The ordinary shares are listed on the London Stock Exchange and can be held in certificated or uncertificated form. There were 468,429,541 shares in issue at the period end (468,429,541 as at 30 June 2021), which were held by 9,296 registered shareholders (9,569 as at 30 June 2021). Details of movements in issued share capital can be found in note 25 of the Financial Statements.

Range	Total no. of registered shareholders	% of holders	Total no. of shares	% of issued share capital
1 - 1,000	**8,007**	**86.13**	**1,419,858**	**0.30**
1,001 - 5,000	**945**	**10.17**	**1,927,514**	**0.41**
5,001 - 10,000	**97**	**1.04**	**665,784**	**0.14**
10,001 - 100,000	**152**	**1.64**	**5,178,504**	**1.11**
100,001 - 1,000,000	**66**	**0.71**	**26,457,683**	**5.65**
1,000,001 and above	**29**	**0.31**	**432,780,198**	**92.39**
Totals	**9,296**	**100.00%**	**468,429,541**	**100.00%**

Significant shareholders

GuoLine Capital Assets Limited ('GuoLine'), the ultimate parent company of Guoco Group Limited ('Guoco'), has a controlling interest in Rank consequent upon the general offer made by its Hong-Kong-listed subsidiary company, Guoco, via its wholly-owned subsidiary, Rank Assets Limited (then known as All Global Investments Limited), and which completed on 15 July 2011.

GuoLine became the ultimate parent company of Guoco (in place of Hong Leong Company (Malaysia) Berhad ('Hong Leong'), which was previously its parent company) on 16 April 2021 as a result of an internal restructure of the majority shareholder (the 'Restructure'). GuoLine is based in Jersey and, together with its subsidiaries, is engaged in the businesses of banking and financial services, manufacturing and distribution, property development and investments and hospitality and leisure.

Guoco is an investment holding company. The principal activities of its subsidiaries and associated companies include investment, property development, financial services and hospitality and leisure. Further information on the Guoco group of companies can be found at www.guoco.com. Following the Restructure, Hong Leong held a residual 195,000 shares (0.04%) in Rank via its wholly-owned subsidiary Hong Leong Management Co. Sdn Berhad, which were transferred to GuoLine Overseas Limited (Guoco's immediate parent company) on 27 May 2021.

As at 30 June 2022 and as at the date of this report, GuoLine's interest is held as follows:

- 52.04% - Rank Assets Limited, a wholly-owned subsidiary of Guoco;
- 4.09% - GuoLine Overseas Limited.

On 10 November 2014, Rank entered into an agreement with Hong Leong and Guoco in accordance with the requirements of LR 9.2.2A R(2)(a) (the 'Relationship Agreement'). Further to the Restructure, Hong Leong, Guoco and Rank agreed to novate the Relationship Agreement such that with effect from 16 April 2021, the parties to the Relationship Agreement are Rank, Guoco and GuoLine. The terms of the Relationship Agreement remain unchanged.

During the period under review Rank has complied with the independence provisions included in the Relationship Agreement. So far as Rank is aware, the independence provisions included in the Relationship Agreement have been complied with during the period under review by Hong Leong, GuoLine, Guoco and associates. So far as Rank is aware, the procurement obligations included in the Relationship Agreement have been complied with during the period under review by the Hong Leong, GuoLine, Guoco and associates.

Interests of 3% or more

As at 30 June 2022 and 31 July 2022 the following interests of 3% or more of the total voting rights attached to ordinary shares have been disclosed in response to Section 793 of the CA 2006 notices issued by the Company.

	As at 30 June 2022		As at 31 July 2022	
Shareholder	% held	Voting rights	% held	Voting rights
GuoLine Capital Assets Limited	56.14	262,965,914	56.14	262,965,914
Ameriprise Financial, Inc. and its group of companies (Threadneedle Retail Funds – Linked Strategies)	9.35	43,782,766	9.35	43,792,901
Aberforth Partners	5.56	26,042,835	5.56	26,042,835
M&G Investments	4.16	19,474,112	3.95	18,485,070
abrdn	3.18	14,897,367	3.19	14,936,818
Polar Capital	3.18	14,877,630	3.18	14,877,630

The following interests of 3% or more of the total voting rights attached to ordinary shares have been notified to the Company in accordance with the FCA's DTRs. Due to the fact that the DTRs only require notification where the percentage voting rights reach, exceed or fall below 3% and each 1% threshold above 3%, there is a difference between disclosures made pursuant to the DTRs and those disclosed in response to Section 793 of the CA 2006 notices issued by the Company as set out above.

		As per FCA DTRs disclosures as at 17 August 2022	
Shareholder	Date last notified under DTR	% held	Voting rights
GuoLine Capital Assets Limited	19 April 2021	56.10%	262,770,914
Hong Leong Company (Malaysia) Berhad	19 April 2021	0.04%	195,000
Ameriprise Financial, Inc. and its group of companies	10 December 2015	7.65%	29,870,389
Artemis Investment Management LLP	31 May 2017	4.94%	19,287,793
Aberforth Partners	11 May 2022	5.13%	24,032,891
M&G Plc	18 May 2022	4.94%	23,169,044

Under LR 6.1.19 R, shares held by persons who have an interest in 5% or more of a listed company's share capital are not regarded as being in public hands (the 'free float'). Under this rule, the shares held by GuoLine, Ameriprise Financial and Aberforth Partners are not regarded as being in public hands. The Company's free float position (according to responses to Section 793 notices) as at 30 June 2022 was 28.50% (27.68% as at 30 June 2021).

Rights and restrictions attaching to shares

Voting rights

Each ordinary share carries the right to one vote at general meetings of the Company.

Meeting rights

Registered holders of ordinary shares are entitled to attend and speak at general meetings and to appoint proxies.

Information rights

Holders of ordinary shares are entitled to receive the Company's Annual Report and Financial Statements.

Share transfer restrictions

There are no specific restrictions on the transfer of shares contained in the Company's Articles of Association.

The Company is not aware of any agreements between the holders of Rank shares that may result in restrictions on the transfer of shares or that may result in restrictions on voting rights.

Variation of rights

Subject to applicable legislation, the rights attached to Rank's ordinary shares may be varied with the written consent of the holders of at least three-quarters in nominal value of those shares, or by a special resolution passed at a general meeting of the ordinary shareholders.

Directors' powers in relation to shares

Allotment and issue of shares

Subject to the provisions of the CA 2006, and subject to any resolution passed by the Company pursuant to the CA 2006 and other shareholder rights, shares in Rank may be issued with such rights and restrictions as the Company may by ordinary resolution decide. If there is no such resolution or so far as the Company does not make specific provision, they may be issued as Rank's Board may decide. Subject to the Company's Articles of Association, the CA 2006 and other shareholder rights, unissued shares are at the disposal of the Board.

The Company currently has no shareholder authority to allot and grant rights over any proportion of the Company's unissued share capital, nor does it have shareholders' authority to allot and grant rights over ordinary shares without first making a pro rata offer to all existing ordinary shareholders. Neither of these authorities is required for the purpose of allotting shares pursuant to employee share schemes.

Market purchases of own shares

The Company currently has no shareholder authority to make market purchases of its own shares. As the Board has no present intention of making a market share purchase of its own shares, this shareholder approval will not be sought at the forthcoming Annual General Meeting.

Directors' other powers

Subject to legislation, the Directors may exercise all the powers permitted by the Company's Memorandum and Articles of Association. A copy of these can be obtained by writing to the Group General Counsel & Company Secretary, or from Companies House.

Change of control

The Company's principal term loan and credit facility agreements contain provisions that, on a change of control of Rank, immediate repayment can be demanded of all advances and any accrued interest.

The provisions of the Company's share schemes and incentive plans may cause options and awards granted to employees to vest in the event of a takeover.

A change of control may also affect licences to operate, as specified in the provisions of the Gambling Act 2005, Alderney eGambling Regulations 2009 (as amended), Gibraltar Gambling Act 2005 and the Spanish Gaming Act 2011.

Political donations

No political donations were made during the period under review.

It has been Rank's long-standing practice not to make cash payments to political parties and the Board intends that this will remain the case. However, the CA 2006 is very broadly drafted and could catch activities such as funding seminars and other functions to which politicians are invited, supporting certain bodies involved in policy review and law reform and matching employees' donations to certain charities. Accordingly, as in previous years, the Directors will be seeking shareholders' authority for political donations and political expenditure at the forthcoming Annual General Meeting in case any of Rank's activities are inadvertently caught by the legislation.

Disclosure of information to auditor

Each of the Directors of the Company at the date of this report confirms that:

- So far as the Director is aware, there is no information needed by the Company's auditor in connection with preparing their report of which the Company's auditor is unaware; and
- He/she has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any information needed by the Company's auditor in connection with preparing their report and to establish that the Company's auditor is aware of that information.

By order of the Board

L Wright

Luisa Wright
Group General Counsel & Company Secretary
17 August 2022

Directors' Responsibilities

Annual Report and Financial Statements

The Directors are responsible for preparing the Annual Report (including the Directors' Report, the Strategic Report, the Directors' Remuneration Report and the Corporate Governance Statement) and the Financial Statements of the Group and the Company, in accordance with applicable United Kingdom law and regulations.

Company law requires the Directors to prepare Group and Company financial statements for each financial year. Under that law, the Directors have elected to prepare Group and Company financial statements in accordance with UK-adopted International Accounting Standards and in accordance with the Companies Act 2006 ('CA 2006'). Under company law the Directors must not approve the Group and Company financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period.

In preparing the Group and Company financial statements, the Directors are required to:

- Select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Make judgements and accounting estimates that are reasonable and prudent;
- Provide additional disclosures when compliance with the specific requirements in UK-adopted International Accounting Standards is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Company's financial position and final performance;
- State whether the Group and Company financial statements have been prepared in accordance with CA 2006 and UK-adopted International Accounting Standards, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the Financial Statements on the going concern basis unless it is appropriate to presume that the Group and Company will not continue in business.

Accounting records

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy, at any time, the financial position of the Group and the Company and ensure that the Group and Company financial statements comply with the Companies Act 2006.

Safeguarding assets

The Directors are also accountable for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Corporate website

The maintenance and integrity of Rank's corporate website (www.rank.com), on which this Annual Report and Financial Statements are published, is the Board's responsibility. We would draw attention to the fact that legislation in the United Kingdom on the preparation and publication of financial statements may differ from that in other jurisdictions.

Statement of Directors' responsibilities

The Annual Report and Financial Statements are the responsibility of, and have been approved by, the Directors.

Each of the Directors named on pages 95 to 96 confirms that to the best of his/her knowledge:

- The Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's performance, business model and strategy;
- The Group and Company Financial Statements, prepared in accordance with UK-adopted International Accounting Standards and in accordance with the Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and profit of the Company and the undertakings included in the consolidation taken as a whole; and
- The Strategic Report includes a review of the development and performance of the business and the position of the Group and Company and the undertakings included in the consolidation taken as a whole, together with a description of the risks and uncertainties that they face.

On behalf of the Board

John O'Reilly
Chief Executive

Richard Harris
Chief Financial Officer
17 August 2022

Financial statements

In this section:

We have set out our financial statements for the year ended 30 June 2022, together with the notes to such statements and our five-year review.

This section also includes our independent auditor's report, which includes its formal audit opinion in respect of the year ended 30 June 2022.

Shareholder information can be found on page 213.

Independent auditor's report

To the members of The Rank Group Plc

Opinion

In our opinion:

- The Rank Group Plc's Group financial statements and Parent Company financial statements (the 'financial statements') give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2022 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with section 408 of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of The Rank Group plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 30 June 2022 which comprise:

Group	Parent company
Consolidated balance sheet as at 30 June 2022	Balance sheet as at 30 June 2022
Consolidated income statement for the year then ended	Statement of changes in equity for the year then ended
Consolidated statement of comprehensive income for the year then ended	Related notes 1 to 35 to the financial statements including a summary of significant accounting policies
Consolidated statement of changes in equity for the year then ended	
Consolidated statement of cash flows for the year then ended	
Related notes 1 to 35 to the financial statements, including a summary of significant accounting policies	

The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the Parent Company financial statements, as applied in accordance with section 408 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and Parent 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 listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Parent Company and we remain independent of the Group and the parent company in conducting the audit.

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 Group and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- 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 31 August 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 31 August 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 31 August 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 Directors' 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 31 August 2023.

Our key observations

- The Directors' assessment forecasts that the Group will maintain sufficient liquidity throughout the going concern assessment period. This included two downside scenarios with severe but plausible declines in revenue and increased inflationary impacts.
- The severe downside scenario assumed full repayment of scheduled debt repayments over the going concern period, no new refinancing over the going concern period, a central contingency reduction against budget performance, offset by mitigating actions within managements control. Management consider such a scenario to be highly unlikely, however, in such unlikely event management consider that the impact can be mitigated by further cash and cost saving measures which are within their control, or through external fund raising, or a combination of both during the going concern period. The Group's principal source of funding extends beyond the going concern period (to 2024/2025).

Going Concern Conclusion

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 Group and Parent Company's ability to continue as a going concern for a period to 31 August 2023.

In relation to the Group and Parent Company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

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 Group's ability to continue as a going concern.

Overview of our audit approach

Audit scope	- We performed an audit of the complete financial information of six components and audit procedures on specific balances for a further twenty-two components. - The components where we performed full or specific audit procedures accounted for 100% of Revenue, 96% of Profit before tax and 99% of Total assets.
Key audit matters	- Impairment and impairment reversal of tangible and intangible assets - Compliance with laws and regulations - Revenue recognition including the risk of management override
Materiality	- Overall Group materiality of £3.5m which represents 0.5% of revenue.

An overview of the scope of the Parent company and Group audits

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each company within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the Group and effectiveness of Group-wide controls, changes in the business environment and other factors such as recent internal audit results when assessing the level of work to be performed at each company.

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, of the forty-eight reporting components of the Group, we selected twenty-eight components covering entities within United Kingdom, Alderney, Malta, Spain, Gibraltar, Mauritius, and India, which represent the principal business units within the Group.

Of the twenty-eight components selected, we performed an audit of the complete financial information of six components ('full scope components') which were selected based on their size or risk characteristics. For the remaining twenty-two components ('specific scope/specified procedures components'), we performed audit procedures on specific accounts within that component that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile.

The reporting components where we performed audit procedures accounted for 99% (2021: 99%) of the Group's revenue, 87% (2021: N/A) of the Group's profit before tax and 97% (2021: 99%) of the Group's Total assets. For the current year, the full scope components contributed 86% (2021: 83%) of the Group's revenue, 64% (2021: N/A) of the Group's profit before tax and 70% (2021: 75%) of the Group's Total assets. The specific scope components contributed 13% (2021: 16%) of the Group's revenue, 23% (2021: N/A) of the Group's profit before tax and 27% (2021: 24%) of the Group's Total assets. The audit scope of these components may not have included testing of all significant accounts of the component but will have contributed to the coverage of significant accounts tested for the Group. The Primary Team performed specified procedures on cash and overhead expenses for three components. The procedures performed included, independent confirmation of cash, vouching expenses to invoice and analytical reviews. For one of these components the Primary Team also performed specified procedures over certain aspects of revenue, as described in the Risk section above.

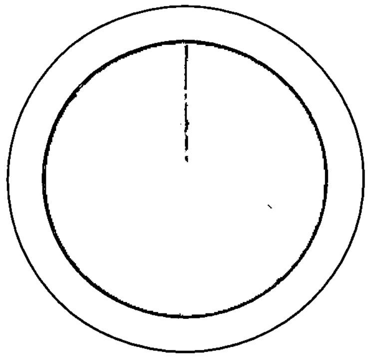
The remaining twenty components together represent less than 0.1% of the Group's revenue. For these components, we performed other procedures, including analytical review, testing of consolidation journals, intercompany eliminations and foreign currency translations to respond to any potential risks of material misstatement to the Group financial statements.

The charts to the right illustrate the coverage obtained from the work performed by our audit teams.

Changes from the prior year

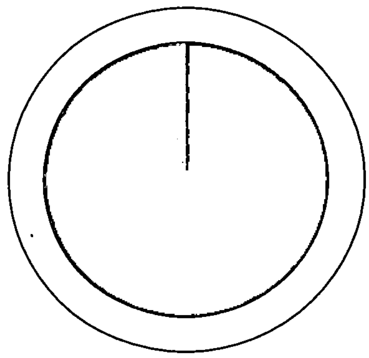
There have been minimal changes in scoping from the prior year. There have been some modifications to specific scope entities to reflect higher levels of activity within certain entities compared to the prior period to maintain appropriate coverage.

Revenue



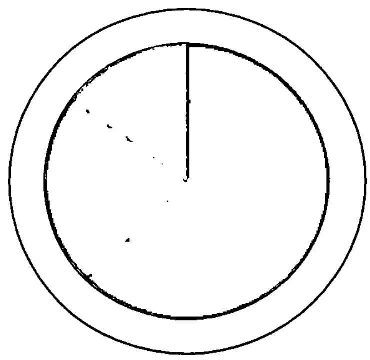
- Full scope **86%**
- Specific scope **13%**
- Specified procedures **1%**
- Other **0%**

Assets



- Full scope **70%**
- Specific scope **27%**
- Specified procedures **2%**
- Other **1%**

Profit before tax



- Full scope **64%**
- Specific scope **23%**
- Specified procedures **9%**
- Other **6%**

Involvement with component teams

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the primary audit engagement team, or by component auditors from other EY global network firms and non-EY audit firms operating under our instruction. For six full scope components and eighteen of the specific scope components, audit procedures were performed directly by the primary audit team. For the four specific scope components, where the work was performed by component auditors, we determined the appropriate level of involvement to enable us to determine that sufficient audit evidence had been obtained as a basis for our opinion on the Group as a whole.

The Group audit team continued to follow a programme of planned visits that has been designed to ensure that the Senior Statutory Auditor and senior team members visit two of the four specific scope locations each year. During the current year's audit cycle, visits were undertaken by the primary audit team to the EY component team in Spain and the Grant Thornton component team in Mauritius. These visits involved discussing the audit approach with the component team and any issues arising from their work, meeting with local management, attending planning and closing meetings, reviewing relevant audit working papers on relevant risk areas and performing a site visit of a club in Spain. The primary team interacted regularly with the component teams where appropriate during various stages of the audit, reviewed relevant working papers and were responsible for the scope and direction of the audit process. This, together with the additional procedures performed at Group level, gave us appropriate evidence for our opinion on the Group financial statements.

Climate change

There has been increasing interest from stakeholders as to how climate change will impact The Rank Group Plc. The Group has determined that the most significant future impacts from climate change on their operations will be primarily as a result of increased cost of energy. These are explained on pages 63-70 in the required Task Force for Climate related Financial Disclosures and on page 76 in the principal risks and uncertainties, which form part of the 'Other information', rather than the audited financial statements. Our procedures on these disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated.

As explained in note 1, the basis of preparation, consideration of climate change impact on the judgements in the accounts is not considered to have a material impact at this time. Governmental and societal responses to climate change risks are still developing, and are interdependent upon each other, and consequently financial statements cannot capture all possible future outcomes as these are not yet known. The degree of certainty of these changes may also mean that they cannot be taken into account when determining asset and liability valuations and the timing of future cash flows under the requirements of UK-adopted International Accounting Standards ('IFRS').

Our audit effort in considering climate change was focused on evaluating management's assessment of the impact of climate risk and the costs of energy being appropriately reflected in the assessment of the carrying value of assets, impairment of assets, reduction of economic useful lives of tangible and intangible assets, provisions and fair value measurement and associated disclosures where values are determined through modelling future cash flows, being the impairment tests of tangible and intangible assets and related disclosures. We also challenged the Directors' considerations of climate change in their assessment of going concern and viability and associated disclosures.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Impairment and impairment reversal of tangible and intangible assets could be materially misstated. Impairment charge of £47.8 million (2021:nil) and impairment reversal of £22.0 million (2021: nil) Refer to the Audit Committee Report (page 107); Accounting policies (page 167); and note 14 of the Consolidated Financial Statements (page 188) At 30 June 2022 the carrying value of tangible and intangible assets was £708.3 million (2021: £750.6 million), £438.9 million (2021: £435.3 million) of which relate to indefinite life intangible assets (primarily casino and other gaming licences) and goodwill. This is an area of focus due to the significance of the carrying value of the assets being assessed and the level of management judgement required in the assumptions impacting the impairment assessment. There are indicators of impairment and impairment reversals across venues as the venues reopened and trading activity re-built following the impact on the venues of the closure periods and restrictions arising from COVID-19. The main assumptions used in the impairment assessment are revenue recovery post COVID-19 short-term growth rates, assumed future cost increases and the discount rate, earnings multiples and the long-term growth rate. In the prior year, no impairment or reversal of impairment was recognised as venues continued to be impacted by COVID-19 restrictions or in some cases closures and the related recoveries post re-opening remained at an early stage.	The below procedures were performed by the Primary team for all components. We gained an understanding of the controls through a walkthrough of the process management has in place to assess impairment and reversal of impairment. We validated that the methodology of the impairment exercise continues to be consistent with the requirements of IAS 36 Impairment of Assets, including appropriate identification of cash generating units for value in use calculations. We confirmed the mathematical accuracy of the models. Below we summarise the procedures performed in relation to the key assumptions for the tangible (including right-of-use assets) and intangible assets impairment review. - We analysed managements' long term forecasts underlying the impairment review against pre-COVID-19 performance. In addition, we considered the forecasts against performance since reopening the venues post-lockdown and third party future economic forecasts incorporating the increase in cost of living impacting consumer spending for the UK and Spanish economies. We corroborated forecasts to budgets approved by the Board. - We re-performed calculations in the models to check mathematical accuracy. - Critically challenged management's ability to forecast accurately through comparing actual performance against forecast performance and corroborating the reasons for deviations. - We also performed sensitivity analysis on earnings multiples and weekly Net Gaming Revenue (NGR) for all cash generating units (CGUs) and growth rates applied to cash flows for certain CGUs to determine the parameters that – should they arise – may give a different conclusion as to the carrying values of assets assessed. The sensitivities performed were based on reasonable possible changes to key assumptions determined by management being revenue recovery post-COVID-19, short-term growth rates, discount rate, EBITDA multiple and long-term growth rates. We have corroborated that the reasonable possible change assumptions applied by management are reasonable by comparing the underlying assumptions to external data such as economic and industry forecasts. We re-performed the models to ensure that there were correctly calculated. - We have assessed assumed future costs to third party projections on inflation, cost of energy and wages. - For partially impaired assets we considered the sensitivity of changes in forecasts against current trading and budgeted trading and the sensitivity of either further impairments or impairment reversals and where material, ensured that the impact of this consideration was adequately disclosed in the sensitivities. - Assessed the headroom on the recoverable amount between the calculated value in use and carrying value of the CGUs to ensure disclosures of the impact of reasonably possible changes in assumptions and the impact on the carrying value of assets was adequate. - For the right-of-use assets, we tested that the assets had been appropriately allocated to the correct cash generating unit and that a value in use calculation was performed in line with IAS 36. Additionally, we validated that material changes to the right-of-use asset in the period were appropriate. **In addition, we worked with our EY internal valuation specialists to:** - Independently validated and corroborated the discount rates applied by management to supporting evidence and benchmark the discount rates to industry averages/trends.	Based on our audit procedures we have concluded the impairment charge of £47.8 million and the impairment reversal of £22.0 million was recognised appropriately. We highlighted that a reasonably possible change in certain key assumptions, including revenue recovery assumptions post-COVID-19, short term growth rates, change in discount rate, long term growth and the earnings multiples that are used to determine the terminal value for certain CGUs, could lead to further impairment charges. We have concluded appropriate disclosures have been included in the financial statements as required under the accounting standards.

Risk	Our response to the risk	Key observations communicated to the Audit Committee

Compliance with laws and regulations
 	
Refer to the Audit Committee Report (page 107); Accounting policies (page 173); and note 33 of the Consolidated Financial Statements (page 210)
 	
The legal and licensing framework for gaming remains an area of focus for the Gambling Commissions in the UK and Spain.
 	
The evolving environment, with territory specific regulations, makes compliance an increasingly complex area with the potential for fines and or licence withdrawal for non-compliance. Operators are further required to meet anti-money laundering obligations.
 	
Judgement is applied in estimating amounts payable to regulatory authorities, or customers, in certain jurisdictions. This gives rise to a risk over the accuracy of accruals, provisions and disclosure of contingent liabilities and the related income statement effect.
 	
The risk relating to compliance with laws and regulations increased during 2021/22 (please refer to the risk management strategy on page 74)
	We performed the following procedures:
	
	- We understood the Group's process and related controls over the identification and mitigation of regulatory and legal risks and the related accounting and disclosure.
	- We read regulatory correspondence and enquiries made through the year, management's response thereto and their assessment of potential exposure as at 30 June 2022.
	- We inquired of management and the Group's internal legal counsel regarding any instances of material breaches in regulatory or licence compliance that needed to be disclosed or required potential provisions to be recorded.
	- Discussed with management its interpretation and application of relevant laws and regulations as well as analysis of the risks in respect of the Group's operations in unregulated markets.
	- We read the customer complaint log and assessed how matters raised were concluded on.
	- Engaged EY gaming tax and legal specialists to assist us in understanding the risks in respect of gaming duties in jurisdictions where the appropriate tax treatment is uncertain.
	- Tested management's procedures over anti-money laundering regulations and enhanced due diligence procedures, for a sample of players for both venues and digital in the UK and Spain:
	  - obtained and read know your customer (KYC) documentation to ensure that it was in line with the requirements of the Group's 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.
	- Assessed appropriateness of disclosures in the Annual Report and Accounts by comparing the disclosures against the requirements under International Financial Reporting Standards.
		Based on our audit procedures performed, we concluded that management have appropriately assessed and accounted for the financial implications for non-compliance with laws and regulations and that disclosures in the financial statements are appropriate.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Revenue recognition including the risk of management override (£644.0 million, 2021: £329.6 million) Refer to the Audit Committee Report (page 107); Accounting policies (page 167); and note 2 of the Consolidated Financial Statements (page 176) Our assessment is that the majority of revenue transactions, for both the venues and digital businesses, are non-complex, with no judgement applied over the amount recorded. We consider there is a potential for management override to achieve revenue targets via topside manual journal entries posted to revenue.	Our procedures were designed to test our assessment that revenue should be correlated closely to cash banked (for the Retail business), and to customer balances and cash (for the Digital business), and to identify the manual adjustments that are made to revenue for further testing. We updated our understanding of the revenue processes and tested certain key financial and IT controls over the recognition and measurement of revenue in the areas most susceptible to management override. For revenue in each full and specific scope audit location: - We performed walkthroughs of significant classes of revenue transactions to understand significant processes and identify and assess the design effectiveness of key controls. - For 99.3% of revenue, we used data analytics tools to perform a correlation analysis to identify those revenue journals for which the corresponding entry was not to cash (for Retail) and cash or customer balances (for Digital). These identified entries included VAT, customer incentives, bingo duty and jackpot provisions and we obtained corroborating evidence for such entries. The remaining 0.7% of revenue was substantively tested - 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 thirty-two casino and bingo venues, selected using a risk-based approach and also included a random sample, at year end to verify the appropriate cut-off of revenue. - For the Spanish venues, we attended and re-performed cash counts at a sample of six venues, selected using a risk-based approach and also included a random sample, at year end to verify the appropriate cut-off of revenue. Digital segment specific procedures: - We applied data analytics tools to re-perform the monthly reconciliation between revenue, cash and customer balances. - For each brand, using test accounts in the live gaming environment, we tested the interface between gaming servers, data warehouse and the accounting system.	Based on our audit procedures we concluded that revenue, and adjustments to revenue, are appropriately recognised and recorded.

In the prior year, our auditor's report included a key audit matter in relation to going concern. In the current year, the cash position has strengthened due to the receipt of net £77 million in relation to the HMRC VAT case, £8.8 million in connection to Belgium sale in the prior year and the clubs trading for the majority of the year. As such, we do not consider going concern to be a key audit matter for the current year audit.

Our application of materiality
We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality
The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be £3.5 million (2021: £2.3 million), which is 0.5% revenue (2021: 0.7%) of revenue. We believe that revenue provides us with an appropriate measure given the volatility of the Group's profitability which is yet to recover to a level representative of the scale of the business following the impact of COVID-19 pandemic enforced trading restrictions.

We determined materiality for the Parent Company to be £7.7 million (2021: £7.0 million), which is 1% (2021: 1%) of equity. The Parent Company is a non-trading entity and as such, equity is the most relevant measure to the stakeholders of the entity.

Performance materiality
The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 50% (2021: 50%) of our planning materiality, namely £1.8 million (2021: £1.2 million). We have set performance materiality at this percentage to take into account the inherently high-risk nature of the industry in which the Group operates as well as the impact COVID-19 has had on the Group's operations. We have also taken into consideration changes within the Group and the impact this could have on the operations of the Group.

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was £0.4 million to £1.1 million (2021: £0.2 million to £0.6 million).

Reporting threshold
An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.2 million (2021: £0.1 million), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information
The other information comprises the information included in the Annual Report set out on pages 1 to 149, including the five-year review and the shareholder information set out on pages 212 to 214, 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, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with 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 the 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 Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements and the part of the Directors' Remuneration Report to be audited 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.

Corporate Governance Statement

We have reviewed the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group and company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting set out on page 82;
- Directors' explanation as to its assessment of the company's prospects, the period this assessment covers and why the period is appropriate set out on page 82;
- Director's statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meets its liabilities set out on page 82;
- Directors' statement on fair, balanced and understandable set out on page 109;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 83;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on page; and;
- The section describing the work of the Audit Committee set out on page 107.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 147, 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 Group and Parent 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 Group or the Parent 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 company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are the Companies Act 2006, the UK Gambling Commission, Gambling Act 2005, Money Laundering regulations, The Alderney Gambling Control Commission, The Spanish Gaming Act and License Conditions & The Code of Practice 2008. In addition, we concluded that there are certain significant laws and regulations which may have an effect on the determination of the amounts and disclosures in the financial statements being the Listing Rules of the UK Listing Authority, and those laws and regulations relating to data protection, employment law and tax legislation.

- We understood how The Rank Group Plc 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 Group's anti-money laundering procedures as part of our walkthrough procedures.
- We assessed the susceptibility of the Group'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 as a 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 Group's general counsel, Group management and internal audit; testing of manual journals and review of correspondence from Regulatory authorities.
- The Group 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 Group and in assessing the control environment we have considered the compliance of the Group to these regulations as part of our audit procedures, which included a review of any significant correspondence received from the regulator.
- Our overseas teams specifically reported on their procedures and findings in relation to compliance with the applicable laws and regulations. These findings were discussed with the team and supporting workpapers reviewed for a sample of locations.

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.

Other matters we are required to address

- Following a competitive tender process, we were reappointed by the Company at its Annual General Meeting on 17 October 2019 to audit the financial statements for the year ending 30 June 2020 and subsequent financial periods.
- The period of total uninterrupted engagement including previous renewals and reappointments is thirteen years, covering the years ending 31 December 2010 to 30 June 2022.
- The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Parent Company and we remain independent of the Group and the Parent Company in conducting the audit.
- The audit opinion is consistent with the additional report to the audit committee

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
18 August 2022

Group income statement

for the year ended 30 June 2022

		Year ended 30 June 2022			Year ended 30 June 2021		
	Note	Underlying £m	Separately disclosed items (note 4) £m	Total £m	Underlying £m	Separately disclosed items (note 4) £m	Total £m
Continuing operations							
Revenue	2	**644.0**	**–**	**644.0**	329.6	–	329.6
Cost of sales		**(386.5)**	**(25.8)**	**(412.3)**	(305.4)	–	(305.4)
Gross profit		**257.5**	**(25.8)**	**231.7**	24.2	–	24.2
Other operating income	2,18	**3.6**	**88.3**	**91.9**	64.4	–	64.4
Other operating costs		**(221.3)**	**(20.2)**	**(241.5)**	(173.1)	(8.4)	(181.5)
Group operating profit (loss)	2,3	**39.8**	**42.3**	**82.1**	(84.5)	(8.4)	(92.9)
Financing:							
– finance costs		**(13.1)**	**–**	**(13.1)**	(14.0)	–	(14.0)
– finance income		**0.1**	**–**	**0.1**	0.1	–	0.1
– other financial (losses) gains		**(0.4)**	**5.6**	**5.2**	(0.5)	–	(0.5)
Total net financing (charge) income	5	**(13.4)**	**5.6**	**(7.8)**	(14.4)	–	(14.4)
Profit (loss) before taxation		**26.4**	**47.9**	**74.3**	(98.9)	(8.4)	(107.3)
Taxation	6	**(6.4)**	**(10.5)**	**(16.9)**	10.1	0.3	10.4
Profit (loss) for the year from continuing operations		**20.0**	**37.4**	**57.4**	(88.8)	(8.1)	(96.9)
Discontinued operations – profit	8	**–**	**8.8**	**8.8**	1.1	23.8	24.9
Profit (loss) for the year		**20.0**	**46.2**	**66.2**	(87.7)	15.7	(72.0)
Attributable to:							
Equity holders of the parent		**20.0**	**46.2**	**66.2**	(87.8)	15.7	(72.1)
Non-controlling interest		**–**	**–**	**–**	0.1	–	0.1
		20.0	**46.2**	**66.2**	(87.7)	15.7	(72.0)
Earnings (loss) per share attributable to equity shareholders							
– basic	10	**4.3p**	**9.9p**	**14.2p**	(20.1)p	3.6p	(16.5)p
– diluted	10	**4.3p**	**9.9p**	**14.2p**	(20.1)p	3.6p	(16.5)p
Earnings (loss) per share – continuing operations							
– basic	10	**4.3p**	**8.0p**	**12.3p**	(20.3)p	(1.9)p	(22.2)p
– diluted	10	**4.3p**	**8.0p**	**12.3p**	(20.3)p	(1.9)p	(22.2)p
Earnings per share – discontinued operations							
– basic	10	**–**	**1.9p**	**1.9p**	0.2p	5.5p	5.7p
– diluted	10	**–**	**1.9p**	**1.9p**	0.2p	5.5p	5.7p

Group statement of comprehensive income

for the year ended 30 June 2022

	Note	Year ended 30 June 2022 £m	Year ended 30 June 2021 £m
Comprehensive income:			
Profit (loss) for the year		**66.2**	(72.0)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange adjustments net of tax		**-**	(4.2)
Items that may not be reclassified subsequently to profit or loss:			
Actuarial gain on retirement benefits net of tax	31	**0.1**	0.2
Total comprehensive income (loss) for the year		**66.3**	(76.0)
Attributable to:			
Equity holders of the parent		**66.3**	(76.1)
Non-controlling interest		**-**	0.1
		66.3	(76.0)

The tax effect of items of comprehensive income is disclosed in note 6.

Balance sheets

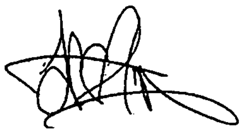
at 30 June 2022

	Note	Group As at 30 June 2022 £m	Group As at 30 June 2021 £m	Company As at 30 June 2022 £m	Company As at 30 June 2021 £m
Assets					
Non-current assets					
Intangible assets	11	**493.6**	504.6	**–**	–
Property, plant and equipment	12	**113.1**	117.4	**–**	–
Right-of-use assets	13	**101.6**	128.6	**–**	–
Investments in subsidiaries	15	**–**	–	**1,131.8**	1,131.8
Deferred tax assets	23	**1.4**	3.6	**–**	–
Other receivables	17	**6.7**	5.1	**–**	–
		716.4	759.3	**1,131.8**	1,131.8
Current assets					
Inventories	16	**2.3**	2.0	**–**	–
Other receivables	17	**34.2**	16.3	**–**	–
Government grants	18	**–**	0.8	**–**	–
Income tax receivable	20	**8.1**	10.1	**–**	–
Cash and short-term deposits	27	**97.9**	69.6	**–**	–
		142.5	98.8	**–**	–
Total assets		**858.9**	858.1	**1,131.8**	1,131.8
Liabilities					
Current liabilities					
Trade and other payables	19	**(131.1)**	(126.3)	**(0.4)**	(0.6)
Lease liabilities	32	**(40.4)**	(42.2)	**–**	–
Income tax payable	20	**(4.2)**	(3.1)	**–**	–
Financial liabilities					
– financial guarantees	21	**–**	–	**(2.6)**	(3.1)
– loans and borrowings	21	**(33.9)**	(39.4)	**(387.1)**	(371.9)
Provisions	24	**(6.9)**	(5.4)	**(0.1)**	(0.1)
		(216.5)	(216.4)	**(390.2)**	(375.7)
Net current liabilities		**(74.0)**	(117.6)	**(390.2)**	(375.7)
Non-current liabilities					
Trade and other payables	19	**–**	–	**–**	–
Lease liabilities	32	**(141.3)**	(164.7)	**–**	–
Financial liabilities					
– loans and borrowings	21	**(44.1)**	(77.7)	**–**	–
Deferred tax liabilities	23	**(20.5)**	(18.3)	**–**	–
Provisions	24	**(5.6)**	(16.0)	**(0.9)**	(0.9)
Retirement benefit obligations	31	**(3.6)**	(3.8)	**–**	–
		(215.1)	(280.5)	**(0.9)**	(0.9)
Total liabilities		**(431.6)**	(496.9)	**(391.1)**	(376.6)
Net assets		**427.3**	361.2	**740.7**	755.2

	Note	Group		Company	
		As at 30 June 2022 £m	As at 30 June 2021 £m	**As at 30 June 2022 £m**	As at 30 June 2021 £m
Capital and reserves attributable to the Company's equity shareholders					
Share capital	25	**65.0**	65.0	**65.0**	65.0
Share premium	25	**155.7**	155.7	**155.7**	155.7
Capital redemption reserve		**33.4**	33.4	**33.4**	33.4
Exchange translation reserve		**14.6**	14.6	**–**	–
Retained earnings		**158.7**	92.6	**486.6**	501.1
Total equity before non-controlling interest		**427.4**	361.3	**740.7**	755.2
Non-controlling interest	15	**(0.1)**	(0.1)	**–**	–
Total shareholders' equity		**427.3**	361.2	**740.7**	755.2

The loss for the year ended 30 June 2022 for the Company was £14.5m (year ended 30 June 2021: loss of £7.9m).

These financial statements were approved by the Board on 17 August 2022 and signed on its behalf by:



John O'Reilly
Chief Executive

Richard Harris
Chief Financial Officer

Statements of changes in equity

for the year ended 30 June 2022

Group	Share capital £m	Share premium £m	Capital redemption reserve £m	Exchange translation reserve £m	Retained earnings (loss) £m	Reserves attributable to the Group's equity shareholders £m	Non-controlling interest £m	Total equity £m
At 1 July 2020	54.2	98.4	33.4	18.8	161.3	366.1	(0.2)	365.9
Comprehensive income:								
(Loss) profit for the year	–	–	–	–	(72.1)	(72.1)	0.1	(72.0)
Other comprehensive income:								
Exchange adjustments net of tax	–	–	–	(4.2)	–	(4.2)	–	(4.2)
Actuarial gain on retirement benefits net of tax	–	–	–	–	0.2	0.2	–	0.2
Total comprehensive (loss) income for the year	–	–	–	(4.2)	(71.9)	(76.1)	0.1	(76.0)
IFRS 16 adoption deferred tax adjustment[1]	–	–	–	–	3.4	3.4	–	3.4
Issue of share capital (see note 25)	10.8	57.3	–	–	–	68.1	–	68.1
Transactions with owners:								
Debit in respect of employee share schemes including tax	–	–	–	–	(0.2)	(0.2)	–	(0.2)
At 30 June 2021	65.0	155.7	33.4	14.6	92.6	361.3	(0.1)	361.2
Comprehensive income:								
Profit for the year	–	–	–	–	**66.2**	**66.2**	–	**66.2**
Other comprehensive income:								
Exchange adjustments net of tax	–	–	–	–	–	–	–	–
Actuarial gain on retirement benefits net of tax	–	–	–	–	**0.1**	**0.1**	–	**0.1**
Total comprehensive income for the year	–	–	–	–	**66.3**	**66.3**	–	**66.3**
Transactions with owners:								
Debit in respect of employee share schemes including tax	–	–	–	–	**(0.2)**	**(0.2)**	–	**(0.2)**
At 30 June 2022	**65.0**	**155.7**	**33.4**	**14.6**	**158.7**	**427.4**	**(0.1)**	**427.3**

1. Year ended 30 June 2021 adjustment relating to deferred tax on lease balances that was not considered material by the Directors.

Company	Share capital £m	Share premium £m	Capital redemption reserve £m	Exchange translation reserve £m	Retained earnings (losses) £m	Reserves attributable to the Company's equity shareholders £m	Non-controlling interest £m	Total equity £m
At 1 July 2020	54.2	98.4	33.4	–	509.0	509.0	–	695.0
Loss and total comprehensive expense for the year	–	–	–	–	(7.9)	(7.9)	–	(7.9)
Issue of share capital (see note 25)	10.8	57.3	–	–	–	–	–	68.1
At 30 June 2021	65.0	155.7	33.4	–	501.1	501.1	–	755.2
Loss and total comprehensive expense for the year	–	–	–	–	**(14.5)**	**(14.5)**	–	**(14.5)**
At 30 June 2022	**65.0**	**155.7**	**33.4**	–	**486.6**	**486.6**	–	**740.7**

Statements of cash flow

for the year ended 30 June 2022

		Group		Company	
	Note	**Year ended 30 June 2022 £m**	Year ended 30 June 2021 £m	**Year ended 30 June 2022 £m**	Year ended 30 June 2021 £m
Cash flows from operating activities					
Cash generated from (used in) operations	26	**171.3**	(15.3)	**15.5**	–
Interest received		**5.8**	0.1	**–**	–
Interest paid		**(12.1)**	(15.0)	**(15.5)**	–
Tax paid		**(9.9)**	(1.4)	**–**	–
Net cash generated from (used in) operating activities		**155.1**	(31.6)	**–**	–
Cash flows from investing activities					
Purchase of intangible assets		**(14.5)**	(15.9)	**–**	–
Purchase of property, plant and equipment		**(26.1)**	(6.3)	**–**	–
Proceeds from sale of business	8	**8.8**	25.2	**–**	–
Acquisition of a subsidiary, net of cash acquired		**(0.6)**	–	**–**	–
Net cash (used in) generated from investing activities		**(32.4)**	3.0	**–**	–
Cash flows from financing activities					
Issue of share capital		**–**	68.1	**–**	–
Repayment of term loans		**(29.6)**	(19.7)	**–**	–
(Repayment) drawdown of revolving credit facilities		**(11.0)**	11.0	**–**	–
Lease principal payments		**(53.7)**	(31.8)	**–**	–
Net cash (used in) generated from financing activities		**(94.3)**	27.6	**–**	–
Net increase (decrease) in cash and short-term deposits		**28.4**	(1.0)	**–**	–
Effect of exchange rate changes		**(0.1)**	(0.5)	**–**	–
Cash and short-term deposits at start of year		**69.6**	71.1	**–**	–
Cash and short-term deposits at end of year	27	**97.9**	69.6	**–**	–

Notes to the financial statements

1 General information and accounting policies

General information

The consolidated financial statements of The Rank Group Plc ('the Company') and its subsidiaries (together 'the Group') for the year ended 30 June 2022 were authorised for issue in accordance with a resolution of the Directors on 17 August 2022.

The Company is a public limited company which is listed on the London Stock Exchange and is incorporated and domiciled in England and Wales under registration number 03140769. The address of its registered office is TOR, Saint-Cloud Way, Maidenhead, SL6 8BN.

The Group operates gaming services in Great Britain (including the Channel Islands), Spain and India. Information on the Group's structure, including its subsidiaries, is provided in note 15.

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated and Company financial statements are set out below. These policies have been consistently applied to all periods presented, except where noted below.

1.1 Basis of preparation

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

1.1.1 Statement of compliance

The consolidated and Company financial statements have been prepared in accordance with UK-adopted International Accounting Standards. UK-adopted International Accounting Standards includes standards issued by the International Accounting Standards Board ('IASB') that are endorsed for use in the UK.

1.1.2 Going concern

In adopting the going concern basis for preparing the financial information, the Directors have considered the circumstances impacting the Group during the year as detailed in the operating review on pages 12 to 27, including the budget for 2022/23 ('the base case'), and recent trading performance, and have reviewed the Group's projected compliance with its banking covenants and access to funding options for the 12 months ending 31 August 2023 for the going concern period.

The Directors recognise that there is uncertainty at this time caused by the slower than anticipated return of customers to UK land-based leisure entertainment venues, the impact of current geopolitical influences on consumer sentiment and disposable incomes, increase in inflation rates and the overall impact on consumer demand. The Directors note that this has had an impact on the accuracy of budgeting and forecasting in the 2021/22 financial year, and with trading being weaker than anticipated upon the reopening of venues, this has been considered by management when setting the base case for the 2022/23 financial year.

The Directors have reviewed and challenged management's assumptions on the Group's base case. Key considerations are the assumptions on the levels of customer visits in the venues businesses, the number of first time and returning depositors in the digital businesses, and the average level of spend per visit for each. The key base case assumptions on costs are as follows:

- Payroll costs are adjusted for increases in the National Minimum Wage and a pay rise is awarded in April 2023;
- Rent due during the 2022/23 financial year is paid on time;
- All tax and duty is paid on time;
- Capital expenditure is in line with strategic plans; and
- Standard payment terms are assumed for supplier payments.

Allowance is made for one-off costs associated with implementation of the Group's strategic plan.

The base case contains certain discretionary costs within management control that could be reduced in the event of a revenue downturn. These include reductions to overheads, reduction to marketing costs, reductions to the venues' operating costs and reductions to capital expenditure.

The committed financing position in the base case within the going concern assessment period is that the Group continues to have access to the following committed facilities:

- Term loan of £78.8m which reduces to £44.4m in May 2023 due to a scheduled loan repayment; and
- Revolving credit facilities ('RCF') of £80.0m, reducing to £55.0m in July 2023.

At the date of approval of the consolidated and Company financial statements, the term loan was £78.8m and the £80.0m RCF was undrawn.

In undertaking their assessment, the Directors also reviewed compliance with the banking covenants ('Covenants') which are tested bi-annually at June and December. The Group expects to meet the Covenants at December 2022 and June 2023 and have available cash to meet liabilities as they fall due.

Sensitivity Analysis

The base case plan reflects the Directors' best estimate of the future prospects of the business. A number of plausible but severe downside risks, including consideration of possible mitigating actions, have been modelled with particular focus on the potential impact to cash flows, cash headroom and covenant compliance throughout the going concern period.

The potential impact on the Group of a combination of scenarios over and above those included in the base case plan has also been tested. The two downside scenarios modelled are:

(i) customer/depositor numbers and/or average spend per visit are below base case expectations, offset by direct cost mitigations; and
(ii) as for scenario (i), but taking the revenue decline across the Group further to reflect more recent performance in the last quarter of the 2021/22 financial year, along with a 5% inflationary impact on the variable cost base, in addition to the 8% already included in the base case, to reflect additional impact on underlying costs due to geopolitical influences and pressures on consumers' disposable incomes, offset by reduction in controllable operating costs.

Having modelled the downside scenarios, the indication is that the Group would continue to meet its Covenants in both cases and have available cash to meet liabilities.

Accordingly, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period at least through 31 August 2023. For these reasons, the Directors continue to adopt the going concern basis for the preparation of these consolidated and Company financial statements and in preparing the consolidated and Company 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.

1 General information and accounting policies (continued)

Going concern statement

Based on the Group's cash flow forecasts and business plan, the Directors believe that the Group will generate sufficient cash to meet its liabilities as they fall due for the period up to 31 August 2023. In making such statement, the Directors highlight forecasting accuracy in relation to the level of trading performance achieved as the key sensitivity in the approved base case.

The Directors have considered two downside scenarios which reflect a reduced trading performance and inflationary impacts on the cost base. In these events, the Group will generate sufficient cash to meet its liabilities as they fall due and meet covenant requirements for the period to 31 August 2023.

1.1.3 Accounting estimates and judgements

In the application of the Group'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 Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated and company financial statements.

(a) Separately disclosed items ('SDIs')

The Group 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 underlying business performance. Judgement is required in determining whether an item should be classified as an SDIs or included within the underlying results.

SDIs 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 4.

(b) Climate change

The Group continues to consider the impact of climate change in the consolidated and company financial statements and considers that the most significant impact would be in relation to the cost of energy to the Group for which best estimates have been factored into future forecasts, the carrying value of assets in the accounts, albeit this is not considered to have a material impact at the current time and the useful economic life of assets.

(c) 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 Group 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 Group. Such changes are reflected in the assumptions when they occur.

(a) Estimated impairment or subsequent reversal of previously recognised impairment for non-financial assets

Details of the Group's accounting policy in relation to impairments and impairment reversals are disclosed in note 1.14.

The application of the policy requires the use of accounting estimates in determining the recoverable amount of cash-generating units to which the goodwill, intangible assets, right-of-use assets and property, plant and equipment 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 prior year, the Group has assessed the continuing impact of COVID-19 risk into the impairment testing of goodwill and non-current 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 cash flows. Further details of the assumptions, estimates and sensitivity are disclosed in note 14.

The Company also tests annually the carrying value of its investments in subsidiaries. The application of this policy requires the use of estimates and judgements in determining the recoverable amount of the subsidiary undertakings. The recoverable amount is determined by applying an estimated valuation multiple to budgeted future earnings and deducting estimated costs of disposal (fair value less costs of disposal) and/or by using discounted cash flows (value in use), along with consideration of the underlying net assets and market capitalisation and is disclosed in note 14.

(b) Determination of the fair values of intangible assets

The Group estimates the fair value of acquired intangible assets arising from business combinations by selecting and applying appropriate valuation methods. These include the relief from royalty and multi-period excess earnings valuation methods, both of which require significant estimates to be made. Examples include estimating expected cash flows and identifying appropriate royalty and discount rates. The fair value of each acquired intangible asset is amortised over the respective assets estimated useful life. The Group uses projected financial information together with comparable industry information as well as applying its own experience and knowledge of the industry in making such judgements and estimates. Where a third party is involved to determine the fair value of the acquired intangible assets, the key assumptions reviewed by the Group include cash flow projections, terminal growth rates and discount rates as well as a sensitivity analysis.

(c) Income taxes

The Group is subject to income taxes in numerous jurisdictions and as such requires judgements to be made as well as best estimates and assumptions.

Judgement must be applied in assessing the likely outcome of certain tax matters whose final outcome may not be determined for a number of years. These judgements are reassessed in each period until the outcome is finally determined through resolution with a tax authority and/or through a legal process. Differences arising from changes in judgement or from final resolution may be material and will be charged or credited to the Group income statement in the relevant period.

Within the Group's net income tax receivable of £3.9m (30 June 2021: £7.0m receivable) are amounts of £0.3m payable (30 June 2021: £0.3m) that relate to uncertain tax positions. The Group evaluates uncertain items, where the tax judgement is subject to interpretation and remains to be agreed with the relevant tax authority. Provisions for uncertain items are made using an estimation of the most likely tax expected to be paid, based on a qualitative assessment of all relevant information. In assessing the appropriate provision for uncertain items, the Group considers progress made in discussions with tax authorities, expert advice on the likely outcome and recent developments in case law. Further details of income tax are disclosed in note 20.

1.1.4 Changes in accounting policy and disclosures

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

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

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

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

1.2 Consolidation

The consolidated financial statements comprise the financial statements of the parent and its subsidiaries as at 30 June 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has (a) power over the investee, (b) exposure, or rights, to variable returns from the investee, and (c) ability to use its power to affect those returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

If the Group loses control of a subsidiary, it derecognises the related assets (including goodwill), liabilities and other components of equity, while any resultant gain or loss is recognised in the Group income statement.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies as applied to subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Group has no material associates.

1.3 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at the acquisition date and represents the aggregate fair value of assets transferred and liabilities incurred.

Amounts payable in respect of deferred or contingent consideration are recognised at fair value at the acquisition date and included in consideration transferred. The subsequent unwind of any discount is recognised as an SDI in finance cost in the Group income statement. Other contingent consideration that either is within the scope of IFRS 9 or within the scope of other standards is remeasured at fair value at each reporting date and changes in fair value are recognised as an SDI in the Group income statement. Changes in the fair value of contingent consideration recognised as a financial liability that qualify as measurement period adjustments (being 12 months from the acquisition date) are adjusted retrospectively, with corresponding adjustments against goodwill. Material changes that do not qualify as measurement period adjustments are recognised as an SDI in the Group income statement.

When the Group acquires a business, it assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the acquisition date fair value of the consideration transferred over the fair value of the net identifiable amounts of the assets acquired and the liabilities assumed in exchange for the business combination. Identifiable intangible assets are recognised separately from goodwill.

1 General information and accounting policies (continued)

If the aggregate of the acquisition date fair value of the consideration transferred is lower than the fair value of the assets, liabilities and contingent liabilities in the business acquired, the difference is recognised through the Group income statement.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Acquisition costs incurred are expensed as an SDI.

1.4 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 the Group income statement. The initial fair value is generally the amount staked by the customer and includes adjustment for customer incentives, such as free bets, promotions and customer bonuses, where applicable. The instrument is subsequently remeasured when the result of the transaction is known and the amount payable is confirmed. This movement may be a gain or a loss. Gains and losses are offset on the basis that they arise from similar transactions. Such gains and losses are recorded in revenue.

(b) Gaming win – Slots and other digital products

Revenue for bingo is net of customer contribution to prizes but gross of company contributed prizes. It is net of any sales taxes but before deduction of gaming-related duties. Revenue for poker represents the rake received. Revenue for other digital products, including interactive games, represents gaming win before deduction of gaming-related duties. The Group's income earned from the above items is recognised when control of the goods or services are transferred to the customer and is within the scope of IFRS 15.

(c) Food, beverage and others

Revenue from food, beverage and other sales 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.

1.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the senior management team (the composition of which is disclosed on page 94 and at www.rank.com), which makes strategic and operational decisions.

The Group reports five segments: Digital, Grosvenor venues, Mecca venues, Enracha venues and Central costs.

- UK digital, Enracha digital, YoBingo and Stride is a single operating segment which is known as Digital,
- Grosvenor venues cover all UK casinos,
- Mecca venues covers all UK bingo halls, and
- Enracha venues covers all Spanish-facing venues.

1.6 Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal of an asset as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment, right-of-use assets and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the balance sheets.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the Group income statement.

1.7 Foreign currency translation

The consolidated and company financial statements are presented in UK sterling ('the presentation currency'), which is also the Company's functional currency. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

(a) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Group income statement in finance costs or income.

(b) Group companies
The results and financial position of all the Group companies (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each balance sheet presented are translated at the closing rate on the balance sheet date. The closing euro rate against UK sterling was 1.16 (30 June 2021: 1.16);
(ii) income and expenses for each income statement are translated at average exchange rates unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rates prevailing on the dates of the transactions. The average euro rate against UK sterling was 1.21 (year ended 30 June 2021: 1.13); and
(iii) all resulting exchange differences are recognised as a separate component of equity.

When a foreign operation is sold, such exchange differences are recognised in the Group income statement, as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

1.8 Financial assets
Financial assets within the scope of IFRS 9 are classified as financial assets 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 Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ('SPPI')' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

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

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

(a) Financial assets designated at fair value through OCI (equity instruments)
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the Group income statement when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Group elected to classify its non-listed equity investments under this category.

(b) Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Financial assets at fair value through profit or loss are carried in the Balance sheet at fair value with net changes in fair value recognised in the Group income statement.

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

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

1.9 Financial liabilities
Financial liabilities within the scope of IFRS 9 are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or 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 Group and company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

The subsequent measurement of financial liabilities depends on their classification, as described below:

(a) Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in the Group income statement. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

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

1 General information and accounting policies (continued)

(c) Financial guarantee contracts (Company only)

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are initially measured at fair value by applying the estimated probability of default to the cash outflow should default occur and subsequently amortising over the expected length of the guarantee, to the extent that the guarantee is not expected to be called. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date or the amount recognised less cumulative amortisation.

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 Group income statement.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance sheet 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.

1.10 Leases

The Group 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 Group 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 Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Group 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 Group income statement when the event or condition that triggers those payments occurs.

The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

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; and
- Fleet and machines 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 Group 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 Group as a lessee.

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

1.11 Provisions, contingent liabilities and regulatory matters

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, 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. Where discounting is used, 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 Group's policy is to engage collaboratively with regulators and address any concerns raised as soon as possible. The Group 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 Board is 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 consolidated and company financial statements within Provisions.

1.12 Property, plant and equipment

Property, plant and equipment is 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 Group 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 to 20 years or lease term
- Fixtures, fittings, plant and machinery	3 to 20 years

Land is not depreciated.

Residual values and useful lives are reviewed at each balance sheet date, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is 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 Group income statement as incurred.

Assets under construction included in property, plant and equipment are amounts relating to expenditure for assets in the course of construction.

1.13 Intangible assets

(a) Goodwill

Goodwill represents the excess of the fair value of the consideration transferred over the fair value of the Group's share of the net identifiable assets less the liabilities assumed at the date of acquisition. Goodwill on acquisitions is included in intangible assets. Goodwill is tested annually for impairment and is allocated to the relevant cash-generating unit or group of cash-generating units for the purpose of impairment testing. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows, that are largely independent of the cash inflows from other assets or groups of assets. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

(b) Casino and other gaming licences and concessions

The Group capitalises acquired casino and other gaming licences and concessions. Management believes that casino and other gaming licences, with the exception of seven (7) venues in Enracha, 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.

(c) Software and development

Costs that are directly associated with the production and development of identifiable and unique software products controlled by the Group, and that are expected to generate economic benefits exceeding costs beyond one year, are recognised as intangible assets for both externally purchased and internally developed software. Direct costs include specific employee costs for software development.

Software acquired as part of a business combination is recognised at fair value at the date of acquisition.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

(d) Brands

Represents the fair value of brands and trademark assets acquired in business combinations at the acquisition date.

(e) Customer relationships

Represents the fair value of customer relations acquired in business combinations at the acquisition date.

Amortisation is recognised on a straight-line basis over the estimated useful life of intangible assets unless such lives are indefinite. The estimated useful lives are as follows:

- Casino and other gaming licences	10 years or indefinite
- Software and development	3 to 5 years
- Brands	10 years
- Customer relationships	4 years

1 General information and accounting policies (continued)

1.14 Impairment or subsequent reversal of previously recognised impairment for non-financial assets

Assets that have an indefinite useful life are not subject to depreciation or amortisation and are tested annually for impairment. Assets that are subject to depreciation or 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 as the amount by which an 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 inflows (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 groups 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 expense in the Group income statement immediately.

Any impairment is allocated pro-rata across all assets in a cash-generating unit unless there is an indication that a class of asset 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 of disposal then any remaining impairment is allocated equally amongst all other assets.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. Reversals are allocated pro-rata across all assets in the cash-generating unit unless there is an indication that a class of asset should be reversed in the first instance or a fair market value exists for one or more assets. A reversal of an impairment loss is recognised in the Group income statement immediately.

An impairment loss recognised for goodwill is never reversed in subsequent periods.

1.15 Employee benefit costs

(a) Pension obligations

The Group operates a defined contribution plan under which the Group pays fixed contributions to a separate entity. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

The Group also has an unfunded pension commitment relating to three former Executives of the Group. The amount recognised in the balance sheet in respect of the commitment is the present value of the obligation at the balance sheet date, together with adjustment for actuarial gains or losses. The Group recognises actuarial gains and losses immediately in the Group statement of other comprehensive income. The interest cost arising on the commitment is recognised in net finance costs.

(b) Share-based compensation

The Group operates share-based payment schemes for employees of its subsidiaries whereby the Company makes awards of its own shares to employees of its subsidiaries, and as such recognises an increase in the cost of investment in its subsidiaries equivalent to the equity-settled share-based payment charge recognised in its subsidiaries' financial statements, with the corresponding credit being recognised directly in equity.

The cost of equity-settled transactions with employees for awards is measured by reference to the fair value at the date on which they are granted. The fair value is determined by using an appropriate pricing model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that service conditions are also satisfied.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognised is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. All cancellations of equity-settled transaction awards are treated equally, regardless of whether the entity or the employee cancels the award.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

(c) Bonus plans

The Group recognises a liability in respect of the best estimate of bonuses payable where contractually obliged to do so or where a past practice has created a constructive obligation.

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

1.17 Inventories
Inventories are valued at the lower of cost and net realisable value. Cost of inventory 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. When necessary, provision is made for obsolete and slow-moving inventories.

1.18 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 Group 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.

1.19 Share capital
Ordinary shares are classified as equity.

1.20 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.

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

1.22 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.

2 Segmental reporting
(a) Segment information – operating segments

	Year ended 30 June 2022					
	Digital £m	Grosvenor Venues £m	Mecca Venues £m	Enracha Venues £m	Central Costs £m	Total £m
Continuing operations						
Revenue	**183.3**	**296.6**	**134.0**	**30.1**	**–**	**644.0**
Other operating income	**–**	**2.6**	**1.0**	**–**	**–**	**3.6**
Underlying operating profit (loss)	**18.7**	**45.1**	**(0.8)**	**7.5**	**(30.7)**	**39.8**
Separately disclosed items	**(14.5)**	**15.5**	**34.4**	**7.6**	**(0.7)**	**42.3**
Segment result	**4.2**	**60.6**	**33.6**	**15.1**	**(31.4)**	**82.1**
Finance costs						**(13.1)**
Finance income						**0.1**
Other financial gain						**5.2**
Profit before taxation						**74.3**
Taxation						**(16.9)**
Profit for the year from continuing operations						**57.4**
Other segment items – continuing operations						
Capital expenditure	**(15.2)**	**(14.0)**	**(8.0)**	**(1.1)**	**(2.3)**	**(40.6)**
Depreciation and amortisation	**(13.2)**	**(32.4)**	**(15.1)**	**(1.3)**	**(5.4)**	**(67.4)**
SDI from continuing operations						
VAT claim – net of costs	**–**	**29.8**	**47.7**	**–**	**(0.4)**	**77.1**
Impairment charges	**–**	**(26.9)**	**(20.9)**	**–**	**–**	**(47.8)**
Impairment reversals	**–**	**13.3**	**–**	**8.7**	**–**	**22.0**
Property-related provisions	**–**	**–**	**10.4**	**–**	**–**	**10.4**
Amortisation of acquired intangible assets	**(11.7)**	**–**	**–**	**–**	**–**	**(11.7)**
Closure of venues	**–**	**(0.7)**	**(2.8)**	**(1.1)**	**–**	**(4.6)**
Integration costs	**(2.8)**	**–**	**–**	**–**	**–**	**(2.8)**
Gain on remeasurement of previously existing interest in joint venture	**0.8**	**–**	**–**	**–**	**–**	**0.8**
Business transformation costs	**(0.7)**	**–**	**–**	**–**	**(0.3)**	**(1.0)**
Acquisition and disposal costs	**(0.1)**	**–**	**–**	**–**	**–**	**(0.1)**

	Year ended 30 June 2021					
	Digital £m	Grosvenor Venues £m	Mecca Venues £m	Enracha Venues £m	Central Costs £m	Total £m
Continuing operations						
Revenue	177.4	79.2	55.5	17.5	–	329.6
Other operating income	–	45.3	18.2	0.3	0.6	64.4
Underlying operating profit (loss)	3.2	(40.7)	(18.9)	(0.2)	(27.9)	(84.5)
Separately disclosed items	(14.5)	13.3	(3.8)	(0.6)	(2.8)	(8.4)
Segment result	(11.3)	(27.4)	(22.7)	(0.8)	(30.7)	(92.9)
Finance costs						(14.0)
Finance income						0.1
Other financial losses						(0.5)
Loss before taxation						(107.3)
Taxation						10.4
Loss for the year from continuing operations						(96.9)
Other segment items – continuing operations						
Capital expenditure	(13.3)	(2.3)	(2.1)	(1.0)	(3.5)	(22.2)
Depreciation and amortisation	(13.7)	(32.9)	(16.4)	(1.5)	(5.8)	(70.3)
SDI from continuing operations						
Integration costs	(2.0)	–	–	–	(0.3)	(2.3)
Amortisation of acquired intangible assets	(11.8)	–	–	–	–	(11.8)
Property-related provisions	–	0.5	(0.7)	–	–	(0.2)
Business transformation costs	(0.7)	(0.8)	(1.0)	(0.6)	(2.5)	(5.6)
Closure of venues	–	–	(2.1)	–	–	(2.1)
Gaming duty refund	–	13.6	–	–	–	13.6

The Group reports segmental information on the basis by which the chief operating decision-makers utilise internal reporting within the business.

Following the sale of its Blankenberge Casino in Belgium in the prior year, Management refined the previously reported 'International Venues' segment to 'Enracha Venues' which solely operates in Spain.

Other operating income for both periods related to Government grants received from reimbursement of employee costs relating to staff furloughed due to COVID-19 under the Coronavirus Job Retention Scheme, Local Restrictions Support Grants and Restart Grants to support businesses during national lockdown periods and periods of local restrictions.

Assets and liabilities have not been segmented as this information is not provided to the chief operating decision-makers on a regular basis.

Capital expenditure comprises cash expenditure on property, plant and equipment and other intangible assets.

(b) Geographical information

The Group operates in three main geographical areas (UK, Continental Europe and Rest of World).

(i) Revenue from customers by geographical area based on location of customer

	Year ended 30 June 2022 £m	Year ended 30 June 2021 £m
UK	**588.7**	286.7
Continental Europe	**51.0**	38.6
Rest of World	**4.3**	4.3
Total revenue	**644.0**	329.6

(ii) Non-current assets by geographical area based on location of assets

	As at 30 June 2022 £m	As at 30 June 2021 £m
UK	**641.3**	693.7
Continental Europe	**75.1**	65.6
Total non-current assets	**716.4**	759.3

With the exception of the UK, no individual country contributed more than 15% of consolidated sales or assets.

(c) Total revenue and profit from operations

		Revenue		Profit	
	Note	Year ended 30 June 2022 £m	Year ended 30 June 2021 £m	Year ended 30 June 2022 £m	Year ended 30 June 2021 £m
From continuing operations		**644.0**	329.6	**57.4**	(96.9)
From discontinued operations	8	**–**	4.6	**8.8**	24.9
		644.0	334.2	**66.2**	(72.0)

(d) Total revenue by income stream

	Year ended 30 June 2022 £m	Year ended 30 June 2021 £m
Revenue recognised under IFRS 9		
Gaming win – Casino	**496.8**	237.2
Revenue recognised under IFRS 15		
Gaming win – Bingo	**79.5**	65.8
Gaming win – Poker	**19.1**	5.6
Gaming win – other digital products	**4.3**	4.3
Food and beverage	**39.0**	11.4
Other	**5.3**	5.3
Total revenue recognised under IFRS 15	**147.2**	92.4
Total revenue	**644.0**	329.6

2 Segmental reporting (continued)

(e) Total cost analysis by segment

To increase transparency, the Group has decided to include additional disclosure analysing total costs by type and segment. A reconciliation of total costs, before SDI, by type and segment is as follows:

	Year ended 30 June 2022					
	Digital £m	Grosvenor Venues £m	Mecca Venues £m	Enracha Venues £m	Central Costs £m	Total £m
Employment and related costs	**24.3**	**103.9**	**43.0**	**14.6**	**19.9**	**205.7**
Taxes and duties	**40.5**	**60.5**	**25.1**	**1.6**	**1.4**	**129.1**
Direct costs	**48.1**	**23.6**	**19.9**	**2.4**	**–**	**94.0**
Depreciation and amortisation	**13.2**	**32.4**	**15.1**	**1.3**	**5.4**	**67.4**
Marketing	**33.2**	**5.9**	**5.8**	**1.7**	**0.1**	**46.7**
Property costs	**0.5**	**8.7**	**4.5**	**0.6**	**1.7**	**16.0**
Other	**4.8**	**19.1**	**22.4**	**0.4**	**2.2**	**48.9**
Total costs before SDI	**164.6**	**254.1**	**135.8**	**22.6**	**30.7**	**607.8**
Cost of sales						**386.5**
Operating costs						**221.3**
Total costs before SDI						**607.8**

	Year ended 30 June 2021					
	Digital £m	Grosvenor Venues £m	Mecca Venues £m	Enracha Venues £m	Central Costs £m	Total £m
Employment and related costs	20.5	85.1	38.5	11.4	19.5	175.0
Taxes and duties	42.2	21.4	14.4	1.5	0.6	80.1
Direct costs	53.0	10.6	8.8	2.5	–	74.9
Depreciation and amortisation	13.7	32.9	16.4	1.5	5.8	70.3
Marketing	35.4	2.0	3.5	0.3	–	41.2
Property costs	0.9	3.4	0.2	0.5	1.6	6.6
Other	8.5	9.8	10.8	0.3	1.0	30.4
Total costs before SDI	174.2	165.2	92.6	18.0	28.5	478.5
Cost of sales						305.4
Operating costs						173.1
Total costs before SDI						478.5

The Group reports segmental information on the basis by which the chief operating decision-makers utilise internal reporting within the business.

3 Profit for the year – analysis by nature

The following items have been charged in arriving at the profit (loss) for the year before financing and taxation from continuing operations:

	Year ended 30 June 2022 £m	Year ended 30 June 2021 £m
Employee benefit expense	**189.9**	166.6
Cost of inventories recognised as expense	**18.7**	6.4
Amortisation of intangibles	**15.4**	16.2
Depreciation		
– owned assets (including £23.5m (year ended 30 June 2021: £27.7m) within cost of sales)	**25.4**	29.9
– right-of-use assets (including £24.9m (year ended 30 June 2021: £22.2m) within cost of sales)	**26.6**	23.8
Operating lease rentals payable – sub-lease income	**–**	0.1
Assets written off	**–**	0.5
SDI – operating (income) costs (see note 4)	**(42.3)**	8.4
Auditors' remuneration for audit services	**1.0**	0.8

In the year, the Group's auditors, Ernst & Young LLP, including its network firms, earned the following fees:

	Year ended 30 June 2022 £m	Year ended 30 June 2021 £m
Audit services		
– Fees payable to the Company's auditor for the parent company and consolidated financial statements	**1.0**	0.8
Other services		
– Fees payable for the review of Group's interim consolidated financial statements	**–**	–
	1.0	0.8

£35,000 (year ended 30 June 2021: £35,000) of the audit fees related to the parent company.

It is the Group's policy to balance the need to maintain auditor independence with the benefit of taking advice from the leading firm in the area concerned and the desirability of being efficient.

4 Separately disclosed items (SDIs)

	Note	Year ended 30 June 2022 £m	Year ended 30 June 2021 £m
Continuing operations			
VAT claim – net of costs		**77.1**	–
Impairment charges	11, 12, 13	**(47.8)**	–
Impairment reversals	11, 12, 13	**22.0**	–
Property-related provision	24	**10.4**	(0.2)
Amortisation of acquired intangible assets		**(11.7)**	(11.8)
Closure of venues		**(4.7)**	(2.1)
Integration costs		**(2.8)**	(2.3)
Gain on remeasurement of previously existing interest in joint venture	35	**0.8**	–
Business transformation costs		**(0.9)**	(5.6)
Acquisition and disposal related costs	35	**(0.1)**	–
Gaming duty refund		**–**	13.6
Separately disclosed items[1]		**42.3**	(8.4)
Interest on VAT claim	5	**5.6**	–
Taxation	6	**(10.5)**	0.3
Separately disclosed items relating to continuing operations[1]		**37.4**	(8.1)
Separately disclosed items relating to discontinued operations[1]			
Profit on disposal of business		**8.8**	23.8
Taxation		**–**	–
Total separately disclosed items[1]		**46.2**	15.7

1. It is Group policy to reverse separately disclosed items in the same line as they were originally recognised.

VAT claim

On 30 June 2021, the Group 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 Group, 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 £77.5m principal and interest of £5.6m, with costs directly incurred amounting to £0.4m. 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.

4 Separately disclosed items (continued)

Impairment charges and reversals

During the year, the Group recognised impairment charges of £47.8m relating to Grosvenor venues and Mecca clubs. The impairments were recognised for various reasons, including lower than anticipated performance post-pandemic, low level of forecast earnings, or a decision to close venues.

During the year, the Group also recognised a reversal of previously impaired assets of £22.0m relating to Grosvenor venues and Enracha venues. The reversals were driven by better than anticipated performance and improved outlook in the identified Grosvenor and Enracha venues.

The impairment and impairment reversals are material, non-cash and non-operational related items and as such, have been excluded from underlying results.

Property-related provisions

In prior years and as a result of the COVID-19 lockdown, the Group determined it was probable that they will be required to make payments under a property arrangement for which the liability will revert to the Group if the tenant defaults. A provision of £10.4m was recognised, being the present value of the amount expected to be paid over the remaining term of the lease.

During the current year, the Group have re-considered this provision in light of the current circumstances and situation for both the Group, the guarantors and the property tenants. It was determined that payment is no longer probable and therefore, the provision was released in full.

This is a material, one-off provision and as such has been excluded from underlying results consistent with the original recognition of the provision.

Amortisation of acquired intangible assets

Acquired intangible assets are amortised over the life of the assets with the charge being included in the Group's reported amortisation expense. Given these charges are material and non-cash in nature, the Group's underlying results have been adjusted to exclude the amortisation expense of £11.7m (2021: £11.8m) relating to the acquired intangible assets of Stride, YoBingo and Rialto.

Closure of venues

During the current year, the Group made the decision to close a number of Mecca venues. £4.7m (2021: £2.1m) of costs relating to these venues, including dilapidation repairs to which the assets were previously impaired and redundancy costs directly attributed to these venues, had been expensed during the year.

These are material costs incurred outside of usual business activities and as such have been excluded from underlying results.

Integration costs

During the year, £2.8m of costs (2021: £2.3m) have been excluded from underlying operating results of the Group. These costs have been incurred to ready the RIDE proprietary platform, acquired in the Stride acquisition, to migrate the legacy Rank brands. Meccabingo.com successfully migrated in January 2022 and grosvenorcasino.com is expected to migrate in September.

Costs directly associated with the integration of business acquisitions are charged to the Group income statement. Such items are material, infrequent in nature and are not considered to be part of the underlying business performance.

Gain on remeasurement of previously existing interest in joint venture

During the year, a gain of £0.8m was recognised on the remeasurement of the previously existing interest in a joint venture following the completion of the purchase of Rank Interactive Limited (previously Aspers Online Limited), see note 35.

The gain is infrequent in nature and does not represent underlying performance and has been excluded from underlying results.

Business transformation costs

This was a multi-year change programme for the Group focused around revenue growth, cost savings, efficiencies and ensuring the key enablers are in place. The transformation programme was started in January 2019 and is now expected to complete by 30 June 2023 extended from the previously targeted completion date of 31 December 2021 due to COVID-19.

The multi-year change programme is a material, infrequent programme and is not considered to be part of the underlying business performance.

Acquisition and disposal related costs

Acquisition and disposal related costs include non-recurring costs to professional firms that have resulted from acquisition or potential disposal of subsidiary. This has been presented as an SDI due to its one-off nature.

Gaming duty refund

During the prior year, the Group 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 of £13.6m was the gaming duty claim of £13.3m plus interest received of £0.3m.

These have been removed from underlying operating results as they are material, infrequent in nature and do not represent underlying performance. This income was classified within operating costs which is where the costs were previously deducted.

Profit on sale of business

Charges or credits associated with the disposal of part or all of a business may arise. Such disposals may result in one time impacts that in order to allow comparability means the Group removes the profit or loss from the underlying operating results.

The Belgium casino sale was reported in the Annual Report and Accounts at 30 June 2021 at a profit of £23.8m. On 2 August 2021 and subsequent to the sale, the Group was advised by the buyer of the outcome of a salary moderation case, the outcome for which was identified in the sale and purchase agreement as being retained in favour of the Group. This legal case has been found in favour of the Group and accordingly on 6 August 2021, the Group received additional proceeds of €3.7m and a further €6.3m on 29 June 2022. This has been recognised as an additional gain on sale of the subsidiary.

The Group also made the decision to release £0.2m of the warranty provision associated with the Belgium casino sale due to passage of time, see note 24.

Taxation

The tax impact of all of the above items are also considered not to be part of the underlying operations of the Group.

5 Financing

	Year ended 30 June 2022 £m	Year ended 30 June 2021 £m
Continuing operations		
Finance costs:		
Interest on debt and borrowings	**(4.5)**	(4.0)
Amortisation of issue costs on borrowings	**(1.9)**	(2.2)
Interest payable on leases	**(6.7)**	(7.8)
Total finance costs	**(13.1)**	(14.0)
Finance income:		
Interest income on net investments in leases	**0.1**	0.1
Interest income on short-term bank deposits	**-**	-
Total finance income	**0.1**	0.1
Other financial losses	**(0.4)**	(0.5)
Total net financing charge before SDIs	**(13.4)**	(14.4)
SDI – interest on VAT claim	**5.6**	-
Total net financing charge	**(7.8)**	(14.4)

Other financial losses include foreign exchange losses on loans and borrowings.

6 Taxation

	Year ended 30 June 2022 £m	Year ended 30 June 2021 £m
Current income tax		
Current income tax – UK	**(0.7)**	6.7
Current income tax – overseas	**(3.5)**	(0.1)
Current income tax on SDI	**(3.3)**	(0.9)
Amounts (under) over provided in previous period	**(5.4)**	1.4
Total current income tax (charge) credit	**(12.9)**	7.1
Deferred tax		
Deferred tax – UK	**0.2**	4.9
Deferred tax – overseas	**(1.4)**	2.7
Restatement of deferred tax due to rate change	**(0.2)**	(5.3)
Deferred tax on SDI	**(7.2)**	1.2
Amounts over (under) provided in previous period	**4.6**	(0.2)
Total deferred tax (charge) credit (note 23)	**(4.0)**	3.3
Tax (charge) credit in the income statement	**(16.9)**	10.4

The tax on the Group's profit before taxation differs from the standard rate of UK corporation tax in the period of 19.00% (year ended 30 June 2021: 19.00%). The differences are explained below:

	Year ended 30 June 2022 £m	Year ended 30 June 2021 £m
Profit (loss) before taxation on continuing operations	**74.3**	(107.3)
Tax charge calculated at 19.00% on profit before taxation (year ended 30 June 2021: 19.00%)	**(14.1)**	20.4
Effects of:		
Income (expenses) not deductible for tax purposes	**0.8**	(2.4)
Difference in overseas tax rates	**(3.0)**	(4.9)
Restatement of deferred tax due to rate change	**(0.2)**	(5.3)
Adjustments relating to prior periods	**(0.8)**	1.2
Deferred tax not recognised	**0.4**	1.4
Tax (charge) credit in the income statement	**(16.9)**	10.4

Tax on SDIs

The taxation impacts of SDIs are disclosed below:

	Year ended 30 June 2022			Year ended 30 June 2021		
	Current income tax £m	**Deferred tax £m**	**Total £m**	Current income tax £m	Deferred tax £m	Total £m
VAT claim – net of costs	**(4.6)**	**(11.1)**	**(15.7)**	–	–	–
Net impairment charges	**1.3**	**3.3**	**4.6**	–	–	–
Property-related provisions	**(0.6)**	**(1.4)**	**(2.0)**	–	–	–
Amortisation of acquired intangible assets	**–**	**1.1**	**1.1**	–	1.1	1.1
Closure of venues	**0.5**	**0.4**	**0.9**	0.3	–	0.3
Integration costs	**0.1**	**0.3**	**0.4**	0.4	0.1	0.5
Business transformation costs	**–**	**0.2**	**0.2**	1.0	–	1.0
Gaming duty refund	**–**	**–**	**–**	(2.6)	–	(2.6)
Tax (charge) credit on SDI	**(3.3)**	**(7.2)**	**(10.5)**	(0.9)	1.2	0.3

Factors affecting future taxation

The Group operates in a number of territories and so the Group's profits are subject to tax in various jurisdictions. The Group monitors income tax developments in these territories which could affect the Group's tax liabilities. The Group notes recent developments in relation to the OECD inclusive Framework on Base Erosion and Profit Shifting, with the new rules expected to apply to accounting periods beginning on or after 31 December 2023. The Group does not expect these to have a material impact on the Group's tax charge.

UK corporation tax is calculated at 19.00% (year ended 30 June 2021: 19.00%) of the estimated assessable profit for the period. Taxation for overseas operations is calculated at the local prevailing rates.

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.

On 20 July, the Government of Gibraltar announced the increase in the main rate of corporation tax from 10.00% to 12.50% effective from 1 August 2021.

Both of these rate increases will increase the amount of cash tax payments to be made by the Group.

7 Results attributable to the Parent Company

The Company has elected to take the exemption under Section 408 of the Companies Act 2006 not to present the parent company income statement. The loss for the year ended 30 June 2022 for the Company was £14.5m (year ended 30 June 2021: loss of £7.9m).

8 Discontinued operations

(a) Description

On 29 October 2020, the Group announced the decision by the Board that it had entered into a contract of sale in respect of its Blankenberge Casino in Belgium, a wholly-owned subsidiary. The sale of Blankenberge Casino was subject to regulatory approvals by the Belgium Gaming Commission and Blankenberge City Council. With all regulatory approvals obtained, the sale completed on 1 April 2021, and therefore was reported as a discontinued operation at 30 June 2021. Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

(b) Financial performance and cash flow information

	Twelve months ended 30 June 2022 £m	Nine months ended 31 March 2021 £m
Revenue	–	4.6
Cost of sales	–	(0.7)
Gross profit	–	3.9
Other operating costs	–	(2.4)
Underlying operating profit	–	1.5
Taxation	–	(0.4)
Underlying profit for the period from discontinued operations	–	1.1
Gain on sale of the subsidiary after taxation	**8.8**	23.8
Profit for the period from discontinued operation	**8.8**	24.9
Net cash inflow from operating activities	–	1.5
Net cash inflow from investing activities	**8.8**	23.8
Net cash inflow from subsidiary	**8.8**	25.3

On 2 August 2021 and subsequent to the sale, the Group was advised by the buyer of the outcome of a salary moderation case the outcome for which was identified in the sale and purchase agreement as being retained in favour of the Group. This legal case has been found in favour of the Group and accordingly on 6 August 2021, the Group received additional proceeds of €3.7m and a further €6.3m on 29 June 2022. This has been recognised as an additional gain on sale of the subsidiary.

8 Discontinued operations (continued)
(c) Details of the sale of the subsidiary

	Nine months ended 31 March 2021 £m
Enterprise value	25.0
Working capital	0.2
Total proceeds	25.2
Less:	
Assets held for sale	(0.6)
Provision for warranties	(0.8)
Transaction costs	(0.1)
Foreign exchange	0.1
Gain on sale	23.8

In the event that the provision for warranties is not called upon over the five-year period, this amount will be released to the Group income statement as additional profit on sale. During the year, the Group recognised £0.2m additional profit on sale within the SDI of the consolidated Group income statement, see note 4.

We do not expect any tax to arise on the disposal as any gain on disposal is covered by the substantial shareholding exemption.

The carrying value of the assets and liabilities at the date of the sale are shown below in accordance with IFRS requirements. Cash and short-term deposits remained an asset of the Group upon completion of the sale.

	As at 31 March 2021 £m
Assets	
Intangible assets	0.9
Property, plant and equipment	0.5
Other receivables	1.6
Income tax receivable	0.3
Assets held for sale	3.3
Liabilities	
Trade and other payables	(2.7)
Income tax payable	–
Liabilities directly associated with assets held for sale	(2.7)
Net assets directly associated with disposal group	0.6

9 Dividends paid to equity holders
No dividend in respect of the year ended 30 June 2022 will be recommended at the Annual General Meeting on 13 October 2022 (year ended 30 June 2021: nil).

10 Earnings per share
(a) Basic earnings per share

	Year ended 30 June 2022			Year ended 30 June 2021		
	Underlying	**SDI**	**Total**	Underlying	SDI	Total
Profit (loss) attributable to equity shareholders						
Continuing operations	**£20.0m**	**£37.4m**	**£57.4m**	£(88.9)m	£(8.1)m	£(97.0)m
Discontinued operations	**–**	**£8.8m**	**£8.8m**	£1.1m	£23.8m	£24.9m
Total	**£20.0m**	**£46.2m**	**£66.2m**	£(87.8)m	£15.7m	£(72.1)m
Weighted average number of ordinary shares in issue	**468.4m**	**468.4m**	**468.4m**	437.3m	437.3m	437.3m
Basic earnings (loss) per share						
Continuing operations	**4.3p**	**8.0p**	**12.3p**	(20.3)p	(1.9)p	(22.2)p
Discontinued operations	**–**	**1.9p**	**1.9p**	0.2p	5.5p	5.7p
Total	**4.3p**	**9.9p**	**14.2p**	(20.1)p	3.6p	(16.5)p

(b) Diluted earnings per share
Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue to assume conversion of all dilutive potential ordinary shares.

	Year ended 30 June 2022			Year ended 30 June 2021		
	Underlying	**SDI**	**Total**	Underlying	SDI	Total
Weighted average number of ordinary shares in issue	**468.4m**	**468.4m**	**468.4m**	437.3m	437.3m	437.3m
Number of shares used for fully diluted earnings per share	**468.4m**	**468.4m**	**468.4m**	437.3m	437.3m	437.3m
Diluted earnings (loss) per share						
Continuing operations	**4.3p**	**8.0p**	**12.3p**	(20.3)p	(1.9)p	(22.2)p
Discontinued operations	**–**	**1.9p**	**1.9p**	0.2p	5.5p	5.7p
Total	**4.3p**	**9.9p**	**14.2p**	(20.1)p	3.6p	(16.5)p

11 Intangible assets

Group	Note	Goodwill £m	Casino and other gaming licences and concessions £m	Software and development £m	Brands and customer relationships £m	Total £m
Cost						
At 1 July 2020		220.2	280.3	118.8	21.9	641.2
Additions		–	0.4	14.1	0.9	15.4
Disposals		–	–	(3.3)	–	(3.3)
Business disposed	8	–	–	(0.1)	(0.9)	(1.0)
Reallocation between categories[1]		–	–	0.6	–	0.6
Exchange adjustments		(2.0)	(2.9)	(0.2)	(0.6)	(5.7)
At 30 June 2021		218.2	277.8	129.9	21.3	647.2
Additions	35	**2.1**	–	**11.0**	**1.4**	**14.5**
Disposals		–	–	–	–	–
Exchange adjustments		–	**0.1**	**(0.2)**	–	**(0.1)**
At 30 June 2022		**220.3**	**277.9**	**140.7**	**22.7**	**661.6**
Aggregate amortisation and impairment						
At 1 July 2020		–	62.9	49.8	7.5	120.2
Charge for the year		–	0.1	22.7	5.2	28.0
Disposals		–	–	(3.3)	–	(3.3)
Impairment charges		–	–	0.6	–	0.6
Business disposed	8	–	–	(0.1)	–	(0.1)
Exchange adjustments		–	(2.3)	(0.1)	(0.4)	(2.8)
At 30 June 2021		–	60.7	69.6	12.3	142.6
Charge for the year		–	**0.1**	**21.8**	**5.2**	**27.1**
Impairment charges		–	**13.4**	–	–	**13.4**
Impairment reversal		–	**(15.0)**	–	–	**(15.0)**
Exchange adjustments		–	**(0.1)**	–	–	**(0.1)**
At 30 June 2022		–	**59.1**	**91.4**	**17.5**	**168.0**
Net book value at 30 June 2021		218.2	217.1	60.3	9.0	504.6
Net book value at 30 June 2022		**220.3**	**218.8**	**49.3**	**5.2**	**493.6**

1. Management identified £0.6m of assets which should be reclassified from property, plant and equipment to intangible assets. These have been reflected in the reclassification line in the note above.

Amortisation charge for the year of £27.1m (30 June 2021: £28.0m) comprises of £11.7m (30 June 2021: £11.8m) recognised in respect of SDI relating to continuing operations and £15.4m (30 June 2021: £16.2m) in respect of operating profit before SDI.

Net impairment charges for the year of £1.6m (30 June 2021: £0.6m) have been recognised in respect of SDI relating to continuing operations, comprising of an impairment charge of £15.0m and impairment reversals of £13.4m.

Software includes internally-generated computer software and development technology with a net book value of £3.2m (30 June 2021: £5.5m). Included in software and development are assets in the course of construction of £1.0m (30 June 2021: £1.5m).

Brands and customer relationships are fair value adjustments that arose on acquisition.

Intangible assets have been reviewed for impairment as set out in note 14.

12 Property, plant and equipment

Group	Note	Land and buildings £m	Fixtures, fittings, plant and machinery £m	Total £m
Cost				
At 1 July 2020		113.3	468.7	582.0
Additions		1.0	5.7	6.7
Disposals		(0.5)	(5.1)	(5.6)
Business disposed	8	–	(3.3)	(3.3)
Write off of assets		–	(0.5)	(0.5)
Reallocation between categories[1]		(1.4)	0.8	(0.6)
Reallocation between categories[2]		(1.9)	–	(1.9)
Exchange adjustments		(0.7)	(3.9)	(4.6)
At 30 June 2021		109.8	462.4	572.2
Additions		**0.5**	**25.6**	**26.1**
Disposals		–	**(5.1)**	**(5.1)**
Exchange adjustments		–	**(0.1)**	**(0.1)**
At 30 June 2022		**110.3**	**482.8**	**593.1**
Accumulated depreciation and impairment				
At 1 July 2020		66.9	370.5	437.4
Charge for the year		4.0	25.9	29.9
Disposals		(0.5)	(5.0)	(5.5)
Business disposed	8	–	(2.8)	(2.8)
Reallocation between categories[2]		(0.8)	–	(0.8)
Exchange adjustments		(0.1)	(3.3)	(3.4)
At 30 June 2021		69.5	385.3	454.8
Charge for the year		**2.7**	**22.7**	**25.4**
Impairment charges		**1.9**	**8.5**	**10.4**
Impairment reversal		–	**(5.2)**	**(5.2)**
Disposals		–	**(5.1)**	**(5.1)**
Exchange adjustment		–	**(0.3)**	**(0.3)**
At 30 June 2022		**74.1**	**405.9**	**480.0**
Net book value at 30 June 2021		40.3	77.1	117.4
Net book value at 30 June 2022		**36.2**	**76.9**	**113.1**

1. Management identified £0.6m of assets which should be reclassified from property, plant and equipment to intangible assets. These have been reflected in the reclassification line in the note above.
2. Management identified £1.1m of net assets which should be reclassified from property, plant and equipment to right-of-use assets. These have been reflected in the reclassification lines in the note above.

Net impairment charges for the year of £5.2m (30 June 2021: £nil) have been recognised in respect of SDI relating to continuing operations, comprising of an impairment charge of £10.4m and impairment reversals of £5.2m. There were no impairment charges or reversals in the prior year.

Included in property, plant and equipment are assets in the course of construction of £13.8m (30 June 2021: £1.7m).

13 Right-of-use assets

Group	Right-of-use land and buildings £m	Right-of-use fleet and machines £m	Total £m
Cost			
At 1 July 2020	186.4	5.0	191.4
Additions	6.6	–	6.6
Disposals	(0.2)	–	(0.2)
Reallocation between categories[1]	1.9		1.9
Exchange adjustments	(0.3)	–	(0.3)
At 30 June 2021	194.4	5.0	199.4
Additions	**21.9**	–	**21.9**
At 30 June 2022	**216.3**	**5.0**	**221.3**
Accumulated depreciation and impairment			
At 1 July 2020	44.7	1.6	46.3
Charge for the year	23.0	0.8	23.8
Reallocation between categories[1]	0.8	–	0.8
Exchange adjustments	(0.1)	–	(0.1)
At 30 June 2021	68.4	2.4	70.8
Charge for the year	**25.0**	**1.6**	**26.6**
Impairment charges	**24.0**	–	**24.0**
Impairment reversal	**(1.8)**	–	**(1.8)**
Exchange adjustments	**0.1**	–	**0.1**
At 30 June 2022	**115.7**	**4.0**	**119.7**
Net book value at 30 June 2021	126.0	2.6	128.6
Net book value at 30 June 2022	**100.6**	**1.0**	**101.6**

1. Management identified £1.1m of net assets which should be reclassified from property, plant and equipment to right-of-use assets. These have been reflected in the reclassification lines in the note above.

Net impairment charges for the year of £22.2m (30 June 2021: £nil) have been recognised in respect of SDI relating to continuing operations, comprising of an impairment charge of £24.0m and impairment reversals of £1.8m. There were no impairment charges or reversals in the prior year.

14 Impairment reviews

Group

The Group considers each venue to be a separate cash-generating unit ('CGU'). The Group's digital operations consist of the UK digital business and the International digital business. UK digital and International digital are each assessed as separate CGUs. 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
UK digital CGUs	**108.5**	106.4	–	–
International digital CGUs	**30.9**	30.9	–	–
Enracha CGUs[2]	–	–	**12.2**	6.7
Total	**220.3**	218.2	**218.6**	217.1

1. Each Grosvenor venue is a separate CGU. 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.
2. Each Enracha venue is a separate CGU. As no individual venue CGU is significant in comparison to the total carrying amounts of intangible assets and other assets, the venue CGUs have been presented on aggregated basis.

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 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%
Mecca venues	**11.3%**	10.5%	**0%**	0%
UK digital	**13.0%**	12.8%	**2%**	2%
International digital	**14.7%**	14.0%	**2%**	2%
Enracha venues	**12.5%**	11.7%	**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]	(5.4)	(8.1)	(13.4)	**(26.9)**
Mecca venues[2]	(4.9)	(16.0)	–	**(20.9)**
	(10.3)	**(24.1)**	**(13.4)**	**(47.8)**
Impairment reversals				
Grosvenor venues[1]	2.9	1.1	9.3	**13.3**
Enracha venues[3]	2.3	0.7	5.7	**8.8**
	5.2	**1.8**	**15.0**	**22.0**
Net impairment (charge) reversals	**(5.1)**	**(22.3)**	**1.6**	**(25.8)**

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.
2. Impairment charge and reversal are recorded at the different individual Mecca venue CGUs. The total value in use of the CGUs where an impairment charge or impairment reversal was recognised totalled to £23.2m.
3. Impairment charge and reversal are recorded at the different individual Enracha venue CGUs. The total value in use of the CGUs where an impairment charge or impairment reversal was recognised totalled to £25.7m.

Other than Enracha venues, which performed well in the year, all other Mecca clubs and some Grosvenor venues have indicators of impairment, primarily caused by lower than anticipated performance post the pandemic, and low level of forecast earnings, or a decision to close venues. This further resulted to a decision to close a number of Mecca clubs which resulted in impairment of £1.8m.

14 Impairment reviews (continued)

During the year, the Group also recognised a reversal of previously impaired assets of £22.0m relating to Grosvenor venues and Enracha venues. The reversals were driven by better than anticipated performance and improved outlook in the identified Grosvenor and Enracha 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 and Mecca venues, the following sensitivities would result in changes to the recognised impairments. No reasonable possible changes in assumptions will result in an impairment and therefore no sensitivity analysis has been disclosed for Digital CGUs and Enracha venues.

Grosvenor Venues CGUs

Key Assumption	Reasonable Possible Change	Impact on impairment	£m
Revenue Growth	10% decrease in revenue in year 1 – London	Increase	(7.5)
	10% decrease in revenue in year 1 – Rest of UK	Increase	(2.6)
	10% increase in revenue in year 1 – London	Decrease	4.9
	10% increase in revenue in year 1 – Rest of UK	Decrease	1.3
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	–

Mecca Venues CGUs

Key Assumption	Reasonable Possible Change	Impact on impairment	£m
Revenue Growth	10% decrease in revenue in year 1	Increase	(5.7)
	10% increase in revenue in year 1	Decrease	4.7
Pre-tax discount rates	1% decrease in discount rates	Decrease	0.9
	1% increase in discount rates	Increase	(0.9)
Long-term growth rates	1% decrease in long–term growth rates	Increase	(0.3)
	1% increase in long–term growth rates	Decrease	0.3

Company

The Company also tests annually the carrying value of its investments in subsidiaries, being its investments in Rank Nemo (Twenty-Five) Limited, a holding company for all companies within the Group, with the exception of Rank Group Finance plc which acts as the Group's financing company.

Consistent with prior year, the recoverable amount was calculated by reference to value in use. The calculation of value in use for Rank Nemo (Twenty-Five) Limited is based upon estimates of future cash flows from the Group's CGUs and derived from the Group's strategic plan for the following three years and, where required, adjustments for long-term provisions, lease liabilities and net intercompany positions. The key assumptions underlying the forecasts are those described above with regards to the impairment testing of the Group's CGUs.

The value in use of the Company's investment in Rank Group Finance Plc is estimated based on the net assets of the company which principally consist of amortised cost receivables and so is considered to approximate value in use.

No impairments were identified in the carrying value of the Company's investments in subsidiaries. For CGUs, no reasonable possible changes in assumptions will result in an impairment and therefore no sensitivity analysis has been disclosed.

15 Investments

(a) Group investments

On 21 April 2022, Rank completed the purchase of the remaining 50% shareholding in Rank Interactive Limited (formerly known as Aspers Online Limited) for £1.3m made up of (i) cash consideration of £1 (ii) loan repayment of £0.5m and (iii) deferred consideration of £0.8m, refer to note 35 for details.

(b) Company investments

Company – investment in subsidiaries	As at 30 June 2022 £m	As at 30 June 2021 £m
Cost		
At start of year	**1,452.3**	1,452.3
At end of year	**1,452.3**	1,452.3
Provision for impairment		
At start of year	**320.5**	320.5
At end of year	**320.5**	320.5
Net book value at start of year	**1,131.8**	1,131.8
Net book value at end of year	**1,131.8**	1,131.8

The Company calculates a recoverable amount of its subsidiaries based upon the Board approved strategic plans and business models and, where required, adjustments for long-term provisions and net intercompany positions are made.

The Company owns directly or indirectly 100% (unless otherwise noted) of the ordinary share capital and voting rights of the following companies:

Name	Country of incorporation	Principal activities	Registered office address
Daub Alderney Limited	Alderney	Interactive gaming	Inchalla, Le Val, Alderney GY9 3UL
QSB Gaming Limited	Alderney	Intermediary holding company	La Corvee House, La Corvee, Alderney, GY9 3TQ
Rank Digital Gaming (Alderney) Limited	Alderney	Interactive gaming	La Corvee House, La Corvee, Alderney, GY9 3TQ
8Ball Games Limited[9]	England and Wales	Marketing services	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Grosvenor Casinos (GC) Limited	England and Wales	Casinos	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Grosvenor Casinos Limited	England and Wales	Casinos	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Linkco Limited	England and Wales	Processing of credit transfers	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Luda Bingo Limited	England and Wales	Dormant	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Mecca Bingo Limited	England and Wales	Social and Bingo clubs	TOR, Saint-Cloud Way, Maidenhead SL6 8BN

15 Investments (continued)

Name	Country of incorporation	Principal activities	Registered office address
Rank (U.K.) Holdings Limited	England and Wales	Dormant	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Rank Casino Holdings Limited	England and Wales	Intermediary holding company	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Rank Digital Holdings Limited	England and Wales	Intermediary holding company	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Rank Digital Limited	England and Wales	Support services to interactive gaming	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Rank Group Finance Plc[1]	England and Wales	Funding operations for the Group	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Rank Group Gaming Division Limited	England and Wales	Intermediary holding company and property services	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Rank Group Holdings Limited	England and Wales	Dormant	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Rank Leisure Holdings Limited	England and Wales	Intermediary holding company and corporate activities	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Rank Leisure Limited	England and Wales	Adult gaming centres in Mecca and Grosvenor Casinos venues	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Rank Leisure Machine Services Limited	England and Wales	Dormant	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Rank Nemo (Twenty-Five) Limited[1]	England and Wales	Intermediary holding company	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Rank Overseas Holdings Limited	England and Wales	Intermediary holding company	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
RO Nominees Limited	England and Wales	Dormant	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Spacebar Media Limited	England and Wales	Development and maintenance of online gaming software	Unit 450 Highgate Studios 53-79 Highgate Road, Kentish Town, London, NW5 1TL
Stride Together Limited[9]	England and Wales	Support services to interactive gaming	Unit 901 Highgate Studios 53-79 Highgate Road, Kentish Town, London, NW5 1TL
The Gaming Group Limited	England and Wales	Casinos	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
The Rank Organisation Limited	England and Wales	Dormant	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Think Beyond Media Limited[9]	England and Wales	Marketing services	Unit 441/2 Highgate Studios 53-79 Highgate Road, Kentish Town, London, NW5 1TL
Rank Interactive Limited (formerly known as Aspers Online Limited)[7]	England and Wales	Interactive gaming	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Upperline Marketing Limited[6, 9]	England and Wales	Support services to interactive gaming	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
MRC Developments Limited	England and Wales	Dormant	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Rank Precision Industries Limited[5]	England and Wales	Dormant	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Rank Speciality Catering Limited[5]	England and Wales	Dormant	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Associated Leisure France Properties SCI[4]	France	Dormant	Zi Sud, 12 Rue des Petits Champs, 35400, St Malo, France
Associated Leisure France SARL[4]	France	Dormant	4 Rue Joseph Monier, 92859 Rueil Malmaison, Cades, France
Rank Digital Services (Gibraltar) Limited	Gibraltar	Marketing services	Second Floor, Icom House, 1/5 Irish Town, Gibraltar
Rank Interactive (Gibraltar) Limited[8]	Gibraltar	Dormant	Second Floor, Icom House, 1/5 Irish Town, Gibraltar

Name	Country of incorporation	Principal activities	Registered office address
Mindful Media Limited	Guernsey	Dormant	Kingsway House, Havilland Street, St Peter Port, Guernsey, GY1 2QE
Passion Gaming Private Limited[2]	India	Online operator of digital card games in India	2nd Floor, SCO No 350, Sector 9, Urban Estate, Panchkula, Haryana, India
Netboost Media Limited	Israel	Marketing services	5 Ha'Chilazon Street, Ramat Gan, Israel
S.T.R. Financials Limited[3]	Israel	Dormant	58 Harakevet St. Electra City Tower Tel-Aviv 6777016 Israel
Stride Gaming Limited	Jersey	Intermediary holding company	12 Castle Street, St. Helier Jersey JE2 3RT
Bingosoft Plc	Malta	Interactive gaming	Vault 14, Level 2, Valletta Waterfront, Floriana, FRN 1914, Malta
Stride Gaming Spain Plc[5]	Malta	Dormant	Level 3, Valleta Buildings, South Street, Valletta VLT 1103, Malta
SRG Services Limited	Mauritius	Shared services support	Suite 221 Grand Bay Business Park, Grand Bay 30515, Republic of Mauritius
Stride Investment Limited	Mauritius	Intermediary holding company	c/o Mauri Experta Ltd., 12th Level, Tower 1, Nexteracon Towers, Cybercity, Ebene, Republic of Mauritius
Shifttech (Pty) Limited	South Africa	Development and maintenance of online gaming software	Unit 10, 10 Pepper Street, Cape Town, Western Cape 8001, South Africa
Conticin SL	Spain	Operator of parking for social and bingo clubs	Calle Balmes N° 268-270 1st Floor, 08006, Barcelona, Spain
Gotfor SA	Spain	Social and bingo clubs	Carrer del Papa Pius XI, 114, 08208 Sabadell, Barcelona, Spain
Rank Cataluña SA	Spain	Social and bingo clubs	Calle Balmes N° 268-270 1st Floor, 08006, Barcelona, Spain
Rank Centro SA	Spain	Social and bingo clubs	Calle Espoz y mina N° 8, 1st centro, 28012, Madrid, Spain
Rank Digital España SA	Spain	Interactive gaming	Calle Balmes N° 268-270 1st Floor, 08006, Barcelona, Spain
Rank Holding España SA	Spain	Intermediary holding company	Calle Balmes N° 268-270 1st Floor, 08006, Barcelona, Spain
Rank Stadium Andalucia SL	Spain	Arcade and sports betting	Calle Balmes N° 268-270 1st Floor, 08006, Barcelona, Spain
Top Rank Andalucia SA	Spain	Social and bingo clubs	Conde Robledo 1, 14008, Cordoba, Spain
Verdiales SL	Spain	Social and bingo clubs	Sala Andalucía, Ronda, Capuchinos 19, 41008, Sevilla, Spain
Rank America Inc.[5]	U.S.A.	Dormant	The Corporation Trust Company, 1209 Orange Street, Wilmington, DE 19801, USA

1. Directly held by the Company.
2. 51% investment and year end 31 March.
3. Year end 31 August.
4. Year end 31 October.
5. Year end 31 December. Stride Gaming Spain plc has commenced dissolution on 30 April 2022.
6. Principal activities are carried out in Malta through its Malta branch.
7. Acquired the remaining 50% ownership in joint venture interest on 1 April 2022, see note 35.
8. Change principal activity from Dormant to Interactive Gaming effective 1 July 2022.
9. Rank Group plc has issued parental guarantee exempting the Company from the requirements of the Companies Act 2006 related to the audit of individual accounts by virtue of s479A of the Act.

The principal activities are carried out in the country of incorporation as indicated above unless otherwise noted.

All subsidiary undertakings have a 30 June year end unless otherwise indicated.

15 Investments (continued)
(c) Non-controlling interest (NCI)
Set out below is the summarised financial information for the subsidiary that has non-controlling interests. The amounts disclosed for each subsidiary are before intercompany eliminations.

Non-controlling interest arises on 49% of the net assets of Passion Gaming Private Limited which was valued using the proportionate share method per IFRS 3.

	As at 30 June 2022 £m	As at 30 June 2021 £m
Current assets	**1.5**	1.0
Current liabilities	**(1.7)**	(1.3)
Current net assets	**(0.2)**	(0.3)
Non-current assets	**0.1**	0.1
Non-current assets	**0.1**	0.1
Net assets	**(0.1)**	(0.2)
Accumulated NCI	**(0.1)**	(0.1)

16 Inventories

	Group	
	As at 30 June 2022 £m	As at 30 June 2021 £m
Finished goods	**2.3**	2.0

There were no write downs of inventory in the year (30 June 2021: £nil).

17 Other receivables

	Group	
	As at 30 June 2022 £m	As at 30 June 2021 £m
Current		
Other receivables	**10.7**	7.8
Less: provisions for impairment of other receivables	**(1.6)**	(1.6)
Other receivables – net	**9.1**	6.2
Net investment in lease	**1.4**	3.1
Prepayments	**23.7**	7.0
Other receivables – current	**34.2**	16.3
Non-current		
Other receivables	**6.7**	3.7
Net investment in lease	**–**	1.4
Other receivables – non-current	**6.7**	5.1

Group
The Directors consider that the carrying value of other receivables approximate to their fair value.

As at 30 June 2022 other receivables of £1.3m (30 June 2021: £1.0m) were past due but not impaired.

The other classes within receivables do not contain impaired assets.

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

18 Government grants

	Group	
	As at 30 June 2022 £m	As at 30 June 2021 £m
At the start of the year	**0.8**	11.9
Receivable in the year	**3.6**	64.4
Cash received	**(4.4)**	(75.5)
At the end of the year	**–**	0.8

Government grants have been received under the Coronavirus Job Retention Scheme in the UK and similar schemes in other countries in which the Group operates. In addition, Local Restrictions Support Grants and Restart Grants were also received in the prior year. Local Restrictions Support Grants was a grant funding scheme which supported businesses that were required to close during national lockdown periods and periods of local restrictions. The Restart Grant scheme supported business with a one-off grant, to reopen safely as COVID-19 restrictions were lifted.

19 Trade and other payables

	Group		Company	
	As at 30 June 2022 £m	As at 30 June 2021 £m	**As at 30 June 2022 £m**	As at 30 June 2021 £m
Current				
Trade payables	**35.8**	25.7	**–**	–
Social security and other taxation	**29.3**	22.7	**–**	–
Other payables	**32.5**	38.0	**0.4**	0.6
Accruals	**33.5**	39.9	**–**	–
Trade and other payables – current	**131.1**	126.3	**0.4**	0.6
Trade and other payables – non-current	**–**	–	**–**	–

Included within other payables is £5.9m (2021: £5.9m) regarding a UK Gambling commission fine issued to Daub Alderney Limited, a Stride licensed entity.

20 Income tax

	Group	
	As at 30 June 2022 £m	As at 30 June 2021 £m
Income tax receivable	**8.1**	10.1
Income tax payable	**(4.2)**	(3.1)
Net income tax receivable	**3.9**	7.0

21 Financial assets and liabilities
(a) Interest-bearing loans and borrowings

	Group	
	As at 30 June 2022 £m	As at 30 June 2021 £m
Current interest-bearing loans and borrowings		
Obligations under leases	**40.4**	42.2
Term loans	**34.4**	29.6
Revolving credit facility	**–**	11.0
Other current loans		
Accrued interest	**0.5**	0.4
Unamortised facility fees	**(1.0)**	(1.6)
Total current interest-bearing loans and borrowings	**74.3**	81.6
Non-current interest-bearing loans and borrowings		
Obligations under leases	**141.3**	164.7
Term loans	**44.4**	78.8
Other non-current loans		
Unamortised facility fees	**(0.3)**	(1.1)
Total non-current interest-bearing loans and borrowings	**185.4**	242.4
Total interest-bearing loans and borrowings	**259.7**	324.0
Sterling	**259.7**	324.0
Total interest-bearing loans and borrowings	**259.7**	324.0

Term loan facilities
The £128.1m term loan signed on 31 May 2019 has interest payable on a periodic basis depending on the loan drawn. The facility carries a floating rate of interest which, on 1 January 2022, changed from LIBOR to SONIA. The total term loan at 30 June 2022 was £78.8m (30 June 2021: £108.4m), a reduction in the year following the second scheduled repayment of £29.6m made in May 2022. The term loan has a maturity date of May 2023 (£34.4m) and May 2024 (44.4m).

Revolving credit facilities ('RCF')
On 6 July 2021, the Group signed a new two-year (plus one-year option) facility for £25m. The Group's two existing facilities which were signed on 29 February and 2 March 2020, with expiry dates of May 2024 (£40.0m) and February 2025 (£15.0m). Interest on all three facilities is payable on a periodic basis depending on the loan drawn. The facilities all carry a floating rate of interest which were based on LIBOR until it transitioned to SONIA on 1 January 2022. At 30 June 2022, £nil of RCF was drawn (30 June 2021: £11.0m), providing the Group with £80.0m of undrawn committed facilities.

Covenants
The Group's banking facilities require it to meet two financial covenant tests biannually, a net debt to earnings before interest, tax, depreciation, amortisation and SDI's ('EBITDA') ratio of no more than 3x, and an EBITDA to interest charge of no less than 3x. In June 2020, the Group's forecasts indicated that the Group would likely fail to meet both financial covenant tests at the 31 December 2020 testing date, therefore the Group secured a covenant waiver for 12 months. A further 12-month extension to the covenant waivers was subsequently secured in November 2020 and expired on 30 June 2022. During the waiver period the Group met the minimum cash and available facilities position of no less than £50.0m which was tested quarterly. From 1 July 2022, the Group reverted to the two financial covenant tests which are tested biannually.

Company
The Company did not hold any external interest bearing loans or borrowings at 30 June 2022 (30 June 2021: £nil). The Company held interest bearing loans with other Group companies at 30 June 2022 of £387.1m (30 June 2021: £372.8m).

(b) Hedging activities
The Group has not carried out any hedging activities in either period.

(c) Fair values

The table below is a comparison by class of the carrying amounts and fair value of the Group and Company's financial instruments at 30 June 2022 and 30 June 2021.

Group		Carrying amount As at 30 June 2022 £m	Carrying amount As at 30 June 2021 £m	Fair value As at 30 June 2022 £m	Fair value As at 30 June 2021 £m
Financial assets:					
Loans and receivables					
Other receivables	Level 2	**3.8**	4.8	**3.8**	4.8
Cash and short-term deposits	Level 1	**97.9**	69.6	**97.9**	69.6
Total		**101.7**	74.4	**101.7**	74.4
Financial liabilities:					
Other financial liabilities					
Interest bearing loans and borrowings					
– Obligations under leases	Level 2	**181.7**	206.9	**181.7**	206.9
– Floating rate borrowings	Level 2	**78.8**	119.4	**78.8**	119.4
– Other	Level 2	**–**	0.4	**–**	0.4
Trade and other payables	Level 2	**101.8**	103.6	**101.8**	103.6
Total		**362.3**	430.3	**362.3**	430.3

Company	Carrying amount As at 30 June 2022 £m	Carrying amount As at 30 June 2021 £m	Fair value As at 30 June 2022 £m	Fair value As at 30 June 2021 £m
Financial liabilities:				
Other financial liabilities				
Trade and other payables	**0.4**	0.6	**0.4**	0.6
Financial guarantee contracts	**2.6**	3.1	**2.6**	3.1
Amounts owed to subsidiary undertakings	**387.1**	371.9	**387.1**	371.9
Total	**390.1**	375.6	**390.1**	375.6

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions apply:

- Cash and short-term deposits, other receivables and other financial liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments; and
- The fair value of fixed rate borrowings is based on price quotations at the reporting date.

Fair value hierarchy

The Group uses the following hierarchy to determine the carrying value of financial instruments that are measured at fair value:

Level 1: quoted (unadjusted) prices in active markets identical assets or liabilities.
Level 2: other techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

22 Financial risk management objectives and policies
Financial risk factors
The Group and Company's principal financial liabilities comprise loans and borrowings, trade and other payables and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations. The Group has other receivables, and cash and short-term deposits that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk.

The Group's overall financial risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Group's senior management oversees the management of these risks. The Finance Committee is supported by the Group's senior management, which advises on financial risks and the appropriate financial risk governance framework for the Group. The Finance Committee provides assurance that the Group's financial risk-taking activities are governed by appropriate policies and procedures and the financial risks are identified, measured and managed in accordance with Group policies and risk appetite.

The Board of Directors review and agree policies for managing each of these risks, which are summarised below.

(a) Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Financial instruments affected by market risk include loans and borrowings and deposits.

The sensitivity analyses in the following sections relate to the positions as at 30 June 2022 and 30 June 2021.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating rates of the debt and the proportion of financial instruments in foreign currencies are all constant.

(i) Foreign currency risk
Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries.

The Group's current policy is not to hedge foreign currency risk.

Foreign currency sensitivity
The following table demonstrates the sensitivity of a possible change in the US dollar and euro, with all other variables held constant, to the Group's profit before tax and the Group's equity. The Group's exposure to foreign currency changes for all other currencies is not material.

	Effect on profit before tax		Effect on equity	
	As at 30 June 2022 £m	As at 30 June 2021 £m	**As at 30 June 2022 £m**	As at 30 June 2021 £m
Change in foreign exchange rates:				
+10.0% US$	**(0.1)**	(0.1)	**–**	–
-10.0% US$	**0.2**	0.1	**–**	–
+10.0% euro	**(0.6)**	(0.2)	**7.6**	6.8
-10.0% euro	**0.7**	0.3	**(9.9)**	(6.8)

(ii) Cash flow and fair value interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

Historically the Group has managed its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings, the Group policy of maintaining between 40% and 60% of its borrowings at a fixed rate of interest. At 30 June 2022, the Group is operating within the policy with 43% of the borrowings at a fixed rate of interest (30 June 2021: 58%).

(iii) Interest rate sensitivity

The table below demonstrates the sensitivity to a possible change in interest rates on income and equity for the year when this movement is applied to the carrying value of loans, borrowings, cash and short-term deposits.

	Effect on profit before tax	
	As at 30 June 2022 £m	As at 30 June 2021 £m
Sterling:		
100 basis point increase	**(0.6)**	(1.1)
200 basis point increase	**(1.2)**	(2.2)

There was no impact on equity in either year as a consequence of loan arrangements.

Due to current low interest rates, any further decline would not have a material impact on income and equity for the year. As such, sensitivity to a decrease in interest rates has not been presented.

The Group did not enter into any fixed-to-floating or floating-to-fixed interest rate swaps in either year.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for other receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Chief Financial Officer and may be updated throughout the year subject to the approval of the Group's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty failure.

The credit worthiness of each counterparty is checked against independent credit ratings on at least a weekly basis, with a minimum rating of 'BB'. The Group predominantly invests with its lending banks when appropriate.

Sales to retail customers are settled in cash or using major credit and debit cards and therefore the exposure to credit risk is not considered significant.

No credit limits were exceeded during the reporting period and management does not expect any material losses from non-performance of its counterparties.

(c) Liquidity risk

Liquidity risk is the risk that the Group will not have sufficient funds to meet its liabilities. Cash forecasts identifying the liquidity requirements of the Group are produced monthly. The cash forecasts are sensitivity tested for different scenarios and are reviewed regularly. Forecast financial headroom and debt covenant compliance is reviewed monthly during the month-end process to ensure sufficient headroom exists for at least a 12-month period.

Due to the dynamic nature of the underlying businesses, Group treasury aims to maintain flexibility in funding by keeping committed credit lines available. A three-year strategic forecast is prepared annually to facilitate planning for future financing needs. Management actively manages the Group's financing requirements and the range of maturities on its debt.

The Group's core debt facilities comprise of £80.0m bi-lateral revolving credit facilities (30 June 2021: £55.0m) expiring July 2023 (£25m), May 2024 (£40.0m) and February 2025 (£15.0m), and the £78.8m term loan facility (30 June 2020: £108.4m). The Group proactively manages its relationships with its lending group.

The funding policy of the Group is to maintain, as far as practicable, a broad portfolio of debt diversified by source and maturity, and to maintain committed facilities sufficient to cover seasonal peak anticipated borrowing requirements.

22 Financial risk management objectives and policies (continued)

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

	On demand £m	Less than 12 months £m	1 to 2 years £m	2 to 5 years £m	Greater than 5 years £m	Total £m
At 30 June 2022						
Interest-bearing loans and borrowings[1]	–	**36.3**	**45.2**	–	–	**81.5**
Trade and other payables	–	**101.8**	–	–	–	**101.8**
Lease liabilities	–	**40.4**	**25.8**	**72.8**	**42.7**	**181.7**
	–	**178.5**	**71.0**	**72.8**	**42.7**	**365.0**
At 30 June 2021						
Interest-bearing loans and borrowings[1]	–	42.1	35.8	45.1	–	123.0
Trade and other payables	–	101.8	–	–	–	101.8
Lease liabilities	–	42.2	25.6	73.0	66.1	206.9
	–	186.1	61.4	118.1	66.1	431.7

1. Interest payments on the interest-bearing loans and borrowings have been projected until the instruments mature. The bank facility interest payments were based on current SONIA as at the reporting date.

Capital management

As a result of the difficult conditions that developed in the global capital markets in recent years, the Group's objectives when managing capital have been to ensure continuing access to existing debt facilities and to manage the borrowing cost of those facilities in order to minimise the Group's interest charge.

Consistent with others in the gaming industry, the Group monitors capital on the basis of leverage ratio. The ratio is calculated as net debt divided by EBITDA. Net debt is calculated as total borrowings (including 'loans and borrowings' as shown in the consolidated balance sheet) less cash and short-term deposits, accrued interest and unamortised facility fees. EBITDA is calculated as operating profit before SDI, depreciation and amortisation from continuing operations.

	As at 30 June 2022 £m	As at 30 June 2021 £m
Total loans and borrowings (note 21)	**259.7**	324.0
Less: Cash and short-term deposits	**(97.9)**	(69.6)
Less: Accrued interest	**(0.5)**	(0.4)
Less: Unamortised facility fees	**1.3**	2.7
Net debt	**162.6**	256.7
Operating profit (loss) before SDI from continuing operations	**39.8**	(84.5)
Add: Depreciation and amortisation	**67.4**	70.3
EBITDA	**107.2**	(14.2)
Leverage ratio	**1.5**	(18.1)

Due to the impact of COVID-19 on the Group's performance, in the prior year the Group generated a negative EBITDA and likewise, a negative leverage ratio at 30 June 2021. The Group's performance started to recover during the year with leverage ratio of 1.5 (30 June 2021: (18.1)).

Collateral

The Group did not pledge or hold any collateral at 30 June 2022 (30 June 2021: £nil).

Company

The maximum exposure to credit risk at the reporting date is the fair value of its cash and short-term deposits of £nil (30 June 2021: £nil).

The Company does not have any other significant exposure to financial risks.

23 Deferred tax

The analysis of deferred tax included in the financial statements at the end of the year is as follows:

	Group	
	As at 30 June 2022 £m	As at 30 June 2021 £m
Deferred tax assets:		
Accelerated capital allowances	**14.6**	19.6
Tax losses carried forward	**9.2**	9.6
Other UK temporary differences	**5.8**	5.8
Deferred tax assets	**29.6**	35.0
Deferred tax liabilities:		
Other overseas temporary differences	**(3.5)**	(1.9)
Business combinations – acquired intangibles	**(0.7)**	(0.3)
Business combinations – non-qualifying properties	**(0.6)**	(0.7)
Temporary differences on UK casino licences	**(43.9)**	(46.8)
Deferred tax liabilities	**(48.7)**	(49.7)
Net deferred tax liability	**(19.1)**	(14.7)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and current tax liabilities and it is the intention to settle the balances on a net basis. Deferred tax assets and liabilities of £28.2m (30 June 2021: £31.4m) have been offset and disclosed on the balance sheet as follows:

	Group	
	As at 30 June 2022 £m	As at 30 June 2021 £m
Deferred tax assets	**1.4**	3.6
Deferred tax liabilities	**(20.5)**	(18.3)
Net deferred tax liability	**(19.1)**	(14.7)

The deferred tax assets recognised are recoverable against future taxable profits that the Directors consider more likely than not to occur on the basis of management forecasts.

The Group has UK tax losses of £0.4m (30 June 2021: £0.6m) and overseas tax losses of £16.1m (30 June 2021: £15.7m) that are carried forward for offset against suitable future taxable profits. No deferred tax asset has been recognised in relation to these losses as no utilisation is currently anticipated. Included in unrecognised tax losses are losses of £1.9m that will expire between 2026 and 2029. Other losses will be carried forward indefinitely.

The Group has UK capital losses carried forward of £779m (30 June 2021: £780m). These losses have no expiry date and are available for offset against future UK chargeable gains. No deferred tax asset (30 June 2021: £nil) has been recognised in respect of these capital losses as no further utilisation is currently anticipated.

Temporary differences associated with Group investments

There was no deferred tax liability recognised (30 June 2021: £nil) for taxes that would be payable on the unremitted earnings of certain subsidiaries. The Group has determined that any unremitted earnings that do not fall within the dividend exemption introduced in the Finance Act 2009 will not be distributed in the foreseeable future and the parent company does not foresee giving such consent at the balance sheet date.

23 Deferred tax (continued)

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

	Group Year ended 30 June 2022 £m	Year ended 30 June 2021 £m
Deferred tax in the income statement		
Accelerated capital allowances	**(5.0)**	4.0
Tax losses	**(0.3)**	9.6
Business combinations – property lease fair value adjustments	**0.1**	(0.3)
Temporary differences on UK casino licences	**2.9**	(11.5)
Other temporary differences	**(1.7)**	1.5
Total deferred tax (charge) credit	**(4.0)**	3.3

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

	Group 30 June 2022 £m	30 June 2021 £m
As at start of year	**(14.7)**	(21.6)
Exchange adjustments	**(0.1)**	0.1
Acquisition of Rank Interactive Limited	**(0.3)**	–
Deferred tax (charge) credit in the income statement	**(4.0)**	3.3
Deferred tax credit to equity	**–**	3.5
As at end of year	**(19.1)**	(14.7)

24 Provisions

Group	Property-related provisions £m	Disposal provisions £m	Restructuring provisions £m	Indirect tax provision £m	Pay provision £m	Warranty provision £m	Total £m
At 1 July 2021	15.2	3.9	0.1	1.2	0.2	0.8	21.4
Charge to the income statement – SDI	3.8	–	–	–	–	–	3.8
Release to the income statement – SDI	(10.4)	–	(0.1)	–	(0.1)	(0.3)	(10.9)
Utilised in the year	(1.8)	–	–	–	–	–	(1.8)
At 30 June 2022	**6.8**	**3.9**	**–**	**1.2**	**0.1**	**0.5**	**12.5**
Current	**5.2**	**0.3**	**–**	**1.2**	**0.1**	**0.1**	**6.9**
Non-current	**1.6**	**3.6**	**–**	**–**	**–**	**0.4**	**5.6**
Total	**6.8**	**3.9**	**–**	**1.2**	**0.1**	**0.5**	**12.5**

Provisions have been made based on management's best estimate of the future cash flows, taking into account the risks associated with each obligation.

Property-related provisions

The balance as at 30 June 2021 comprised of £4.8m of dilapidations provisions and a property-related provision of £10.4m.

In prior years and as a result of the COVID-19 lockdown, the Group determined it was probable that it would be required to make payments under a property arrangement for which the liability will revert to the Group if the tenant defaults. A provision of £10.4m was recognised, being the present value of the amount expected to be paid over the remaining term of the lease.

During the current year, the Group have re-considered this provision in light of the current circumstances for both the Group, the guarantors and the property tenants. It was determined that payment is no longer probable and therefore, the provision was released in full.

During the year, and as a result of the decision to exit a number of leases at their expiration, the Group has recognised additional provision of £3.8m which represents Rank's best estimate to exit the properties and return them to their original state.

Disposal provisions
Provision has been made for legacy industrial disease and personal injury claims, and other directly attributable costs arising as a consequence of the sale or closure of previously owned businesses. The timing of any personal injury claims is uncertain and therefore these claims have been included in the maturity analysis based on management's best estimates. The disposal provisions held comprise the following:

	As at 30 June 2022 £m	As at 30 June 2021 £m
Legacy industrial disease and personal injury claims	**3.8**	3.8
Other	**0.1**	0.1
Total disposal provisions	**3.9**	3.9

Restructuring provisions
The balance of £0.1m as at 30 June 2021 relates to remaining SDI restructuring and relocation costs which have been fully completed and settled during the year ended 30 June 2022.

Indirect tax provision
The indirect tax provision relates to an amusement machine licence duty claim by HMRC. The balance of £1.2m (30 June 2021: £1.2m) represents the Directors' best estimate of the outflow likely to arise.

Pay provision
The balance of £0.1m (30 June 2021: £0.2m) relates to the remaining settlements associated with the National Minimum Wage Regulations for those employees for whom the Group is still in contact for payment details.

Warranty provision
As a result of the Group's sale of its Blankenberge Casino in Belgium, a warranty provision of £0.8m was recognised in SDI as at 30 June 2021. This amount represented Rank's best estimate of liability in relation to certain indemnities and warranties provided to the purchaser. In the event that the provision for warranties is not called upon over the five-year period, this amount will be released to the Group income statement as an additional profit on sale. During the year, the Group recognised £0.2m additional profit on sale within the SDI of the Group income statement. The release in the year represents Rank's best estimate of liability that have now passed due to the passage of time in which the purchaser can no longer claim.

Company
Provision has been made for legacy industrial disease and personal injury claims relating to a previously closed business. The timing of any personal injury claims is uncertain and therefore these claims have been included in the maturity analysis based on management's best estimates. The disposal provisions held comprise the following:

	As at 30 June 2022 £m	As at 30 June 2021 £m
Current	**0.1**	0.1
Non-current	**0.9**	0.9
Total legacy industrial disease and personal injury claims	**1.0**	1.0

25 Share capital and reserves

	As at 30 June 2022		As at 30 June 2021	
	Number m	**Nominal value £m**	Number m	Nominal value £m
Authorised ordinary shares of $13^{8}/_{9}$p each	**1,296.0**	**180.0**	1,296.0	180.0

Issued and fully paid

	As at 30 June 2022		As at 30 June 2021	
	Number m	**Nominal value £m**	Number m	Nominal value £m
At start of the year	**468.4**	**65.0**	390.7	54.2
Shares issued in year	–	–	77.7	10.8
At end of the year	**468.4**	**65.0**	468.4	65.0

Share premium

	As at 30 June 2022		As at 30 June 2021	
	Number m	**Nominal value £m**	Number m	Nominal value £m
At start of the year	**468.4**	**155.7**	390.7	98.4
Shares issued in year	–	–	77.7	57.3
At end of the year	**468.4**	**155.7**	468.4	155.7

On 24 November 2020, the Group issued 77,746,020 ordinary shares as part of a share placing and parallel retail offer, corresponding to 19.9% of total shares issued. Each share has the same right to receive dividends and represents one vote at shareholders' meetings. Share premium proceeds in addition to the nominal value of the shares issued, were included in share premium, less the costs associated with the issue of new equity.

Total shares in issue at 30 June 2022 are 468,429,541 (2021: 468,429,541).

26 Notes to cash flow

Reconciliation of profit(loss) for the year to cash generated (used) from operations:

		Group		Company	
	Note	**Year ended 30 June 2022 £m**	Year ended 30 June 2021 Restated £m	**Year ended 30 June 2022 £m**	Year ended 30 June 2021 Restated £m
Profit (loss) for the year		**66.2**	(72.0)	**(14.5)**	(7.9)
Adjustments for:				–	–
Depreciation and amortisation		**67.4**	71.2	–	–
Assets written off		–	0.5	–	–
Net financing charge		**13.4**	14.4	**15.5**	8.9
Income tax expense (credit)		**6.4**	(10.1)	–	–
Share-based payments		**(0.3)**	(0.2)	–	–
Separately disclosed items		**(46.2)**	(15.7)	–	–
		106.9	(11.9)	**1.0**	1.0
Increase in inventories		**(0.3)**	(0.1)	–	–
(Increase) decrease in other receivables		**(18.4)**	4.8	–	–
Increase (decrease) in trade and other payables		**12.5**	(14.0)	**14.6**	(1.0)
		100.7	(21.2)	**15.6**	–
Cash utilisation of provisions (see note 24)		**(1.8)**	–	**(0.1)**	–
Cash receipts in respect of separately disclosed items		**72.4**	5.9	–	–
Cash generated from (used in) operations		**171.3**	(15.3)	**15.5**	–

The Group restated the prior year cash flow format to start from profit (loss) for the year instead of operating profit (loss). This method provides more comprehensive information which would be useful to the reader of the consolidated and company financial statements.

27 Cash and short-term deposits

	Group	
	As at 30 June 2022 £m	As at 30 June 2021 £m
Cash at bank and on hand	**77.9**	59.6
Short-term deposits	**20.0**	10.0
Total	**97.9**	69.6

The analysis of cash and short-term deposits by currency is as follows:

	Group	
	As at 30 June 2022 £m	As at 30 June 2021 £m
Sterling	**80.5**	55.6
Euro	**14.1**	11.6
Others	**3.3**	2.4
Total	**97.9**	69.6

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.

Included in cash is £8.0m (2021: £7.1m) relating to customer funds which is matched by liabilities to customers of equal value within trade and other payables (note 19).

Company

At 30 June 2022 the Company had cash and short-term deposits of £nil (30 June 2021: £nil).

28 Reconciliation of cash flow from financing activities

Reconciliation of net debt:

	Group	
	As at 30 June 2022 £m	As at 30 June 2021 £m
Cash and cash equivalents	**97.9**	69.6
Loans and borrowings	**(78.8)**	(119.4)
Lease liabilities	**(181.7)**	(206.9)
Net debt	**(162.6)**	(256.7)

For the purpose of the statements of cash flow, cash and cash equivalents comprise the following:

	Group	
	As at 30 June 2022 £m	As at 30 June 2021 £m
Cash at bank and on hand	**77.9**	59.6
Short-term deposits	**20.0**	10.0
Total	**97.9**	69.6

Changes in liabilities arising from financing activities:

		Transactions year ended 30 June 2022		
	As at 30 June 2022 £m	**Cash flow**	**Non-cash changes**	As at 30 June 2021 £m
Lease liabilities	**181.7**	**(53.7)**	**28.5**	206.9
Term loans	**78.8**	**(29.6)**	**–**	108.4
Revolving credit facility	**–**	**(11.0)**	**–**	11.0
Total borrowings	**260.5**	**(94.3)**	**28.5**	326.3

29 Employees and Directors
(a) Employee benefit expense for the Group during the year

	Year ended 30 June 2022 £m	Year ended 30 June 2021 £m
Wages and salaries	**168.4**	148.5
Social security costs	**16.7**	13.8
Pension costs	**5.1**	4.5
Share-based payments	**(0.3)**	(0.2)
	189.9	166.6

The Company has no employees (year ended 30 June 2021: nil).

(b) Average monthly number of employees

	Full-time Year ended 30 June 2022	Part-time Year ended 30 June 2022	Total Year ended 30 June 2022	Full-time Year ended 30 June 2021	Part-time Year ended 30 June 2021	Total Year ended 30 June 2021
Grosvenor Venues	**2,558**	**1,515**	**4,073**	2,661	1,569	4,230
Mecca Venues	**573**	**1,385**	**1,958**	572	1,633	2,205
Digital	**660**	**17**	**677**	600	27	627
Enracha Venues	**435**	**70**	**505**	487	75	562
Central Costs	**343**	**17**	**360**	286	23	309
	4,569	**3,004**	**7,573**	4,606	3,327	7,933

(c) Key management compensation

	Year ended 30 June 2022 £m	Year ended 30 June 2021 £m
Salaries and short-term employee benefits (including social security costs)	**2.3**	2.5
Termination benefits	**–**	0.1
Post-employment benefits	**0.1**	0.2
Share-based payments	**0.1**	–
	2.5	2.8

Included in key management compensation are bonuses of £nil in respect of the current year (year ended 30 June 2021: £0.2m).

Key management is defined as the Executive Directors of the Group and the management team, details of which are set out on page 94 and at www.rank.com. Further details of the emoluments received by the Executive Directors are included in the Remuneration Report.

(d) Directors' interests
The Directors' interests in shares of the Company, including conditional awards under the Long-Term Incentive Plan, are detailed in the Remuneration Report.

(e) Total emoluments of the Directors of The Rank Group plc

	Year ended 30 June 2022 £m	Year ended 30 June 2021 £m
Salaries and short-term employee benefits (including social security costs)	**1.3**	1.1
Post-employment benefits	**0.1**	0.1
Share-based payments	**0.1**	–
	1.5	1.2

No Director accrued benefits under defined benefit pension schemes in either year nor is a member of the Group's defined contribution pension plan in either year. Further details of emoluments received by Directors, including the aggregate amount of gains made by Directors upon the vesting of conditional share awards, are disclosed in the Remuneration Report on page 120.

30 Share-based payments

During the year ended 30 June 2022, the Company operated an equity-settled Long-Term Incentive Plan ('LTIP'). Further details of the LTIP are included in the Remuneration Report on pages 120 to 122. The LTIP is an equity-settled scheme and details of the movements in the number of shares are shown below:

	As at 30 June 2022	As at 30 June 2021
Outstanding at start of the year	**7,518,376**	4,860,348
Granted	**3,937,473**	3,396,884
Exercised	**(98,489)**	–
Expired	**(1,802,540)**	–
Forfeited	**(1,445,966)**	(738,856)
Outstanding at end of the year	**8,108,854**	7,518,376
Weighted average remaining life	**1.6 years**	2.4 years
Weighted average fair value for shares granted during the year (p)	**101.13p**	96.7p

There are five LTIP awards currently in issue during the financial year ended 30 June 2022.

LTIP – 2017/18 award

Vests in three tranches; 33.3% in October 2021, 33.3% in October 2022 and 33.3% in October 2023. All LTIP awards have £nil exercise price.

LTIP – 2020/21 award

Vests in a single tranche in December 2023. All LTIP awards have £nil exercise price.

LTIP – 2021/22 award

Vests in a single tranche in September 2024. All LTIP awards have £nil exercise price.

Recovery Incentive Scheme (RIS) – 2021/22 award

Vests in a single tranche in June 2023 for the non-executive RIS. Vests in two tranches; 50% in October 2022 and 50% in October 2023 for the executive RIS. All RIS awards have £nil exercise price.

LTIP – 2021/22 Exec award

Vests in a two tranches, 50% in May 2023 and 50% in March 2024. All LTIP awards have £nil exercise price.

The number of LTIP awards and the fair value per share granted during the year were as follows:

	30 June 2022	30 June 2021
Number	**2,215,812**	3,396,884
Weighted average fair value per share	**74.1p**	96.7p

The number of RIS awards and the fair value per share granted during the year were as follows:

	30 June 2022	30 June 2021
Number	**1,535,025**	–
Weighted average fair value per share	**162.9p**	–

The fair value of the LTIP and RIS awards granted during the year is based on the market value of the share award at grant date less the expected value of dividends forgone. The following table lists the inputs used in assessing the fair value of the share awards:

	30 June 2022	30 June 2021
Dividend yield (%)	**2.00**	2.00
Vesting period (years)	**2.00**	3.00
Weighted average share price (p)	**173.0**	139.7

The number of LTIP Exec awards and the fair value per share of the LTIP Exec awards granted during the year were as follows:

	30 June 2022	30 June 2021
Number	**186,636**	–
Weighted average fair value per share	**110.1p**	–

30 Share-based payments (continued)

The fair value of the LTIP Exec awards granted during the year is based on the market value of the share award at grant date less the expected value of dividends forgone. The following table lists the inputs used in assessing the fair value of the share awards:

	30 June 2022	30 June 2021
Dividend yield (%)	**2.00**	2.00
Vesting period (years)	**2.00**	3.00
Weighted average share price (p)	**106.0**	139.7

To the extent that grants are subject to non-market based performance conditions, the expense recognised is based on expectations of these conditions being met, which are reassessed at each balance sheet date. The Group recognised a £0.3m credit (30 June 2021: £1.1m charge) in operating profit for costs of the scheme in the current year.

31 Retirement benefits

Defined contribution scheme

The Group operates the Rank Group Stakeholder Pension Plan ('the Plan') which is externally funded and the Plan's assets are held separately from Group assets. During the year ended 30 June 2022, the Group contributed a total of £2.4m (year ended 30 June 2021: £5.3m) to the Plan. There were no significant contributions outstanding at the balance sheet date in either year.

Other pension commitment

The Group has an unfunded pension commitment relating to three former executives of the Group. At 30 June 2022, the Group's commitment was £3.6m (30 June 2021: £3.8m). The Group paid £0.2m (year ended 30 June 2021: £0.2m) in pension payments during the year. The actuarial gain arising on the commitment, resulting from the changes in assumptions outlined below in the year was £0.1m (year ended 30 June 2021: £0.2m) before taxation and £0.1m after taxation (year ended 30 June 2021: £0.2m).

	30 June 2022 % p.a.	30 June 2021 % p.a.
Discount rate	**3.8**	1.9
Pension increases	**4.9**	3.3

The obligation has been calculated using the S2 mortality tables with a 1.5% per annum improvement in life expectancy.

32 Leases

Group as a Lessee

The Group leases various properties and equipment. Rental contracts are made for various fixed periods ranging up to 93 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

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 Group as a lessee.

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	30 June 2022 £m	30 June 2021 £m
As at 1 July 2021	206.9	240.5
Additions	21.9	3.0
Accretion of interest	6.6	–
Payments	(53.7)	(36.4)
Foreign exchange	–	(0.2)
As at 30 June 2022	**181.7**	**206.9**
Current liabilities	**40.4**	**42.2**
Non-current liabilities	**141.3**	**164.7**
Total	**181.7**	**206.9**

The maturity analysis of lease liabilities are disclosed below:

	As at 30 June 2022	
	Present value of the minimum lease payments £m	Total minimum lease payments £m
Within 1 year	40.4	47.0
After 1 year but within 2 years	25.8	30.1
After 2 years but within 5 years	72.8	85.2
After 5 years	42.7	50.2
	181.7	212.5
Less: total future interest expenses		(30.8)
Present value of lease liabilities		181.7

The following are the amounts recognised in the Group income statement:

	Year ended 30 June 2022 £m
Depreciation expense of right-of-use assets	26.6
Interest expense on lease liabilities	6.7
Total amount recognised in the income statement	33.3

The Group 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.

Group as a lessor

The Group is party to a number of leasehold property contracts. Where appropriate the Group will sub-let properties which are vacant, in order to derive lease income which is shown net of lease costs. Lease income as at 30 June 2022 from lease contracts in which the Group sub-lets certain property space is £1.0m (year ended 30 June 2021: £1.6m).

Future minimum rentals receivable under non-cancellable operating leases as at 30 June are as follows:

	As at 30 June 2022 Total minimum lease payments £m
Within 1 year	2.6
After 1 year but within 2 years	0.9
After 2 years but within 5 years	1.1
After 5 years	2.1
Total	6.7

Capital commitments

At 30 June 2022, the Group has contracts placed for future capital expenditure of £15.3m (30 June 2021: £6.9m).

33 Contingent liabilities and contingent assets
Contingent liabilities
Group
Property arrangements
The Group has certain property arrangements under which rental payments revert to the Group in the event of default by the third party. At 30 June 2022, it is not considered probable that the third party will default. As such, no provision has been recognised in relation to these arrangements. If the third party were to default on these arrangements, the obligation for the Group would be £1.1m on a discounted basis.

Legal and regulatory landscape
Given the nature of the legal and regulatory landscape of the industry, from time to time the Group 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 Group 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.

Company
At 30 June 2022, the Company has made guarantees to subsidiary undertakings of £79.5m (30 June 2021: £108.7m).

34 Related party transactions
Group
Details of compensation paid to key management are disclosed in note 29.

Entities with significant influence over the Group
Guoco Group Limited ('Guoco'), a company incorporated in Bermuda, and listed on the Hong Kong Stock Exchange has a controlling interest in The Rank Group Plc. The ultimate parent undertaking of Guoco is GuoLine Capital Assets Limited ('GuoLine') which is incorporated in Jersey. At 30 June 2021, entities controlled by GuoLine owned 56.1% of the Company's shares, including 52.0% through Guoco's wholly-owned subsidiary, Rank Assets Limited, the Company's immediate parent undertaking. Hong Leong Company (Malaysia) Berhad ('Hong Leong') was the ultimate parent company of Guoco until 16 April 2021 whereupon, following an internal restructure, GuoLine became the ultimate parent company of Guoco. For further information see page 144.

Company
The following transactions with subsidiaries occurred in the year:

	Year ended 30 June 2022 £m	Year ended 30 June 2021 £m
Interest payable to subsidiary undertaking	**(15.0)**	(9.8)

During the year, Rank Group Finance Plc, a subsidiary of the Company, received cash from the Company of £0.1m (year ended 30 June 2021: received cash from the Company of £68.1m).

35 Acquisition of subsidiary undertakings

On 21 April 2022, the Group completed the purchase of the remaining 50% shareholding of Rank Interactive Limited (formerly known as Aspers Online Limited) for a total consideration £1.3m. Of this consideration, £0.5m was paid in cash on completion in lieu of the outstanding loan balance the Company owed to the seller and £0.8m in contingent consideration. The contingent consideration will be equivalent to a percentage of the net gaming revenue generated from the acquired customer database. A present value of £0.8m has been provisionally recognised for the contingent consideration and is dependent upon the date a competing online gaming operation is established.

At the date of acquisition, the fair value of assets acquired and liabilities assumed, goodwill and consideration, including the fair value of the Group's pre-acquisition 50% shareholding at the acquisition date, are outlined below. The fair value of operational cash and trade and other payables totalling £0.5m corresponds to their book value.

	£m
Customer relationships	1.4
Cash	0.1
Trade and other payables	(0.6)
Deferred tax liability	(0.4)
Net assets acquired	**0.5**
Goodwill	2.1
Total consideration	**2.6**

The fair value of each component of consideration is analysed as:

	£m
Cash[1]	–
Loan settlement	0.5
Contingent cash consideration	0.8
Fair value of previously existing interest in joint venture	1.3
Total	**2.6**

1. Cash consideration of £1 for shares.

The identified intangible assets recognised separately from goodwill are as follows:

	£m
Customer relationships	1.4
Total	**1.4**

The goodwill consists of future revenue opportunities attributable to new customers, the new brands and development of technology and amounts that are required for general operational purposes. No amount of the goodwill recognised is expected to be deductible for tax purposes.

At the date of acquisition, the Group recognised a gain of £0.8m on remeasurement of its pre-acquisition 50% shareholding and acquisition related costs of £0.02m both of which were recognised as SDIs in the Group income statement.

In the year ended 30 June 2022, Rank Interactive Limited contributed statutory revenue of £0.8m and profit before tax of £nil. If the acquisition had occurred at the beginning of the year, the continuing statutory revenues of the entity in the 12 months to 30 June 2022 would have been £6.1m and loss before tax would have been £0.2m.

Five year review

	Year ended 30 June 2022 £m	Year ended 30 June 2021 £m	Year ended 30 June 2020 (restated) £m	Year ended 30 June 2019 £m	Year ended 30 June 2018 £m
Continuing operations					
Revenue	**644.0**	329.6	629.7	695.1	691.0
Operating profit (loss) before separately disclosed items	**39.8**	(84.5)	49.1	75.7	77.0
Separately disclosed items	**42.3**	(8.4)	(27.6)	(36.7)	(26.9)
Group operating profit (loss)	**82.1**	(92.9)	21.5	39.0	50.1
Total net financing charge	**(7.8)**	(14.4)	(8.1)	(4.4)	(3.4)
Profit (loss) before taxation	**74.3**	(107.3)	13.4	34.6	46.7
Taxation	**(16.9)**	10.4	(5.2)	(7.0)	(10.8)
Profit (loss) after taxation from continuing operations	**57.4**	(96.9)	8.2	27.6	35.9
Discontinued operations	**8.8**	24.9	1.2	1.5	–
Profit (loss) for the year	**66.2**	(72.0)	9.4	29.1	35.9
Basic earnings (loss) per ordinary share	**4.3p**	(20.1)p	7.0p	15.3p	15.0p
Total ordinary dividend (including proposed) per ordinary share	**0.00p**	0.00p	2.80p	7.65p	7.45p
Group funds employed					
Intangible assets, property, plant and equipment and right-of-use assets	**708.3**	750.6	810.7	609.3	630.6
Provisions	**(12.4)**	(21.4)	(18.9)	(46.8)	(41.6)
Other net liabilities	**(106.0)**	(111.3)	(128.4)	(166.2)	(183.2)
Total funds employed at year-end	**589.9**	617.9	663.4	396.3	405.8
Financed by					
Ordinary share capital and reserves	**427.3**	361.2	365.9	398.1	396.5
Net (cash) debt	**162.6**	256.7	297.5	(1.8)	9.3
	589.9	617.9	663.4	396.3	405.8
Average number of employees (000s)	**7.6**	7.9	8.4	9.0	9.9

Shareholder information

2022/23 financial calendar

Not applicable	Record date for 2021/22 final dividend
13 October 2022	Annual General Meeting and trading update
Not applicable	Payment date for 2021/22 final dividend
26 January 2023	Interim results announcement

Annual General Meeting
The 2022 Annual General Meeting ('AGM') will be held on 13 October 2022, providing a valuable opportunity for communication between the Board and shareholders. Further details on how shareholders will be able to participate in the meeting will be detailed as part of the AGM notice.

Shareholders will be invited to vote on the formal resolutions contained in the AGM notice. The full text of notice of the meeting, together with explanatory notes, will be set out in a separate document at www.rank.com. If a shareholder has chosen paper information, the notice will be enclosed with their hard copy of this Annual Report. Shareholders wishing to change their election may do so at any time by contacting the Company's registrar, details of which can be found below and on our website at www.rank.com.

Shareholders may use electronic means to vote, or appoint a proxy to vote on their behalf, at the annual and other general meetings of the Company.

Following the meeting, the business presentation, voting results and a summary of the questions and answers are made available at www.rank.com, or in printed format on request.

Registrar
All administrative enquiries relating to shares should, in the first instance, be directed to the Company's registrar (quoting reference number 1235) and clearly state the registered shareholder's name and address. Please write to The Rank Group Plc registrar, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA (Tel: from the UK 0371 384 2098[1] and from outside the UK +44 121 415 7047[1]).

There is a text phone available on 0371 384 2255[1] for shareholders with hearing difficulties.

1. Lines are open 08:30 to 17:30, Monday to Friday (excluding public holidays in England and Wales).

Shareview
The Shareview portfolio service from the Company's registrar gives shareholders more control of their Rank shares and other investments including:

- direct access to data held for them on the share register including recent share movements and dividend details;
- a recent valuation of their portfolio; and
- a range of information and practical help for shareholders including how they can elect to receive communications electronically.

It is easy and free to set up a portfolio - shareholders will just need the shareholder reference printed on their proxy form or dividend stationery. Please visit the following website for more details: www.shareview.co.uk.

Payment of dividends
The Company does not operate a dividend re-investment plan. Shareholders may find it more convenient to make arrangements to have dividends paid directly to their bank account. The advantages of this are that the dividend is credited to a shareholder's bank account on the payment date, there is no need to present cheques for payment and there is no risk of cheques being lost in the post.

To set up a dividend mandate or to change an existing mandate please contact Equiniti Limited, our registrar, whose contact details are above. Alternatively, shareholders who use Equiniti's Shareview can log on to www.shareview.co.uk and follow the online instructions.

Shareholder information
A wide range of information for shareholders and investors is available in the Investors area of the Rank Group website: www.rank.com.

Frequently asked questions
We have a shareholder 'frequently asked questions' section on our website which provides answers to many questions: www.rank.com/en/investors/shareholder-centre/faqs.html.

Capital gains tax
For the purpose of calculating UK capital gains tax on a disposal of ordinary shares in the Company held since 31 March 1982 (including shares held in the predecessor company, The Rank Organisation Plc), the price of the Company's ordinary shares at that date was 190p per share. This price should be adjusted for the effects of the rights issue in January 1990, the enhanced share alternative in July 1993, the sub-division and consolidation of shares in March 1994, the enhanced scrip dividend in March 1998, and the 18 for 25 sub-division and share consolidation (aligned with the 65p special dividend payment) which took place in March 2007. More information regarding these adjustments is available on www.rank.com.

Shareholder security
We are aware that shareholders can on occasion receive unsolicited telephone calls concerning their Rank shares. These communications tend to be from overseas-based 'brokers' who offer a premium price for your Rank shares but ask you to make an upfront payment, typically in the form of an insurance bond. We recommend that before paying any money you:

- obtain the name of the person and firm contacting you;
- check the FCA register at https://register.fca.org.uk to ensure they are authorised;
- use the details on the FCA register to contact the firm;
- call the FCA Consumer Helpline on 0800 111 6768 (freephone) if there are no contact details on the FCA register or you are told they are out of date; and
- search the FCA's list of unauthorised firms and individuals to avoid doing business with: www.fca.org.uk/consumers/unauthorised-firms-individuals.

If you use an unauthorised firm to buy or sell shares or other investments, you will not have access to the Financial Ombudsman Service or Financial Services Compensation Scheme ('FSCS') if things go wrong.

Below, please find the link to the FCA's website which gives information on scams and swindles, which shareholders may find helpful: www.fca.org.uk/consumers/protect-yourself-scams.

Further information on fraud can be found at www.actionfraud.police.uk.

Action Fraud's helpline is 0300 123 2040.

We recommend that you report any attempted share frauds to the authorities, since providing information with regard to how the fraudsters have contacted and dealt with you will assist the authorities in understanding the fraudsters' way of operating so as to enable them to disrupt and prevent these activities and prosecute them.

ShareGift

Shareholders with a very small number of shares, the value of which may make it uneconomical to sell, may wish to consider donating them to charity through ShareGift, a registered charity administered by The Orr Mackintosh Foundation.

Further information about ShareGift is available at www.sharegift.org or by writing to:

ShareGift
PO Box 72253
London SW1P 9LQ
Tel: 020 7930 3737

For any other information please contact the following persons at our registered office:

Luisa Wright, Group General Counsel & Company Secretary
Sarah Powell, Director of Investor Relations & Corporate Communications

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