

Unlocking our growth potential

Annual Report 2021

Our business

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

Our branded venues and digital channels



72 Mecca branded venues

Mecca is Rank's community-gaming brand for the British market. A national portfolio of 72 venues offering bingo, slot machine games, great value food and drink, and live entertainment.

Mecca digital channels

The digital channel offers a range of popular games like bingo, a wide range of slot games and table games.



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 channel offers many popular games, including its successful live casino, in addition to a sports betting offer.



10 Enracha branded venues

Enracha is Rank's community-gaming business for the Spanish market. Ten 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

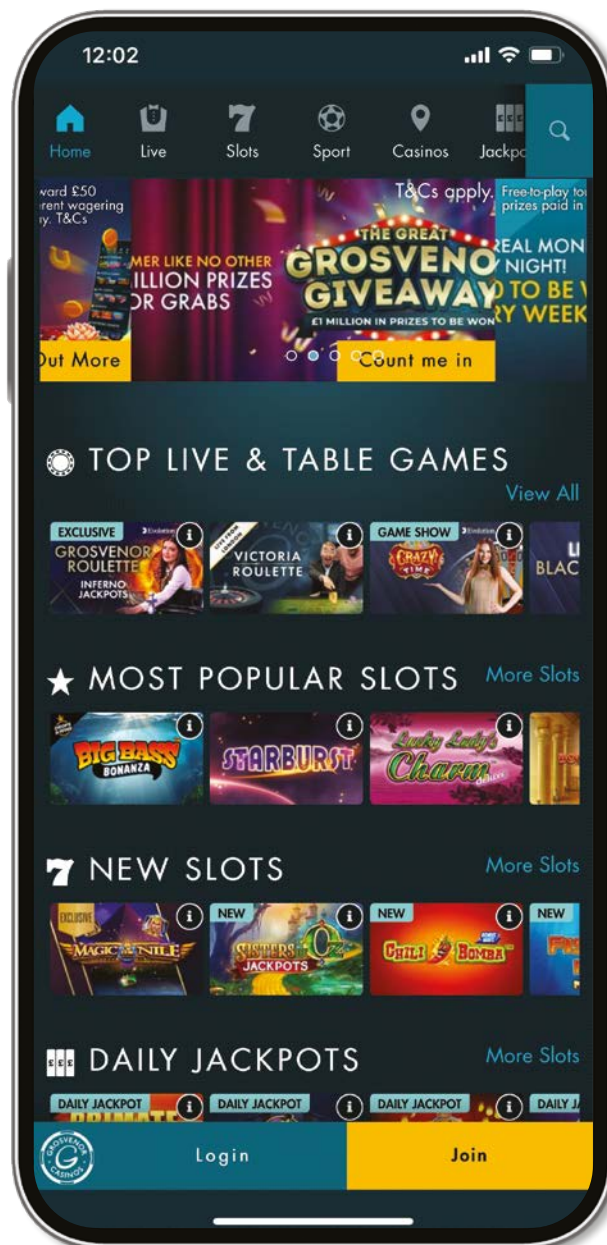
Enracha also has a small complementary digital offer.



Our digital only brands

The Group operates the market-leading digital bingo brand, YoBingo, to the Spanish market alongside its recently launched 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.

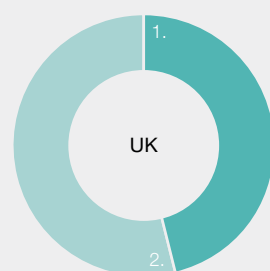


Omni-channel – extending the customer experience

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

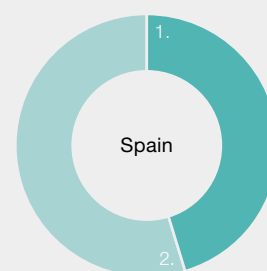
Our markets

Split of LFL net gaming revenue ('NGR')



1. Venues **£134.4m**
2. Digital channels **£156.3m**

Split of LFL net gaming revenue ('NGR')



1. Venues **£17.5m**
2. Digital channels **£21.1m**

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 work together to create exciting environments that reflect the changing needs and expectations of our customers and colleagues, delivering stimulating and exciting experiences every time, to excite and to entertain. Our ambition To become a £1bn revenue international gaming company by 2023, through transforming our business and consistently exceeding our customer and shareholder expectations.	
2021 business highlights		Contents
Financial Like-for-like ('LFL') underlying net gaming revenue ('NGR') £288.2m LFL underlying operating loss £(67.0)m Cash and available facilities £98.0m Underlying loss per share (20.3)p Strategic - Next phase of the Group's transformation (Transformation 2.0) is well underway with three-year plans now being implemented for each business unit - Rank is fully engaged with UK Government regarding its review of gambling legislation, focusing on opportunities for land-based casinos and bingo	Operational - Strong focus on preserving cash and ensuring the Group has sufficient liquidity to emerge from the pandemic in a position of strength - Successful equity placing at 90p per share raised £70.0m of additional liquidity - New £25.0m RCF secured in July 2021, further increasing Group liquidity - Good progress made in developing the Group's proprietary digital platform, with the bellacasino brand successfully migrated in the year. Mecca and Grosvenor brand migrations to be delayed until 2021/22 to ensure appropriate level of sophistication in place regarding customer affordability journeys - Preparation for the successful reopening of our venues with new products and services - Group back to generating cash post venues reopening in May 2021 Sustainability - ESG materiality assessment has been completed, and work commenced on a Group-wide sustainability strategy - Key safer gambling initiatives delivered in the year included the introduction of machine loss and time limits in Grosvenor venues, the integration of ID scan technology in Grosvenor's venues and the strict application of affordability controls in digital - Significant community efforts in the year ranging from the provision of over 210,000 free meals for vulnerable members of our local communities and NHS and emergency workers to raising over £450,000 for charitable causes	Overview IC Our business 01 Unlocking our growth potential Strategic Report 08 Chair's letter 10 Chief Executive's review 18 Our strategy to unlock our growth potential 32 Our key performance indicators 34 Our external environment 36 Our business model 38 How we create long-term value 56 Financial review 58 Alternative performance measures 60 Risk management 69 Compliance statements Governance Report 74 Chair's introduction to governance 76 Unlocking our growth potential – At a glance 77 2018 Code compliance statement 78 How we are governed 80 Our Board 84 Unlocking our growth potential – A year in review 88 Nominations Committee Report 93 Audit Committee Report 100 Finance Committee Report 102 ESG & Safer Gambling Committee Report 106 Remuneration Committee Report 133 Directors' Report 137 Directors' responsibilities Financial Statements 140 Independent auditor's report 149 Group income statement 150 Group statement of comprehensive income 151 Balance sheets 153 Statements of changes in equity 155 Statements of cash flow 156 Notes to the financial statements 202 Five year review 203 Shareholder information

Unlocking our growth potential

During a year of unprecedented disruption to our business we took the right decisions to initially protect and, in the second half of the year, prepare ready for a return to growth



Left:
Bill Floydd
Chief Financial Officer

Right:
John O'Reilly
Chief Executive

Liquidity

We strengthened our financial position

The Group's balance sheet was strengthened through strong cash management and the injection of new liquidity. The Group completed a £70.0m equity placing in November 2020 alongside its lending banks agreeing to an extension of its existing debt covenant waivers until March 2022, sold its non-core Belgium casino for £25.2m and shortly after

year end secured additional bank financing. This enables the Group to refocus on the growth initiatives within the Transformation 2.0 programme.



Read our financial review on page 56.



Jonathan Plumb
Chief Information
Officer



Bill Floydd
Chief Financial
Officer,
Luisa Wright
Group General
Counsel & Company
Secretary and
John O'Reilly
Chief Executive

Investment

We maintained our technical development

The development of the Group's proprietary platform, RIDE, remained a key focus in the year. Rank's first brand, bellacasino, was successfully migrated in November 2020 and the Group is currently preparing for the migration of its larger more established digital brands, Mecca and Grosvenor, during the 2021/22 financial year.



Read our strategic update on page 23.

Governance

We strengthened our digital expertise

During the year we have focused on bolstering our digital expertise with the appointment of Jon Martin as Managing Director of Rank's UK digital business and Katie McAlister as a Non-Executive Director. Over the past two and a half years, having joined Rank from William Hill, Jon Martin has held senior management roles in the digital and international areas of the business. He has broad strategic, financial and digital

experience and his appointment will help drive growth in our digital business. Katie McAlister has many years of digital and digital marketing experience, including in relation to business change programmes, and adds experience to the Board in its oversight of this area of the business.



Read about Katie's appointment and executive succession planning on pages 88-90.



Luisa Wright
Group General
Counsel & Company
Secretary,
Bill Floyd
Chief Financial
Officer and
Sarah Powell
Director of Investor
Relations &
Corporate
Communications



Katie McAlister
Non-Executive
Director

Sustainability

We focused on prioritising our sustainability goals

As the attention on Environmental, Social and Governance ('ESG') risks increases across all our stakeholder groups, Rank has conducted an ESG materiality assessment to provide clearer insight into stakeholder perceptions regarding ESG-related risk and opportunities. Over the coming months we will look to launch a new sustainability programme concentrating on mitigating our key ESG risks and how we plan to deliver on the identified

opportunities. To support the programme, we have taken the decision to broaden the scope of our Safer Gambling Committee. Whilst continuing with its strong focus on safer gambling, the Committee will also have oversight of the Group's wider ESG activities.



Read our approach to sustainability on pages 44-55.

The background of the cover features several thick, flowing, curved lines in shades of light blue and cyan, set against a dark navy blue background. On the right side, there is a vertical strip of a textured, deep red material, possibly leather or faux leather, which adds a tactile element to the design.

Strategic Report

08 Chair's letter

Getting the business ready for growth

10 Chief Executive's review

Our performance this year and our plans going forward

18 Our strategy to unlock our growth potential

Delivered through a reset transformation programme

32 Our key performance indicators

Measuring our progress

34 Our external environment

Driving improvements to customer experience

36 Our business model

Well placed to deliver value

38 How we create long-term value

Engaging with our stakeholders and operating responsibly

56 Financial review

Our financial performance

58 Alternative performance measures

Helping us compare and assess historical performance against internal performance benchmarks

60 Risk management

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

69 Compliance statements

Chair's letter

Getting the business ready for growth



Alex Thursby

Chair

Grosvenor Soames in Manchester

A year ago, I wrote about the Board's optimism following the early response from our venues' customers post reopening and I don't think I could have predicted how similar a position we would be in again a year later.

The senior management team continued to navigate through the pandemic as expected, with exceptional focus and discipline, and I would like to thank the senior team for their energy and unwavering commitment.

Liquidity was clearly a key focus for both the Board and the management team throughout the year and I would like to thank our shareholders for their support in the November equity raise where £70.0m of additional liquidity was generated for the Group, further bolstered by a new £25.0m revolving credit facility ("RCF") signed shortly after year end.

Following the reopening of our venues in May 2021 and our robust liquidity position, the Group is now well placed to deliver on its Transformation 2.0 programme and unlocking its growth potential.

Regulation

The Board welcomes the Government's review of gambling legislation and regulation which commenced with a Call for Evidence in December 2020 and which is anticipated to result in a White Paper being published before the end of 2021, which will outline the Government's legislative intentions. The Government has set out a balanced scope for the review which includes the review of online player protections, advertising and sponsorship, the role and powers of the Gambling Commission, consumer redress, age limits and player verification, and the regulation of land-based gambling. Much has changed since the 2005 Gambling Act and this wide-ranging, evidence-based review should enable legislation and regulation which better meets the needs of today's consumers whilst also ensuring that appropriate protections are in place to protect those who may be vulnerable, to ensure fair gambling for the UK's consumers and to ensure gambling is kept crime-free. The review is strongly focused on the regulation of online gambling in the UK, but we welcome the Government recognising the need to ensure that the regulation of land-based gambling in the UK is both appropriate for today's consumers and equitable with online regulation.

Performance

Unlike the prior year, our venues business felt the impact of COVID-19 throughout the entire financial year – H1 being subject to local lockdowns and restrictions and then closed for much of H2 – as a result underlying Group LFL net gaming revenue ('NGR') was down 50% on the prior year, driven by the 65% decline in venues LFL NGR. Our UK digital business materially suffered from affordability restrictions that were put in place before the start of the year and, with the venue closures, our omni-channel contributions were also impacted, resulting in digital LFL NGR falling by 6%. Our Spanish digital business however continued to perform strongly and with the recent appointment of Jon Martin to Digital Managing Director, I am confident the Group can position itself to drive future digital growth.

Earnings per share ('EPS') was (16.5)p, down 760%, due to the impact of COVID-19 on our venues performance. EPS before separately disclosed items was (20.1)p.

Dividend

Due to both the restrictions under our current bank financial covenant waivers and the obvious negative impact the COVID-19 pandemic has had on the Group's cash generation, the Board is unable to propose a final year dividend. However, the Board is acutely aware of the importance of the dividend to our shareholders and as stated throughout this pandemic we will look to reinstate paying a dividend once circumstances permit.

Board changes

We welcomed two new Non-Executive Directors in the year. In April 2021, Katie McAlister was appointed and will serve on the Group's Nominations, ESG & Safer Gambling and Remuneration Committees. Katie brings extensive experience in digital marketing, together with customer-focused strategic experience, and will be a real asset to the Board.

Following the retirement of Tang Hong Cheong, Chew Seong Aun was appointed as a Non-Executive Director in December 2020. Seong Aun is Executive Director and the Group Chief Financial Officer of Guoco Group Limited, a controlling shareholder of the Group. Seong Aun has a wealth of financial and commercial experience and will further enhance the good communication already established between Rank and its major shareholder.

I would like to thank Hong Cheong for his valuable contribution as a director over the last two years and the Board and I wish him well on his retirement.

Thank you

The Board and I are extremely proud of how our colleagues have continued to navigate the pandemic, with our venues' teams delivering numerous community initiatives alongside ensuring our venues were safe places for our customers to visit. In addition, our central support teams have displayed great professionalism and agility throughout the year. On behalf of the Board I would like to take this opportunity to say thank you for all their efforts and hard work.

Alex Thursby

Chair

18 August 2021

The financial impact of the pandemic

LFL NGR

(50)%

With 79% of Group revenue being derived from our venues businesses, closures imposed in the Government's response to the pandemic amounting to 59% of available operating days together with capacity constraints, reduced opening hours and other restrictions during the year have had a material impact on the Group, resulting in underlying LFL NGR down 50% on the prior year and an underlying LFL operating loss of £67.0m.

Cash outflow before separately disclosed items ('SDIs')

£(21.2)m

The Group suffered monthly cash losses of £15.0m, net of the Government's support through the CJRS scheme and business rates relief, during the long periods in which our venues were closed, resulting in net cash outflow from operations of £(21.2)m in the year.

Successful actions to ensure the Group retains sufficient liquidity

Cash and available facilities

£98.0m

The strong focus on preserving cash during the pandemic, together with the £70.0m proceeds from the equity raise, the sale of Casino Blankenberge in Belgium for £25.2m and a £13.3m payment from HMRC have resulted in closing cash and available facilities of £98.0m at 30 June 2021. Since the year end, Rank has added a further £25.0m of available facilities through a new two-year RCF.

Net debt

£49.8m

As at 30 June 2021, net debt pre IFRS 16 was £49.8m, comprising £119.4m in bank loans offset by cash at bank and in hand of £69.6m. The Group is confident that it will continue to meet its liquidity and covenant tests.

Encouraging progress since our UK venues reopened on 17 May

Grosvenor weekly revenue

£5.7m

Revenue in Grosvenor venues in the 13-week period to 15 August 2021 has been 19% below the same 13-week period of 2019 (pre-pandemic). Average weekly revenue of £5.7m is ahead of cash breakeven of £4.4m. Since restrictions were eased on 19 July 2021, average weekly revenue has been £6.0m.

Mecca weekly revenue

£2.6m

In Mecca, revenue over the same 13-week period was 21% below 2019. Average weekly revenue of £2.6m is marginally ahead of cash breakeven of £2.4m. Since restrictions were eased on 19 July 2021, average weekly revenue has been £2.7m.

Digital trading has been in line with expectations since the start of the new financial year, increasingly supported by the flow through from our venues now being open.

Other key updates

- A challenging year for the Group's UK facing digital business following the stringent application of affordability restrictions and the impact of closure of our venues on omni-channel revenue resulting in LFL NGR declining 6% to £136.3m.
- Regulatory action taken by the Gambling Commission on the acquired Stride business, principally relating to activities prior its acquisition by Rank, resulted in a £5.9m fine, to be appealed by Rank.
- The migration of Mecca to the proprietary technology platform, RIDE, has been postponed until early Q3 2021/22 to ensure a further improvement to affordability journeys that will reduce some of the inevitable friction being experienced by customers. We expect to complete the full migration of the Rank brands to our proprietary platform in Q4 2021/22; this will be a major step forward in terms of delivering on our UK digital ambitions.
- NGR in the Spanish facing digital brands (YoBingo, YoCasino and Enracha) grew 29% on the prior year.
- Several key initiatives have been delivered to further enhance our safer gambling protections for customers, including the roll out of ID scan technology in Grosvenor casinos, loss and time limits on gaming machines and electronic terminals in Grosvenor, the successful trial of a new risk-based model to better identify potentially at-risk play in Grosvenor venues, introduction of an enhanced real-time customer monitoring tool known as 'Hawkeye' for our digital brands and significant further investment in our safer gambling team and in mandatory training programmes for all colleagues.
- The next phase of the Group's transformation (Transformation 2.0) is well underway with three-year plans now being implemented for each business unit.
- Over 210,000 free meals delivered to vulnerable members of our local communities, and NHS and emergency service workers, an example of the amazing efforts of our Rank colleagues during the pandemic.

Chief Executive's review

Our performance this year
and our plans going forward



John O'Reilly
Chief Executive

Throughout 2020/21, the COVID-19 pandemic and the UK Government's responses to the crisis have had a very severe impact on the hospitality sector. Rank's venues businesses, which typically account for 79% of Group revenue, were closed for 59% of available operating days and otherwise subject to curfews, capacity constraints and other restrictions. In response to the pandemic, the Group has taken decisive action to protect the business and to prepare for the post-pandemic opportunities when consumer confidence to enjoy indoor leisure and entertainment experiences is restored.

The key priorities for the Rank management team have been:

- to ensure the Group has sufficient liquidity to emerge from the pandemic in a position of strength;
- to ensure the venues businesses are prepared for their safe reopening for colleagues and customers and for the opportunities that lie ahead;
- to continue the successful development of the proprietary technology platforms in the UK and Spain to drive sustained growth in our digital business;
- to ensure the Group's growth is built on sustainable foundations, particularly as regards continuously enhancing the quality of our people, always seeking to ensure safe gambling experiences for our customers and in continuing to ensure we contribute to our local communities which has been more important than ever during the pandemic;
- to fully engage with the UK Government's review of gambling legislation in seeking modernisation of our outdated gaming legislation which restricts our ability to better meet the needs of our customers in land-based casinos and bingo venues; and
- to ensure the Group has a clear set of key initiatives within Transformation 2.0 which will drive the Group's growth over the coming years and put the Group on the right trajectory to meet its strategic objectives.

Current trading and outlook

Grosvenor and Mecca venues reopened in England and Wales on 17 May 2021 in line with the UK hospitality sector. Our Scottish Mecca and Grosvenor venues were able to reopen on 17 May 2021 other than in Glasgow where reopening was delayed until 6 June. All Scottish venues have been required to close at 10.30pm, which was adjusted to 12.30am on 19 July 2021, then on 9 August 2021, the curfew was eventually removed. Social distancing requirements, the mandatory wearing of face masks and hard capacity constraints were removed in England on 19 July 2021.

In Grosvenor's venues, LFL NGR from reopening on 17 May to 15 August 2021 is down 19% on the same 13-week pre-pandemic period in 2019. Average weekly revenue since reopening has been £5.7m, comfortably ahead of our breakeven of £4.4m per week. Revenue in Grosvenor venues outside of London and Scotland is at 98% of 2019 levels and continues to improve with the additional removal of restrictions on 19 July 2021. In London our nine casinos, which historically have accounted for 42% of Grosvenor's revenue, have seen revenue down 40% on 2019 levels and remain challenged by the lack of international tourism, significantly reduced numbers of office workers and the ongoing late night travel challenges for the city's consumers. In Scotland, Grosvenor's five venues have been heavily impacted by the imposition of curfew, trading 43% below 2019 revenue levels since reopening.

Across the Mecca estate, recovery has been slightly slower with LFL revenue down 21% on the same 13-week period in 2019 since reopening on 17 May. Visits are down 34%, partly offset by spend per visit increasing 20%. Since reopening, average weekly revenue has been £2.6m, slightly ahead of our breakeven level of £2.4m. Improvements to the customer proposition including more emphasis on the mainstage bingo game at the expense of interval games, an improved food and beverage offering and a stronger gaming machine estate with a renewal of some of the category B3 and C machines have helped drive this increase in expenditure per visit. The challenge for Mecca is the confidence levels amongst our older customer cohorts to return to indoor hospitality whilst pandemic case numbers remain high and vaccine protection levels remain uncertain.

In Spain, trading in Enracha has continued to improve as regional restrictions on capacity levels, opening hours and food and beverage have gradually been relaxed. Customer demand is strong despite the restrictions, and we are trading profitably.

Rank's digital businesses are delivering revenue in line with our expectations since the start of the new financial year. We expect transformation initiatives to accelerate revenue growth throughout the year. The development of the proprietary platform is now code complete for Mecca which, subject to performance testing, will migrate early in Q3 2021/22, with Grosvenor completing the in-housing of technology before the end of the 2021/22 financial year.

Group liquidity

With our venues closed for 59% of the year and the Group incurring monthly cash outflows of £15m net of the receipts from the Government's furlough scheme ('CJRS') and equivalent support in Spain, liquidity has been a primary focus. The Group's net trading cash outflow in the year was £21.2m before separately disclosed items.

At 30 June 2021, cash and available facilities were £98.0m, and with venues back open the Group is again generating cash.

On 6 July 2021, the Group signed a new two-year £25.0m revolving credit facility ('RCF') to provide the Group with additional liquidity headroom and the opportunity, when we are confident that the Group is delivering sustainable positive cash flows, to accelerate investment in the Group's transformation plan.

At 30 June 2021, a total of £12.2m of rent was deferred which will be settled over the next 12 months, the majority of which has agreed payments plans. Throughout the year we engaged positively with our suppliers who continued to show support through agreeing reductions in contracted fees whilst our venues were closed, and products and services were not required.

The UK Government's furlough scheme, and its equivalent in Spain, has been critically important to both the Group's cash flow and to our ability to successfully reopen our venues. A total of £70.5m of CJRS receipts was received in the year, including £11.2m relating to claim periods outside of the year. The balance due at year end was £1.2m and this was received in July 2021.

Additional liquidity of £70.0m was raised through an equity placing at 90p per share, a 4% premium to the closing price, which completed on 23 November 2020. Simultaneously, a 12-month extension to the existing bank debt covenant waivers was also secured with the testing of the two bank debt financial covenants (net debt to EBITDA of less than 3x and EBITDA to interest charge of no less than 3x) to resume from the 30 June 2022 testing date. During the waiver period the Group must meet a minimum available cash and available facilities of no less than £50.0m which is tested quarterly.

In January 2021, the Group received a £13.3m duty refund and associated interest following the Supreme Court's decision in favour of another taxpayer on the treatment of free gaming chips. In April 2021, the Group completed the sale of its standalone non-core Belgium casino in Blankenberge to Kindred Group plc for £25.2m of cash sale proceeds.

The Group's total available facilities at 30 June 2020 was £55.0m of RCF, of which £11.0m was drawn, and a term loan, reduced in the year to £108.4m following a £19.7m scheduled repayment in May 2021.

On 30 June 2021, Rank received the ruling in its favour from the First-tier Tax Tribunal on its claim to be refunded VAT paid on gaming machine income in the period from April 2006 to January 2013. HMRC has 56 days from the date of the judgment to lodge an appeal and agree the exact quantum of the claim; Rank expects that the value will be materially in line with its previous estimate of circa £80.0m.

The Group expects to continue to meet all future liquidity and financial covenant tests.



£55.0m

Revolving credit facilities

£108.4m

Group's term loan reduced following
a £19.7m scheduled repayment in May 2021

Business performance

Our venues businesses, Grosvenor, Mecca and Enracha, which accounted for 79% of Group revenue in H1 2019/20, have seen combined like-for-like revenue fall by 65% in the year as the impact of the COVID-19 pandemic and the resultant restrictions heavily impacted the hospitality sector in both the UK and Spain across the whole financial year. Despite the significant effort to minimise the cost base during the pandemic, the Group's underlying operating profit¹ fell to an underlying operating loss¹ of £67.0m in 2020/21

	NGR			Operating (loss)/profit		
	2020/21 £m	2019/20 £m	Change £m	2020/21 £m	2019/20 £m	Change £m
Digital	136.3	145.3	(6)%	19.6	27.0	(27)%
Grosvenor venues	79.2	275.9	(71)%	(40.1)	40.2	(200)%
Mecca venues	55.2	127.3	(57)%	(18.5)	6.7	(376)%
International venues	17.5	27.1	(35)%	(0.1)	3.6	(103)%
Central costs				(27.9)	(29.1)	4%
Underlying LFL¹	288.2	575.6	(50)%	(67.0)	48.4	(238)%
Stride	41.1	51.0	(19)%	(16.4)	1.7	(1,065)%
Impact of venue closures and FX ²	0.3	3.1	–	(1.1)	(1.0)	–
Underlying	329.6	629.7	(48)%	(84.5)	49.1	(272)%

1. On a like-for-like ('LFL') basis which removes the impact of club closures, foreign exchange movements and discontinued operations.

2. A full analysis of these adjustments can be found in the Alternative Performance Measures ('APM') section, see pages 58 to 59.

Venues



Top: Grosvenor Sheffield
Above: Mecca Stevenage

The Grosvenor, Mecca and Enracha venues businesses were all heavily impacted by enforced COVID-19 related closures and other restrictions during the year resulting in overall revenue from the Group's venues falling 65% on the prior pandemic impacted year and 74% down on the pandemic-free calendar year 2019.

Grosvenor's venues reopened in August 2020 following the initial national lockdown that was imposed in March 2020. The opening was successful despite ongoing capacity, social distancing and other restrictions and Grosvenor returned to generating cash in September 2020. However, the imposition of a national curfew in late September severely impacted Grosvenor's performance as over half of casino revenue is generated after 10pm. Grosvenor's venues were then forced to close again during the second national lockdown which came in November 2020. In December 2020, we were able to reopen some of our casinos with many required to close under regionally enforced closures. The third national lockdown commenced in early January 2021, forcing the closure of all hospitality venues until 17 May 2021. Consequently the Grosvenor estate was closed for 66% of the year and, when open, was required to operate very often under opening hour restrictions and always under limited capacity, and restricted supply of customer positions at live gaming tables because of social distancing requirements. Unsurprisingly, LFL NGR was materially impacted, down 71% on the prior year at £79.2m and down 78% on pre-pandemic calendar year 2019. Grosvenor consequently recorded a LFL operating loss of £40.1m in the year.

Our Mecca venues were allowed to reopen six weeks prior to casinos in summer 2020 and were able to remain open under some of the regional tiering restrictions which had required casinos to close. As a result, Mecca was closed for 58% of the available days in the financial year. When open, capacity constraints and social distancing measures proved additional limitations on the business. Mecca LFL NGR fell 57% to just £55.2m, down 69% on the pre-pandemic 2019 calendar year, and the business recorded a LFL operating loss of £18.5m.

The Group's International venues, comprising ten Spanish bingo venues, also suffered from severe operating restrictions which resulted in LFL NGR falling by 35% in the year, 51% down on calendar year 2019, and resulting in a small LFL operating loss of £0.1m.

Key financial performance indicators

	2020/21 £m	2019/20 £m	Change £m
LFL NGR			
Grosvenor	79.2	275.9	(71)%
Mecca	55.2	127.3	(57)%
International	17.5	27.1	(35)%
Underlying LFL operating (loss)/profit¹			
Grosvenor	(40.1)	40.2	(200)%
Mecca	(18.5)	6.7	(376)%
International	(0.1)	3.6	(103)%
Total NGR			
Grosvenor	79.2	275.9	(71)%
Mecca	55.5	130.7	(58)%
International	17.5	26.9	(35)%
Total underlying operating (loss)/profit¹			
Grosvenor	(40.7)	40.2	(201)%
Mecca	(18.9)	6.0	(415)%
International	(0.2)	3.3	(106)%
Total operating (loss)/profit			
Grosvenor	(27.4)	32.8	(184)%
Mecca	(22.7)	5.6	(505)%
International	(0.8)	(5.3)	85%

1. Before the impact of separately disclosed items.

Days trading under:	Grosvenor	Mecca
Normal conditions	0%	0%
Reduced occupancy and social distancing measures	21%	29%
Reduced occupancy, social distancing measures and curfew	13%	13%
Days closed	66%	58%

Digital



This was a very challenging year for the UK-facing digital business, with financial performance suffering under a combination of enforced affordability restrictions on customers' ability to spend, the extended closure of the Grosvenor and Mecca estates restricting the flow through of customers to digital channels and the financial impact of an enforcement action taken by the Gambling Commission against the Stride business acquired in October 2019. LFL NGR was down 6% in the year with proforma NGR, including Stride, down 17%.

In Q4 of 2019/20, in applying UK Gambling Commission guidance, a very stringent position was adopted in applying affordability checks on customers. This change had a material impact on revenue from higher staking players. Only 9% of customers will provide documentary evidence of the source of their income, with most customers choosing to avoid what they consider to be an intrusion into their privacy and simply move their business elsewhere. In online gaming businesses the inevitable outcome is that players who win can continue to play, largely free from intrusion if they do not show any markers of harm to suggest they may be playing irresponsibly. However, customers who play and lose are quickly restricted unless they can provide proof of income to support their level of expenditure. Throughout the year, improvement to affordability journeys on site and through Customer Relationship Management ('CRM') programmes have worked to reduce, but certainly not remove, the level of friction on customers. As the Mecca and Grosvenor brands migrate on to the proprietary technology platform in 2021/22, significant additional improvements will be delivered through automated journeys further smoothing the impact of affordability checks.

26% of new depositing customers to Grosvenor online were delivered through Grosvenor venues in 2019/20. These omni-channel customers are typically more loyal to the Grosvenor brand, in part because they enjoy the benefits of the single account which enables them to play with their Grosvenor funds both in venues and online as well as deposit and withdraw across channels. This core strength of the Grosvenor proposition was severely impacted by the extent of closure of Grosvenor's venues in 2020/21. Lockdown in March 2020 sparked an inevitable step up in online revenue from omni-channel customers, but this quickly fell away, and this remained the position throughout the long periods of closure.

The strength of the Mecca brand is more effective in recruiting new online only bingo players than Grosvenor in the online casino market, but Mecca venues provide an important additional flow of customers in the competitive and slower growth UK online bingo market. The closure of Mecca for much of the year also had a downward impact on revenues from omni-channel customers.

2020/21 was the first full year Stride operated in line with Rank's safer gambling standards and consequently proforma NGR declined by 39%. This was a more significant impact than was anticipated at the time of the acquisition, but action was taken very quickly to ensure that the business was compliant.

Key financial performance indicators

	2020/21 £m	2019/20 £m	Change £m
LFL NGR	136.3	145.3	(6)%
Mecca	68.7	76.5	(10)%
Grosvenor	46.5	52.4	(11)%
Enracha	1.1	1.0	10%
Yo	20.0	15.4	30%
Underlying LFL operating profit ¹	19.6	27.0	(27)%
Total NGR	177.4	196.2	(10)%
Mecca	68.7	76.5	(10)%
Grosvenor	46.5	52.4	(11)%
Enracha	1.1	1.0	10%
Yo	20.0	15.3	31%
Stride ²	41.1	51.0	(19)%
Total proforma NGR ³	177.4	213.0	(17)%
Total underlying operating profit ¹	3.2	28.7	(89)%
Total operating (loss)/profit	(11.3)	17.8	(163)%

1. Before the impact of separately disclosed items.

2. Includes post acquisition performance only from 4 October 2019.

3. Includes Stride's pre acquisition performance.

In March 2020, a routine compliance assessment was carried out by the UK Gambling Commission regarding Daub Alderney Limited ('Daub'), Stride's licensed entity. The Commission identified concerns regarding Daub's compliance arrangements in respect of its anti-money laundering and safer gambling controls principally relating to activities prior to its acquisition by Rank. As a consequence, the Commission levied a £3.0m fine on Daub which Rank does not believe fairly reflects the Commission's findings nor takes account of the significant remedial actions taken by Rank following the acquisition. The Commission has been clear that it is not penalising Rank or suggesting that Rank has been in any way at fault. Rather, the Commission is merely concerned with the licensed entity, Daub, which it considers should pay a penalty for the identified regulatory breaches regardless of whether they pre-date Rank's ownership of the business. Following an appeal on the size of the penalty to the Gambling Commission's Regulatory Panel, the fine was increased to £5.9m. Rank considers that there are both equity and public policy issues raised by this case and will be seeking an appeal to the First-tier Tribunal.

Good progress has been made in developing the proprietary digital platform for the migration of the Mecca and Grosvenor brands. It is essential we have the appropriate level of sophistication around the platform's affordability and other safer gambling customer journeys, and these are being developed before the migration of Mecca in early Q3 2021/22. Performance testing is well underway for the Mecca migration. Further development will be required for the Grosvenor migration which is expected to complete in Q4 2021/22. The successful completion of the in-house platform will result in the remaining £6.8m of cost synergies from the acquisition being realised and will free up significant levels of development capability for the next key priorities in the transformation of the UK facing digital business including improvements in MarTech, in data analytics to drive personalisation of CRM and on-site communication, in product and service developments as well as in continued enhancements to our safer gambling control environment.

Yo's digital bingo and casino offer for the Spanish market grew NGR by 30% in the year. The prior year had seen the bulk of the business's development capability focused on delivering the YoCasino offering which was launched very successfully in December 2019. In 2020/21, the team has made good improvements to the YoBingo mobile and online product and service which has provided a positive impetus and, based on the latest available market share data, has seen online market share grow from 5.5% in Q3 2019/20 to 6.4% in Q3 2020/21. In May 2021 the Spanish Government introduced a number of changes to online betting and gaming regulations, most notably the prohibition of bonuses or incentives of any kind to new customers. This change has had the inevitable effect of reducing new customer volumes, the impact of which continues to be evaluated. Nevertheless, Yo continued to grow revenue in the period to 15 August 2021.

Sustainability

As the attention on Environmental, Social and Governance ('ESG') risks increases across all our stakeholder groups, Rank has conducted an ESG materiality assessment to provide clearer insight into stakeholder perceptions regarding material ESG-related risk and opportunities.

Key findings:

- responsible gaming, regulatory compliance, customer privacy and data security, and protecting young and vulnerable customers were of key importance to all of Rank's stakeholder groups;
- employee-related issues were ranked lower than those concerning customers, though still shown to be of high importance;
- environmental issues ranked low in their materiality to the business; and
- community investment ranked lowest in the terms of materiality but was consistently highlighted as a key area of opportunity in the stakeholder interviews.

Over the coming months we will look to launch a new sustainability programme concentrating on mitigating our key ESG risks and how we plan to deliver on the identified opportunities. To support the programme, we have taken the decision to broaden the scope of our Safer Gambling Committee. Whilst continuing with its strong focus on safer gambling, the Committee will also have oversight of the Group's wider ESG activities.

Our people and the pandemic

Our people have been the real heroes of this year. We have had over 6,700 colleagues on furlough and were very much aware of the potential impact that loss of connection with the Rank family, colleagues and customers could have on their well-being. To help address this we consciously dialled up engagement through active social media groups, weekly newsletters and direct contact.

Our colleagues made a tremendous contribution to their local communities during the year both through national and individual initiatives. Over 210,000 free meals were cooked from our Grosvenor and Mecca venues for vulnerable members of the local communities and NHS and emergency service workers, our Mecca colleagues provided over 3,000 hampers for families most in need at Christmas and our colleagues raised over £450,000 for a variety of deserving charities including our charity partner, Carers Trust.

Colleagues also showed huge dedication in delivering a continuous customer contact programme, supporting colleagues on furlough, managing all aspects of liquidity and preparing the business for reopening.

Regulatory update

In December 2020, the UK Government launched its planned review of gambling legislation. The review focuses heavily on online regulation but, encouragingly, it 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.

The review of gambling regulation is likely to be a once in a generation event and it is critical that the needs of today's consumers are fully recognised. In March 2021, we made a detailed submission to the Government's Call for Evidence, in addition to supporting submissions made through the Betting & Gaming Council and the Bingo Association. Our proposals are all underscored by safer gambling initiatives which recognise the need to couple sensible customer-centric modernisation of regulations with the appropriate level of player protection for those who may be at risk of experiencing gambling-related harm. We have focused, in particular, on the opportunities for the land-based casino and bingo sector to pursue a programme of modernisation which could be realised largely through secondary legislation.

For land-based casinos, the 2005 Gambling Act ('2005 Act') created an experiment of 16 new casino licences in the UK, eight of which subsequently opened, operating under different, and more liberal, regulations to those licensed under the 1968 Gaming Act ('1968 Act'). The current review should ensure that the positive learnings from the 2005 Act regulations, and additional developments appropriate for today's consumers, are factored into the new baseline of gambling regulation for land-based casinos. 51 of Grosvenor's 52 casinos are licensed under the 1968 Act and we have recommended that Government considers regulatory change to deliver:

- a more appropriate provision of gaming machines – 1968 Act casinos are restricted to just 20 machines, whilst small category casinos operating under the 2005 Act regulations are able to operate up to 80 depending upon overall customer space and the requirement for a minimum level of non-gaming space;
- the ability to provide electronic table games based on a random number generation rather than a physical event, which would enable customers to play a broader range of lower stakes table games;
- the provision of sports betting facilities; and
- the opportunity for consumers to access cashless gaming in a way that recognises the widescale shift towards cashless transactions throughout society.

For land-based bingo, whilst ensuring appropriate levels of player protection remain in place, this is an opportunity for appropriate changes in regulation to remove unnecessary restrictions on consumers, including the requirement that Category B3 machines account for no more than 20% of the total available machine estate in a bingo venue, the restrictions on cashless gaming and other constraints which unnecessarily impinge upon product enhancements for bingo players and restrict the opportunities for operators to innovate the bingo experience.

We are continuing to engage with the Government and other relevant stakeholders as it considers the evidence and formulates its proposals for regulatory reform.

Management changes

UK digital

Following the first phase of the development of the technology platform acquired through the Stride acquisition and the successful migration of the bellcasino brand, Eitan Boyd, formerly Chief Executive of Rank's UK digital business, was appointed the Group's Chief Innovation Officer. Eitan is focused on new growth initiatives for the Group including international opportunities to exploit our proprietary technology.

Subsequently, Jon Martin was appointed Managing Director of Rank's UK digital business. Jon joined Rank in January 2019 as the Group's Digital Finance and Strategy Director supporting the delivery of our transformation plans and the acquisition of Stride Gaming plc. More recently, Jon has been Managing Director of Rank International, which I will now lead for the interim.

Delivering our strategy

Our purpose, to excite and to entertain, is fundamental to what we do. It guides our ambition, values, and our overall strategy, providing us with a truly cohesive approach within which to run our business. Despite the challenges caused by the COVID-19 pandemic, the Group is wholly committed to its strategy and the opportunities it delivers for revenue and profit growth.

The Group connects its strategy to delivery through its transformation programme, Transformation 2.0, which comprises seven workstreams, all underpinning the Group's six strategic pillars and dynamically focused on growth and sustainable returns over the long term. The transformation programme, provides a framework through which new initiatives and investments are identified, evaluated, prioritised, resourced, developed, implemented and monitored to ensure effective returns are delivered. The seven workstreams are:

- Grosvenor venues
- Mecca venues
- Enracha venues
- Omni-channel
- Digital
- Safer gambling
- Organisation capabilities

For further detail on progress the Group has made, please see pages 18 to 31 of this report.

John O'Reilly
Chief Executive
18 August 2021

Our strategy to unlock our growth potential

Delivered through a reset transformation programme



The Group connects its strategy to delivery through its reset transformation programme, Transformation 2.0.

Transformation 2.0 comprises seven workstreams:

1. Grosvenor venues;
2. Mecca venues;
3. Enracha venues;
4. Omni-channel;
5. Digital;
6. Safer gambling; and
7. Organisational capabilities.

All of the above underpin the Group's six strategic pillars, dynamically focusing on growth and sustainable returns over the long term.

Our six strategic pillars

1. Create a compelling multi-channel offer	Page 20
2. Build digital capability and scale	Page 22
3. Continuously evolve our venues proposition	Page 24
4. Consistently improve our customer experience through innovation	Page 26
5. Committed to safe and fair gambling	Page 28
6. Provide an environment which enables our colleagues to develop, be creative and deliver exceptional service	Page 30



Our strategy is supported by our approach to operating responsibly. For further details, see pages 45 to 55.



For further detail on the Group's progress, refer to pages 20 to 31.



Our strategy to unlock our growth potential
continued





Create a compelling multi-channel offer

Strategic priorities to unlock growth potential

In the markets in which we operate, Rank is one of the few gaming companies in a position to provide customers with a genuine multi-channel gaming offer. Our key assets are our 134 venues, our membership-based models, our customer relationships and the high level of engagement that our team members enjoy with our customers.

What we said

- Continue development of Mecca's omni-channel offer including games accessible across channel

What we did

- Introduced joint liquidity games into Mecca venues and online
- Launched single sign up for Grosvenor and improved the Grosvenor One customer journeys for venues customers
- Installed large sports screens in Grosvenor's Luton and Sheffield casinos to enhance in-venue sports offering
- Launched TheVic.com, a new microsite for Grosvenor's Victoria London casino, aimed at enriching the in-venue experience and to provide a tailored Victoria casino experience online

What we are going to do

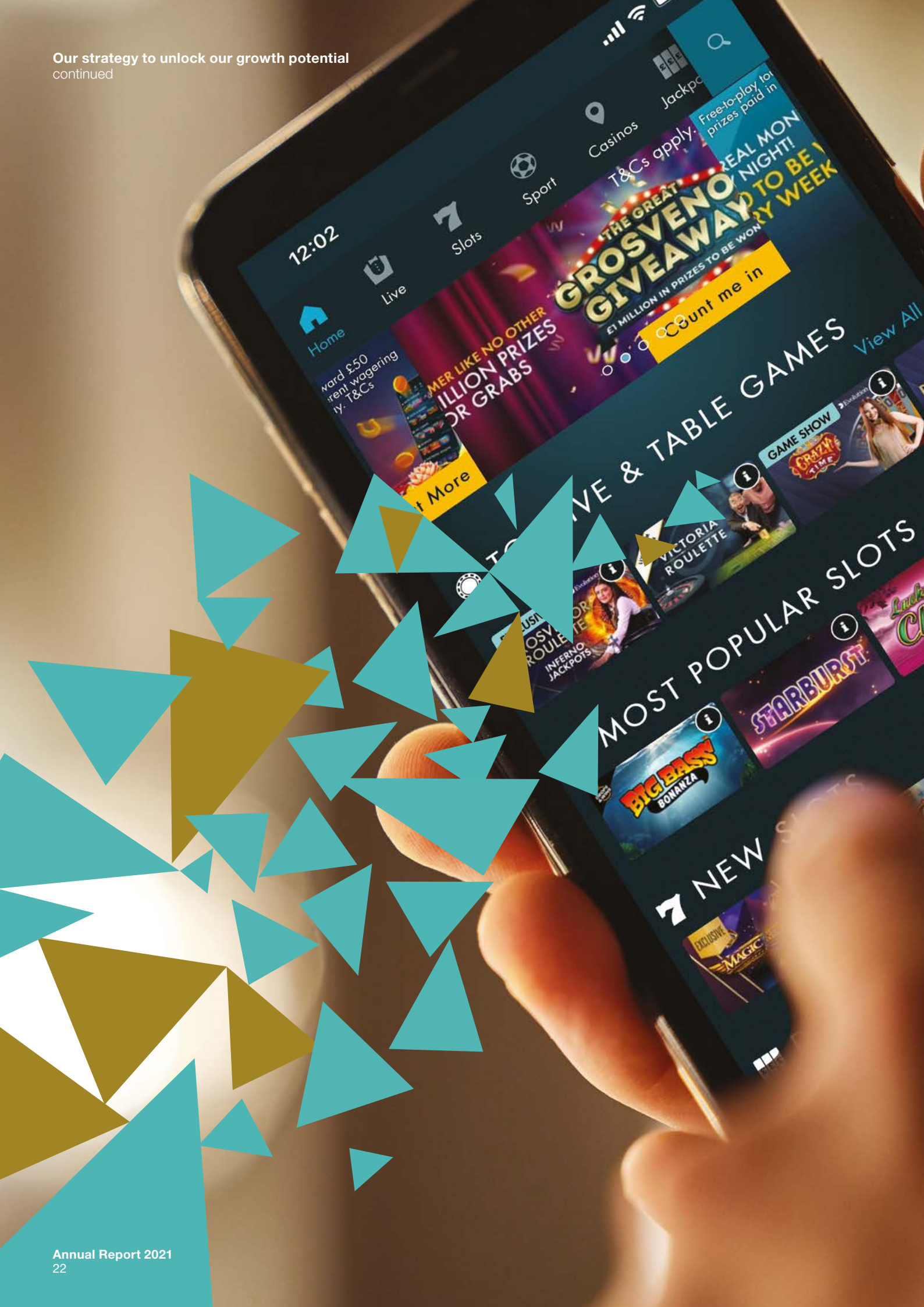
- Launch Mecca's big money Fortune game across the Mecca venues estate
- Unify registration across venues and online for Mecca customers
- Develop microsites for key Mecca venues
- Enhance functionality of the My Mecca app to deliver greater personalisation
- Further development to improve the omni-channel customer journeys in Grosvenor, particularly as we migrate to the new proprietary platform
- Enhance our sportsbook proposition in selected Grosvenor venues
- Develop brand apps to support cashless transactions in venues
- Multi-channel TV advertising campaigns for both Mecca and Grosvenor brands
- Further development of Enracha's omni-channel offering

Key performance indicator

- Number of omni-channel customers



For further detail on our KPIs, refer to page 32.



Build digital capability and scale

Strategic priorities to unlock growth potential

We have built strong positions in venues-based gaming which we are seeking to replicate across our digital channel. Before the impact of COVID-19 in 2019/20, our digital operations generated 21% of Group revenue. Across the UK as a whole, digital channels now represent around 52% of the gambling market (excluding the National Lottery), presenting a significant growth opportunity. International growth is also central to the Group's strategy to build digital scale.

What we said

- Further development of Stride's proprietary technology in preparation for the migration of Rank digital's legacy brands
- Migration of meccabingo.com on to the proprietary platform
- New Grosvenor sportsbook site to be launched
- Mecca Content Management System ('CMS') migration planned for H1 2020/21
- Complete CRM automation
- YoBingo.pt to be launched in Portugal in H2 2020/21

What we did

- Successfully migrated the bellcasino brand on to the proprietary platform
- Continued investment in the proprietary platform in preparation of migrating meccabingo.com and grosvenorcasinos.com
- Initial improvements to Grosvenor's sport page delivered with further developments to follow
- Migrated seven brands on to the new CMS
- Launched a new concept Mecca game, Mecca Raffle
- Investment in Group's technology hub in South Africa and customer services centre in Mauritius to support all digital brands
- Launched new brand on our non-proprietary platform
- YoBingo licence for Portugal market obtained, launch planned for H1 2021/22

What we are going to do

- Migrate meccabingo.com (Q3 2021/22) and grosvenorcasinos.com (Q4 2021/22) on to the proprietary platform
- Develop new features to our daily retention game alongside other user experience enhancements
- Optimise marketing effectiveness and then scale investment to drive higher levels of customer acquisition
- Refresh app strategies with a sharper focus on omni-channel and supporting venues experiences

- Launch new B2B international partnerships where Rank can make available a digital offer to established international gaming venues businesses

Key performance indicators

- Digital NGR
- Number of active digital customers



For further detail on our KPIs, refer to pages 32 and 33.





Continuously evolve our venues proposition

Strategic priorities to unlock growth potential

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.

What we said

- Planning for further investments in product, technology and facilities across the Grosvenor estate to be implemented as cash headroom permits
- Introduce hourly bingo sessions to maximise Mecca capacity and provide an alternative to historic peak sessions
- Introduce a timetable of non-gaming activity, e.g. quiz and comedy nights into Mecca to attract new customers not being serviced by other space restricted leisure operators
- Increase food and beverage promotional activity, e.g. Beer and Gin Festival, to attract new customers and take advantage of available capacity in Mecca

What we did

- Completed the investments at Grosvenor's London Victoria casino which included a new external terrace, The Loft, offering outdoor gaming
- New enhanced electronic roulette terminals installed across the London casino estate
- Refreshed Mecca's brand look and feel
- Trials of Mecca's refreshed mainstage bingo schedule and alternative electronic only interval games launched
- Mecca's model for enhanced service delivery completed and launched in an initial 11 venues
- Launched the Mecca Bingo Academy to enhance the focus on enlivening the bingo offer

What we are going to do

- Refurbishment of further casinos following the success of previous pre COVID-19 investments
- Launch a new Employee Value Proposition for Grosvenor colleagues
- Introduce a new food and beverage proposition across Grosvenor estate tailored to each local market
- Develop a new demand rostering tool for Grosvenor covering all areas of each casino

- Development of a new concept Mecca venue in Luton
- Expansion of Mecca's new and improved food and beverage offer to additional venues
- Further develop improvements for Mecca's core mainstage bingo game
- Implement new machine management system across the Enracha estate
- Open first standalone Enracha Stadium venue

Key performance indicator

- Venues NGR



For further detail on our KPIs, refer to page 33.






Consistently improve our customer experience through innovation

Strategic priorities to unlock growth potential

Our customers are at the heart of our business, and we are always looking for new ways to excite and entertain them. We invest in new technologies that drive efficiencies across the Group to the benefit of our customers. We also regularly invest in and introduce innovations that make the customer experience even better – both in our venues and online.

What we said

- Ensuring we operate COVID-19 secure venues with measures to ensure social distancing and exceptional hygiene standards for our customers and colleagues
- Increase use of cashless transactions in our venues
- Deliver enhanced single customer view across all channels
- The launch of management dashboards providing near real time performance metrics across our venues

What we did

- Integrated our ID verification tool and the casino's membership system to ensure customers are not delayed unnecessarily when entering our casinos
- Grosvenor brand proposition research completed and findings to help drive casino investments
- Launched Reel King Roulette, a first in terms of added bonuses and jackpots for electronic roulette terminals
- Introduced new technology solutions to drive improvements in table gaming margins
- Launched a new Mecca app for bookings and food and beverage orders with cashless functionality
- Carried out customer research to validate Enracha's brand positioning and proposition for a new loyalty programme
- Created a new dedicated innovation team lead by Eitan Boyd as Chief Innovation Officer responsible for driving new growth initiatives and international partnerships

What we are going to do

- Roll out new customer experience measurement tool across Grosvenor estate
- Roll out Enracha's loyalty programme

Key performance indicators

- Venues machine investments
- Venues table gaming/ bingo investments



For further detail on our KPIs, refer to page 33.






Committed to safe and fair gambling

Strategic priorities to unlock growth potential

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. We work to proactively identify and interact with those customers who may be at risk of playing beyond an affordable level, or who show signs of experiencing gambling-related harm.

What we said

- Develop and deliver further engaging and interactive safer gambling training across our digital and venues businesses
- Review customer communications at key touch points throughout the customer journey to ensure safer gambling messaging and communications are embedded
- Evaluate and review the newly implemented controls in Grosvenor venues to enable their enhancement and continuous improvement
- Continue to invest in, and implement, new player protection tools on machines and electronic bingo terminals in Mecca venues
- Continue to develop a single-customer view to allow automated assessment of holistic customer risk across channels and brands

- Further evolve protections for customers across our digital platforms and brands, to ensure robust controls are applied consistently for all customers

What we did

- Implemented new functionality for Grosvenor's customer management system ('Neon') in venues, improving customer data for colleagues and enhancing their ability to record and evaluate customer interactions
- Successful trial of new risk-based model to better identify potential at-risk play in Grosvenor venues
- Introduced machine loss and time limits at slots and electronic roulette machines in Grosvenor venues
- Integrated ID scan technology with Neon to ensure we know who is in our casinos at any one time
- Deployed the Focal Research ALERT system across the Grosvenor estate for electronic roulette terminals
- Implemented additional prompts and deposit alerts on Mecca Max electronic touch screen tablets
- Strict application of affordability controls in digital
- Carried out a review of customer journeys and processes, to ensure customers receive appropriate safer gambling information to understand the available tools
- Launched the 'Hawkeye' live monitoring system enabling in the moment identification and interaction with customers

- Introduced an automated limit for all customers under 25 registering and playing on our digital brands
- Implemented a new reward and high-value customer policy for venues and digital
- Continued to develop our approach in Spain, based on learnings from our work in the UK but aligned to a different regulatory regime and customer culture

What we are going to do

- Roll out more player centric risk-based affordability assessment model in Grosvenor venues
- Continue our safer gambling cultural assessment work with colleagues
- Roll out further refreshed safer gambling messaging and communications across Rank businesses
- Introduce real time view of customer play across all brands and channels to help detect earlier potential at risk customers in venues and online
- Implement a more robust customer interaction evaluation framework to help inform and evolve our approach to player protection
- Further develop our holistic and risk-based model for early intervention for potentially at-risk play

Key performance indicator

- Number of customer interactions



For further detail on our KPIs, refer to page 33.

Our strategy to unlock our growth potential
continued



Provide an environment which enables our colleagues to develop, be creative and deliver exceptional service

Strategic priorities to unlock growth potential

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.

What we said

- Continue to develop team briefings e.g. Town Hall updates and ensure there is clear communication of the Group's priorities
- Continue to develop a high-performance culture
- Continue the work on defining sub-cultures across the Group to help create effective and cohesive engagement across the different business segments
- Focus on improving colleague well-being by empowering leaders and managers to effectively engage with their teams and to talk more openly about issues, including mental health
- Continue to deliver the Group's inclusion and diversity strategy, including the annual calendar of events and specific interventions, such as building on our group of Diversity Champions and Mental Health First Aiders

What we did

- Regular colleague communications delivered throughout the year including monthly Town Halls, newsletter and Q&A forums
- Further development of brand and channel sub-cultures to meet the needs of each business unit
- Strong focus on colleagues' mental health throughout the pandemic. A series of events and initiatives were delivered which included the training of 154 mental health first aider and hosting of numerous well-being webinars
- Key international inclusion and diversity events celebrated throughout the year
- Through Rank's partnership with Women in Hospitality and Leisure we were able to offer a variety of personal development masterclasses and a mentoring programme supporting some of our high-potential females
- Continued our engagement with the All-in Diversity Project, an industry driven initiative which benchmarks diversity, equality and inclusion for the global betting and gaming sector

What we are going to do

- Implement 'Raising Our Game', our new Employee Value Proposition across the Grosvenor venues business, to engage our colleagues in delivering a differentiated customer experience
- Implement best in class service training to support the new Mecca brand proposition underpinning our 'Mecca of the Future' strategy
- Implement the Talent workstream of Transformation 2.0, ensuring we recruit, develop and retain emerging and top talent
- Continue to develop a high-performance culture, including understanding the progress being made through our Employee Opinion Survey
- 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
- Ensure colleague facilities are considered in all venue investments
- Review working environments and facilities for our support office colleagues

Key performance indicator

- Employee engagement score



For further detail on our KPIs, refer to page 32.

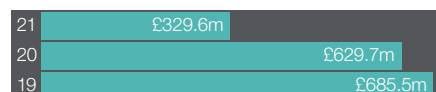
Our key performance indicators

Measuring our progress

Financial KPIs

Underlying¹ net gaming revenue ('NGR')

£329.6m



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 decreased by 48% in the year due to the impact of venue closures and other restrictions during the pandemic.

Underlying¹ operating (loss)/profit

£(84.5)m

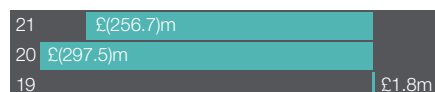


Underlying operating profit provides a picture of the underlying performance and is a key indicator of the Group's success in delivering top-line growth while controlling costs.

Underlying operating profit decreased to an operating loss of £84.5m due to the impact of venue closures and other restrictions during the pandemic.

Net (debt)/cash

£(256.7)m



Net (debt)/cash is calculated as total borrowings less cash and short-term deposits.

Net debt decreased in the year due to the £25.2m of sale proceeds received following the sale of the Group's Blankenberge casino and the £70.0m equity placing in November 2020 offsetting the operational cash used in the business.

Following the adoption of IFRS 16, from 2019/20 the Group recognises lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases.

Net debt prior to the year ended 30 June 2020 has not been restated for the impact of IFRS 16.

Underlying¹ EBITDA

£(14.2)m



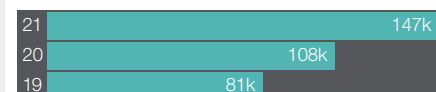
Underlying EBITDA is earnings before interest, tax, depreciation, amortisation and separately disclosed items. It is calculated by taking underlying operating profit before separately disclosed items and adding back depreciation and amortisation.

Underlying EBITDA for the year decreased to £(14.2)m due to the reduction in earnings following the temporary closure of the Group's venues during the COVID-19 pandemic.

Growth KPIs

Number of omni-channel customers

147k

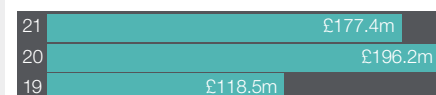


Number of customers who have visited one of our venues and transacted with the venues' brands online in the last 12 months. Omni-channel customers provide greater value to omni-channel brands.

The number of omni-channel customers increased in the year due to the continuous development of a more appealing omni-channel offer.

Underlying¹ digital NGR

£177.4m



Underlying digital NGR decreased by 10% in the year due to enforced affordability restrictions and the reduced flow through of omni-channel customers from the Group's venues due to their enforced closures.

Underlying¹ venues NGR

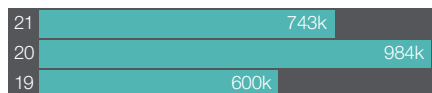
£152.2m



Underlying venues NGR decreased by 65% in the year due to the impact of venue closures and other restrictions during the pandemic.

Number of active digital players

743k



Number of customers who have transacted with our online brands in the last 12 months.

The total number of digital customers decreased by 24% in the year due to the impact of enforced customer affordability restrictions.

Venues machine investments

£1.0m



The total amount invested in venue machines decreased by 89% in the year due to the preservation of liquidity during the pandemic.

Venues table gaming/bingo investments

£1.1m



The total amount invested in venue table gaming and bingo decreased by 50% in the year due to the preservation of liquidity during the pandemic.

Stakeholder KPIs

Shareholder
Earnings per share ('EPS')

(16.5)p

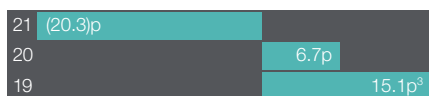


EPS is a key indicator of the Group's growth after allowing for all costs including separately disclosed items.

EPS decreased to (16.5)p reflecting the operating loss generated in the year.

Underlying^{1,4} EPS

(20.3)p



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

EPS decreased by 403% due to the operating loss generated in the year.

Dividend per share

0p

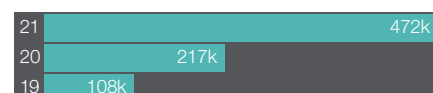


Dividend per share is the sum of declared dividends issued by the Company for every ordinary share outstanding.

In light of the recent COVID-19 pandemic and the material impact to our business, the Group did not pay an interim dividend and the Board will not be proposing a final year dividend for 2020/21.

Customer
Number of customer interactions

472k



The total number of customer interactions increased by 118% in the year as we tightened controls following the introduction of additional measures in response to the COVID-19 pandemic.

Employee
Employee engagement score

Not measured



With a significant number of our colleagues being on furlough in 2020/21 we put on hold our Employee Opinion Survey. We expect to re-commence this as of September 2021 and again complete on a six-monthly basis moving forward.

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 and discontinued operations, should they occur in the period. Collectively these items are referred to as separately disclosed items.
2. Underlying operating profit for 2018/19 has been restated to reflect the reclassification of amortisation relating to the acquisition of QSB Gaming and its subsidiaries from underlying to separately disclosed items.
3. Underlying EPS for 2018/19 has been restated to reflect the reclassification of amortisation relating to the acquisition of QSB Gaming and its subsidiaries from underlying to separately disclosed items.
4. Before discontinued operations.



For further detail on the Group's alternative performance measures, refer to pages 58 to 59.

Our external environment

Driving improvements to customer experience

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.

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:

- Bingo has relevance and appeal to approximately 30% of the population but needs to evolve to meet their changing needs
- Overall, the bingo market is consolidating, and some cash stressed competitors have closed venues
- There is a desire for new experiences that are engaging, safe and value for money
- There is a need for more accessible, modern and lively bingo venues complemented with an enjoyable food and beverage offer
- Average Mecca customer age is 46 years; however, the most loyal and frequent customers are females over 55 years old
- Male to female split for Mecca customers is 1:3

Grosvenor venues:

- Only 4% 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

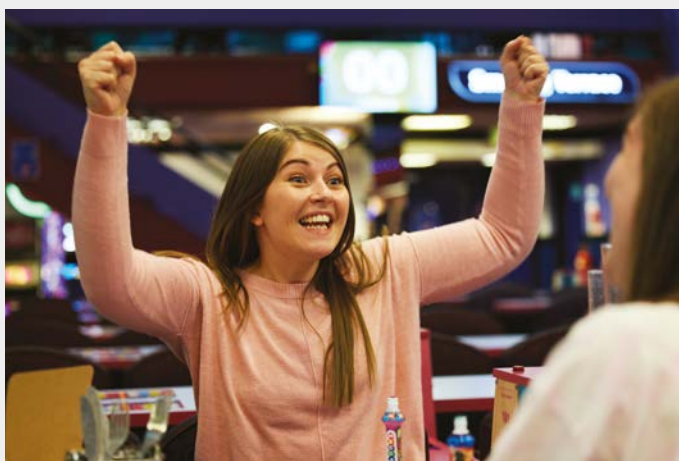
Digital bingo

- 2% of the UK population play online bingo each month, the growth opportunity that exists within this segment remains significant
- Overall, the online bingo market had been in decline; however, COVID-19 has driven growth up 11%
- There is a desire for the experience to be fun, engaging and to provide value for money with strong affordability tools
- The experience needs to be seamless across platforms to drive ease of use and the product offering has to have price offerings to appeal to all budgets
- The development of player needs is driving a demand for greater interactivity/experiential engagement into the home and has seen the recent development of significant numbers of new game formats
- The average online bingo player age is 38 years

Digital casino

- 5% of the UK population play online casino each month, we currently have a 4% market share, with opportunities for growth specifically around slots and poker
- Overall, the online casino market growth had been slowing however, COVID-19 has driven growth up 22%
- There is a desire for fun, enjoyable, easily accessible experiences that are safe and secure
- The range of product, the accessibility and speed of applications are key to the user and customer experience
- The development of customer needs is driving a demand for greater portfolio of live gaming away from the now traditional gaming into game show formats and new concepts that are live streamed to devices either from a studio or from physical venues. Alongside this the development of new game mechanics/variants is driving player value growth
- The average online casino player age is 34 years

Below: Mecca Stevenage



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 22 to 25 for further details of how we are evolving our venues proposition and building digital capability and scale.

Omni-channel

- With its 134 venues, Rank is uniquely placed to provide an omni-channel experience for both bingo and casino customers.
- Omni-channel customers tend to have higher level of engagement and loyalty than single channel customers.
- With only 5% of our UK venues customers playing with us both in venue and online there is significant opportunity for the Group to grow its omni-channel customer base.

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.

	Rank operated licences	Rank dormant licences	Total licences	Rank operated venues
Casino	71	7	78	52 ¹
Bingo	72	–	72	72

1. Excludes casino licence operated from Mecca Oldbury

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

Spain

Rank operates venues under its Enracha brand across Spain.

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

Rank operates through a joint venture, Passion Gaming, online rummy 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.

Regulation

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.

We work closely with our regulators to uphold and drive forward the standards expected of our industry in an ever evolving regulatory landscape and stricter approach. We are committed to operating in compliance with all relevant legislation, regulations and licensing requirements. In the last 12 months the UK Gambling Commission ('Commission') consulted on two key areas, changes to management of high-value customers (implemented and effective from 31 October 2020) and customer interactions (ongoing consultation). The Commission, in its customer interaction consultation, has moved to implement minimum affordability standards that will be considered by the Government as part of the ongoing review referenced above. In addition, in part as a response to the pandemic, the Commission issued updated guidance to ensure online operators pay particular attention to changes in customer behaviour and gambling activity as a result of the lockdown and that they do not take advantage of the pandemic.

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 before July 2022. 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 its bingo venues business, Rank is looking to seek a 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. A White Paper is expected from the Government in H1 2021/22.

Rank will continue to engage with its regulators and evolve and evaluate its approach to player protection.

Our business model

Well placed to deliver value

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 (72 venues)
- Growing venues bingo presence in Spain (10 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



Refer to page 25 for further detail on how we are evolving our venues.

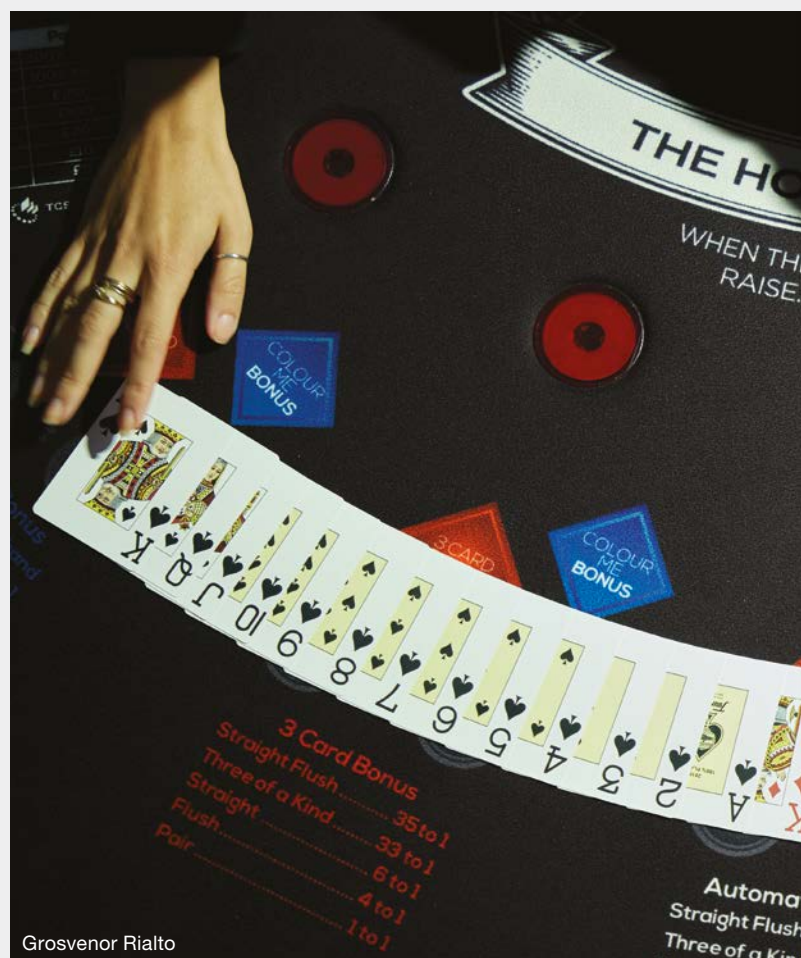
Digital

- 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



Refer to page 23 for further detail on how we are building our digital scale and capability.

What we need to create value



Grosvenor Rialto

Customer insights/engagement

Through customer insight 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.

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.

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.

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.



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 fulfil our collective ambition.
- A comprehensive employee engagement programme alongside our inclusion and diversity strategy ensures we have an inclusive and sustainable culture.

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.

Stakeholder value

Our customers

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

Our people

7,500

7,500 passionate and committed employees.

Our suppliers

3,000

Over 3,000 suppliers, who through engagement and collaboration have helped us navigate the pandemic.

Our communities

£450,000

£450,000 charitable donations made and over 210,000 free meals served.

Our shareholders

Through strong liquidity management during the pandemic and our unwavering commitment to safe and fairer gambling, we are focused on creating sustainable value for our shareholders.

Governments

£121.0m

£121.0m generated for tax authorities and local governments. A net contribution of £45.5m after offsetting total COVID-19 Government support received.



Further information

- How we are improving our customer experience through engagement and innovation and how we ensure we are operating responsibly, see pages 27, 39, and 4 to 55.
- An overview of Rank's brands, see inside cover.
- How we are committed to offering fair and safe gaming, see pages 29 and 45 to 47.
- How we are enabling our colleagues to develop, be creative and deliver exceptional service responsibly, see pages 31, 40, and 49 to 52.
- Financial Review and the Governance Report, see pages 56 and 72.

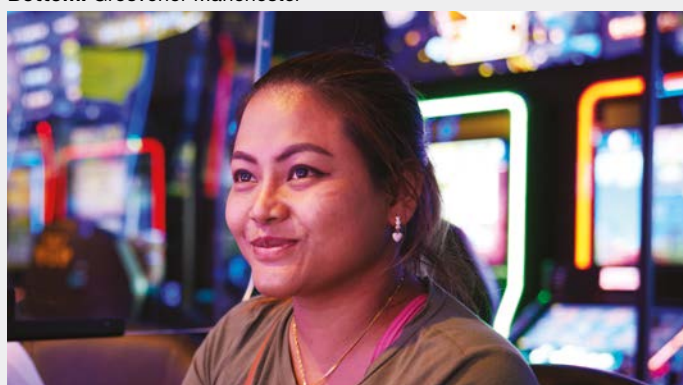
How we create long-term value

Section 172 statement

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

In a year dominated by the challenges of the COVID-19 pandemic, many of the Board's principal decisions were taken in direct response to those challenges. 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) financing and liquidity, (ii) regulatory and compliance matters, (iii) revising the transformation plan and refreshing Group strategy, and (iv) safer gambling and the Company's broader approach to ESG, each as described on pages 84 to 87.

Below: Grosvenor Luton
Bottom: Grosvenor Manchester



S172 factor	Relevant disclosure
The likely consequences of any decision in the long term	Company purpose (see inside cover) Our business model (page 36 to 37) Our strategy (pages 18 to 31) Engagement with regulators and legislators (page 42)
The interests of the Company's employees	Our people (pages 49 to 53) Inclusion and diversity (pages 49 to 51) Employee engagement (pages 40 and 52) Non-financial reporting (page 71)
The need to foster the Company's relationships with suppliers, customers and others	Customer engagement (pages 39 and 48) Supplier engagement (page 43) Engagement with regulators and legislators (page 42) Responsible payment practices (page 43) Anti-bribery and corruption (page 53) Modern slavery (pages 43)
The impact of the Company's operations on the community and the environment	Community engagement (pages 41 and 49) Establishing the ESG & Safer Gambling Committee (pages 87 and 102)
The desirability of the Company maintaining a reputation for high standards of business conduct	Brands (see inside cover) Culture and values (pages 49 and 74) Engagement with regulators and legislators (page 42) Whistleblowing (page 52) Internal financial controls (page 94)
The need to act fairly between members of the Company	Shareholder engagement (page 42) Annual General Meeting (page 203) Rights attached to shares (page 135) Voting rights (page 135)

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 apprised 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 38.

Understanding and balancing the respective needs and expectations of our stakeholders over the past year has been more important than ever and we remain committed to doing so as we emerge from the impact of the COVID-19 pandemic and look to our recovery and future growth.

Stakeholder	Key areas of consideration	How we engage	2020/21 highlights
Customers Ensuring our customers are at the heart of our decision-making is crucial to our strategy. Understanding their changing needs, preferences and behaviours helps us to ensure that our offering remains safe, fair, current and appealing.	– Player protection – Customer experience – Relevance of offering – Health, safety & well-being – Impact of the pandemic	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.	– Maintained regular contact throughout lockdown on a local basis, focusing on well-being. – Sought customer views on returning to venues ahead of reopening, which influenced our reopening plans and approach to protective measures. – Adopted a refreshed approach to training upon reopening, to take account of potential changes in circumstances and needs as a result of the pandemic. – Launched a new customer experience programme on reopening our venues, to give customers the opportunity to feedback on their experience and adjusted plans nationally and locally according to customer sentiment. – Utilised customer insights to drive Mecca brand development (the refreshed brand being launched in July 2021) and areas of product development, such as the introduction of a new bingo schedule, entertainment, improved calling and new food and drink offers. – 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.



Please see pages 45 to 48 for more information.

Stakeholder engagement continued

Stakeholder	Key areas of consideration	How we engage	2020/21 highlights
Our people Our people are the heart and soul of the business and central to its success. We depend on their passion and commitment to implement our strategy and ensure our customers are served in the best possible way.	– Opportunities for progression – Inclusion and diversity – Fair pay and reward – Opportunities to share ideas and make a difference – Health, safety & well-being – Impact of the pandemic	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 surveys (postponed during 2020/21 due to the majority of colleagues being furloughed), regular performance and development reviews and venue visits by Board members and senior management (although limited this year due to closures). We also continue to offer a confidential whistleblowing hotline to all colleagues.	– With so many colleagues working remotely or furloughed, staying connected and ensuring ongoing engagement throughout the business was a priority and colleagues were keen to ensure they remained updated on latest news, were able to engage and receive support. The ways in which we did so include: • tailored communications ensuring that colleagues on furlough and working from home were kept up to date on business performance, Government guidance, our community efforts and preparation for reopening our venues • social media forums for Grosvenor and Mecca colleagues to express views and share news • additional well-being support during periods of furlough • 16 Town Hall meetings with Q & A sessions, 20 virtual employee engagement events and increased use of webinars and communication through virtual meetings • appointed and trained mental health first aiders • return to work plans developed along side a communication programme. Return to work activities included re-engagement and training sessions (including safer gambling and health & safety), as well as welfare conversations at individual and team levels. – Engaged with colleagues by means of questionnaires and workshops to assess further ways in which we can develop and enhance our safer gambling culture, with the output forming the basis for a series of actions to be implemented during the forthcoming year. – Visits to venues by Board members and senior management following reopening with feedback incorporated in the Board's strategy sessions. – STARS values awards continued to recognise individuals and/or teams for demonstrating Rank's values in their work, nominated by their peers. – Open and constructive dialogue with trade unions.



Please see pages 49 to 53 for more information.

Stakeholder	Key areas of consideration	How we engage	2020/21 highlights
Communities Community links are as important to Rank and its people as they are to our customers. Our businesses are more likely to succeed when they are part of healthy and supportive communities and we are committed to making a positive contribution to them.	– Charitable initiatives – Positive community impact – Employment – Impact of the pandemic	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. We engage with the local community through volunteering, charity work and providing employment and work experience opportunities. We are particularly proud of our seven-year relationship with the Carers Trust.	– Across the Group, we have supported communities in response to the pandemic, including: • provided meals for emergency service and NHS workers and vulnerable people in their local communities • provided free parking for NHS workers • made support calls to Mecca customers including those self isolating • made food donations to local centres and good causes • supported the 'Everyone Deserves a Christmas' campaign • and many other activities to ensure that we were contributing to the national effort within our local communities. – During the year we raised £267,263 for the 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. During the year we raised a further £185,000 for good causes. ➔ Please see page 49 for more information.

Below: Grosvenor Luton



Below: Mecca Stevenage



Stakeholder engagement continued

Stakeholder	Key areas of consideration	How we engage	2020/21 highlights
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.	– Openness and transparency – Compliance with laws and regulations – Safer gambling and affordability – Policy and the direction of future gambling regulation – Impact of the pandemic	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.	– Frequent contact with DCMS, HM Treasury, and key Government departments and officials in relation to closures, reopening and ongoing restrictions. This also required parallel effort in the devolved administrations of Wales and Scotland. – Wrote to all constituency MPs inviting visits to our COVID-19 secure venues and hosted 14 MPs in person in their local clubs to discuss matters of concern in relation to prolonged closure and restrictions on reopening, including job protection and job security and health and safety. – Chief Executive appearances in front of a number of All-Party Parliamentary Groups, addressing representatives in Parliament with a view to articulating our position in terms of the Government's legislative review. – Regular contact with officials in DCMS, including the current and former Gambling Minister, as we seek to articulate the case for legislative change that supports Rank's strategy. – Contributed to the Government's Call for Evidence for the review of gambling legislation, on a standalone basis and also as part of industry body submissions. – Undertaken a programme of engagement with MPs and media during the year ahead of an anticipated Government White Paper towards the end of 2021. – Submitted Annual Assurance Statement to the Commission. – Worked on a transparent and collaborative basis with the Commission and our other regulators.
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.	– Strategy, performance and outlook – Leadership capability – Executive remuneration – Corporate governance – ESG performance – Impact of the pandemic	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 (held as a closed meeting in 2020/21 in line with Government restrictions and guidance). The other key way in which we communicate with all shareholders is via our corporate website, www.rank.com.	– 49 meetings held with shareholders during the year, in addition to quarterly meetings held with the majority shareholder. – Consultation with major shareholders on remuneration. – Received votes from 94.86% of shareholders for the 2020 AGM. – Increased communications during the COVID-19 lockdown in order to ensure full transparency around the impact of lockdown and the closure of our venues on the Company's financial position and its proposed response, including additional financing and raising equity.



Please see pages 106 to 109 and page 203 for more information.

Stakeholder	Key areas of consideration	How we engage	2020/21 highlights
Suppliers We have relationships with over 3,000 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.	– Robustness of our business – Long-term partnerships – Fair engagement and payment terms – Collaborative approach – Impact of the pandemic	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 throughout the year.	– During periods of closure, worked with our suppliers to ensure a pragmatic approach to the challenges being faced by us and them, including delaying orders, extending payment terms/obtaining payment deferrals and holidays and adjusting contracts to reflect changed circumstances. – Worked with suppliers to effect a smooth closure and reopening process as a result of changes in Government restrictions. – Collaborated with our suppliers in support of the national effort including the provision of food and delivery services for meals for emergency service workers. – Considered impact on Rank and our suppliers as a result of Brexit, although this was limited due to venues closures. – 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.

Below: Mecca Knotty Ash



Below: Grosvenor Sheffield



Our approach to sustainability

Introduction

We recognise that how we consider Environmental, Social and Governance ('ESG') risks is critical to the success of our business and that our stakeholders are demanding greater transparency in how we measure, mitigate and manage them. The Board has also recognised the need to reflect on Rank's broader ESG responsibilities and report on the Group's ESG performance as a whole.

To ensure that we are addressing and managing the issues that are most significant to Rank and our stakeholders, we engaged Buchanan Communications Limited ('Buchanan') to provide us with greater insight into stakeholder perceptions regarding material ESG-related risks and opportunities. This process commenced with a materiality assessment and over the coming months we will launch a new sustainability programme concentrating specifically on mitigating our key ESG risks and how we plan to deliver on the identified opportunities.

In addition, to provide governance and oversight, the Board determined to expand the existing Safer Gambling Committee to incorporate wider ESG matters and so be renamed the ESG & Safer Gambling Committee as explained in more detail on pages 87 and 102. Its terms of reference were approved in August 2021 and it will have primary responsibility for approving the new sustainability strategy and monitoring its delivery.

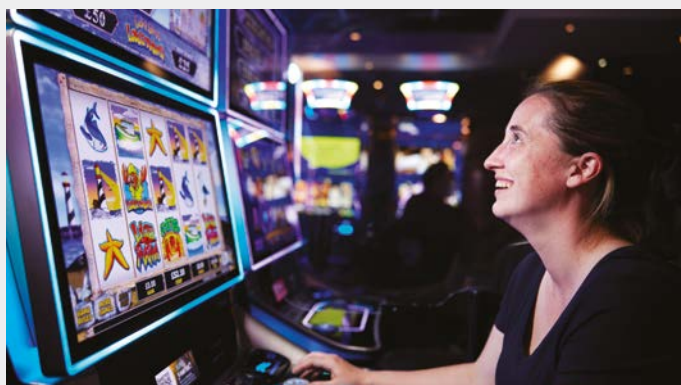
Materiality assessment

The initial list of issues that formed the basis of the assessment was informed by the Sustainability Accounting Standards Board (SASB – which maps the sustainability issues most likely to impact the financial performance of a specific industry), MSCI (an ESG ratings agency), and a review of relevant peer organisations to the Group. We reached out to individuals across our stakeholder groups to rate these issues in terms of their importance to our business. The resulting materiality matrix (as set out opposite) plots the results. This output will inform our ESG strategy and programme of work that will be developed by the business over the coming months.

Materiality matrix



- | | |
|--|---------------------------|
| 1 Energy use | 17 Responsible gaming |
| 2 Carbon emissions | 18 Executive remuneration |
| 3 Waste management | 19 Procurement practices |
| 4 Water use | 20 Supplier relations |
| 5 Community investment | 21 Corporate governance |
| 6 Diversity and inclusion | 22 Economic performance |
| 7 Health & safety | 23 Leadership capability |
| 8 Employee engagement | 24 Business ethics |
| 9 Talent management | 25 Regulatory compliance |
| 10 Employee well-being 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 | |



Above: Grosvenor Manchester

Operating responsibly

Areas	Key issues	Annual report pages
Customers	Safer gambling	45-47
	Health and safety	47
	Engagement	48
People and Communities	Culture	49
	Inclusion and diversity	49-51
	Engagement	52
	Health & safety	52
	Whistleblowing	52
Environment	Anti-corruption and anti-bribery	53
	Energy use	53-55
	Carbon emissions	54-55
	Water use	53
Governance	Waste management	53
	Corporate governance	72-137
	Executive remuneration	106-132



Above: Mecca Oldbury

Our customers

We are committed to delivering the best possible experience to our customers, providing a service that is exciting and entertaining, as well as safe, fair and delivered responsibly. A key part of our strategy is building sustainable relationships with our customers by providing them with a safe environment in which to play, whether at our venues or online. We also continue to refine our response to the risk of gambling-related harm, working on an ongoing basis to improve the way in which we identify and interact with those customers who show signs of problems with gambling, or who may be at risk of playing beyond an affordable level. We seek not only to comply with our regulatory requirements, but to embed safer gambling as a key driver of behaviour amongst our colleagues and for our customers. Understanding the views of our customers is also key to ensuring that the approach that we take to safety and meeting our customers' needs is appropriate and we continue to engage with our customers and conduct research to ensure that we adopt a customer-centric approach to our decision-making.

Safer gambling – 2020/21 highlights

Player protection and our approach to improving Rank's safer gambling measures and culture remain at the highest possible level of importance and priorities for Rank. We have actively sought to ensure that safer gambling is part of every conversation whether about product development, venue layout, marketing or the roll out of new technology, and that such conversations also reflect customer and regulator feedback and other industry developments.

Our work in this area continues to be managed through a dedicated workstream within Rank's transformation programme (with weekly touchpoints and fortnightly steerco), for which the Venues Managing Director and Digital Managing Director are joint sponsors, ensuring that the operations are themselves accountable for ongoing development and delivery of safer gambling initiatives. This work is overseen by the ESG & Safer Gambling Committee (please see pages 102 to 105 for more information about the Committee), which receives progress reports, together with key data points and trend analysis.



Above: Grosvenor Rialto

In Grosvenor, we used periods of lockdown to improve training, technology and processes to ensure that on reopening our colleagues had refreshed tools and knowledge to enable them to have more effective interactions with customers who show at-risk behaviours. An example of this is our 'Don't Leave It To Chance' safer gambling programme. This one-day workshop, delivered by webinar, provides our teams in Grosvenor with a deeper understanding of why safer gambling is so important to their roles. It was a key part of the programme of training for colleagues returning from furlough and ahead of reopening. During the year, we also reviewed our approach to affordability in Grosvenor and introduced a new interaction framework that focuses on ensuring colleagues understand and confirm why we are holding the interaction, what was discussed during the interaction, and any steps agreed as an outcome of such interaction (either with the customer or by the business).

In Mecca, we also focused on ways to remind our colleagues of the importance of customer interaction when welcoming customers back to our venues post-lockdown. Specific guidance and training was provided to all venues managers to ensure a greater frequency of interactions with customers on reopening due to the potential impact of COVID-19 on personal and financial circumstances. Colleagues were asked to interact with customers to determine if they had been impacted by COVID-19 and to remind them of the availability of player protection tools such as machine limits. During the year, we also released the Anonymous Player Awareness System ('APAS') across the Mecca B3 Videobet Platform terminals. This system generates additional prompts for player interactions on 'Chaotic Play' and 'Extended Loss' as identified by an algorithm that tracks and evaluates customer play behaviour.

In digital, the additional measures that we had introduced in response to the outbreak of the pandemic in March 2020, and bolstered following the UK Gambling Commission's ('Commission') publication of supplementary interaction guidance in May 2020, continued to increase the number of interactions at an earlier stage during the year, the number of customers suspended or limited on a precautionary basis and the promotion of safer gambling tools and their use on site and across media. Following a review of our user journeys, we introduced a new project with revised initiatives at the start of the calendar year to reassess how the business makes risk-based decisions in its digital business. The project was devised to provide clear focus and priority to evaluating



Above: Grosvenor Luton

our approach to safer gambling and customer interaction and ensure (based on a test and evaluate approach) that we are focusing on those customers who may be 'at-risk' with meaningful, more tailored assessments and interactions.

For both venues and digital, during the year we implemented a new reward and high-value customer policy. This encompasses all reward and loyalty programmes and sets out a refreshed and consistent approach across the business, including in relation to the checks to be conducted prior to upgrade within any such programme and ongoing monitoring thereafter. A review of our approach was already underway through our engagement with the Betting and Gaming Council's High Value Customer ('HVC') working group. The Commission subsequently issued its own guidance on management of high-value customers in September 2020 (implemented 31 October 2020). Our new policy fully considers the position set out by the Commission, and the Betting and Gaming Council's Industry Code of Conduct for HVCs.

Our cultural change assessment, part of our programme to further embed a safer gambling ethos within the business, was put on hold earlier in the year as a result of so many colleagues being on furlough. However, we were delighted that we were able to commence this work in May 2021, issuing surveys to colleagues around the business. The purpose of this work is to review our current activity, highlight gaps for further activity and establish metrics to measure our progress in delivering a safer gambling culture. It is intended to help us to understand better the way that our colleagues at all levels of the business currently think about safer gambling and take actions in their day to day roles to ensure their customers are gambling safely, and where we can improve this even more going forwards. The actions following the results of the surveys are currently being developed and the outcome of such work will influence how we introduce new initiatives and prioritise them going forwards.

Details of other key safer gambling initiatives introduced during the year can be found on page 29 under our committed to safe and fair gambling strategic update.



Above: Mecca Stevenage

We continue to evaluate the impact of the initiatives that have been introduced, so as to enable adjustments to be made as appropriate.

In addition to reflecting on our own internal work, we continue to collaborate with industry groups, primarily the Betting and Gaming Council and the Bingo Association, our peers and our regulators to discuss the shared objectives of improving safer gambling and player protection for the benefit of our customers. We have also engaged with Government throughout the year as discussions continue on the widescale review of gambling legislation in the UK. We are committed to ensuring that vulnerable customers are protected and customers who experience no gambling-related harm are able to carry on enjoying their gaming experience.

We remain focused on delivering a further step change in our approach to safer gambling in the year ahead. Our approach to gambling continues to evolve as we refine our controls, taking account of our own evaluations and research, guidance from the industry and regulators and in correspondence with the Commission. We acknowledge that there is more work to be done, and always will be in an area that is subject to constant scrutiny, challenge, technological developments and complex debate. Our approach to the year ahead will also be informed by the output from the Commission's customer interaction guidance consultation and the Government's review of gambling legislation as mentioned above. In all circumstances, we remain committed to offering the best possible customer experience and putting our customers at the heart of our business, providing them with an enjoyable, efficient, secure, fair and socially responsible experience.



Above: Grosvenor Sheffield

Health and safety

We treat the physical safety of our customers and colleagues as high priority and are committed to achieving the highest level of health and safety standards across the Group. This commitment intensified as a result of COVID-19, as it was essential that we could provide additional assurance to customers and colleagues alike of the safety of our venues on reopening. Further to this, the key objectives within the 2020/21 health and safety plan were revisited to ensure that the focus was on conducting ongoing closures and reopenings in accordance with regulations and reflective of feedback received from our customers and colleagues. Extensive health and safety measures (including capacity limits, floor markings and signage, use of protective equipment, machine dividers and screens and enhanced cleaning regimes) and training in relation to COVID-19 restrictions were implemented at all our venues across the Group. This work spanned the full breadth of our operations, involving liaising with operations, procurement, marketing, gaming, IT, maintenance and food and beverage. We also liaised with national and local governments and authorities to explain our approach and ensure that when our venues were permitted to reopen, we could provide a safe environment for all. This enabled us to reopen our venues and offices swiftly and safely as soon as we were able to do so and give confidence to customers and colleagues as to their safety when they returned. The risk assessments for Grosvenor Casinos, Mecca Bingo and support offices can be found on our website at www.rank.com/en/responsibility/Covid-19.html. The health and safety team continues to advise on the approach to be taken to potential outbreaks of COVID-19 in venues and offices.

The health & safety team has also worked closely with the property team over the past year to ensure that ongoing health and safety-related projects, including those scheduled to be undertaken whilst venues were closed, were completed in a timely manner. They have also recommenced, following reopening, our annual health and safety assessments for each venue. Results are monitored and any significant issues are followed up by management teams, with the assistance of specialist external consultants where needed.



Above: Mecca Stevenage

Customer engagement

We seek to deliver the best possible experiences to our customers, providing a service that is exciting and entertaining, as well as safe, fair and delivered responsibly. It would be difficult to do so without understanding what they think about our brands, products and services and our approach to safer gambling. By engaging and conducting research, we can focus on continuous improvements that align with customers' priorities.

During the year, we engaged with our customers in a number of different ways, including checking on well-being during periods of lockdown and discussing returning to our venues to help inform our reopening plans. We also conducted qualitative and quantitative research with our customers and potential customers in relation to our brands, products and in-venue developments and propositions. It is clear that customers want an ever-more personalised, quality-service, exciting experience. It is also evident that innovation is important to our customers, although not necessarily solely technological innovation as regards their Rank in-venue experience. Further information can be found on page 34. Insights such as these have informed the development of our Transformation 2.0 plan and overall strategy.

We continue to use customer insights to inform our planning as we refine our approach to unlocking further our opportunities in omni-channel. Such work enables us to consider whether there are any emerging trends associated with how and when people decide to play online versus offline, and whether there are particular considerations that sway someone's choice.



Above: Mecca Stevenage

As well as conducting market research into brand and product perception, we operate multiple other communications channels with our customers to generate feedback, insight and to understand their preferences and needs. We also use these channels to promote safer gambling and obtain feedback on our safer gambling tools and customer journeys, utilising the output to deliver improvement to those journeys without compromising on player protection.

A customer-centric approach is crucial to our strategy and this is only possible if we have sought the views of our customers and continue to utilise their feedback. We are committed to continuing to do so.

Our customer KPIs	2020/21	2019/20	change
Customer interactions data regarding problem gambling (000s)	472	217	118%
Self-exclusions data (000s)	90	157	(43)%



Above: Grosvenor Salford fire service food collection

Our people

Our people are core to delivering our purpose to excite and to entertain. We are committed to looking after our colleagues and enabling them to fulfil their potential. We aim to provide a fair, equal, respectful and safe workplace, rewarding and recognising success, irrespective of gender, ethnicity, religion, age, sexual orientation or disabilities. We strive to be an employer of choice where our people feel proud to work.

Culture

Rank's culture is defined by its established values – service, teamwork, ambition, responsibility and solutions – and its purpose.

From the point of recruitment, all colleagues are made aware of our values and these are incorporated within the initial induction programme to ensure they have a great start to their Rank career. The induction also covers information about our history, purpose and ambition, as well as tailored skills training relevant to their particular role. All colleagues are also required to complete mandatory training on a regular basis, which includes essential e-learning modules on our policies relating to safer gambling, anti-bribery, anti-money laundering and health and safety. Company policies and the respective training modules are reviewed periodically to ensure their effectiveness. Our STARS values are also incorporated within the employee appraisal process.

Values can often increase in importance in difficult times and we recognise the impact of the past year on colleagues as a result of the challenges brought about by the pandemic. During this time, we increased communications, enabled remote working and focused on colleague well-being, doing all we could to support and engage colleagues. We acknowledge that it has not been easy for many, but the STARS values shone through as colleagues worked together to close and reopen venues on short notice, and in particular, warmly and enthusiastically welcomed back our venues customers as soon as they were able to do so.

Culture at Rank is about relationships, not only within teams and with our customers as referenced above, but also within our local communities. Again, this has been apparent in the support provided by our colleagues to local communities during lockdown, which has included:



Above: Grosvenor Dundee

- Community kitchens: venues across Mecca and Grosvenor participated and provided over 210,000 meals to vulnerable people in their local communities and to NHS and emergency workers
- Free car parking: 40 of our venues provided free parking to NHS workers
- Free bingo: Mecca provided free online bingo, giving our venues customers the ability to chat to friends from their local clubs
- Mecca customer care: Mecca team members made over 11,000 calls to their Mecca 'friends' including vulnerable groups and those self-isolating, providing a friendly ear and guidance on where additional support could be found
- Food donations: following the closure of venues unused food was donated to local centres and good causes
- Christmas Hampers: working alongside Carolyn Harris MP, Mecca supported the Everyone Deserves A Christmas campaign, and provided over 3,000 hampers to those most in need at Christmas

As we emerge from the pandemic and focus on unlocking further growth, it is clear that to build sustainable success we need to keep developing our values. The Group operating model and safer gambling workstreams within the transformation programme, each have culture at their core. On the former, it is about ensuring that we continue to create a high-performing culture for our employees, whereas the latter is focused on ensuring that all our colleagues are on the same page as to the high levels of service and protection that we wish to provide to our customers. A number of initiatives sit under these workstreams, including a new cultural change programme, Raising our Game, which is due to be rolled out across Grosvenor's venues in 2021/22.

Inclusion and diversity

With the Group now operating across five continents, its commitment to inclusion and diversity has never been so essential. A healthy variety of people from different backgrounds and cultures will provide the balance of voice and diversity Rank needs to succeed.

The Group's inclusion and diversity programme, #BeYourself, has four key aims: (i) create an inclusive environment which facilitates our colleague 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 'employee of choice'. During the 2020/21 year the following progress was made under each of them:



Above: Rank support office, Maidenhead

1. Create an inclusive environment which facilitates our colleagues to develop, be creative and deliver exceptional service

Family support policies – We have a variety of family support policies, including flexible working, which seek to enhance the working lives of colleagues by offering alternative working patterns to help them strike a balance between their work and personal commitments. Flexible working may include variations to hours of work, working from home, or job shares, all of which can help support work-life balance.

Time off for dependants – We recognise that colleagues with family responsibilities sometimes have conflicting demands between family life and work responsibilities. The provision of time off for emergency situations involving dependants helps colleagues manage clashing and often stressful demands on their time and attention. We also recognised the challenges of dealing with family responsibilities whilst working from home during the pandemic.

Holiday purchase scheme – Whilst due to the impact of the pandemic we have temporarily paused the holiday purchase scheme, which offers colleagues the opportunity to buy up to five days of additional holiday in the year, it is likely to be reintroduced in subsequent years due to its positive impact on allowing colleagues to manage the conflicting priorities of work and home.

Company maternity/paternity pay – We offer enhanced maternity leave pay for women in leadership/management roles or our pathway positions into senior management. We also offer paid time off for paternity leave.

Mental health – During the year there has been a significant focus on mental health awareness, including organisational wide training of Mental Health First Aiders ('MHFA'), which has resulted in 154 colleagues being certificated, enough for at least one MHFA in each of our locations.



Above: Grosvenor Birmingham

2. Ensure there is a diverse workforce across all grades

Career development – As individuals progress up our management structure, 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. We ensure that each talented colleague has a personal development plan that we review on a quarterly basis, ensuring that we implement specific interventions to meet the needs of the individual. We also use a High Potential Sponsorship Programme, aimed specifically at women across the Group, which offers appropriate additional career development support. As part of this initiative, members of the Executive Committee sponsor an individual on the programme. Furthermore, we provide "reverse mentoring", the purpose of which is to provide valuable insight on actual and perceived barriers to inclusion that can in turn help inform policy and leadership decisions that impact gender diversity in the workplace.

Recruitment – We maintain our commitment to ensuring balanced shortlists and recruitment panels for all senior appointments. Our improvement in this area has been demonstrated, for example, through the achievement of the Hampton-Alexander target of at least 33% female representation for the Board and direct reports of the Executive Committee.

3. Make inclusion and diversity integral to how we do business

Governance – The Group Human Resources Director provides update reports on progress against the four strategic aims to the Nominations Committee for its review and challenge. Such reports are also discussed by the senior management team.

Communication – From a wider business perspective, we continue to push the roll out of our internal brand (#BeYourself) and have multiple resources on the Company's intranet "Get Connected" for our colleagues to access on diversity-related subjects. We also use the various ways in which we engage with our colleagues to obtain feedback on the activities undertaken and the ways in which we might further raise awareness.

Understanding trends – We continue to monitor all areas at all levels across the Group to identify the trends, potential barriers and drivers for women as they progress their careers. This includes reviewing:

- The proportion of men and women applying for jobs and being recruited;
- The proportion of men and women applying for and obtaining promotions;
- The number of men and women in each role and pay band; and
- Take-up of flexible working arrangements by gender and level within the Group.

4. Demonstrate leadership on inclusion and diversity, internally and externally, positioning Rank as an ‘employee of choice’

Coaching and mentoring – We run a coaching and mentoring scheme, where those with high potential – many of them female – can access support and guidance from senior colleagues. This provides opportunities for professional and personal development, as well as promoting networking across the Group. Notably, over the course of the last year, this has been extended through the use of mentors external to the Group to enhance colleague development.

More broadly, our focus is on ensuring future generations of women in the workplace have every opportunity to fulfil their potential and reach the very top of our business. We continue to support PwC’s Diversity in the Hospitality, Travel and Leisure Charter, which requires our leaders to sign up to ten diversity commitments. Furthermore, working in partnership with Women in Hospitality, Travel and Leisure (‘WiHTL’), we provide a programme of masterclasses on a wide range of development topics in this area. We are also committed to supporting the inaugural “Come back to HTL” initiative, which was the first ever cross-industry returners programme helping individuals make the successful transition back into the business after a period of time out of the workplace.

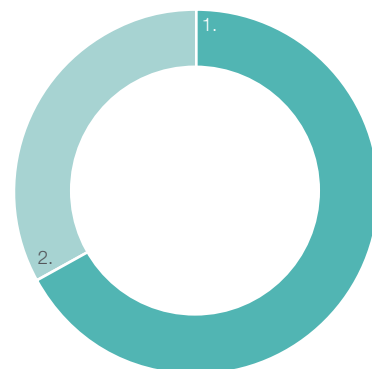
All-in Diversity Project – We have continued to engage with the wider sector through the All-in Diversity Project – an industry-driven initiative that benchmarks diversity, equality and inclusion for the global betting and gaming sector. In particular we have been involved with the #opendoors programme and we continue to offer guidance and support, sharing best practices and resources with other organisations within the sector.

Women in Hospitality, Travel and Leisure (‘WiHTL’) – Through our membership of WiHTL, we actively participated during the year under review in the “Festival of Inclusion” celebrating best practice across the leisure and hospitality industry, where over 60 speakers and panellists covered a range of relevant topics. We also actively engaged with the WiHTL mentoring programme, supporting high-potential female colleagues to access up to three sessions with external experts. From September 2021, we will be participating in the “Ethnic Minority Future Leaders Programme” which is aimed at improving representation in leadership roles across the industry.

Board appointment – The appointment of Katie McAlister as a new Non-Executive Director, and achievement of the Hampton-Alexander target of at least 33% female representation for the Board, demonstrates our commitment to diverse leadership.

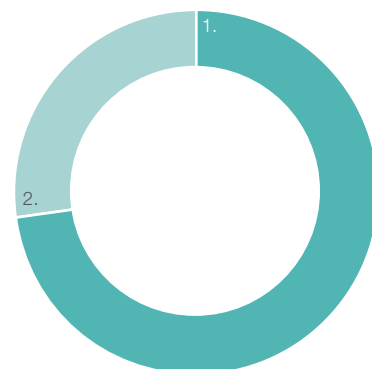
Board

1. Male **67% (6)**
2. Female **33% (3)**



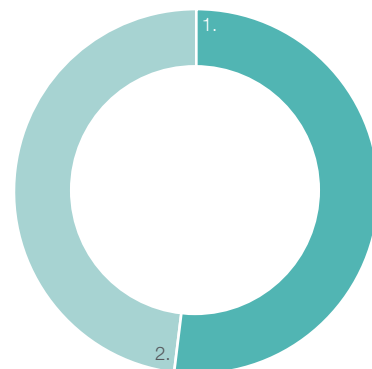
Senior management

1. Male **73% (46)**
2. Female **27% (17)**



Whole company

1. Male **52% (3,910)**
2. Female **48% (3,611)**





Above: Mecca Oldbury

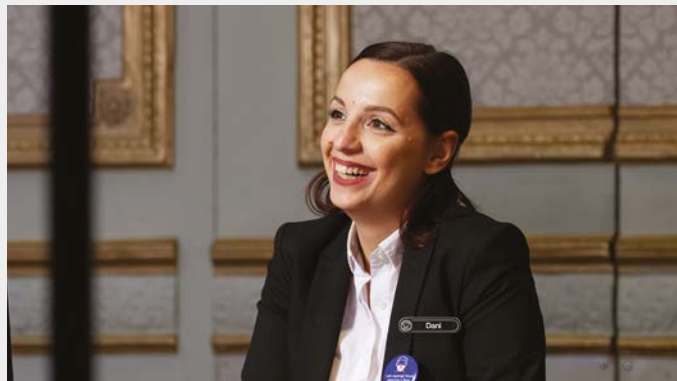
Employee engagement

We value the views of our people and are always looking for different ways to ensure that they can provide feedback on what works well and what could be improved. We also seek to ensure that our internal communication is timely, clear and supportive.

Town Halls – The Executive Directors and senior management are actively involved in the engagement of colleagues through Town Halls, which are accessible by all our offices to watch and participate. Our Town Halls are also the forum in which STARS awards are presented, offering recognition of individuals and/or teams, having been nominated by their colleagues, for demonstrating Rank's values in their work. The number of Town Halls was increased over the past year and they were held remotely.

Employee voice – Employee voice meetings are held biannually and enable elected representatives from different areas of the business to meet with members of the Executive Committee and senior management to discuss issues of concern raised from within the business and potential resolutions. They are attended by Rank's Chief Executive and the Group Human Resources Director who help ensure that the issues raised are elevated for discussion at the Executive Committee and/or Board and also that questions from colleagues can be answered and explanations about decision-making by the Executive Committee and the Board can be given.

Talking STARS and Leading STARS – Talking STARS and Leading STARS sessions are also held biannually and provide a forum for key individuals from across the business to debate issues impacting the Group. These forums supplement employee voice meetings, with participants selected from across our business. They provide a further opportunity to discuss outputs from employee voice meetings, with Talking STARS generally focusing on matters including culture and communication and Leading STARS focusing more on operational efficiencies and transformational change. Meetings are attended by Rank's Chief Executive, the Group's Human Resources Director and other members of the Executive Committee to ensure a two-way dialogue.



Above: Grosvenor Rialto

Employee Opinion Survey – In light of a significant number of our colleagues being on furlough in the year we put on hold our bi-annual Employee Opinion Survey. We will re-commence the survey in the first half of the 2021/22 financial year, and it will revert back to taking place on a six-monthly basis.

Workforce Engagement – Designated NED – We aim to ensure that all communication and engagement works on a “top-down” and “bottom-up” basis, with a designated Non-Executive Director attending the Talking STARS and Leading STARS forums. His role is to ensure that the views and concerns of the workforce are taken into account by the Directors, particularly when they are making decisions that could affect the workforce. He also provides feedback to colleagues on such matters from the Board. This approach has encouraged a broader exchange of information and views on the business and the wider industry. The designated Non-Executive Director reports formally to the Board on matters discussed in such meetings on a biannual basis.

Further details of the actions taken during the year are set out in “Stakeholder Engagement” on pages 39 to 43.

Health and safety

Please see above in “Our customers”.

Whistleblowing

Speaking Up, the Group's whistleblowing programme, has been in place for a number of years. It enables employees, suppliers and other stakeholders to raise issues regarding possible improprieties in confidence and, if they wish, anonymously. The programme offers multilingual communication channels operated by an independent service provider who 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. The Audit Committee received an analysis of all reports submitted via the Speaking Up programme during the year.

Anti-corruption and bribery

We endeavour to conduct our business with integrity, aim to be a responsible employer, and adopt values and standards designed to help guide our colleagues in their conduct and business relationships. Rank has in place policies, procedures, training, 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. We regularly monitor this area and continued to do so throughout the 2020/21 financial year. Our policies and procedures also require due diligence to be carried out on suppliers and other service providers. In addition, the Group's modern slavery and human trafficking statement is submitted to the Board for approval each year. The statement is published on the Company's website.

Our people KPIs	2020/21	2019/20	Change
Full-time staff voluntary turnover rates	18%	20%	(2) ppts
Percentage of employees that are contracted or temporary staff	3%	2%	+1 ppt
Employee engagement rates	Not measured	73%	–
Gender pay gap (mean/median)	26%/21%	15%/5%	+11pts/+16ppts
Percentage of employees who are White British	69%	68%	+1ppt
Hours spent on employee development training to enhance knowledge and individual skills	44k	39k	13%

Our environment

We recognise our responsibility to minimise our impact on the natural environment. In 2019/20 we made three commitments:

1. To reduce our energy consumption and carbon emissions, water usage and wastage;
2. To responsible sourcing throughout our supply chain; and
3. To offer healthier choices for our customers by offering lower salt, vegan/vegetarian alternatives and low/no alcohol options.

With the Group's environmental footprint principally driven by the activities of its venues and offices, which were closed for most of the financial year, the pandemic presented the Group with reduced opportunity to deliver against these commitments.

We will be revisiting our environmental commitments over the coming months as the Group's new ESG strategy is approved and programme developed, by reference to the ranking of environmental issues under the findings from the ESG materiality assessment as set out on page 44.

Environmental KPIs	2020/21	2019/20	Change
Fleet fuel efficiency data (kWh)	2,529,333	3,352,253	(25)%
Certified seafood (e.g. MSC, ASC) as a percentage of total seafood sold (%)	96%	90%	6ppts
Hazardous waste generation (tonnes)	1.31	2.53	(48)%
Non-recycled waste generation (tonnes)	124	228	(46)%
Waste recycled (tonnes)	1,009	2,132	(53)%
Total costs of environmental fines and penalties during financial year	0	0	0%
Percentage of sites covered by recognised environmental management systems such as ISO 14001 or EMAS	0	0	0%
Total waste usage (m ³)	209,259	237,306	(12)%



Above: Mecca Oldbury

Task Force on Climate-related Financial Disclosures ('TCFD')

Rank notes the requirement under Listing Rule (LR 9.8.6) regarding TCFD disclosures for its financial year ending 30 June 2022. In conjunction with the development of its ESG programme Rank will develop its reporting framework taking into account the four TCFD pillars of governance, strategy, risk management and metrics and targets.

Greenhouse gas ('GHG') emissions statement

This section provides the emission data and supporting information required by 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 2018; the latter commonly referred to as Streamlined Energy & Carbon Reporting ('SECR').

Footprint boundary

An operational control approach has been used to define the GHG emissions boundary, as defined in Defra's latest Environmental Reporting guidelines: "Your organisation has operational control over an operation if it, or one of its subsidiaries, has the full authority to introduce and implement its operating policies at the operation".

For Rank this captures emissions associated with the operation of all our buildings plus company-owned and leased transport. This report covers all scope one and two emissions, as well as scope three emissions from flights, private vehicles, waste, material use, and the transmission and distribution of grid electricity. It does not include emissions for Well-to-Tank losses in the distribution of liquid fuels between extraction and point of use.

All of Rank's global operations are covered, comprising operations in the UK, Belgium and Spain.

The report covers the year 1 July 2020 to 30 June 2021.



Above: Grosvenor Sheffield

Emission sources

All material scope one and two emissions are included. These include emissions associated with:

- Fuel combustion: stationary (natural gas); mobile (vehicle fuel)
- Purchased electricity
- Fugitive emissions (refrigerants)

Methodology and emissions factors

This report was calculated using the methodology set out in Environmental Reporting Guidelines including streamlined energy and carbon reporting guidance, published by the UK Government in January 2019.

Emissions factors are taken from the UK Government emissions factor update published in June 2021.

There are no notable omissions from the mandatory scope 1 and 2 emissions. Overall, 2% of emissions are based on estimated data.

Some emissions source data was not available for Spain and Belgium operations:

- Business travel
- F-gas
- Waste (Local Council operated)
- Recycling (Spain only available)

Estimations and exclusions

2% of electricity data was estimated and 3% of natural gas.

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 revenue. Rank's revenue in 2020/21 was £329.6m, giving an intensity of 65.8 tCO₂e per £m revenue, 60% higher than last year.

GHG emissions data and total consumption

The reportable GHG emissions and total energy consumption for Rank for the reporting period were 21,684 tCO₂e and 106,402,656 kWh respectively, tabulated by emissions source below.

Ref.	Emissions source	2020/21	2019/20	% of 2020/21 total	change
A1	Gas (kWh)	54,303,890	60,088,597	51%	(10)%
C	Electricity (kWh)	47,548,865	55,798,051	45%	(15)%
A2	Road travel (kWh)	4,548,901	3,353,251	4%	36%
	Total	106,402,656	119,238,899	100%	(11)%

Energy consumption by country

Emissions source	2020/21	2019/20	% of 2020/21 total	change
Gas (kWh)	53,356,974	58,583,952	54%	(9)%
Electricity (kWh)	43,524,462	51,065,499	44%	(15)%
Road travel (kWh)	2,529,333	3,352,251	2%	(25)%
Total	99,410,769	113,001,702	100%	(12)%

Belgium

Emissions source	2020/21	2019/20	% of 2020/21 total	change
Gas (kWh)	654,880	940,206	36%	(30)%
Electricity (kWh)	1,178,644	1,085,156	64%	9%
Total	1,833,524	2,025,362	100%	(9)%

Spain

Emissions source	2020/21	2019/20	% of 2020/21 total	change
Gas (kWh)	293,036	564,439	9%	(48)%
Electricity (kWh)	2,845,759	3,647,396	91%	(22)%
Total	3,138,795	4,211,835	100%	(25)%

GHG emissions summary

Ref.	Category	2020/21		2019/20	
		tCO ₂ e	%	tCO ₂ e	%
A1	Fuel combustion (stationary): Gas	9,946	45.9%	11,048	42.2%
A2	Fuel combustion (mobile): Transport fuel	622	2.9%	824	3.2%
B	Facility operations: F-gases	50	0.2%	217	0.8%
C	Purchased electricity	11,066	51.0%	14,064	53.8%
	Total	21,684	100.0%	26,153	100.0%
	Emissions intensity	65.8	–	41.0	–

Emission by country

Emissions source	UK	Spain	Belgium	Total
Fuel combustion (stationary) (Gas)	9,773	54	120	9,947
Fuel combustion (mobile): (Transport Fuel)	622	n/a	n/a	622
Facility Operation: F-gases	50	n/a	n/a	50
Purchased electricity	10,059	734	272	11,065
Air travel	15	n/a	n/a	15
Material use/waste	2,350	n/a	18	2,368
Total tCO₂e	22,869	788	410	24,067

Financial review

Our financial performance



Bill Floydd
Chief Financial Officer

Reported net gaming revenue ('NGR')

For the 12 month ended 30 June 2021 NGR decreased by 48% to £329.6m due to the impact of the COVID-19 pandemic on our venues.

Operating profit

In line with NGR, operating profit was adversely impacted by the closures of our venues during the year with the loss of venues NGR resulting in operating profit declining by 532% to an operating loss of £92.9m, reflecting the operational leverage in the business and the impact of the separately disclosed items.

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 2021 were £15.7m.

The key SDIs in the year were as follows:

- Integration costs of £2.3m regarding the costs incurred to ready the RIDE proprietary platform, acquired in the Stride acquisition, to migrate the legacy Rank brands in 2021/22;
- Amortisation costs of £11.8m relating to the acquired intangible assets of Stride and Yo;
- Business transformation costs of £5.6m relating to costs arising from the transformation programme;
- Venues closure costs of £2.1m relating to the closure of five Mecca venues in the year;
- £23.8m profit on disposal of the Group's Blankenberge casino in Belgium; and
- £13.6m gaming duty refund plus associated interest following the successful conclusion of Rank's reclaim of gaming duty on casino chips provided free of charge by its casinos.

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

Net financing charge

The £14.4m underlying net financing charge for the year was 7% higher than the prior year due to higher borrowings' issue costs partly offset by a reduction in IFRS 16 lease interest.

Taxation

The Group's effective corporation tax rate in 2020/21 was 15.6% (2019/20: 20.7%) based on a tax credit of £15.4m (excluding impact of rate changes on deferred tax) on underlying profit before taxation. This is lower than the Group's anticipated effective tax rate of 23%-25% for the year as a result of higher than forecasted losses in overseas jurisdictions taxed at lower rates than the UK and higher than forecasted depreciation on assets that do not qualify for capital allowances. Further details on the taxation charge are provided in note 6 to the financial statements.

The effective corporation tax rate for 2021/22 is expected to be 17%-19%, being below the UK statutory tax rate. The tax rate is driven by some overseas profits being taxed at lower rates than the UK.

On a statutory basis, the Group had an effective tax rate of 9.7% (2019/20: 38.8%) based on a tax credit of £10.4m and total loss of £107.3m. This is higher than the effected tax rate on underlying loss because of separately disclosed items which do not result in a tax charge.

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

Earnings per share ('EPS')

Basic EPS fell by 760% to (16.5) pence. Underlying EPS was down 387% to (20.1) pence.

For further details refer to note 10 of the financial statements.

Cash flow and net debt

As at 30 June 2021, net debt was £256.7m. Debt comprised £108.4m in term loans, £11.0m in drawn revolving credit facilities and £206.9m in finance leases, offset by cash at bank of £69.6m.

In the period, the Group repaid £19.7m of the term loan in line with the loan's agreed amortisation schedule.

	2020/21 £m	2019/20 £m
Cash (outflow)/inflow from operations	(21.2)	147.3
Net cash receipts in respect of provisions and SDIs	5.9	24.6
Cash generated from operations	(15.3)	171.9
Capital expenditure	(22.2)	(50.7)
Interest and tax	(16.3)	(22.7)
Mergers and acquisitions	25.2	(82.2)
Share capital issued	68.1	–
Lease principal payments	(31.8)	(37.1)
Repayment of loans	–	(2.5)
Loan arrangement fees	–	(2.9)
Dividends paid	–	(32.4)
Other (including exchange translation)	(0.5)	(0.2)
Cash inflow/(outflow)	7.2	(58.8)
Opening net (debt)/cash pre IFRS 16	(57.0)	1.8
IFRS 16 lease liabilities	(206.9)	(240.5)
Closing net debt post IFRS 16	(256.7)	(297.5)

Net debt for covenant purposes at 30 June 2021 was £65.5m, a £1.6m decrease from 30 June 2020 as the term loan repayment was partially offset by revolving credit facility drawings and a lower level of cash.

Cash tax rate

In the year ended 30 June 2021 the Group had an effective cash tax rate of (1.4)% on adjusted loss (35.6% in the year ended 30 June 2020). The cash tax rate differs from the effective tax rate. This is because losses arising in the year do not result in immediate cash repayment.

The Group is expected to have a cash tax rate of approximately (5)% in the year ended 30 June 2022. This is lower than the effective tax rate because of refunds of corporation tax due as a result of loss carry back claims.



Bill Floyd
Chief Financial Officer
18 August 2021

Alternative performance measures

Helping us compare and assess historical performance against internal performance benchmarks

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 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 LFL operating (loss)/profit	Profit measure	Operating (loss)/profit	– Separately disclosed items – Excludes contribution from any venue openings, closures, disposals, acquired businesses and discontinued operations – Foreign exchange movements
Underlying LFL (loss)/profit before taxation	Profit measure	(Loss)/profit before tax	– Separately disclosed items – Excludes contribution from any venue openings, closures, disposals, acquired businesses and discontinued operations – Foreign exchange movements
Underlying LFL (loss)/profit after taxation	Profit measure	(Loss)/profit before tax	– Separately disclosed items – Excludes contribution from any venue openings, closures, disposals, acquired businesses and discontinued operations – Foreign exchange movements
Underlying (loss)/earnings per share	Profit measure	(Loss)/earnings per share	– Separately disclosed items

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 year, the Group sold five Mecca venues and acquired Stride Gaming plc. In the current year the Group disposed of its Blankenberge casino in Belgium. For the purpose of calculating like-for-like ('LFL') measures their contributions have been excluded from prior year (2019/20) numbers and current year (2020/21) numbers, to ensure comparatives are made to measures calculated 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.

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

	2020/21 £m	2019/20 £m
Underlying LFL NGR	288.2	575.6
Stride Gaming	41.1	51.0
Closed/disposed venues	0.3	3.4
Foreign exchange ('FX')	–	(0.3)
Underlying NGR – continuing operations	329.6	629.7

Calculation of comparative underlying LFL NGR

	2019/20
Reported underlying LFL NGR	585.1
Reversal of 2019/20 closed venues	2.3
Reversal of 2019/20 FX	(0.3)
Removal of disposed Belgium casino contribution	(8.4)
2020/21 closed/disposed venues	(3.4)
2020/21 FX	0.3
Restated underlying LFL NGR	575.6

	2020/21 £m	2019/20 £m
LFL underlying operating (loss)/profit	(67.0)	48.4
Acquired businesses – Stride	(16.4)	1.7
Opened, closed and disposed venues	(1.1)	(0.8)
Foreign exchange	–	(0.2)
Underlying operating (loss)/profit – continuing operations	(84.5)	49.1
Separately disclosed items	(8.4)	(27.6)
Operating (loss)/profit – continuing operations	(92.9)	21.5

Calculation of comparative underlying LFL operating profit

	2019/20 £m
Reported underlying LFL reported operating profit pre IFRS 16	42.3
Reversal of 2019/20 closed venues	(0.6)
Reversal of 2019/20 FX	(0.1)
IFRS 16 impact	7.8
Removal of disposed Belgium casino contribution	(2.0)
2020/21 closed/disposed clubs	0.8
2020/21 FX	0.2
Restated underlying LFL operating profit	48.4

	2020/21 £m	2019/20 £m
Underlying current tax credit/(charge)	8.0	(6.1)
Tax on separately disclosed items	0.3	4.6
Deferred tax	2.1	(3.7)
Tax credit/(charge)	10.4	(5.2)

	2020/21 Pence	2019/20 Pence
Underlying EPS	(20.1)	7.0
Separately disclosed items	3.6	(4.5)
Reported EPS	(16.5)	2.5

Risk management

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

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 in place, 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.

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 these key risks. For each principal risk identified, the Risk Committee assessed the likelihood and consequence, and appointed 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.

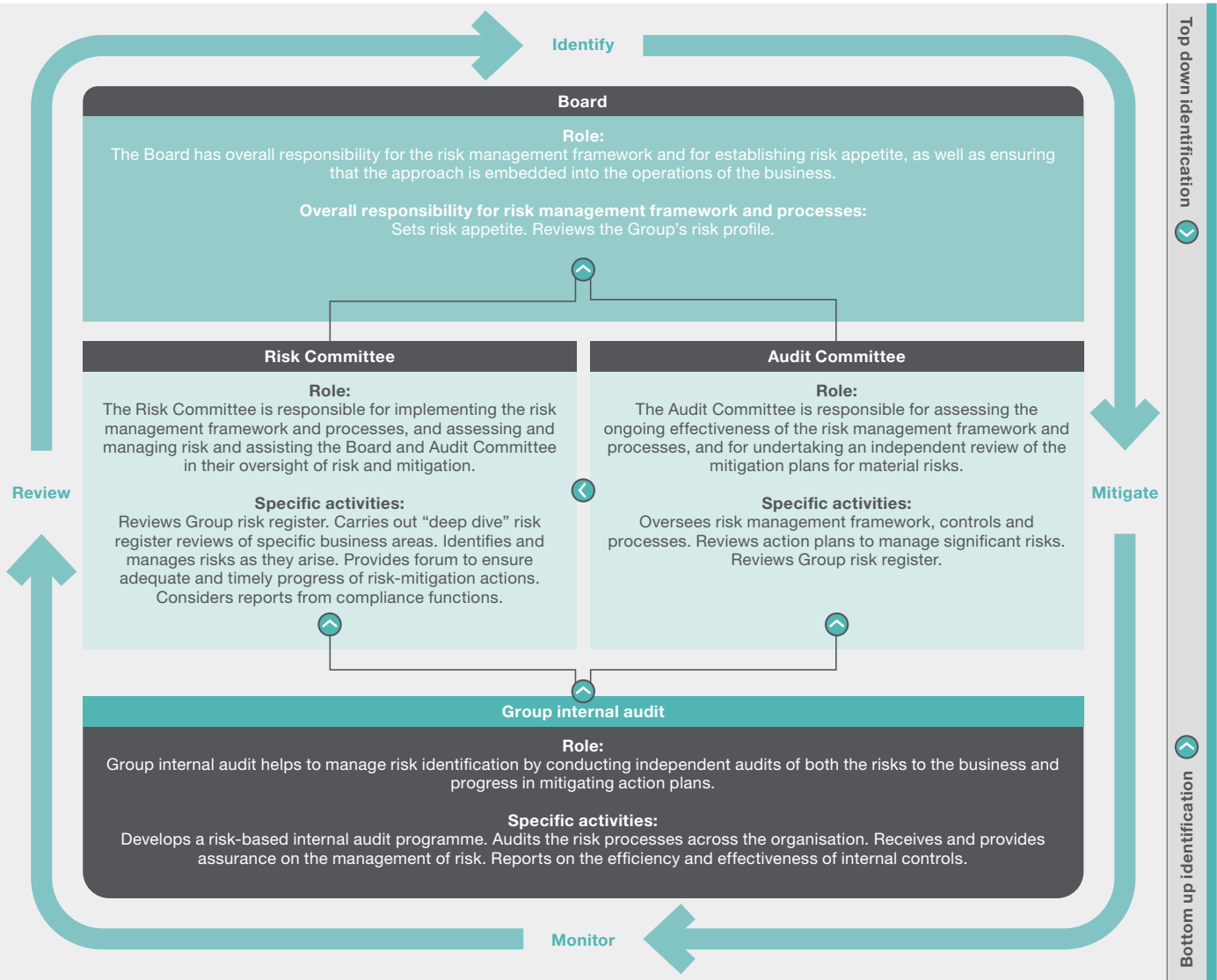
Key or material risks are identified and monitored through risk registers at a Group level and within business units, ensuring both a top-down and bottom-up approach to risk management.

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.

Our risk management framework



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

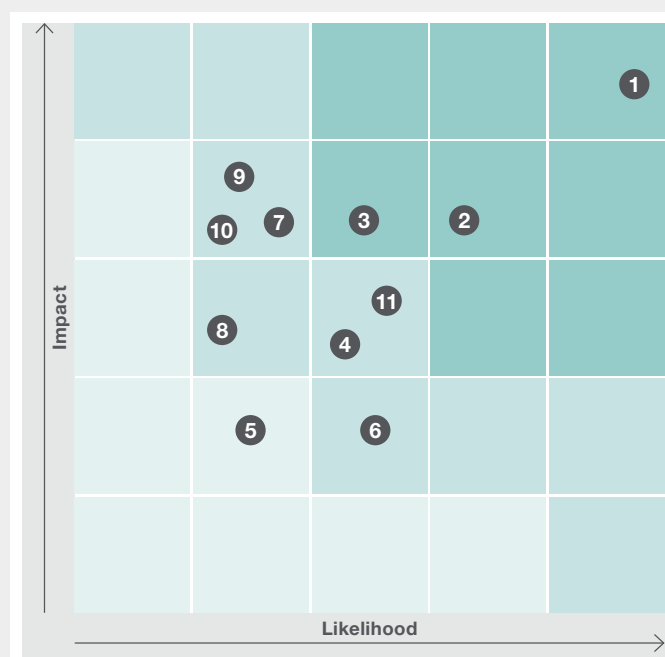
Our methodology used to identify emerging risks includes reviews with both internal and external subject matter experts, reviews of consultation papers and publications from within and outside the industry and the use of key risk indicators. Throughout the year some new risks have emerged and developed which have been monitored by management and action taken when they started to crystallise. The most significant near-term risk is the forthcoming proposed changes to the gambling regulation as articulated elsewhere in this report. 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.

The other key emerging near-term risk is the ongoing potential impact of Brexit following the reopening of our venues where the key challenges to the business are the availability of staff and the impact on our food and beverage supply chain. We have appropriate business continuity arrangements in place for short-term border disruptions affecting the movement of our people and our food and beverage supplies and are not otherwise over-exposed to the impact of Brexit in this area.

Additionally, we are monitoring medium-term emerging environmental and social risks and related reporting requirements, including those in relation to climate change.

Principal risks and uncertainties heatmap

Summary Residual Risk



Yearly change

1	COVID-19 pandemic	✓
2	Changing consumer needs (venues)	—
3	Gambling laws and regulations	↕
4	Health and safety	—
5	Taxation	—
6	Integration, transformation and technology projects and programmes	—
7	Business continuity planning and disaster recovery (operational resilience)	—
8	Data protection and management	—
9	Cyber resilience	—
10	Dependency on third parties and supply chain	—
11	People	—

Principal risk: 1.

COVID-19 pandemic



Principal risk

The immediate organisational risks following the COVID-19 outbreak arose primarily as a result of the closure of our venues and offices. Such risks included business continuity and the ability of our technology and IT infrastructure to adapt to sustained working-from-home requirements imposed by governments, colleague and customer welfare, cash flow (liquidity), financing, supply-chain disruption and impact on the ability of the Group to execute its strategic plans. This risk remains in the event of any further national or local lockdowns, which cannot be ruled out at this stage.

Following a period of localised lockdowns and the national lockdown that commenced in January 2021, all UK clubs (with the exception of Glasgow) were permitted to re-open on 17 May 2021, with social distancing and the application of a 10.30pm curfew to casinos in Scotland. Glasgow venues reopened on 6 June 2021.

Social distancing in all English venues was removed on 19 July 2021 and the curfew in Scotland was extended to midnight and then removed on 9 August 2021. Social distancing in Scotland was removed on 9 August 2021 and in Wales on 7 August 2021.

All Spanish clubs reopened progressively from April 2021, under a series of regional restrictions, including social distancing, capacity, restrictions on service levels including provision of food and beverage and curfews.

Prolonged periods of closure can result in increased risk upon reopening in relation to changes in personnel and the need to refamiliarise colleagues with processes.

There is no certainty over whether new Government measures will be reintroduced after they have been lifted, whether on a national and/or localised basis. Furthermore, even after restrictions are lifted, there is a risk of depressed demand in the leisure sector. Customers may also be more reluctant to attend our venues.

In response to the COVID-19 pandemic, we have prepared a number of planning scenarios based on a range of assumptions and potential outcomes. In light of the above, the risk remains of further significant impact on our future operations and cash flows beyond the range of assumptions that have been used to develop the modelled scenarios.

Residual risk rating and change in risk impact

Considered high residual risk, but decreasing.

Due to the nature of the pandemic and ongoing uncertainty risk remains high, but is seen to be decreasing in light of the vaccination programme and lifting of restrictions.

Risk mitigation strategy

Mitigation in relation to lockdown

The Company has crisis management and resilience planning processes in place. Closure plans were implemented successfully in response to the lockdown and consequential closure of our venues and offices and can be implemented again if and when required. The Company successfully implemented a working-from-home policy in order to ensure that those colleagues and areas of the business less directly impacted from the closure of venues could continue to function notwithstanding Government restrictions.

The Company communicates with its employees in a number of different ways and during lockdown we increased significantly our communications to our colleagues in order to keep them up to date with developments, our plans and welfare support arrangements. More information can be found on pages 40 and 52.

In relation to our customers, the Company developed, and participated in a number of initiatives aimed at ensuring that they did not feel a loss of community due to the closure of our venues. More information can be found on pages 39 and 48.

The Company continued to review its financing arrangements and took action in this regard as appropriate and engaged with its shareholders, banks, suppliers and landlords.

We continued to communicate with legislators and regulators throughout lockdown in connection with the measures we have implemented. Government support initiatives have been utilised such as the Coronavirus Job Retention Scheme and UK business rates holiday.

All the above measures can be implemented again if and when required.

Mitigation in relation to reopening

Detailed analysis and modelling, with consideration of all stakeholders' views, went into the formulation of reopening plans. Such plans are flexible to take account of local lockdowns, restrictions being re-introduced, impact on venues of colleague self-isolations, changes in customer demand and other uncertainties that will only be understood with the passage of time. We continue to review the assumptions and modelling work and have revisited our transformation plan (Transformation 2.0).

We continue to review our financial covenants and financing options, our property portfolio and supply chain.

We continue to have constructive dialogue with those bodies that influence our markets, including Government and regulators. The importance of such discussions was demonstrated in the process to obtain permission to reopen our venues.

The health and safety of our colleagues and customers remains of paramount importance and risk assessments have been an essential part of our reopening plans.

We adopted a refreshed approach to training and in-venue customer engagement upon reopening to ensure colleagues are refamiliarised with processes and enable the business to adapt according to customer feedback.

Digital

In relation to the digital business, which has been largely unaffected operationally by the pandemic, we have continued to focus on the implementation of safer gambling measures.

Link to strategy

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

Below: Mecca Oldbury



Principal risk: 2.

Changing consumer needs (venues)



Principal risk

Progressive changes over time in consumer spending habits and changes in the macroeconomic environment can result in lower numbers of customer visits.

Residual risk rating and change in risk impact

Considered high residual risk and stable.

With the macroeconomic environment and continuous changes in consumer spending habits, there is an ever-increasing need for the Group to focus on assessing the relevance of our customer proposition.

Risk mitigation strategy

The Group monitors financial performance across the venues. Venues performing adversely are raised for remedial attention with customer satisfaction metrics also being used to monitor venues performance.

Changing the venues product and service offering to have greater appeal to today's more leisure-oriented customer is a priority within the transformation programme. This will continue to evolve as there is a better understanding of the ongoing impact of COVID-19 on our customers' habits.

Link to strategy

3. Continuously evolve our venues proposition
4. Consistently improve our customer experience through innovation

Below: Grosvenor Rialto



Principal risk: 3. Gambling laws and regulations



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.

Residual risk rating and change in risk impact

Considered high residual risk and increasing.

With the increased focus of regulators, the risk here is considered to be increasing, and the impact of non-compliance could result in the imposition of licence conditions, the loss of gaming licences and/or fines.

Risk mitigation strategy

The Group ensures that it:

- actively provides and promotes a compliant environment in which customers can play safely;
- makes, and participates in, trade representations to political and regulatory bodies to ensure that such stakeholders clearly understand the positive contribution that the business provides to the economy;
- works with stakeholders and customers to help public understanding of the gaming offers it provides; and
- engages with regulators as appropriate and examines the learnings from, and measures adopted by, other operators and sectors of the gambling industry.

Link to strategy

5. Be committed to safe and fair gambling

Below: Grosvenor Sheffield



Principal risk: 4. Health and safety



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 Company (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.

It is envisaged that there will be no further immediate changes in standards.

Risk mitigation strategy

The Company has defined policies and procedures in place which are periodically reviewed and updated as appropriate.

The Company requires all colleagues to undertake annual training and more specific training is undertaken as appropriate. Communication plans are in place across the Group.

The Health & Safety Committee meets regularly and its attendees include the senior management of the venues business. In addition, the Head of Health & Safety provides updates on health and safety practices to each Risk Committee meeting.

Link to strategy

3. Continuously evolve our venues proposition
6. Within an environment which enables our colleagues to develop, be creative and deliver exceptional service

Below: Grosvenor Sheffield



Principal risk: 5.**Taxation****Principal risk**

Changes in fiscal regimes for betting and gaming in key markets can change at short notice. These changes could benefit or have an adverse effect and additional costs might be incurred in order to comply with any fiscal requirements.

Current key risk areas include:

- remote gaming duty;
- machine gaming duty; and
- gaming duty.

Residual risk rating and change in risk impact

Considered low residual risk and stable.

It is envisaged unlikely that there will be changes in taxation in the immediate future.

Risk mitigation strategy

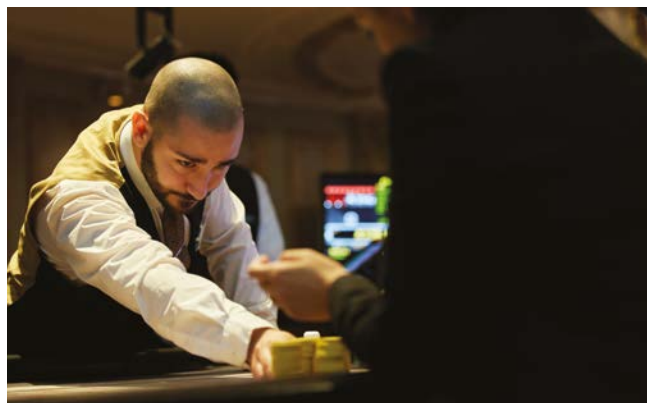
The Group ensures that it:

- continues to monitor taxation legislation;
- performs regular analysis of the financial impact to the organisation of changes to taxation rates; and
- develops organisational contingency plans as appropriate.

Link to strategy

1. Create a compelling multi-channel offer
2. Build digital capability and scale
3. Continuously evolve our venues proposition

Below: Grosvenor Rialto

**Principal risk: 6.****Integration, transformation and technology projects and programmes****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.

A failure to deliver key strategic projects and programmes impacts on customer loyalty and the strategic growth of the business.

Risk mitigation strategy

The Group ensures that projects and programmes:

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

Link to strategy

1. Create a compelling multi-channel offer
2. Build digital capability and scale

Below: Grosvenor Luton



Principal risk: 7.

Business continuity planning and disaster recovery (operational resilience)



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, accidents impacting key people, insolvency of key suppliers, 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, and the business was able to continue operating notwithstanding the impact of COVID-19.

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.

Link to strategy

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

Below: Grosvenor Rialto



Principal risk: 8.

Data protection and management



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 has developed a robust control environment in relation to customer data controls and the regulatory requirements.

Risk mitigation strategy

The Group has in place data protection policies and colleague training 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 to ensure that the business is aware of, and adheres to, industry best practice standards and relevant laws.

Technology and IT security controls are in place to restrict access to sensitive data and ensure individuals only have access to the data they need to do their job.

Link to strategy

2. Build digital capability and scale
4. Consistently improve our customer experience through innovation

Below: Grosvenor Sheffield



Principal risk: 9. Cyber resilience



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 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 in response to previous incidents and lessons learned, this is considered a stable risk for the Group.

Risk mitigation strategy

We carry out a number of cyber exercises on a regular basis to understand the maturity of controls, with a roadmap of further work planned to enhance them within the current IT estate.

A programme of work is ongoing to enhance cyber security and resilience within the IT estate with dedicated, specialist resources.

Link to strategy

2. Build digital capability and scale

Below: Grosvenor Rialto



Principal risk: 10. Dependency on third parties and supply chain



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, or failure of these suppliers to comply with contractual obligations, 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 changed as a result of COVID-19, but the risk to the business is nevertheless considered stable.

Risk mitigation strategy

The Group has a central procurement team in place to oversee the process for acquisition of suppliers across the Group together with the development of a supplier risk management framework.

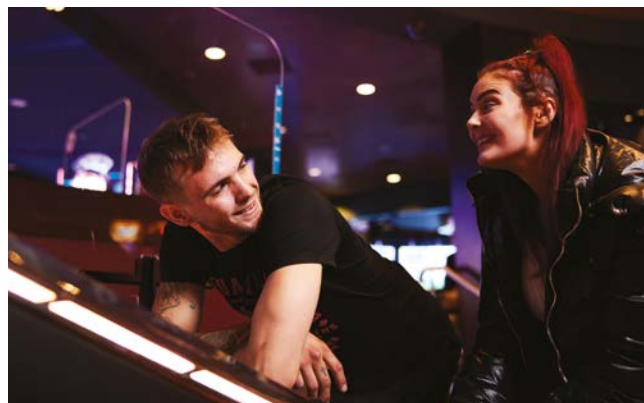
Close communication and accountability for relationships within the Group are in place for these suppliers, with business owners required to ensure that contractual requirements are met.

Discussions took place with suppliers as a result of the impact of COVID-19, particularly in relation to the closure and then reopening of our venues and understandings were reached wherever possible.

Link to strategy

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

Below: Grosvenor Luton



Principal risk: 11.

People



Principal risk

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

A prerequisite to achieving all of the strategic priorities is ensuring the Company 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 stable.

Considered stable as the risk to the business is unchanged, notwithstanding that the impact of COVID-19 cannot be ignored.

Risk mitigation strategy

A programme of activity is focused on developing diversity across the organisation (please see pages 50 to 51).

A programme of activity is focused on succession planning for the business, particularly at senior levels.

The Company regularly engages with colleagues and reviews its reward propositions. More information can be found on pages 40 and 49.

Culture is considered across all transformation workstreams including safer gambling.

Link to strategy

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

Right: Grosvenor Luton

Below: Mecca Stevenage



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 year in review and Chief Executive's review on pages 11 to 17, including the trading performance for the venues since re-opening in accordance with Government guidance, the budget for 2021/22 and long range forecast approved by the Board, and have reviewed the Group's projected compliance with its banking covenants and access to funding options for the 12 months ending 31 August 2022 for the going concern period and for the three years ending August 2024 for the viability assessment.

The Directors recognise that there continues to be a greater level of forecasting uncertainty at this time caused by the impact of the COVID-19 pandemic on consumer sentiment, Government policy and the overall impact on consumer demand. Notwithstanding this, the Directors have taken

confidence in the performance of the Group since venues reopened, and also note the continued success of the vaccine roll out in line with the UK Government's targets. This consequently led to the decision to remove all social distancing restrictions in England, where the majority of the Group's venues are located, on 19 July 2021, and the removal of restrictions in Wales from 7 August 2021 and in Scotland from 9 August 2021.

The Directors have reviewed and challenged management's assumptions on the resumption of trading in the Group's venues and digital forecast. Key considerations are the assumptions on the levels of revenue achieved in comparison to pre-COVID-19 levels, the growth in digital trading performance and that there are no further lockdowns in the base case assumptions. Management's base case assumptions and the latest performance against those assumptions are as follows:

Venues segment	Outcome to date
Grosvenor venues Venues are open from 1 July 2021 with revenue levels returning on average to 95% of pre-COVID-19 levels by June 2022, and above pre-COVID-19 levels by June 2023.	All clubs (with the exception of Glasgow) were permitted to reopen on 17 May 2021, with social distancing and, in Scotland only, the application of a 10.30pm curfew. Glasgow venues reopened on 6 June 2021. The curfew in Scotland was extended to midnight on 19 July 2021. Social distancing in all English venues was removed on 19 July 2021. Social distancing in Scottish venues was removed on 9 August 2021 and in Welsh venues on 7 August 2021. Actual performance has been slightly ahead of the base case prepared for reopening.
Mecca venues Venues are open from 1 July 2021 with revenue levels returning on average to 95% of pre-COVID-19 levels by June 2022, and above pre-COVID-19 levels by June 2023.	All clubs (with the exception of Glasgow) were permitted to reopen on 17 May 2021, with social distancing. Glasgow venues reopened on 6 June 2021. Social distancing in all English venues was removed on 19 July 2021. Social distancing in Scottish venues was removed on 9 August 2021 and in Welsh venues on 7 August 2021. Actual performance has been in line with the base case prepared for reopening.
Enracha venues Venues are open from 1 July 2021 with revenue levels returning on average to 95% of pre-COVID-19 levels by June 2022, and above pre-COVID-19 levels by June 2023.	All clubs reopened progressively from April 2021, under a series of regional restrictions, including social distancing, capacity, restrictions on service levels including provision of food and beverage, and curfews, which vary by region. Actual performance has been in line with the base case prepared for reopening (notwithstanding the ongoing restrictions).
Digital segment	Outcome to date
The digital businesses deliver double digit growth in FY 2022	Actual performance has been in line with base case.

The key base case assumptions on cost are substantially within management control and are as follows:

- Payroll costs are forecast at pre-COVID-19 levels, adjusted for increases in the National Minimum Wage, with offsets from the CJRS in line with the current scheme rules where applicable, and an inflationary pay rise being awarded in October 2021
- Rent due during the 2021/22 financial year is paid on time. Rent deferrals from the 2020/21 financial year are paid by the end of 2021/22
- All tax and duty is paid on time
- Capital expenditure is £40.0m
- Standard payment terms are assumed for supplier payments
- Allowance is made for one-off costs in relation to the business transformation programme and in the event that a small number of club closures are made

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 £108.4m which reduces to £78.8m in May 2022 due to a scheduled loan repayment
- Revolving credit facilities ('RCF') of £80.0m

The plan also assumes that no additional funding is raised during the plan period, and that the proceeds from the VAT duty case, estimated at £80.0m, are not received by the Group within the going concern period. At the date of approval of the financial statements, the term loan was £108.4m and the £80.0m RCF was undrawn.

In undertaking their assessment, the Directors also reviewed compliance with the renegotiated banking covenants that temporarily replace the normal tests with a minimum liquidity test of £50.0m that is tested quarterly in June, September and December 2021 and in March 2022 ('Revised Covenants'), and the normal banking covenants which are applicable from 30 June 2022, when the covenant testing reverts back to being on a six-monthly basis. The Group expects to meet the Revised Covenants and its normal banking covenants at 30 June 2022.

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 plan has also been tested. The main downside risk is:

COVID-19: Continued disruption due to the pandemic. Two downside cases have been modelled, each of which assumes more widespread business interruption with the effects of a lower return to pre-COVID-19 trading levels due to lower consumer sentiment and, in the second scenario, the emergence of new variants which would result in a closure in accordance with Government guidance over the winter months. The two downside scenarios modelled are:

- venues trading only returning to 75% of pre-COVID-19 levels over the period of review; and
- all venues trade in line with base case until October 2021 but then are closed from November 2021 to February 2022, reopening from March 2022 at 75% of pre-COVID-19 levels.

Having modelled the downside scenarios, the indication is that the Group would continue to meet its Revised Covenants, albeit with lower headroom, in both cases. In the more severe downside scenario reflecting a four-month closure, covenant headroom is limited before the impact of mitigating actions within management's control are reflected which further increases headroom. Furthermore, in both downside scenarios, the Group would also meet its normal banking covenants at the 30 June 2022 test date when they again apply.

Accordingly, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period at least through to 31 August 2022. For these reasons, the Directors continue to adopt the going concern basis for the preparation of these financial statements and in preparing the financial statements they do not include any adjustments that would be required to be made if they were prepared on a basis other than going concern.

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 2022. In making such statement, the Directors highlight forecasting accuracy in relation to the level of trading performance achieved in venues and that the venues remain open as the key sensitivities in the approved business plan.

The Directors have considered a downside plan which reflects larger than anticipated disruption to the business due to the pandemic. In this event, the Group will generate sufficient cash to meet its liabilities as they fall due and meet covenant requirements for the period to 31 August 2022.

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 2024. 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 and is supported by the three-year business plan. Having undertaken their assessment and considered the overall circumstances of the Group, including the assumptions set out on pages 69 and 70 the performance of the business against those assumptions, 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 2024.

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, particularly in light of the continuing impact of COVID-19. The key assumptions made are that the venues business returns to pre-COVID-19 levels by the end of the 2021/22 financial year, the venues continue to be open, the Group continues to have

access to its existing banking facilities, that the Group repays £78.8m of debt financing on time in the plan period and that no new financing is arranged during the plan period. The final maturity dates on the Group's remaining facilities all fall due in 2024.

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 60 to 68. The risks considered include (without limitation): the ongoing impact of the COVID-19 pandemic, health and safety, changes to regulation (including gambling laws and regulations), failure to comply with current regulation (including gambling laws and regulations), changes to the rate of tax and technology risks (including cyber security).

The Group's three-year strategic 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 strategic plan. Details of the assumptions included in the assessment and the sensitivity analysis applied to the plan are set out on pages 69 and 70.

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		– Our natural environment	53 to 55
Employees	– Health and safety policy – Whistleblowing policy – Code of conduct	– Our people – Diversity – Equal opportunities – Health and safety	40 and 49 to 53
Human rights	– Modern slavery statement	– Human rights	43
Social matters	– Health and safety policy – Code of conduct – Whistleblowing policy	– Our customers – Our communities	39, 41, 45 to 48 and 52 to 53
Anti-corruption and anti-bribery	– Anti-corruption and bribery, gifts and hospitality policy – Code of conduct – Whistleblowing policy – Anti-money laundering policy	– Corporate governance – Audit Committee	52 to 53 and 94 to 95
Business model		– Our business model	36 to 37
Principal risks and uncertainties		– Description of risk processes, risk management, risk governance	60 to 68
Non-financial key performance indicators		– Our key performance indicators – Our customers – Our people – Our environment	32 to 33, 48 and 53



Governance Report

74	Chair's introduction to governance
76	Unlocking our growth potential – At a glance
77	2018 Code compliance statement
78	How we are governed
80	Our Board
84	Unlocking our growth potential – A year in review
88	Nominations Committee Report
93	Audit Committee Report
100	Finance Committee Report
102	ESG & Safer Gambling Committee Report
106	Remuneration Committee Report
133	Directors' Report
137	Directors' responsibilities

Chair's introduction to governance



Alex Thursby
Chair

Grosvenor Soames in Manchester

Dear shareholders

I am pleased to present this year's Directors' and Corporate Governance Report. The past year has been like no other and the impact on Rank has been significant. The Board has continued to focus on driving forward a strong corporate governance framework, while also taking the necessary steps to navigate Rank successfully through these uncertain times.

The critical focus of the Board over the last financial year was the Company's response to the impact of COVID-19. This has included closely reviewing health and safety arrangements for colleagues and customers, frequent reviews of cash flow and liquidity and close involvement in the equity placing, changes to Rank's revolving credit facilities and the sale of our Belgian business. We have sought to support management as they made rapid decisions in unprecedented circumstances. During the pandemic, the Executive Committee has met daily by video conference, in addition to its regular longer weekly meetings, to ensure that it has been able to respond swiftly to the ever-changing restrictions. The Board was provided with regular updates throughout. This approach demonstrates the strength of the Group's approach to risk management and leadership, while also providing an insight to our commitment to maintaining strong governance.

Stakeholder engagement

The Board is supportive of the requirement under the 2018 UK Corporate Governance Code to demonstrate how it considers the views of its stakeholders and how their interests are considered in Board discussions and decision-making. I am confident in the Board's ability to effectively engage with our key stakeholders and we recognise the benefit that it brings. This has been particularly apparent this past year where it has assisted us in understanding the impact of the pandemic on our respective stakeholders and enabled us to react appropriately. More about the manner in which we engage with our stakeholders is set out on pages 39 to 43 of this report.

Culture

One of the ways in which the Board assesses and monitors the Company's culture is by making visits to Rank's venues and taking the opportunity to meet and speak directly to colleagues. I am delighted that in the past couple of months, against the backdrop of the gradual lifting of restrictions, we have again been able to do so. The Board also relies on regular reports from the Executive Committee, particularly the Chief Executive and the Human Resources Director. The Human Resources Director provides input specifically on colleague issues and update reports following various employee forums held during the year, which are enhanced by feedback from the designated Non-Executive Director, Steven Esom, in respect of workforce engagement. Further information about such engagement can be found on pages 40 and 52.

Rank's culture is defined by its established values – service, teamwork, ambition, responsibility and solutions. There has been no better example of such values being put into practice than the manner in which our colleagues have smoothly and safely managed the national and localised closures and reopenings of our venues and offices over the course of the year and kept our digital and central operations running, while prioritising the welfare of employees, customers and other stakeholders.

ESG & safer gambling

We continue to focus on our response to the risk of gambling-related harm and promote a safer gambling culture. The past year has seen a great deal of progress at Rank in this regard, as we continue to review, refine and evolve our controls and processes taking account of learnings from within our own business, as well as communications and statements by our regulators. Ongoing regulatory developments, and in particular the review of gambling legislation in the UK, will demand that the pace of delivery only continues to accelerate, and the Board remains committed to ensuring that Rank is proactive and innovative in its approach for the benefit of all its stakeholders.

We are of course aware that our environmental, social and governance ('ESG') responsibilities are wider than safer gambling and of the importance of, and increasing focus on, ESG performance as a whole. With this in mind, we made the decision at the end of the year to expand the existing Safer Gambling Committee to the ESG & Safer Gambling Committee, with revised terms of references having been adopted this month. We remain clear that this will not diminish in any way our commitment to and focus on safer gambling.

Remuneration

The Board has taken a responsible approach to remuneration during the year, with the severe impact of the pandemic on the business being considered in all decisions made by the Remuneration Committee on executive remuneration outcomes for 2020/21. In particular, due to the exceptional situation of the Group and its existing remuneration structure, it became clear over the year that an evolved approach was needed. Shareholders will recall that a new remuneration policy was approved at the 2020 Annual General Meeting under which a new annual LTIP was introduced. The new 2020 LTIP granted shortly thereafter will not vest until late 2023 with

a further two-year holding period before any benefits can be realised and there is no other live LTIP in the meantime. This raised concerns about the retention of the two Executive Directors. Further to this, the Chair of the Remuneration Committee, Steven Esom, and I engaged with our major shareholders (representing 92.18% of shares as at 30 June 2021) on behalf of the Remuneration Committee to discuss the introduction of a one-off recovery incentive plan based on financial targets over the coming two years and designed to focus on the work required to enable the business to recover. As Steven mentions in his report, the feedback received from shareholders was taken into account when finalising the plan. Following such consultation, we are submitting a new remuneration policy for shareholder approval at the 2021 Annual General Meeting to enable this award to be made, together with the plan rules. The new policy can be found on pages 110 to 120.

Board changes

There have been a number of changes to the Board during the 2020/21 financial year. As I have mentioned earlier in this report, we were notified by our majority shareholder in December 2020 of the retirement of its representative, Tang Hong Cheong. Chew Seong Aun was nominated by the majority shareholder as his replacement and was appointed as a Non-Executive Director on 10 December 2020. Seong Aun brings a wealth of financial and commercial experience to the Board and is further enhancing the good communication established between Rank and its majority shareholder. More information on our majority shareholder can be found on page 134.

Katie McAlister was appointed as a Non-Executive Director on 28 April 2021. Katie has broad digital and marketing expertise, as well as customer-focused strategic experience, which will undoubtedly add value as we seek to unlock growth and build capability and scale in our digital business. I am delighted that she has joined the Board. Further detail of the process for these appointments is set out on page 89.

Board effectiveness and composition

During the year, we undertook an internal evaluation of the effectiveness of the Board, and I am pleased to report that it supported the view that the Board and its Committees are operating efficiently and productively. More details of the work of the Nominations Committee and of the Board evaluation can be found on page 91.

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 wherever possible.

The year ahead

The Board has remained very conscious during this period of the ongoing need for good governance and I am reassured that our framework is strong and effective. We have demonstrated that as a business and as a Board we can deal with new challenges and ways of working. Nevertheless, it has been an extremely difficult year and I would like to take this opportunity to pay tribute to my fellow Directors and, on behalf of the Board, again to all our colleagues in the business for their continued drive and commitment.

It is of course a real positive to end the year with all our venues reopened and we go into the year ahead confident in the knowledge that the Company is led by a highly competent and professional team. We continue to support the executive team in managing the ongoing fallout from the pandemic and the need to keep our colleagues and customers safe. However, I am hopeful that we can now also focus on rebuilding in a responsible way upon the strong foundations that had been laid before the pandemic hit. I look forward to the support of you, our shareholders, as the business recovers and returns to unlocking its growth potential and welcome the opportunity to engage with you further at this year's Annual General Meeting on Thursday 14 October 2021.



Alex Thursby
Chair
18 August 2021



More details of our Annual General Meeting can be found on page 203.

Unlocking our growth potential

At a glance

The Board regards leadership, strategy and financial planning as amongst the key attributes needed to unlock Rank's future growth potential. It has remained fully supportive during the year of the decisive action taken by management in response to the pandemic to protect the business and to prepare for post-pandemic opportunities. The Board has also remained

extremely mindful throughout the year of the need to ensure that the views of stakeholders have been considered as part of its decision-making.

Strategy day

How it helps unlock growth

The Board recognised that to continue to unlock Rank's potential it needed to emerge from the pandemic with a clear plan to return to growth. It approved the reset of the transformation programme, Transformation 2.0, and its alignment with the Group's longer-term strategy.



[Find out more](#)
Page 84



Financial management and liquidity

How it helps unlock growth

The Board considered it essential to ensure that the business managed its liquidity position and cash throughout venues closures and was in the best possible position to recover from the impact of the pandemic and be able to focus on further growth following reopening.



[Find out more](#)
Page 86



Regulatory developments

How it helps unlock growth

Regulatory change brings risk and opportunity and the Board considered both on a regular basis throughout the year with a view to ensuring that the business is well-positioned to meet its growth ambitions in a sustainable and responsible manner.



[Find out more](#)
Page 86



ESG

How it helps unlock growth

Understanding the views of all stakeholders and ensuring there is reflection on broader environmental, social and governance responsibilities, whilst retaining a clear commitment to safer gambling, was recognised by the Board as being essential to Rank's growth plans.



[Find out more](#)
Page 87



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. We are 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, pension contribution rates for the current Executive Directors 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 122.

How we comply with the UK Corporate Governance Code 2018		More information
1	Board leadership and company purpose	
A	Effective and entrepreneurial Board that promotes long-term sustainable success	Pages 38 to 55 and 80 to 83
B	Aligning culture to purpose, values and strategy	Pages 49 to 53, 78 and 123 to 125
C	Resources to meet objectives and measure performance	Pages 84 to 87
D	Stakeholder engagement	Pages 39 to 43
E	Workforce policies and practices	Pages 49 to 53
2	Division of responsibilities	
F	Board roles	Page 79
G	Independence	Page 80
H	External commitments and conflicts of interests	Pages 79 and 81 to 83
I	Board effectiveness and efficiency	Page 84
3	Composition, succession and evaluation	
J	Appointments to the Board	Pages 88 to 90
K	Board skills, experience and knowledge	Pages 80 to 83
L	Annual Board evaluation	Page 91
4	Audit, risk and internal control	
M	Financial reporting	Pages 95 to 97
	External auditors and internal audit	Pages 95 and 97
N	Fair, balanced and understandable – 2021 annual report review	Pages 95 to 97
O	Internal financial controls	Pages 94 to 95
	Risk management	Page 60
5	Remuneration	
P	Linking remuneration with purpose and strategy (please see comments above in regard to pension contribution rates)	Pages 122 to 129
Q	Remuneration policy review	Page 109
R	Performance outcomes	Pages 123 to 125

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

How we are governed

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 such meetings as an important mechanism through which they discharge their duties, particularly under s.172 of the Companies Act 2006.

Board committees

Nominations Committee

The Nominations Committee recommends appointments to the Board and 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 in the Group.



Read more on pages 88 to 92.

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 93 to 99.

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 106 to 132.

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 for the prevention of gambling-related harm in each of the jurisdictions and channels in which it operates.



Read more on pages 102 to 105.

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 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 100 to 101.

Executive Committee

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

Three other Executive/senior management committees, the Risk Committee, the Health & Safety Committee and the Compliance Committee, support and report to the Board and the Audit Committee in order to ensure that the appropriate internal controls for risk management are implemented and monitored. For more information about the Company's approach to risk management, please see pages 60 to 68.

In addition, the Board from time to time delegates specific responsibilities to other committees, set up for a specific purpose. During the year under review, two such committees held meetings; the COVID-19 Sub-Committee, which comprised the Chair, the Chair of the Audit Committee, the non-independent Non-Executive Director, the Chief Executive and the Chief Financial Officer; and the Placing Sub-Committee, which comprised the Chair, the Chief Executive and the Chief Financial Officer.

Governance structure

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 78. 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, ensuring 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 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, Chris Bell, provides a sounding board for the Chair and serves as an intermediary for the Chief Executive and other Directors when necessary. He 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 Chew Seong Aun and Katie McAlister, as new Directors appointed during the year, will stand for election at the 2021 Annual General Meeting.

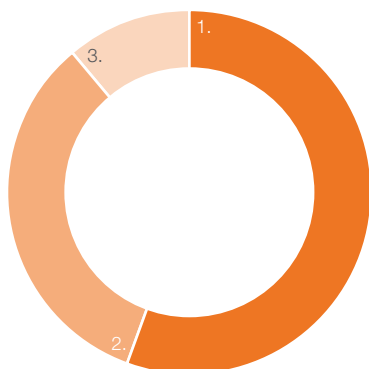
Insurance cover

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 tenure

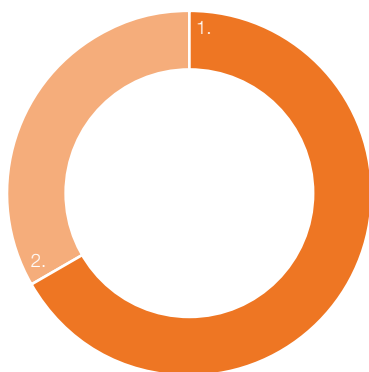
1. 0–3 years **5**
2. 3–6 years **3**
3. 6–9 years **1**



As at 18/08/2021

Board gender

1. Male **6**
2. Female **3**



As at 18/08/2021

Board independence

Director	Independent	Appointed
Chair		
Alex Thursby ¹	Yes	August 2017
Executive		
John O'Reilly	No	May 2018
Bill Floydd	No	May 2019
Non-Executive		
Chris Bell	Yes	June 2015
Steven Esom	Yes	March 2016
Susan Hooper	Yes	September 2015
Katie McAlister	Yes	April 2021
Chew Seong Aun	No	December 2020
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

	Chris Bell	Steven Esom	Susan Hooper	Katie McAlister	Chew Seong Aun	Alex Thursby	Karen Whitworth
1. Customer centric/hospitality	●	●	●	●	●	●	●
2. Environment & sustainability		●	●				●
3. Financial (accounting and/or finance)	●	●			●	●	●
4. Gaming	●						
5. Marketing	●	●	●	●			●
6. People	●	●	●		●	●	
7. Real estate & property	●						●
8. Risk, governance & compliance	●	●	●		●	●	●
9. Strategy	●	●	●	●	●	●	●
10. Technology/digital	●			●	●		

Committee membership

Director	Audit Committee	Finance Committee	Nominations Committee	Remuneration Committee	ESG & Safer Gambling Committee
Chris Bell	●		●	●	●
Chew Seong Aun					
Steven Esom	●		●	○	
Bill Floydd		●			
Susan Hooper			●	●	○
Katie McAlister			●	●	●
John O'Reilly		●			●
Alex Thursby		○	○		●
Karen Whitworth	○			●	●

Key

- Committee member
- Committee Chair

Chair



Alex Thursby
Independent Chair

Appointment
August 2017

Independent

Experience

Alex has over 30 years' financial, risk and strategic experience within the banking sector. He was a non-executive director of Barclays Bank Plc from 2018 to 2019 and chief executive officer of National Bank of Abu Dhabi from 2013 to 2016. He held senior roles at Australia and New Zealand Banking Group from 2007 to 2013 and at Standard Chartered Bank from 1987 to 2007. From 2008 to 2013 he was a non-independent non-executive director of the Bursa Malaysia listed AMMB Holdings Berhad, part of the AmBank Group, one of the largest banking groups in Malaysia.

Other roles

Alex is a Trustee and Head of the Finance/Treasury committee at Eden Rivers Trust, and Governor and Chair of the Board of Governors at Giggleswick School.

Committee membership

- Finance (Chair)
- Nominations (Chair)
- ESG & Safer Gambling

Executive Directors



John O'Reilly
Chief Executive

Appointment
May 2018

Non-Independent

Experience

John joined Rank in May 2018 as chief executive officer. He has extensive experience within the betting and gaming industry. John was a senior executive at Gala Coral Group between August 2011 and April 2015, prior to which he had a 19-year career at Ladbrokes. During his career at Ladbrokes, he held several senior positions, including managing director of remote betting and gaming, and served as an executive director on the board of Ladbrokes plc between 2006 and 2010. He was a non-executive director of William Hill PLC between January 2017 and April 2018 and non-executive chair of Grand Parade Limited between June 2015 and August 2016, when Grand Parade was sold to William Hill. John was also a non-executive director and chair of the remuneration committee at Telecity Group plc between September 2007 and January 2016.

Other roles

John is a member of the board of trustees of the prisoner befriending charity, New Bridge Foundation and a non-executive director of Weatherbys Limited.

Committee membership

- Finance
- ESG & Safer Gambling



Bill Floyd
Chief Financial Officer

Appointment
May 2019

Non-Independent

Experience

Bill joined the Company as chief financial officer in November 2018, being appointed to the Board in May 2019. Previously he was chief financial officer of Experian Plc's UK and Ireland region for five years, where he contributed to strong revenue and EBIT growth whilst overseeing Experian's FCA authorisation process. Before joining Experian, Bill spent 12 years in a variety of leadership positions at Logica plc, where he led a turnaround of the UK business and a transformation of the global finance function. Bill is a chartered accountant, having qualified with Price Waterhouse.

Other roles

n/a

Committee membership

- Finance

Non-Executive Directors



Chris Bell
Senior Independent Director

Appointment
June 2015

Independent

Experience

Chris has 30 years' operational and strategic experience in the betting, gaming and hospitality industry in executive and non-executive roles. He was a non-executive director of Gaming Realms Plc from 2017 to 2018 and chair of TechFinancials, Inc. from 2015 to March 2020. Chris was also a non-executive director of Spirit Pub Company plc between 2011 to 2015, a senior independent director of Quintain Estates & Development plc between 2010 and 2015 and non-executive director of The GAME Group plc from 2003, and subsequently appointed as its chair in 2011, to 2012. In his executive career, Chris joined the Hilton Group in 1991, where he was appointed managing director of its Ladbrokes Worldwide business in 1994 and then appointed to the board in 2000. Following the disposal of its hotel's division, he became chief executive of Ladbrokes plc up until 2010. Prior to joining the Hilton Group, Chris held several senior positions at Allied Lyons.

Other roles

Chris is currently non-executive chair of XLMedia PLC and OnTheMarket Plc, where he also chairs the nominations committee. Chris is non-executive chair of Team17 Group Plc and chairs its nominations committee. He is a non-executive director of The Royal Airforce Charitable Trust Enterprises.

Committee membership

- Audit
- Nominations
- Remuneration
- ESG & Safer Gambling

Non-Executive Directors continued



Chew Seong Aun
Non-Executive Director

Appointment
December 2020

Non-Independent

Experience

Seong Aun has over 30 years of experience in finance and banking and has been with the Hong Leong Group for more than 14 years, having joined Hong Leong Financial Group Berhad, Guoco Group Limited's associated company listed on Bursa Malaysia, as chief financial officer in 2006. Prior to joining the Hong Leong Group, Seong Aun held various senior banking positions in the Middle East and Asia for over ten years.

Other roles

Seong Aun is an executive director and the chief financial officer of Guoco Group Limited ('Guoco'), listed in Hong Kong. He is also a director of Guoco's key listed subsidiaries including executive director of GL Limited, listed in Singapore and a non-executive director of GuocoLand Limited (listed in Singapore), as well as a non-executive director of Lam Soon (Hong Kong) Limited (a Hong Leong Group member company listed in Hong Kong). Seong Aun is an ICAEW qualified Chartered Accountant (FCA) and a member of the Asian Institute of Chartered Bankers in Malaysia.

Committee membership
n/a



Steven Esom
Non-Executive Director

Appointment
March 2016

Independent

Experience

Steven has extensive commercial experience at consumer-focused multi-site retail businesses. He was a non-executive director of Cranswick plc from 2009 until 2018 and was chair of the British Retail Consortium from 2011 to 2020. Steven had a 12-year career at Waitrose from 1995 to 2017, the last five years of which were as managing director and has held several other senior and non-executive positions within the food sector. He was chair of The Ice Organisation Limited between 2011 and 2015 and has previously been a non-executive director of The Carphone Warehouse Group plc and Ocado Limited.

Other roles

Steven is currently non-executive chair of The Advantage Travel Partnership and Sedex, as well as the independent chair of the GB Boxing Board. He was appointed as chair of the British Wrestling Association in October 2020.

Committee membership
● Audit
● Nominations
○ Remuneration (Chair)



Susan Hooper
Non-Executive Director

Appointment
September 2015

Independent

Experience

Susan has broad executive experience of large consumer-facing businesses combined with wide-ranging non-executive experience. Susan was a non-executive director of Wizz Air Holdings Plc from March 2016 until June 2020, the Department for Exiting the European Union from April 2017 until its cessation in January 2020 and Whitbread PLC between 2011 to 2014. Susan has previously held roles as managing director of British Gas Residential Services and chief executive of Acromas Group's travel division. Prior to this, she held senior roles at Royal Caribbean International, Avis Europe, PepsiCo International, McKinsey & Co, and Saatchi & Saatchi.

Other roles

Susan is currently a non-executive director of Moonpig Group plc and chairs its remuneration committee. She is also a non-executive director of Uber UK and of Affinity Water Limited where she also serves as chair of its remuneration committee. Susan is on the Climate Change Board Group, having been appointed in June 2019 and has been a non-executive director of Caresourcer since August 2019.

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



Katie McAlister
Non-Executive Director

Appointment
April 2021

Independent

Experience

Katie has extensive digital and marketing experience and has been responsible for several digital transformation and business change programmes. She started her career with TUI in 1998 in the commercial area of TUI UK and Ireland with roles in trading, product and destination services. In her current role as chief marketing officer for TUI's Northern Region, Katie is responsible for the 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. Her role also has a global remit with responsibility for brand strategy and digital across the entire TUI Group.

Other roles

Katie is the chief marketing officer for TUI Northern Region (UK, Ireland and Nordic) and sits on the TUI Northern Region Board.

Committee membership
● Nominations
● Remuneration
● ESG & Safer Gambling



Karen Whitworth
Non-Executive Director

Appointment
November 2019

Independent

Experience

Karen has many years of board-level experience in both private and publicly listed companies. She was a member of the commercial board and a director of Non-Food Grocery and New Business at J Sainsbury plc from September 2007 until March 2018 and, up until 2018, she served as a member of the supervisory board and audit committee at GS1 UK Limited. Her earlier career was spent at BGS Holdings Limited, an online entertainment business and she held several senior roles at Intercontinental Hotels Group PLC between 2000 and 2005. From July 2020 to May 2021, Karen was a non-executive director of Pets at Home plc where she chaired the audit and risk committee. Karen is a chartered accountant having qualified with Price Waterhouse.

Other roles

Karen is currently a non-executive director of Tritax Big Box REIT plc and Tesco PLC.

Committee membership

- Audit (Chair)
- Remuneration
- ESG & Safer Gambling

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.

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	Nominations Committee	Remuneration Committee	ESG & Safer Gambling Committee ³
Chris Bell	8/8	4/4		4/4	4/4	4/4
Chew Seong Aun ¹	4/4					
Steven Esom	8/8	4/4		3/4 ⁴	3/4 ⁴	
Bill Floydd	8/8		9/9			
Susan Hooper	8/8			4/4	4/4	4/4
Katie McAlister ²	1/1			1/1	1/1	1/1
John O'Reilly	8/8		9/9			3/4 ⁵
Alex Thursby	8/8		9/9	4/4		4/4
Karen Whitworth	8/8	4/4			4/4	4/4

- Chew Seong Aun was appointed to the Board on 10 December 2020.
- Katie McAlister was appointed to the Board on 28 April 2021.
- Renamed the ESG & Safer Gambling Committee on 28 April 2021.
- Steven Esom was unable to attend one Remuneration Committee meeting (although he was able to participate in the private meeting beforehand) in relation to which Chris Bell (as Senior Independent Director) took the chair and one Nominations Committee meeting in June 2021 due to a medical procedure that was arranged on short notice.
- John O'Reilly was unable to attend one Safer Gambling Committee meeting as a result of attending a funeral.

Unlocking our growth potential

A year in review

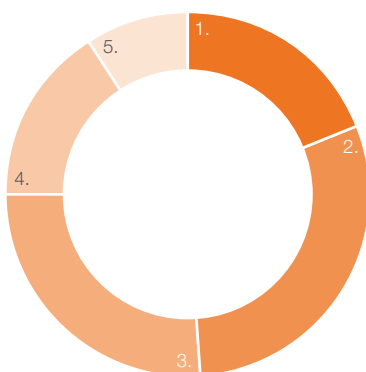
Through an extraordinary year, the Board was keen to ensure that its focus on the ongoing transformation and sustainability of the Group did not wane. The Board recognised that to continue to unlock the Company's growth potential, it was essential to emerge from the pandemic with a clear plan to get back "on track" and continue to build on the progress made prior to the lockdowns. It was also keen to retain its focus on adopting a truly customer-centric approach to its decision-making. This is reflected in the Board's activities this year, which focused primarily on liquidity/cash management and performance, and also on the new transformation and strategy plans. Other key topics were regulatory developments and ESG.

Strategy day



Time on Board activities

1. Business Reviews **19%**
2. Financial **30%**
3. Transformation & Strategy **26%**
4. Governance & Investor Relations **16%**
5. Regulatory & Risk **9%**



The Board recognised that to continue to unlock Rank's potential it needed to emerge from the pandemic with a clear plan to return to growth. It approved the reset of the transformation programme, Transformation 2.0, and its alignment with the Group's longer-term strategy



£1bn

The Board's discussions centred on a revised three-year plan, presented by management, to achieve £1bn net gaming revenue by financial year 2022/23

In early March 2021, the Board met for its annual strategy review. This year, the meeting was held remotely over two days due to COVID-19 restrictions. The discussions were split between Transformation 2.0, which was the core topic for the first day and the Group's wider strategy, which was the core topic for the second day.

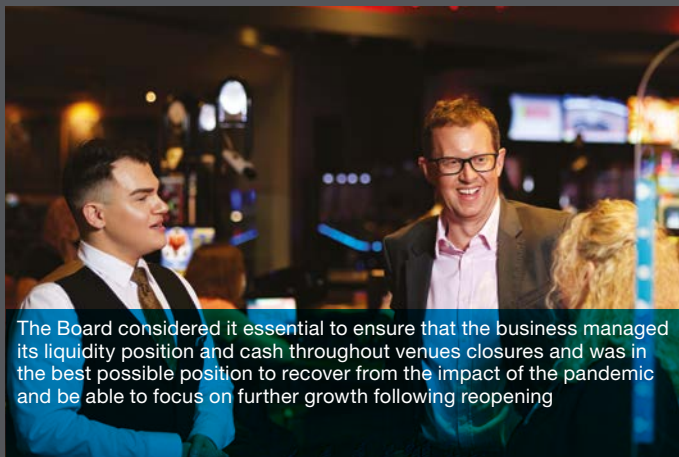
Transformation 2.0

The Board's discussions centred on a revised three-year plan, presented by management, to achieve £1bn net gaming revenue by financial year 2022/23. The plan focuses on a smaller number of more significant and focused initiatives than Transformation 1.0 and aims to place Rank in the best position for growth and maximise shareholder value, as COVID-19 restrictions ease. The Board was keen to ensure that the progress from Transformation 1.0 was not lost and also acknowledged that the new plan will need to continue to evolve and adapt according to changes in customer needs and behaviours coming out of the pandemic. The day itself comprised presentations and discussions covering the seven revised workstreams areas, namely (i) Grosvenor venues, (ii) Mecca venues (iii) omni-channel, (iv) digital, (v) Enracha venues, (vi) organisational capabilities and (vii) safer gambling. The Board discussed how the views of Rank's key stakeholders had been considered in the development of the workstreams. It considered how customer insight underpins the proposed initiatives and the importance of suppliers and colleagues (particularly in terms of talent within the business) to delivery. The Board was keen to ensure that whilst safer gambling remains a separate workstream, it continues to be embedded throughout all the workstreams and that plans are capable of being adapted as the requirements of regulators might change. Further to the discussions, the Board formally approved the Transformation 2.0 plan.

Strategy

The Board's discussions sought to refresh the thinking behind Rank's strategic pillars with a view to unlocking further growth. It concentrated on four key areas that sit across all the pillars, namely (i) Mecca brand and proposition, (ii) Grosvenor brand and proposition, (iii) omni-channel roadmap and (iv) technology. Within each area, the Board focused on Rank's customers, considering how the customer base might shift over time and what that means for the evolution and potential growth of each area of the business. Customer data and research from considerers and current customers informed the discussions. The Board also considered the critical macro trends facing the gambling industry, particularly in the UK, and Rank's positioning from an international perspective. Members of senior management joined the Board to contribute to the discussions. Following the strategy day, the key points were considered further by senior management, both in terms of actions and priorities, with a refreshed five-year strategy presented to the Board at its next meeting to be discussed going forwards on an ongoing basis by the Board, alongside progress against the new Transformation 2.0 plan.

Financial management and liquidity



The Board considered it essential to ensure that the business managed its liquidity position and cash throughout venues closures and was in the best possible position to recover from the impact of the pandemic and be able to focus on further growth following reopening

Inevitably a significant amount of the Board's time during the year under review was spent assessing the liquidity of the Company. The immediate concern at the start of the financial year was that Rank's UK venues were still not permitted to reopen. The Board considered at length the discussions that had been taking place with Government (directly and via industry bodies) in respect of reopening, with the Group's relationship banks in respect of covenant requirements and enhancing the Group's liquidity position and internally in respect of ongoing cash management. In August 2020, the Board approved revised temporary banking covenants that replaced the normal tests with a minimum liquidity test and associated restrictions.

The Board received regular updates on performance as venues reopened over the summer of 2020 and considered the impact of localised closures, curfews and capacity constraints. It also considered the risk of a further national lockdown. The impact of the 10pm curfew applied to the Grosvenor casinos business and prospect of further lockdowns over the winter in particular caused the Board to consider again its funding options. It determined to proceed with an equity raise of approximately £70m together with sale of the Belgian business for £25.2m (a process that was already underway) and extension of the previously negotiated covenant waivers to March 2022. The sale of the Belgian business to Kindred plc was announced at the end of October 2020 (and completed in April 2021) and the covenant waivers and equity raise were achieved in early November 2020.

The Board continued to monitor cash flows and the position on headroom through the further national lockdown that commenced in January 2021. It continued to consider all the potential options available to it for further funding if required. Notwithstanding the announcement of 17 May 2021 for the reopening of venues, in light of the ongoing uncertainties around reopening and impact of other potential restrictions, and in order to provide further comfort against the risks in the Group's downside models, in June 2021 the Board approved entering into a new two-year £25.0m revolving credit facility agreement with Lloyds Bank Plc.

Regulatory developments



Regulatory change brings risk and opportunity and the Board considered both on a regular basis throughout the year with a view to ensuring that the business is well-positioned to meet its growth ambitions in a sustainable and responsible manner

The pandemic precipitated an elevated level of regulatory activity and requirements, overseen by the UK Gambling Commission ('Commission'), with a particular focus on delivering enhanced player protection for customers across digital platforms. We have worked closely with our industry peers to deliver these requirements. The Commission has continued to review many of its player protection policies and regulations, often mandating more stringent requirements of operators.

During the year, the Board received regular updates from the Chief Executive and the Group General Counsel & Company Secretary on matters relating to, and correspondence received from, the Commission. This included updates on the Daub Alderney Limited licence review, including the outcome of the Commission's review, the referral to and outcome of the Commission's Regulatory Panel hearing and decision to appeal to the First-tier Tribunal. It also examined the various reports published on the regulation of UK gambling, including the Commission's consultation on remote customer interaction, opened in November 2020, which focused on the issues of potential customer affordability checks, vulnerable person identification mechanisms and increased time management control for customers.

The Board also discussed and reviewed the progress and potential impact on Rank of the UK Government's widescale review of gambling legislation, announced in December 2020. It was provided with regular reports from the Chief Executive and the Director of Public Affairs who coordinated a programme of engagement with key stakeholders, including Parliamentary officials. The remit of the legislative review is far-reaching and represents potentially the most significant realignment of gambling laws since the passage of the Gambling Act 2005. Issues under scrutiny include customer affordability, consumer redress, gambling advertising and sponsorship, online stakes and limits, and the legislative framework for land-based venues, with casinos specifically addressed. The Board was provided with an overview of Rank's own response to the Government's Call for Evidence along with Rank's contribution to wider industry contributions, including those of our principal trade bodies. The Board awaits the publication of the Government's White Paper, expected before the end of the 2021 calendar year, and the impact any such proposals will have on the business.

ESG



Understanding the views of all stakeholders and ensuring there is reflection on broader environmental, social and governance responsibilities, whilst retaining a clear commitment to safer gambling, was recognised by the Board as being essential to Rank's growth plans

The Rank Board approved the establishment of a safer gambling committee in March 2016. Since then, Rank has made great strides in improving the flow of information to and from the Board and ensuring that there is engagement throughout the Company at all levels, on this most important of subjects. Nevertheless, the Board and management have become increasingly aware of the need to reflect more widely on Rank's broader environmental, social and governance ('ESG') responsibilities and report on the Group's ESG performance as a whole, without diminishing in any way Rank's commitment to and focus on safer gambling. Further to this, during the year, the Board determined to expand the existing Safer Gambling Committee to incorporate wider ESG matters and so be renamed the ESG & Safer Gambling Committee as explained in more detail on page 102. In making this decision, the Board considered: (i) the growing contingent of our investors expecting to see environmental, social and governance matters embedded within our strategy, (ii) the views of current and prospective colleagues and customers and other persons in the communities that we serve to "do more" and be a better corporate citizen, (iii) the

position of our regulators as regards social responsibility and the ongoing desire to reduce gambling-related harms, (iv) our suppliers, who are becoming increasingly concerned with ESG issues, including climate change, sustainable sourcing and ethical trading, and (v) the need to minimise our impact on the environment and ensure that we do not contribute any further to the climate crisis.

The Board also received an overview of the work of Buchanan Communications Limited ('Buchanan'), which was engaged by the Company to provide it with greater insight into stakeholder perceptions regarding material ESG-related risks and opportunities and whose work is ongoing. Please see page 44 for further details.

The expanded and renamed ESG & Safer Gambling Committee will provide focus and oversight of the new ESG programme being developed following Buchanan's initial work and with its ongoing assistance, in which safer gambling will remain a core component.

Nominations Committee Report



Alex Thursby
Chair

Dear shareholders

I am pleased to present the Nominations Committee Report covering the work of the Nominations Committee ('Committee') during the 2020/21 financial year. It has again been a busy year for the Committee, with a number of changes to the Board and its Committees and to the Executive Committee. We have continued to focus on succession planning, our inclusion and diversity strategy and evaluation of the Board's composition, skills and experience, as set out in this report. We have also inevitably considered the impact of COVID-19 on the business and will continue to have regard to its ongoing impact during the forthcoming year. It is clear, however, to the Committee that as we emerge from the pandemic, and are again able to focus on our transformation, the need to oversee the development of a diverse pipeline for succession for the Board and senior management, with the right skillsets and ability to work effectively with each other, is ever-important to achieving our growth ambitions.

Non-Executive appointments

During the year, there were two new appointments to the Board and one retirement.

Katie McAlister was appointed as an independent Non-Executive Director of the Board on 28 April 2021 for an initial term of three years and subject to election at the forthcoming Annual General Meeting ('AGM'). Katie became a member of the Remuneration, Nominations and Safer Gambling (now ESG & Safer Gambling) Committees on her appointment. She brings over 13 years of digital and marketing experience to the Board and expertise in digital transformation and business change programmes.

Committee membership and attendance

	Appointed to Committee	Attendance
Alex Thursby (Chair)	August 2017 ¹	4/4
Chris Bell	July 2015	4/4
Steven Esom	March 2016	3/4 ²
Susan Hooper	September 2015	4/4
Katie McAlister	April 2021	1/1

1. Alex Thursby took over as Chair in October 2019.
2. Steven Esom was unable to attend one scheduled Committee meeting as a result of a medical procedure that was arranged on short notice. He attended all other Committee meetings during the year.

Other attendees

Group General Counsel & Company Secretary

Additional meetings were convened twice during the year to consider the notification received from the majority shareholder of Tang Hong Cheong's retirement and its proposal that Chew Seong Aun be appointed as its representative in his place and to provide its final recommendation to the Board of the appointment of Katie McAlister. 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 of 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 Chew Seong Aun and Katie McAlister
- Continued to monitor diversity initiatives under the Inclusion and Diversity Strategy, including specific initiatives introduced in light of COVID-19
- Monitored succession planning at a Board and Executive Committee level

Unlocking our growth potential

Appointment of Katie McAlister

Establishing role requirements

The Committee had, the previous year, considered the tenure of its Board Directors and conducted a detailed review of their skills and experience. Further to such review, it identified a desire to appoint a new non-executive director specifically with digital and digital transformation experience gained in a consumer-facing business, and to do so during this financial year.

Identifying candidates

The Committee was particularly mindful of the need to meet the skill requirements, the independence of the appointee and a desire to continue to promote diversity on the Board. It determined on this occasion not to engage external headhunters to assist with the search, unless deemed necessary at a later stage in the process. This was on the basis that it did not feel there was a need to make an urgent appointment and the requirements were so specific that a more targeted approach was felt to be more appropriate, which involved the Chair from the very start, considering all the prospective candidates and reviewing them against the role requirements for the long list.

The long list of candidates was drawn up from three sources, namely (i) referrals from Board members, (ii) direct sourcing work undertaken by the Human Resources Director and (iii) referrals from professional services advisors. 40 prospective candidates were reduced to a long list of 13. This was further reduced to a shortlist of four, who participated in a first-round interview stage.

Process

This first round comprised two meetings for each individual on the shortlist held with (i) the Human Resources Director and the Chair and (ii) Committee members, Chris Bell and Susan Hooper. Two candidates were then progressed to a second round final stage, which comprised three interviews with (i) Chew Seong Aun, (ii) John O'Reilly and Bill Floydd and (iii) Steven Esom and Karen Whitworth, so that each of the final two candidates was interviewed by every member of the Board.

Appointment

The Chair gathered and assessed the feedback and presented a recommendation to the Committee members that Katie McAlister was the preferred candidate. The Committee agreed with this view and confirmed that the Chair should make a recommendation to the Board that Katie McAlister be appointed. References were completed before the final decision was made to proceed with the appointment.

Induction

Katie McAlister participated in a tailored induction programme upon her appointment to the Board to gain insight into the Group:

Area	Briefed by	Matters covered
Governance and investor relations	Chair, Group General Counsel & Company Secretary and Director of Investor Relations & Corporate Communications	Board and committee composition and corporate governance overview, investor relations and corporate communications
Business and strategy	Chief Executive and each member of the Executive Committee	Management structure, operations and strategy across the Group, including transformation, digital, marketing, innovation and omni-channel, IT, governance and employee interests
Regulations	Group General Counsel & Company Secretary and Director of Public Affairs	Gain a deeper understanding of the compliance framework at Rank, broader gaming industry regulation, the Group's relationships with Governments and regulators and emerging risks and opportunities
Remuneration	Chair, Remuneration Committee Chair and key executives	Gain an understanding of remuneration matters particularly in light of COVID-19
Succession planning and inclusion and diversity	Chair and Human Resources Director	Approach to succession planning and the strategic approach to inclusion and diversity
Finance and risk	Chief Financial Officer, Audit Committee Chair and key executives	Gain an understanding of the Group's financial position and the key risks and challenges for the Group, particularly in light of COVID-19 and so as to understand in more detail the impact of COVID-19 on the Group
Site visits	General Managers	A series of site visits to see the business and our competitors in action, which included direct experience of our customer journeys and gaming products

Chew Seong Aun was appointed as a Non-Executive Director on 10 December 2020 for an initial term of three years and subject to election at the forthcoming AGM. Seong Aun is Executive Director and Chief Financial Officer of Guoco Group Limited ('Guoco') (please see page 134 for more information about Guoco) and brings a wealth of financial and commercial experience to the Board. In considering his appointment, the Committee noted that he will continue to enhance the good communication established between Rank and its majority shareholder. Seong Aun's appointment was proposed by the majority shareholder for consideration by the Committee and then the Board following the notification and announcement of the retirement of Tang Hong Cheong on 8 December 2020 (and who subsequently stepped down from the Board on 10 December 2020).

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.

Board composition and succession planning

Board composition

During the previous year, as part of the Committee's work on Board composition and succession planning, it was identified that there was a skills gap on the Board in relation to digital. During the year under review, a process was conducted for the appointment of a new independent non-executive director to address such gap, which led to the appointment of Katie McAlister in April 2021 as set out on page 89.

Further to this year's review of the Non-Executive Directors' skills, the Committee concluded that the Board has the necessary mix of skills, knowledge and experience to fulfil its role effectively. 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, the Committee remains committed to keeping this under review, particularly in light of the need to regularly refresh membership and focus on post-COVID recovery and the reinigorated transformation plan.

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

The composition and chair-ship of the Board's Committees are considered annually and have been reviewed during the year, as has the composition of the Executive Committee. I can confirm that the Committee is satisfied that the Board, its Committees and the Executive Committee are appropriately composed.

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 and the impact of the COVID-19 pandemic on the business. 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 report on corporate governance in the UK, Investor Association expectations for 2021, reporting issues in light of COVID-19 and changes to climate change reporting, and from the Group's auditor on matters such as the BEIS consultation and new ISA considerations.

Succession planning

Succession plans are maintained for the Board, Executive Committee and other senior leadership positions, which were reviewed by the Committee.

During the year, Eitan Boyd moved to the newly created role of Chief Innovation Officer to drive the development, assessment and introduction of new initiatives across the business and focus on new growth vectors and Jon Martin was appointed as Rank Interactive Managing Director. Jon Martin was appointed following a search process managed by the Chief Executive and the Human Resources Director, with the assistance of external search agency Audeliss. A diverse group of candidates was considered, with the initial long list being reduced to one internal candidate and seven external candidates, who were interviewed by the Chief Executive and Human Resources Director. This list was then reduced to one internal candidate and two external candidates who were then interviewed by the Chief Financial Officer and the Chief Transformation Officer. The Chief Executive and Human Resources Director collated and considered the feedback and the Chief Executive discussed such feedback with the Board. The Chief Executive's proposal to appoint the internal candidate, Jon Martin, was supported by the Board. It was acknowledged that such appointment did not move the dial from a diversity perspective, but that it was in line with the Company's diversity policy as set out below.

Across the broader senior leadership, successful succession planning was demonstrated by a number of promotions during the year, including the Director of Tax and Director of Information Security.

During the year, the Committee determined those areas of the succession plans that will require further focus for the forthcoming year and this is reflected in the outcome of the Committee evaluation process as set out on page 92.

Board and senior management diversity

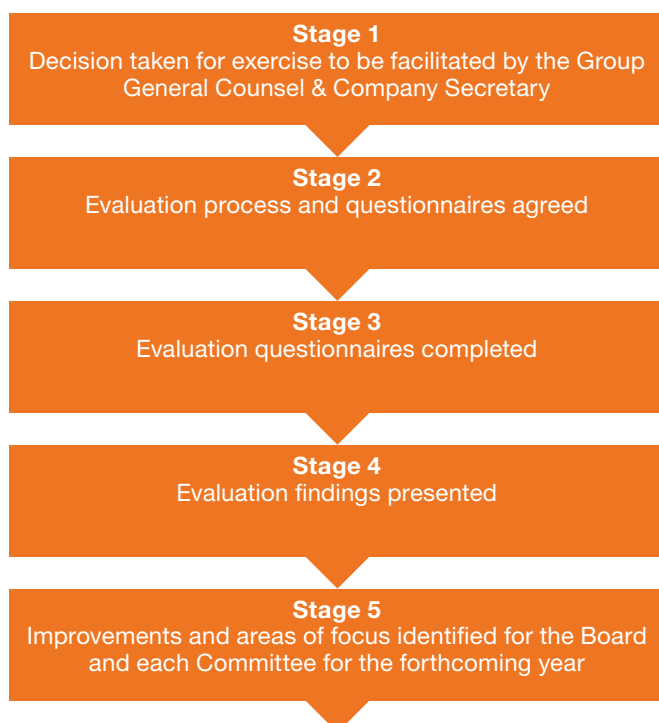
We recognise that to be a successful Company and achieve our strategic goals, Rank must be both inclusive and diverse. Such recognition must be reflected throughout the organisation, including on the Board, and I am pleased to report that women now comprise a third of our Directors and the Board meets the recommendations of the Parker Report.

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 such review is set out below, together with progress against last year's Board actions and outcomes from this year's evaluation.

Process for 2020/21 review

Given that an externally facilitated evaluation was held in 2019, it was determined that the process for this financial year would be facilitated internally. The following process was followed for the 2020/21 evaluation:



The results and recommendations from the evaluation in respect of the Board and each Committee were circulated to all Directors and presented to and discussed at the relevant Board/Committee meeting. The areas of focus for the Board is set out below and the areas of focus for each Committee is set out in the respective Committee reports, including on page 92 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 and the Chief Executive and the Chief Financial Officer did the same as part of the Chief Financial Officer's performance review. The Senior Independent Director combined responses to the exercise with feedback from separate discussions he 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 2019/20 actions

Agreed actions	Progress made in 2020/21
Strategy and transformation post-COVID-19	At the March strategy day (see page 85 for more information), the Board approved the Transformation 2.0 plan, which takes into account the impact of COVID-19 on the business. The strategy was also discussed at that time, and again revisited by the Board in June 2021 further to the outcome of this year's review (see below).
Focus on customer insight and data analytics	The Board received more detailed information about customer insights and data within the papers and presentations received during the year, enabling this to form a greater part of its discussion and challenge.
Culture and behavioural oversight	The Board agreed to expand the remit of the Safer Gambling Committee to include ESG more broadly, but without wishing to diminish in any way the need to focus on safer gambling. The Board considered the need to revisit its approach to wider workforce engagement once the venues had reopened.
Board papers	The Chair and the Chief Executive discussed the format of papers and presentations so as to ensure that the approach taken continues to enable discussions to focus on the key matters.

Outcomes from 2020/21 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** – management was asked to present a revised five-year strategy to the Board for approval, which it is noted happened prior to the year end, and provide ongoing updates as to progress, with oversight of execution from the Board.
- 2. Workforce engagement** – it was agreed that the Board would review data from the annual Employee Opinion Survey and any other Pulse surveys to be conducted during the forthcoming year and then oversee actions to be taken as a reflection on the results. It was also agreed that, following the reopening of the venues, Non-Executive Directors would increase their visits and the workforce engagement programme should be developed further with the aim of achieving an increased level of engagement at all levels and across all channels.
- 3. Managing talent, generally and more specifically from a diversity and inclusion and remuneration perspective** – acknowledging that aspects are delegated to the Nominations and Remuneration Committees respectively, the Board considered that it should conduct a more detailed review during the forthcoming financial year of the overall approach to talent management.
- 4. ESG** – following the expansion of the remit of the Safer Gambling Committee (to the ESG & Safer Gambling Committee), it was agreed that the Board would approve a new ESG strategy and provide oversight for and ensure delivery of actions against objectives.

As at 30 June 2021, 33.33% of the Board was female (33.33% at the date of this report), 20% of the Executive Committee (20% as at the date of this report) and 34.78% of management-level direct reports to the Executive Committee (34.78% 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 51 of this report. The Committee is mindful that further work is required in particular as regards BAME and female representation on the Executive Committee.

Our policy at all levels is to recruit the best candidate having regard to the skills and experience required, but with a mind to diversity, including gender and ethnicity and the Committee receives data so that it can monitor the same.

Alongside this, we also consider performance against the Company's inclusion and diversity strategy, which emphasises the desire to achieve a diverse workforce across all grades and 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 pages 50 to 51.

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 2019/20 review

Agreed actions	Progress made in 2020/21
To ensure that succession plans for the Chief Executive and Chief Financial Officer, as well as the wider Executive Committee, continue to be developed	Presentations were received from the Human Resources Director on the existing plans and debated by the Committee. The Committee was comfortable that sufficient focus had been given to this area, but recognised that the plans need revisiting during the forthcoming year to ensure that internal and external talent is effectively identified to address current and future potential gaps.
To ensure even greater focus on, and evaluation of, actions in relation to inclusion and diversity	The Committee considered the actions taken under the inclusion and diversity strategy and welcomed the progress made against each of the four aims, but considered that more work was needed to enable a more in-depth evaluation to take place and this was reflected also in the outcome of this year's review (see below).

Agreed actions	Progress made in 2020/21
To develop its thinking in relation to succession planning and diversity further in the context of strategy post-transformation	In light of the impact of COVID-19 on the Company, this turned into a consideration of succession planning and diversity as the business emerges from the pandemic. The Committee noted the potential impact of the pandemic on female colleagues in particular and that this should be reflected in revisited objectives for the forthcoming year.

Outcomes from 2020/21 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 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.
2. 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.
3. 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.

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



Dear shareholders

I am pleased to present the Audit Committee Report for the 2020/21 financial year. This report provides an insight into the activities undertaken or overseen by the Audit Committee ('Committee') in what has been an unprecedented year.

The COVID-19 pandemic has caused substantial ongoing disruption to the Company and, whilst the role and responsibilities of the Committee during the year have not changed, we have adjusted the ways that we work and provide oversight, adopting a more flexible approach to reflect changes in risks and priorities throughout the year.

As part of our work on going concern and viability the Committee reviewed numerous financial models (including downside scenarios) to consider headroom for financial year 2020/2021 and beyond. We took time to understand and challenge, where necessary, significant judgements and assumptions in the modelling, considered current (and future use of) funding arrangements and available Government schemes such as the Coronavirus Job Retention Scheme ('CJRS'), post lockdown trading versus assumptions, and monitored the work of management and ongoing discussions with the external auditor. The Group took several steps during the year in securing additional liquidity in response to the challenges presented by the pandemic and to ensure financial stability going forward. This included obtaining covenant waivers in August 2020 to temporarily replace the normal tests with a minimum liquidity test for September 2020, December 2020 and March 2021, which formed part of the Directors' going concern assessment ahead of the prior year's announcement of results. In November 2021, alongside the completion of an equity raise, the Company announced the extension of the waivers to March 2022. More detail on the financing work undertaken during the year can be found on page 57 and 86 and on going concern and viability on pages 69 to 71.

Committee membership and attendance

	Appointed to Committee	Attendance
Karen Whitworth (Chair)	November 2019	4/4
Chris Bell	June 2015	4/4
Steven Esom	March 2016	4/4

Other attendees

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

One additional meeting was convened during the year to finalise the 2020/21 year end going concern position in light of the impact of COVID-19, in particular on Rank's ability to open its venues. The Committee met separately during the year to discuss matters without management present. Each of the external auditor and the Director of Internal Audit were provided the opportunity at each meeting to discuss any issues 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 also acts as secretary to the Committee.

Key activities during the year

- Incorporated the impact of venue closures and the ongoing effect of the pandemic into going concern and viability models and key judgements
- Re-assessed ongoing and emerging risks as restrictions on venues changed over the course of the year
- Considered how the Company adapted its internal control environments over the year, in particular as colleagues were furloughed and then returned to work
- Amended the internal audit plan for the year as necessary in light of the impact of the pandemic on the business

Despite the severe disruption to the business, as a Committee we continued our work on the essential oversight of internal control (more detail of which is set out below) and risk management systems. Detailed discussions took place on how the business' risks changed over the course of the year with the Committee receiving regular updates on the work of the Risk Committee and, in particular, the approach taken to closures and reopening of our venues, where this increased risk within the business and how such risks were mitigated. Details of our principal risks can be found on pages 61 to 68.

Other key matters considered by the Committee during the year included assessing and approving management's approach to separately disclosed items ('SDIs') and impairments, its approach to accounting for the equity raise conducted in November 2020 and the Belgian sale that completed in April 2021 and the treatment of the potential outcome of the Daub Alderney Limited licence review process. In leading up to the publication of the Annual Report, one of the Committee's key responsibilities was to consider and report on the significant risks and issues in relation to the financial statements, and how these should be addressed. The going concern and viability statements, treatment of SDIs, the impairment review, taxation and contingent assets and liabilities have been identified as significant matters for 2021, and our formal position on these issues, is set out on pages 96 and 97 of this report.

Governance

All members of the Committee are independent Non-Executive Directors and we 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 83. 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.

Internal controls

The Board has overall responsibility for the risk management framework, as explained further on page 60. 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:

- **COVID-19 response:** We considered the processes and controls in place to manage Group finances during the year in light of the impact of COVID-19 on the business, as well as the provisions in place around funding options to ensure the Group's cash flow requirements were met. We also monitored management's response to the pandemic from an operational perspective, such as appropriate use of the CJRS and adherence to COVID-19 specific laws and regulations and Government safety measures.

- **Enterprise risk management:** We continued to consider 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 on such risks and the management of the same. The Group's principal and emerging risks are set out on pages 61 to 68.
- **Regulation:** Reflective of the regulatory environment in which Rank operates, and with an added emphasis on 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, updates on material regulatory matters, taking account of correspondence from and guidance issued by regulators (including COVID-19 specific guidance), and reviews of progress made on areas requiring improvement.
- **Integration:** Following completion of the acquisition of Stride Gaming plc ('Stride') in October 2019, we continued to consider the approach being taken to integration from an overall risk perspective.
- **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 is available on www.rank.com.
- **Information security and data privacy:** 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, consideration of the Group's cyber security risk programme, updates on trends relating to data compliance further to the Group's monitoring programme and consideration of the impact of Brexit on the transfer of data for Rank.
- **Health and safety:** We considered during the year ongoing health and safety projects for the venues estate. Particular attention during the year was given to the business' COVID-19 risk assessments, the measures put in place in relation to the closing and reopening of venues during the year and the results of procedure compliance checks undertaken by the health & safety team, assisted by internal audit, once venues were reopened.

The key areas of focus for the Committee during 2021/22 in relation to internal controls will be:

- **Regulatory and compliance:** Oversight of the appropriateness and operation of the framework of controls over the venues and digital businesses, in particular around key areas of current regulatory focus, such as anti-money laundering, safer gambling, high-value customers and marketing;
- **Technology operations:** Assurance that resilience measures are appropriate and in place in order to ensure that key risks are being actively managed and monitored by management, with a particular focus on cyber;
- **Finance:** Assurance that appropriate processes and controls are in place to manage our Group finances (including controls to prevent fraudulent activity) as well as the provisions in place around funding options to ensure the Group's cash flow requirements are met. Consideration will also be given to any stress testing to ensure that the Group has appropriate contingencies in place in light of the ongoing impact of COVID-19 on the business;
- **Integration:** Ongoing oversight and review of the integration approach being adopted and the management of key risks in order to achieve a successful integration outcome for the Stride business, with a particular focus on controls in the acquired overseas offices; and
- **Corporate operations:** Assurance that newer controls in payroll and venues food and beverage, for example, are embedded and existing controls remain appropriate and effective following the reopening of the venues, and ongoing monitoring of management's adherence to government safety measures relating to the COVID-19 pandemic.

Internal audit

The Group's internal audit function forms the primary source of internal assurance 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. Each year, the Committee reviews and approves the internal audit plan and receives reports from the Director of Internal Audit which are reviewed at each meeting. 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: table gaming, food and beverage, payroll, regulatory assurance work and a limited number of individual venue audits (due to venues being closed for a significant proportion of the year). This was a reduced programme that was adapted on a prioritised basis during the year, with the approval of the Committee, as a result of the impact of COVID-19 on the business, namely the closure of the venues for a large proportion of the year and furloughing of colleagues. In addition to the above, the internal audit team also assisted with COVID-19 procedure compliance checks upon the venues reopening.

Corporate audits that were not able to be completed during the 2020/21 financial year have been included in the plans for 2021/22. For venues audits, the review cycle has been extended to take account of the closures. Inevitably, the risk within the venues business during lockdown was low.

We commenced an external quality assessment of the internal audit function during the year (which had been placed on hold the previous year when the venues first closed) with a tender process. However, this review was again placed on hold due to the venues closures at the start of 2021. It is anticipated that it will proceed in the next financial year.

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 pages 96 and 97. 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 140 to 148.

Going concern and viability statement

The Directors must determine that the business is a going concern for the 12-month period up to 31 August 2022 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, particularly the downside scenarios modelled in the viability statement, in light of the COVID-19 pandemic.

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 69 and 70. 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 69 to 71.

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, 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 concluded that no impairment charge be recognised. Further details are disclosed in note 14 on pages 178 to 181.

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 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 the accounting and disclosure for any potential non-compliance.

The Committee reviewed and agreed the accounting for the CJRS in 2019/20 and received updates on the quantum and timing of claims on an ongoing basis throughout the year. An independent review of the Group's process for claiming CJRS was carried out during the year to provide additional comfort that claims made by the Group were timely and accurate.

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 also 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 from 2006 to 2013 at the First-tier Tribunal as a contingent asset.

The Committee considered that management's best estimate of tax liabilities is appropriate.

Contingent assets and liabilities

In determining the accounting treatment of potential assets and liabilities, management has applied judgement in assessing the probability of the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

The Committee received updates throughout the year from management, incorporating legal and professional advice as appropriate, on the accounting treatment for potential assets and liabilities in relation to disclosure or recognition. The Committee was of the view that management has appropriately treated all such items in the financial statements. In particular, the Committee concurred with management's view that Rank's successful VAT claim on slot machines income from 2006 to 2013 at the First-tier Tribunal legal case should be treated as a contingent asset. Details of all such items are included in note 33.

Fair, balanced and understandable

One of the key compliance requirements of a group's financial statements is for the Annual Report to be fair, balanced and understandable. The coordination and review of Group-wide contributions to the annual report 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 is drafted by the 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, and with an additional focus on considering the impact of COVID-19 on the Company during the year;
- 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.

This approach enabled the Committee, and then the Board, to confirm that the Company's 2021 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.

External auditor and the external audit

Ernst & Young LLP's ('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 subsequently at the 2020 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 140 to 148.

In order to assess the effectiveness and independence of the external auditor, 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 £3,000. Rank is satisfied that the objectivity and independence of the audit partner and the audit engagement team have not been compromised by the fees paid for the non-audit work undertaken by EY. 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 2019/20 review

Agreed actions	Progress made in 2020/21
To review and monitor the effectiveness of the internal audit function and complete the intended internal audit effectiveness review	The tender process for the intended internal audit effectiveness review commenced during the year but was placed on hold due to the further national lockdown and venues closures at the start of 2021. As mentioned above, the review is anticipated to proceed during the 2021/22 financial year.
To continue to provide regular feedback to the external audit partner, to simplify papers and to consider whether there are different ways in which to challenge and consider the work being completed by the external auditor	The Committee Chair and the Chief Financial Officer have regular meetings with the external audit partner and such meetings include a review of ways of working.
To ensure that the Group's corporate risk register undergoes more regular review and challenge by the Committee (particularly in light of the ongoing impact of COVID-19 on the Company)	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 2020/21 review

This year's Committee evaluation exercise, facilitated internally by the Group General Counsel & Company Secretary (following use of an external provider in 2019), concluded that the Committee continues to operate effectively. Having considered the findings, we agreed that our focus for the forthcoming year should be:

1. undertaking a review of, and developing further, the risk management framework and ensuring that there is a further focus on emerging risks (including as regards people);
2. focusing on ways of working and developing further the relationship with the external auditor; and
3. continuing to ensure that the Committee is able to focus on the key areas of risk and on which to challenge management.

We are also mindful of the proposed audit market reforms, including the Government's consultation "Restoring trust in audit and corporate governance". We will continue to monitor events during the forthcoming year and will take action as may be required and appropriate, following the outcome of the consultation.

In concluding this report, and particularly bearing in mind the disruption caused by COVID-19, on behalf of the Committee, 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 during what has been an extremely challenging year for the business.

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

2020/21 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 2020 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 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 2020/21 annual audit plan and acknowledged changes to such plan as a result of COVID-19.	B
	Reviewed the scope of audit coverage and approved planned work for 2021/22.	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 2019/20 annual results.	A
	Assessed the effectiveness of the 2019/20 external audit.	A
	Reviewed and approved the 2020/21 annual external audit plan and fee proposal.	A
	Considered the initial results of the 2020/21 external audit.	A
	Reviewed audit and non-audit fees incurred during 2020/21.	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 61 to 68).	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 2020/21.	A
	Reviewed feedback and recommendations following Committee evaluation.	A
	Reviewed internal financial controls.	A

Key

- A. Annual
- B. Biannual
- Q. Quarterly
- P. Periodically

Finance Committee Report



Alex Thursby
Chair

Dear shareholders

As indicated in last year's report, a decision was made to review the role of the Finance Committee ('Committee') and determine whether it was appropriate to continue with it as a separate committee of the Board. During this year, as we continued to deal with the ongoing impact of COVID-19 on the Company, it became apparent that the Committee does still have value, enabling critical issues to be elevated to this forum ahead of being presented to the Board and acting as a sounding board for the approach to be taken to financing and liquidity matters, and estate management in particular. The Committee also provided a helpful additional level of oversight for material projects and other approvals in accordance with the Company's delegation of authority. As a result, we concluded that the Committee should continue as it is, with the same membership, but with a further review of its terms of reference to take place during the coming year to ensure that its role continues to be just as relevant as we emerge from the pandemic.

Financing

During the year under review, the Committee focused in particular on supporting executive proposals on financing. This included considering the various financing options available to the Company at the start of the financial year, which ultimately led to the Board determining to proceed with the equity raise that took place in November 2020. It also included consideration of liquidity and financing options available to the Company following the national lockdown that commenced in January 2021, and the recommendation to the Board in July 2021 that it enter into a new revolving credit facility agreement with Lloyds Bank Plc as described in more detail on page 86.

Corporate matters

Within the Committee's responsibilities is the consideration of acquisitions and disposals within its delegated level of authority. It also considers such matters from time to time ahead of submission to the Board. During the year, the Committee considered the proposed sale of the Belgian business to Kindred plc ahead of such proposal being presented to the Board for approval. It continued to receive progress updates on the deal ahead of it being announced in October 2020 and the sale completing in April 2021.

Committee membership and attendance

	Appointed to Committee	Attendance
Alex Thursby (Chair)	October 2019	9/9
John O'Reilly	May 2018	9/9
Bill Floyd	November 2018	9/9

Other attendees

Group General Counsel & Company Secretary

Three additional meetings were convened during the year to consider, amongst other things, matters requiring urgent approval relating to financing, insurance renewals and approval of regulatory news statements (on authority delegated from the Board).

Role and responsibilities

The 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 ('MAR'), which came into force on 3 July 2016.

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. The Group General Counsel & Company Secretary acts as secretary to the Committee.

Key activities during the year

- Considered, explored and made recommendations to the Board on financing options in light of COVID-19
- Considered M&A opportunities and reviewed Group subsidiaries' structure
- Reviewed matters relating to key contracts within its delegated level of authority and estate management, which comprised matters specifically arising as a result of the impact of COVID-19 and consideration of recommendations for leases with upcoming exit options

During the year, the Committee also considered various matters relating to the Group's subsidiaries. In particular, we approved the sale and/or dissolution of certain non-trading overseas entities acquired following the acquisition of Stride Gaming plc in October 2019.

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. The process for such review is set out on page 91. 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 2019/20 review

The only key action from the 2019/20 review was to consider the role of the Committee within the Rank governance framework. As mentioned above, the nature of the matters referred to the Committee during the year led to the conclusion that the Committee continues to have an important role and it should be retained.

Outcomes from 2020/21 review

This year's Committee evaluation exercise, facilitated internally by the Group General Counsel & Company Secretary, concluded that the Committee continues to operate effectively. Having considered the findings, the Committee agreed that its focus for the forthcoming year should be to undertake a more detailed review of its terms of reference to refine and refresh them.

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

ESG & Safer Gambling Committee Report



Susan Hooper
Chair

Dear shareholders

I am delighted to have been asked to expand the existing Safer Gambling Committee to incorporate wider Environmental, Social & Governance ('ESG') matters. The Board is keen to ensure that the importance of safer gambling for Rank within a wider ESG framework is not diminished. It is essential that we retain focus on our customers in line with our purpose and strategy, but that we also ensure that all social and environmental issues are considered so as to enable our debate and challenge to remain relevant to all our stakeholders and the Group's activities. The expanded and renamed ESG & Safer Gambling Committee ('Committee') will assist Rank and our Board in doing so and provide focus and oversight of the new ESG programme, in which safer gambling is a core component.

The changes to the Committee were proposed at the end of the 2020/21 financial year and the new terms of reference for the Committee approved on 18 August 2021. Therefore, for this Annual Report, whilst I have set out below some further information about the role of the Committee for the forthcoming year, I am pleased to present a review of the work undertaken by the Committee in its previous form over the past year, as the Safer Gambling Committee.

Safer gambling initiatives

It has been a busy year, during which the Committee has welcomed the development of many new initiatives, and the continued focus on their delivery notwithstanding the impact of COVID-19 on the business. Safer gambling remains a distinct workstream within the Group's transformation plan, with colleagues encouraged on an ongoing basis to propose new initiatives for inclusion. Such initiatives remain primarily customer-focused to ensure that we continue to evolve our customer journeys to create a truly integrated approach to safer gambling, whilst delivering targeted improvements to benefit those players who need our support. The workstream is also used to track the implementation of changes resulting from new regulatory requirements, industry commitments and those introduced further to our own internal review and assessment.

Committee membership and attendance

	Appointed to Committee	Attendance
Susan Hooper (Chair)	July 2017	4/4
Chris Bell	March 2016	4/4
Katie McAlister	April 2021	4/4
John O'Reilly	May 2018	3/4 ¹
Alex Thursby	October 2019	4/4
Karen Whitworth	November 2019	4/4

1. John O'Reilly was unable to attend one scheduled Committee meeting as a result of attending a funeral.

Other attendees

Group General Counsel & Company Secretary
Director of Compliance & Responsible Gambling
Director of Public Affairs
Venues 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 also acts as secretary to the Committee.

Key activities during the year

- Reviewed and monitored delivery of initiatives under the safer gambling transformation workstream
- Considered matters specific to the reopening of venues following COVID-19 imposed closures, including training for colleagues on customer interactions in light of potential impact of COVID-19 on customers
- Reviewed the business' approach to assessing customer risk in digital
- Discussed Rank's contribution to developments across the industry, including responding to consultations, such as the affordability consultation and Call for Evidence, and the Government's Call for Evidence in respect of its review of gambling legislation
- Reviewed and advised on the Group's response to the Commission's Annual Assurance Statement, which was presented to the Board for approval prior to submission.

During the year under review, the Committee received regular updates on the development and delivery of new initiatives under the plan. These included:

- for venues – the roll out of ID Scan technology, the implementation of new functionality for Grosvenor's customer management system in venues to improve and enhance colleagues' ability to record and evaluate customer interactions, the trial of a new risk-based model to better identify potentially at-risk play in Grosvenor venues and the introduction of new machine time and loss limits and development of further real time assessments by product;
- for digital – a review of the approach to assessing customer risk from a more holistic and customer-centric perspective to provide improved customer journeys and identify those at greater risk at an earlier stage.

In addition, the Committee welcomed deep-dive presentations on specific areas, one such example being an overview of our new reward and high-value customer policy. A further example being how safer gambling was specifically considered as part of our venues reopening plans. Whilst the venues were closed, we took the opportunity to re-evaluate our approach to affordability. In addition, we considered further how to embed a safer gambling culture throughout the venues, engaging with colleagues more specifically on this subject and working towards an approach that challenges and motivates all colleagues to deliver for the business in a manner that is underpinned by our commitment to safer gambling. A detailed training programme that included both of these topics was put in place for colleagues as they returned from furlough ahead of reopening.

During the year, the Committee also received updates on measures implemented within the digital business further to the COVID-19 lockdown and reviews of the same. Such measures were a combination of those required by the UK Gambling Commission ('Commission'), commitments undertaken by the Betting and Gaming Council ('BGC') of which Rank is a member, and additional measures specific to our business that we determined to deliver the safest environments for our customers and colleagues. This included enhanced levels of safer gambling messaging delivered through various media, increased numbers of interactions with customers through more sensitive identification "triggers", and the delivery of renewed strict operating guidelines to affiliates.

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 to the Committee an overview of Rank's contribution to the Government's Call for Evidence in respect of its review of gambling legislation in the UK. The Committee continues to monitor stakeholder views and those of the industry and media on the review and notes that a Government White Paper is expected to be published towards the end of 2021. The Committee also considered the Commission's affordability consultation and Call for Evidence and Rank's response to the same. Our contribution encompassed the views of our customers, following a customer research exercise, as we strongly felt that it was important that the customer voice is represented in such matters. There were 13,000 responses to the Commission and this has resulted in the second phase of the consultation being delayed. The Committee will track output and ensure effective implementation of any regulatory changes arising from its results.

Rank's contributions to such Calls for Evidence and consultations have also extended to shaping the responses from the Casino Chapter within the BGC, the BGC itself and also the Bingo Association, all of which are important voices in respect of regulatory change.

We were also represented on the BGC working group that developed the industry code of practice for customer journeys that directs customers to relevant safer gambling information and support (which will be implemented by 31 August 2021) and continue to have representation on the games design working group and affordability working group.

Research, education, treatment ('RET')

Our RET contributions during the year were 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 three-year commitment to industry Safer Gambling Commitments. We are committed to maintaining the same level 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.

In relation to external training for colleagues in this area, Rank held seminars in January and February 2021 with the Gordon Moody Association ('GMA'). The sessions included presentations from Gordon Moody service providers as well as "experts by experience" to senior management from venues and digital with the aim of furthering colleagues' understanding of the work of the GMA and to receive feedback on ways that Rank can further improve its approach to safer gambling.

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 process for such review is set out on page 91. 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 2019/20 review

Agreed actions	Progress made in 2020/21
To continue to challenge the business to be pro-active and maintain the momentum of the current year in developing and implementing new safer gambling initiatives	Business updates developed further over the year to provide greater clarity on ongoing and new initiatives. Safer gambling remains a distinct workstream under Transformation 2.0 with initiatives refreshed during the year and tracked by the Committee, as well as presented to the Board as a whole.
To revisit its strategy in light of the progress made in the year	The Committee considered that it was more appropriate to expand the scope of the Committee to ESG and safer gambling and so develop a strategy to encompass both.
To continue to assess data reported to the Committee and the ways in which it is utilised within the business from the perspective of safer gambling	The Committee acknowledged that this is ongoing work, but the use of deep-dive presentations to the Committee during the year enabled greater understanding and challenge.

Outcomes from 2020/21 review

This year's Committee evaluation exercise, facilitated internally by the Group General Counsel & Company Secretary, 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 widen the remit of the Committee to encompass ESG more broadly, but without losing its focus on safer gambling; and
2. to consider and approve a wider ESG strategy and the priorities within that strategy to enable the Committee to assess delivery against it. These views were reflected by the Board as a whole and led to the expansion of the Committee as explained further below.

Expanded remit for 2021/22

Further to the Board's decision to expand the remit of this Committee to encompass ESG more widely, it will be incumbent on the Committee during the forthcoming year to provide rigour, support and challenge to the business as it analyses the output from the materiality assessment described on page 44 of this report and develops and implements a new strategy. The role of this Committee shall be to approve such strategy and then, amongst other things, provide oversight and monitor delivery of initiatives under such strategy against measurable targets and assessing the effectiveness of the strategy itself.

We have been briefed on the new requirements under Listing Rule 9.8.6R, which the Group is required to adopt (and will apply) from FY 2021/22, for UK premium listed companies to include a statement in their Annual Report setting out whether their climate-related financial disclosures are consistent with the recommendations of the Task Force on Climate-related Financial Disclosures ('TCFD'). The Committee is fully aware of, and will be responsible for ensuring that the Company complies with, its obligations in this regard.

Actions we will take in 2021/22:

- Approve the Company's ESG and safer gambling strategy and KPIs;
- Implement and start to assess our performance under such strategy; and
- Ensure that the Company reviews and reports on climate-related risks and opportunities, with a particular focus on the recommendations and recommended disclosures of the TCFD Report 2017.

In conclusion

Rank remains committed to providing a safe gambling environment for customers to enjoy the services that we offer. We are also committed to working 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. I am confident that the momentum within the business towards achieving a market-leading status in our approach to safer gambling continues.

Rank also recognises the importance of sustainability as a whole and is committed to the development and implementation of a new ESG strategy and the expansion of the Committee to encompass wider ESG responsibilities. On behalf of the Committee, I look forward to reporting on the further progress that will be made over the forthcoming year.

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

**Susan Hooper**

Chair of the ESG & Safer Gambling Committee

Remuneration Committee Report



Steven Esom
Chair

Dear shareholders

On behalf of the Board, I am pleased to present Rank's Remuneration Report for the year ended 30 June 2021 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 proposed amended remuneration policy ('Policy'), and our annual report on remuneration, which is presented in line with the existing remuneration policy approved at the Annual General Meeting held on 11 November 2020 ('Existing Policy'). This statement and the annual report on remuneration are subject to an advisory vote at the 2021 Annual General Meeting ('AGM'). The Policy is subject to shareholder approval at the 2021 AGM.

Overview of 2020/21

As mentioned earlier in this Annual Report, Rank has had a particularly difficult year in light of the impact of the COVID-19 pandemic and closure of, and restrictions on, our venues businesses for much of the year. This is very clearly reflected in the Group's underlying loss for 2020/21 of £84.5m. The Remuneration Committee's ('Committee') decision-making on the remuneration outcomes for Executive Directors, as set out below, has been shaped by the overall financial performance for the full financial year.

The Committee has been, and remains, mindful of investor views on executive remuneration both generally and in the current circumstances. We have also considered the ongoing need to incentivise, motivate and retain good management, and it is clear that a successful COVID-19 recovery would be in the best interests of shareholders and our employees. These considerations are reflected in the decisions of the Committee this year. As the key challenges and opportunities for our business become clearer during the forthcoming year, we will continue to ensure that management is, and remains, appropriately incentivised to achieve our strategic goals.

Committee membership and attendance

	Appointed to Committee	Attendance
Steven Esom (Chair)	March 2016	3/4 ¹
Chris Bell	June 2018	4/4
Susan Hooper	September 2015	4/4
Katie McAlister	April 2021	1/1
Karen Whitworth	November 2019	4/4

1. Steven Esom was unable to attend one scheduled Committee meeting as a result of a medical procedure that was arranged on short notice. He was able to attend the private meeting beforehand.

Other attendees

Chief Executive
Group General Counsel & Company Secretary
Board Chair
Human Resources Director

Additional meetings were convened on six occasions during the year to, amongst other things, finalise the rules, measures and targets for the 2020 LTIP Scheme, determine bonus targets and discuss the proposed new recovery incentive scheme. 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 2020/21 annual bonus and the 2020/21 LTIP award
- Considering the vesting of the 2017/18 four-year block award, which was heavily impacted by the pandemic and proposing the introduction of a new one-off recovery incentive scheme
- Continuing to keep wider workforce remuneration arrangements under review
- Reviewing the Chief Financial Officer's remuneration in light of his performance and as compared to the market

Base salaries

The Committee reviewed the Executive Director base salaries during the year. It had determined in 2020 to increase such salaries by 2.5% in line with overall increases intended to be awarded to the wider workforce. However, due to COVID-19, no such increases were implemented. During the year under review, this remained the position, save that as a result of a benchmarking exercise it was noted that the salary of the Chief Financial Officer was well below median for the role and not reflective of his performance.

Bill Floydd was appointed as Chief Financial Officer on 12 November 2018 and appointed to the Board on 1 May 2019. When Bill was originally appointed, we set his salary at £300,000 which was below that of his predecessor (£320,000) and below the market rate at the time of around £340,000 to £360,000. This reflected the fact that Bill had not been a CFO of a fully listed company prior to his appointment. He has now been with the business over two and a half years and based on both his performance to-date and the large gap between his salary (which has not changed since joining) and the market rate for his role, the Committee decided it was appropriate to increase his base salary with effect from 1 January 2021 to £350,000. The Committee considered whether in the light of COVID-19 it was appropriate to make the increase in one go and felt on balance that given the size of the gap to market it was imperative to do so. However, it should be noted that Bill himself elected not to accept such increase (and that the increase should not take effect) until such time that the majority of our venues reopened in May 2021.

In light of the impact of COVID-19 on the business throughout the 2020/21 financial year, as at the date of this report, it remains the case that no increase has been made to the Chief Executive's base salary. The Committee will consider a further review of Executive Director base salaries at the appropriate time during the forthcoming year.

As mentioned in last year's report, for the period from 1 April 2020 until 15 August 2020, the Executive Directors took a 20% reduction in base salary, with the same approach being adopted by all other Board members.

Pension

With effect from 1 January 2023, the Chief Executive's and Chief Financial Officer's respective payments in lieu of pension will be reduced from 10% of salary (less the lower earnings limit) (such 10% having been agreed under their service agreements when they each joined Rank) to the rate currently available to the majority of the UK employees (currently 3%).

2020/21 bonus

The annual bonus for the 2020/21 financial year was based on targets that reflected the position in which the Group found itself as a result of the pandemic. Overall, 85% of the maximum bonus opportunity available was payable to the Chief Executive and 90% of the maximum bonus opportunity was payable to the Chief Financial Officer, based on the formulaic outcome of the financial metric and the Committee's assessment of personal/strategic performance. However, taking account of the wider shareholder and colleague experience during the year as a result of the pandemic, the Committee and the Executive Directors agreed it was appropriate that no bonus be paid for the year. Further details on performance against targets are set out on page 123.

Vesting of 2017/18 LTIP (block award)

The 2017/18 LTIP award was a four-year block award covering a performance period from 1 July 2017 to 30 June 2021. It will vest in three tranches in October 2021 for the Chief Executive and November 2021 for the Chief Financial Officer, October 2022 and October 2023, subject to continued employment. The targets were ultimately based on performance in 2020/21, a year in which we were open in the UK for just 38% of available days (and even then impacted by curfew and social distancing restrictions). Therefore, notwithstanding the strong performance prior to the outbreak of the pandemic (further to which it had been anticipated that the level of performance would have resulted in vesting at between 70-80%), the impact of COVID-19 on the business has had a significant impact on the level of vesting and the awards to the Chief Executive and the Chief Financial Officer will vest at 6.1%. The 2017/18 LTIP block award is a major component of current executive remuneration and the Committee recognises the heavy impact of the pandemic on the otherwise expected remuneration outcomes for the Executive Directors.

Please note that in accordance with the 2013 Regulations, as the performance period finished on 30 June 2021 these awards are shown in the single remuneration figure for the two Executive Directors as having vested in full on 30 June 2021. This has the effect of recording the full vesting in the current year even though it is only accessible to the Executive Directors in accordance with a three-year vesting schedule, subject to continued service (as explained further on pages 124 and 125).

New Recovery Incentive Scheme and proposed new remuneration policy

Shareholders will recall that a new remuneration policy was approved at the 2020 Annual General Meeting under which a new annual LTIP was introduced. The new 2020 LTIP granted shortly thereafter will not vest until late 2023 with a further two-year holding period before any benefits can be realised. Taken together with the low vesting of the 2017/18 award set out above, the Committee remains concerned about the retention risks of the two Executive Directors. It is one of our top priorities to retain the Executive Directors and ensure they are sufficiently incentivised to lead the business through the post-pandemic recovery period.

We considered whether it would be appropriate to exercise the discretion granted to the Committee under the Existing Policy to extend the performance period of the 2017/18 award (which ended on 30 June 2021) and/or revisit the performance targets. We also considered exercising our discretion to adjust the number of shares that would vest at the end of the performance period. However, the Committee concluded that none of these options were the best approach to align the interests of Executive Directors with business strategy going forward and shareholder interests. We determined that the Recovery Incentive Scheme ('RIS') described below and in more detail on page 115 is a more appropriate mechanism to help ensure the Executive Directors are retained and incentivised to deliver the required recovery in performance following the impact of COVID-19 whilst reflecting shareholder interests in the remuneration arrangements.

I engaged with our major shareholders on behalf of the Committee to discuss the RIS and other remuneration matters and the feedback received from shareholders was greatly valued and contributed to the final decisions on the proposed new Policy. The RIS can be summarised as follows:

- Awards will be made following the AGM to Executive Directors on a one-off basis only over shares with a value of 100% of salary;
- Awards to the Executive Directors will vest 50% after one year and 50% after two years subject to meeting challenging financial targets for net gaming revenue and profits after tax for the 2021/22 financial year and continued employment (without notice) and the Committee will retain discretion at vesting to take account of underlying Group, individual, ESG and share price performance. Awards will be subject to a further holding period of approximately six months post vesting for each tranche;
- Awards will be made following the announcement of results for 2021 to other senior management with a value of up to 50% of salary that will vest after two years subject to continued employment (without notice) and 50% of which will be subject to the same performance targets that will apply to the awards to be granted to the Executive Directors. Such awards will not be subject to the six-month post vesting holding period;
- Leaver provisions will be the same as in our 2020 LTIP except that being under notice will be treated as cessation of employment;
- Recovery and withholding provisions apply up to the third anniversary of the awards vesting;
- In-employment and post-employment shareholding requirements will apply.

Further details of the RIS are contained in the 2021 AGM notice.

The Committee's view is that the design of the Existing Policy is (other than in this regard, which it considers exceptional circumstances) working effectively and therefore the inclusion of the RIS is the only substantive proposed change. The full Policy is set out on pages 110 to 120 and will be put to shareholders for approval at the forthcoming 2021 AGM together with the rules of the RIS.

Proposed LTIP grant under the 2020 LTIP during 2021/22

It is intended that an annual LTIP award will be made to Executive Directors in FY 2021/22. This is the second 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, applying in the same manner as the first award completed in FY 2020/21. 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 2021 are announced. The performance conditions are based on performance in the 2023/24 financial year and subject to a share price underpin. Further details can be found on page 132. The award will vest, subject to meeting the performance targets and continued employment, on the third anniversary of grant.

Board changes

Chew Seong Aun and Katie McAlister were appointed to the Board as Non-Executive Directors on 10 December 2020 and 28 April 2021 respectively. Details of the process for such appointments are set out in the Nominations Committee report on pages 88 to 90.

The details of the termination arrangements for Tang Hong Cheong, who departed as a Non-Executive Director during the year under review, are set out on page 127, the terms of which are in accordance with the Existing 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 52 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. Our approach was limited during the year as a result of so many of our colleagues being furloughed for so long, and we continue to consider ways to improve further the level of engagement in this regard for the forthcoming year.

Looking ahead

For the Committee, the impact of the pandemic has brought with it particular challenges from a remuneration perspective as we have continued to seek a balance between the expectations of investors, colleague experience and the formulation of remuneration arrangements that facilitate the recruitment, retention and motivation of management. During the year, I welcomed the opportunity to discuss remuneration matters with our majority shareholder, with a particular emphasis on the impact of COVID-19, and to engage with our major institutional investors. I will continue to engage and remain available to discuss our Policy with shareholders. In the meantime, I would like to thank shareholders for the support they have given in the past and I look forward to your continued support at the forthcoming 2021 AGM.

Steven Esom
Chair of the Remuneration Committee

The Committee has ensured that the new Policy and practices are consistent with the six factors set out in Provision 40 of the 2018 UK Corporate Governance Code:

Clarity – Our Policy is well understood by our Executive Directors and has been clearly articulated to shareholders with the aim of promoting effective engagement between shareholders and the workforce.

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. The move to annual awards under the 2020 LTIP removed one of the more previously complex elements. The introduction of the RIS provides a simple mechanism to help ensure that Executive Directors are retained and incentivised whilst shareholder interests are reflected.

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, the post-vesting holding period in the RIS and in-employment and post-cessation shareholding guidelines; and (iii) malus/clawback provisions.

Predictability – Our incentive plans are subject to individual caps, with our share plans also subject to market-standard dilution limits. Please see page 118 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.

Alignment to culture – The measures used in our incentive structure are aligned with Rank's business strategy and values, for example the inclusion of a safer gambling measure in bonus objectives.

Remuneration policy review

This report sets out the remuneration policy for the Company, which was prepared in accordance with the 2013 Regulations.

The existing remuneration policy ('Existing Policy') was approved by shareholders at the Company's Annual General Meeting on 11 November 2020 receiving a 96.38% vote in favour.

As stated in the Chair's annual statement, during the year, the Committee considered the ongoing need to maintain alignment of the remuneration policy with Rank's strategy, investor sentiment and emerging market practice. It considered that in the current circumstances, a revised policy should be proposed to shareholders for approval that includes one-off awards under a new Recovery Incentive Scheme ('RIS'), the details of which are set out on page 115. The RIS is the only substantive change to the Existing Policy, as the Committee's view is that the design of the Existing Policy is (other than in this regard, which it considers exceptional circumstances) working effectively.

The Chair wrote to the Company's largest shareholders in respect of the proposed change and the Committee took shareholders' feedback into account when finalising the proposed new Policy. Shareholders are being asked to approve the new Policy at our AGM on 14 October 2021, which is intended to apply for three years from the date of approval.

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. The Committee has taken account of these considerations in reviewing, and then proposing, this Policy.

Remuneration Policy

Subject to shareholder approval at the Company's Annual General Meeting on 14 October 2021, the remuneration policy for each remuneration element for Executive Directors will be as outlined in the table below.

Component and link to business strategy	Operation	Performance metrics	Maximum opportunity
Base salary To attract and retain skilled, high-calibre individuals to deliver the Group's strategy.	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.	Not applicable, although the individual's performance will be taken into account when determining the level of increase, if any.	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.

Component and link to business strategy	Operation	Performance metrics	Maximum opportunity
Insured and other benefits Insured and other benefits are offered to Executive Directors as part of a competitive remuneration package.	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.	Not applicable.	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.

Component and link to business strategy	Operation	Performance metrics	Maximum opportunity
Retirement provisions Rewards sustained contribution and encourages retention of Executive Directors.	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.	Not applicable.	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 and the Chief Financial Officer's respective pension allowances will align with the majority of the wider workforce with effect from 1 January 2023.

Component and link to business strategy	Operation	Performance metrics	Maximum opportunity
Annual bonus Motivates the achievement of annual strategic, financial and personal performance. Rewards individual contribution to the success of the Group.	Rank operates an annual bonus scheme in which Executive Directors participate. The bonus is based on stretching targets set annually. Bonus pay-outs 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.	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.	Chief Executive: 150% of base salary. Other Executive Directors: 120% of base salary.

Component and link to business strategy	Operation	Performance metrics	Maximum opportunity
Long-term incentive plan 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.	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 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.	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.

Component and link to business strategy	Operation	Performance metrics	Maximum opportunity
Recovery Incentive Scheme ('RIS')	The RIS is a one-off plan with awards to be granted shortly after the AGM. 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 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.	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.

Component and link to business strategy	Operation	Performance metrics	Maximum opportunity
In-employment shareholding requirement To create greater alignment between Executive Directors and shareholders.	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.	Not applicable.	Not applicable.
Post-employment shareholding requirement To ensure continued alignment of the long-term interests of Executive Directors and shareholders post-cessation.	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.	Not applicable.	Not applicable.

Setting of performance measures and targets

The Committee 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 such as the 2017/18 LTIP award and the 2020/21 LTIP award. 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

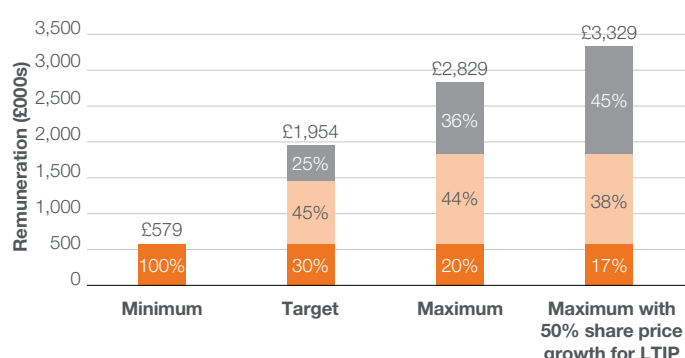
The Policy in place for the Executive Directors is informed by the structure operated for the broader employee population. Pay levels and components vary by organisational level but the broad themes and philosophy remain consistent across the Group:

- 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 and/or the RIS. 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 below the current Board level 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. However, the rate applicable to the current Executive Directors 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.

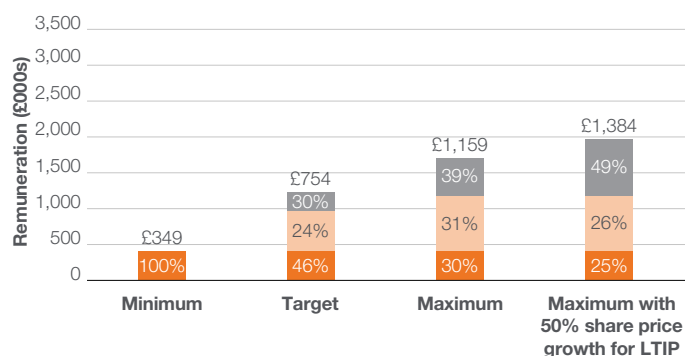
Potential reward opportunities at different levels of performance

The graphs below exhibit remuneration policy for existing Executive Directors and show indicative total remuneration levels under different performance scenarios: minimum, on-target and maximum. The remuneration policy results in a high proportion of total remuneration being dependent on performance.

2021 Scenario chart Chief Executive Officer



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, the RIS vests at 100% and the LTIP vests at 50%.

Maximum: Minimum plus assumes full bonus is earned, the RIS 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 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 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.

The current Executive Directors' service contracts contain the key terms shown in the table below:

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 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 2021) 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	Length of Board service
Chief Executive	John O'Reilly	30 April 2018	3 years 2 months
Chief Financial Officer	Bill Floyd	12 November 2018	2 year 2 months ¹

1. Bill Floyd was appointed to the Board on 1 May 2019.

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 1 month
Chew Seong Aun	10 December 2020	9 December 2020	6 months
Steven Esom	1 March 2016	24 February 2016	5 years 4 months
Susan Hooper	1 September 2015	11 August 2015	5 years 10 months
Katie McAlister	28 April 2021	26 April 2021	2 months
Tang Hong Cheong ¹	15 January 2019	15 January 2019	1 year 11 months
Alex Thursby	1 August 2017	21 August 2019 ²	3 years 11 months
Karen Whitworth	4 November 2019	4 November 2019	1 year and 7 months

1. Tang Hong Cheong stepped down from the Board on 10 December 2020.

2. 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 proposed new 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 117, 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 Remuneration Report

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 Corporate Governance Code 2018 and, in preparing this report, has complied with the requirements of the 2013 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 2021 and 30 June 2020 in respect of performance during the years ended on those dates. This records the full vesting of the 2017/18 LTIP (notwithstanding that it is only accessible to the Executive Directors in accordance with a three-year vesting schedule) and is followed by proforma figures for the Executive Directors which only records the one third of the 2017/18 LTIP that vests by reference to performance to 30 June 2021 (please see footnotes to the table for further information):

	Fixed pay (£)				Performance pay (£)				2020/21 total remuneration (£)
2020/21	Salary/fees ¹	Taxable benefits ²	Pension	Total fixed	Cash bonus	Deferred bonus	Block LTIP award vesting	Total variable	
Executive Directors									
John O'Reilly	486,539	29,742	48,030	564,311	0	0	182,551 ³	182,551	746,862 ³
<i>John O'Reilly (proforma)⁴</i>	486,539	29,742	48,030	564,311	0	0	60,850	60,850	625,161
Bill Floydd	297,436	20,027	29,120	346,583	0	0	88,243 ³	88,243	434,826 ³
<i>Bill Floydd (proforma)⁴</i>	297,436	20,027	29,120	346,583	0	0	29,414	23,353	375,997
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

- 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.
- Taxable benefits comprise car allowance, fuel benefit, and life, long-term disability and private medical insurances.
- 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 the two Executive Directors as having vested in full on 30 June 2021. This has the effect of recording the full vesting in the current year even though it is only accessible to the Executive Directors in accordance with a three-year vesting schedule, subject to continued service and a post-vesting two-year holding period. The figures shown in the table are based on the average share price (187.70p) for the three months to 30 June 2021 and will be restated with the actual relevant share price when the awards vest. Based on the performance conditions assessed as at 30 June 2021 (see pages 124 to 125 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 are expected to vest, in three equal tranches from 1 October 2021 (22 November 2021 for the Chief Financial Officer) provided that the Executive Directors meet the service requirements and subject to a post-vesting two-year holding period.
- Unaudited note: The 2017/18 LTIP award was a "block award" with vesting in three equal tranches subject to continued employment. Based on the average share price of 187.70p the value of each tranche would be £60,850 for the Chief Executive and £29,414 for the Chief Financial Officer which would have resulted in total remuneration (restated on a proforma basis with only one third of the 2017/18 LTIP being included) of £625,161 for the Chief Executive and £375,997 for the Chief Financial Officer as stated in the above table.
- 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.
- Katie McAlister was appointed to the Board on 28 April 2021.
- 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.

Remuneration Committee Report

continued

	Fixed pay (£)				Performance pay (£)				2019/20 total remuneration (£)
2019/20	Salary/fees ¹	Taxable benefits ²	Pension	Total fixed	Cash bonus	Deferred bonus	3-year block LTIP award vesting	Total variable	
Executive Directors									
John O'Reilly	475,000	30,279	46,959	552,238	0	0	n/a	0	552,238
Bill Floyd	285,000	20,116	23,820	328,936	0	0	n/a	0	328,936
Alan Morgan ³	34,856	1,584	3,097	39,537	0	0	n/a	0	39,537
Non-Executive Directors									
Chris Bell	50,810	0	0	50,810	n/a	n/a	n/a	n/a	50,810
Ian Burke ⁴	48,000	0		48,000	n/a	n/a	n/a	n/a	48,000
Steven Esom	54,625	0	0	54,625	n/a	n/a	n/a	n/a	54,625
Susan Hooper	50,825	0	0	50,825	n/a	n/a	n/a	n/a	50,825
Tang Hong Cheong ⁵	n/a	n/a	n/a	0	n/a	n/a	n/a	n/a	0
Alex Thursby ⁶	122,606	0	0	122,606	n/a	n/a	n/a	n/a	122,606
Karen Whitworth ⁷	35,527	0	0	35,527	n/a	n/a	n/a	n/a	35,527

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, and life, long-term disability and private medical insurances.

3. Alan Morgan stepped down from the Board on 31 July 2019.

4. Ian Burke stepped down from the Board on 17 October 2019.

5. 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.

6. Alex Thursby was appointed as Board chair on 17 October 2019.

7. Karen Whitworth was appointed to the Board on 4 November 2019 and as Audit Chair 21 November 2019.

Non-Executive Directors are entitled to receive fees only and details of those received are provided on page 132. 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. It had determined in 2020 to increase such salaries by 2.5%, which would have been in line with overall increases intended to be awarded to the wider workforce. However, due to COVID-19, no such increases were implemented. During the year under review, this remained the position, save that as a result of a benchmarking exercise it was noted that the salary of the Chief Financial Officer was well below median for the role and not reflective of his performance.

Bill Floyd was appointed as Chief Financial Officer on 12 November 2018 and appointed to the Board on 1 May 2019. He has now been with the business over two and a half years and based on both his performance to date and the large gap between his salary (which has not changed since joining) and the market rate for his role, the Committee decided it was appropriate to increase his base salary with effect from 1 January 2021 to £350,000. The Committee considered whether in the light of COVID-19 it was appropriate to make the increase in one go and felt on balance that given the size of the gap to market it was imperative to do so. However, it should be noted that Bill Floyd himself elected not to accept such increase (and that the increase should not have taken effect) until such time that the majority of our venues reopened in May 2021.

In light of the impact of COVID-19 on the business throughout the 2020/21 financial year, as at the date of this report it remains the case that no increase has been made to the Chief Executive's base salary. The Committee will consider a further review of Executive Director base salaries at the appropriate time during the forthcoming year.

	30 June 2021	1 April 2021	1 April 2020 ¹	% change
Chief Executive	£500,000	£500,000	£500,000	0
Chief Financial Officer	£350,000	£300,000	£300,000	16.7

1. Table shows contractual entitlement. For the period from 1 April 2020 until 15 August 2020, the Executive Directors took a 20% reduction in base salary, with the same approach being adopted by all other Board members.

Pension

The Chief Executive and the Chief Financial Officer have both agreed that, with effect from 1 January 2023, their respective payments in lieu of pension will be reduced from 10% of salary (less the lower earnings limit) (such 10% having been agreed under their service agreements when they each joined Rank) to the rate currently available to the majority of the UK employees (currently 3%).

Annual bonus plan (Audited)

The bonus for 2020/21 was based on the following challenging targets that were set by the Committee during the year in order to provide meaningful targets in light of the Group's circumstances, with a view to ensuring management was focused on the key priorities at that time. A single financial performance target (based on liquidity) made up 60% of the bonus opportunity, with the other 40% allocated to non-financial/strategic performance targets.

Financial target

The financial target (60%) was a cash and available facilities (liquidity) target as at 30 June 2021 of £70.3m which would ensure the Group met the liquidity target agreed with the lending banks and which would be assessed on a 'normalised' basis. The threshold for payment against this target was set at 90% of target (£63.3m) and there was a straight line to a maximum of 110% (£77.3m). Straight-line vesting applied between threshold and maximum, as follows:

Payout	Threshold (0%)	Target (50%)	Maximum (100%)	Actual	Payout (% of max)
Cash and available facilities	£63.3m	£70.3m	£77.3m	£98.0m	100%

Non-financial/strategic targets

The non-financial/strategic targets (40%) were specific to each of the Chief Executive and the Chief Financial Officer, as follows:

Chief Executive	Target (100%)	Actual	Payout (% of max)
Achievement of the "6 plus 6" Net Gaming Revenue forecast (including Belgium)	£341.1m	£334.2m	0%
Meeting of covenant tests in period to 30 June 2021	–	Met	100%
Implementing Rank Interactive integration plan, including all relevant dates and financial metrics	Completed by 30 June 2021	50%	50%
Recruiting Managing Director for Rank Interactive	Completed by 30 June 2021	Met	100%
Chief Financial Officer	Target (100%)	Actual	Payout (% of max)
Achievement of the "6 plus 6" Net Gaming Revenue forecast (including Belgium)	£341.1m	£334.2m	0%
Meeting of covenant tests in period to 30 June 2021	–	Met	100%
Implementing Finance Transformation plan, including all relevant dates and financial metrics	Completed by 30 June 2021	Met	100%
Completing sale of the Belgian casino business	Completed by 30 June 2021	Met	100%

Outcome

Overall, the Committee determined that 85% of maximum bonus was payable to the Chief Executive and 90% of maximum bonus was payable to the Chief Financial Officer, based on the formulaic outcome of the financial metric and the Committee's assessment of the personal/strategic performance. However, notwithstanding the strong performance by the Executive Directors throughout the year, taking account of the wider shareholder and employee experience during the year as a result of the pandemic, the Committee and the Executive Directors agreed it was appropriate that no bonus be paid for the year.

	Chief Executive	Chief Financial Officer
Bonus payable for financial-based performance	60%	60%
Bonus payable for strategic target performance	25%	30%
Total bonus payable based on performance	85%	90%
Agreed reduction	(100)%	(100)%
Total bonus payable for 2019/2020 (% of maximum)	0%	0%

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 FY 2017/18 and the first award under the annual long-term incentive plan granted in FY 2020/21.

2017/18 LTIP (block award)

A single LTIP award was granted on 28 June 2018 to John O'Reilly and on 22 November 2018 to Bill Floydd, based on performance over a four-year period ending 30 June 2021. The awards made covered four years of annual grants.

Director	Chief Executive (John O'Reilly)	Chief Financial Officer (Bill Floydd)
Plan	2010 LTIP	2010 LTIP
Date of grant	28 June 2018	22 November 2018
Number of shares comprised in award	1,594,387	770,713
Performance period	1 July 2017 to 30 June 2021	1 July 2017 to 30 June 2021
Earliest vest date for first instalment	1 October 2021 (33.3%)	22 November 2021 (33.3%)
Vest date for second instalment	1 October 2022 (33.3%)	1 October 2022 (33.3%)
Vest date for third instalment	1 October 2023 (33.4%)	1 October 2023 (33.4%)

70% of the award was subject to financial performance measured over the four financial years to 30 June 2021, with the remaining 30% of the award based on strategic measures relating to individual business units, as detailed below. Subject to continued employment to the relevant vesting dates, the awards will vest as follows:

Financial performance targets (70%)

Performance measure	Weighting	Threshold target (50%)	Maximum (stretch) target (100%)	Actual achieved	% vesting
EPS	40%	21.9p	25.8p or above	(20.1p)	–
Digital net gaming revenue	7.5%	£173.9m	£212m or above	£177.4m	4.1%
Digital profit	7.5%	£41.3m	£56.9m or above	£3.2m	–
London revenue	7.5%	£170.3m	£183.6m or above	£24.8m	–
London profit	7.5%	£34.7m	£38.8m or above	(£12.5m)	–

In respect of the financial performance targets, 4.1% of the award vests.

Strategic performance targets (30%)

Strategic performance targets (50%)						
Performance measure		Weighting	Threshold target (50%)	Maximum (stretch) target (100%)	Actual achieved	% vesting
Capital value creation	International revenue	10%	€85.2m	€107.0m	£43.8m	–
	Operating margin as a percentage of target	10%	11.0%	12.0%	(25.6%)	–
Digital division targets	Achievement of the strategic targets for digital (as set out below)	5%			1.6%	1.6%
Venues division targets	Achievement of the strategic targets for venues (as set out below)	5%			0.4%	0.4%

Digital division targets (5%)

Digital division targets (5%)			Threshold target (50%)	Maximum (stretch) target (100%)	Actual achieved	% vesting
Performance measure		Weighting				
Capital value creation	Digital revenue growth	10%	£159.9m	£197.3m	£177.4m	7.3%
	Digital operating margin	10%	19.5%	22.0%	1.8%	–
Digital operating profit		5%	£32.5m	£44.1m	£3.2m	–
Percentage of venues to digital customer crossover		5%	10.8%	15.0%	10.8%	2.5%

Venues division targets (5%)

Performance measure	Weighting	Threshold target (50%)	Maximum (stretch) target (100%)	Actual achieved	% vesting
Capital value creation					
Venues revenue growth	10%	£572.0m	£573.4m	£134.7m	–
Venues operating margin	10%	13.6%	13.9%	(44.0%)	–
Percentage of venues to digital customer crossover	5%	10.8%	15.0%	10.8%	2.5%
Venues operating profit	5%	£77.7m	£79.7m	(£59.6m)	–

In respect of the strategic performance targets, 2.0% of the award vests.

Outcome

Notwithstanding the strong performance prior to the outbreak of the pandemic (which it is anticipated would have resulted in vesting at between 70-80%), the impact of COVID-19 on the business has had a significant impact on the level of vesting and, therefore, as set out in the above tables, a total of 6.1% of the award will vest.

The award vests in three tranches – 2.0% in October 2021 (November 2021 for Bill Floydd), 2.0% in October 2022 and 2.1% in October 2023.

2020/21 LTIP (annual award)

The first new LTIP award was granted on 16 December 2020 to John O'Reilly and Bill Floydd, based on performance over a three-year period ending 30 June 2023. The performance measures for such award were set by the Committee in December 2020, prior to the grant, and the targets for such award were set at the beginning of May 2021.

Director	Chief Executive (John O'Reilly)	Chief Financial Officer (Bill Floydd)
Plan	2020 LTIP	2020 LTIP
Date of grant	16 December 2020	16 December 2020
Face value at grant (% of salary)	200%	150%
Share price at grant	139.68p	139.68p
Number of shares comprised in award	715,922	322,164
Performance period	1 July 2020 to 30 June 2023	1 July 2020 to 30 June 2023
Earliest vest date	16 December 2023	16 December 2023

40% of the award is based on relative total shareholder return ('RTSR').

30% is based on earnings per share and 30% is based on strategic measures.

The RTSR is measured against a comparator group of six companies (888, Flutter Entertainment, Entain (formerly known as GVC), Betsson, Kindred and Playtech). On review of the RTSR measure, 25% will vest on achieving median performance, with full vesting for outperforming the median by 25%. In the event that the peer group drops below four, an alternative peer group comprising of FTSE 250 Travel and Leisure sector which currently comprises of 16 companies (excluding Rank) will be used.

The EPS metric's threshold target aligns to our returning to pre-pandemic performance and the stretch target is based on the ambitious Transformation 2.0 targets agreed by the Board at its March 2021 Board meeting.

The 30% strategic objectives are split into three parts with equal weighting. The Group EBIT Margin excludes separately disclosed items; Interactive NGR includes the Interactive and International business; and Venues NGR includes the UK and International business.

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 too commercially sensitive to disclose but will be reported at the time of vesting.

Performance measure	Weighting %	Threshold target	Stretch target	Threshold vesting (% of max)
TSR	40	Median	Outperform median by 25%	10%
EPS	30	13.5p	23.1p	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%

Appointment of Chew Seong Aun and Katie McAlister as Non-Executive Directors

Chew Seong Aun was appointed to the Board as a Non-Executive Director on 10 December 2020 as a representative of the Company's majority shareholder, Guoco Group Limited. No fees are payable to Chew Seong Aun in connection with such appointment.

Katie McAlister was appointed to the Board as a Non-Executive Director on 28 April 2021. 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 (notwithstanding that it is only accessible to the Chief Executive in accordance with a three-year vesting schedule) and we have also included proforma figures in the table which record only the one third of the 2017/18 LTIP that vests by reference to performance to 30 June 2021 – 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 bonus: actual payout vs. maximum opportunity	LTIP vesting rates against maximum opportunity
2020/21	(12 months)	746,862 ^{2,3}	0%	6.1%
2020/21 (proforma) ³	(12 months)	625,161	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 stated in this table includes the full value of the 2017/18 block award LTIP vesting by reference to 30 June 2021. This has the effect of recording the full vesting in the current year even though it is only accessible to the Executive Directors in accordance with a three-year vesting schedule, subject to continued service and a post-vesting two-year holding period.
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 two-year holding period. Based on the average share price of 187.70p the value of each tranche would be £60,850 for the Chief Executive, which would have resulted in total remuneration (restated on a proforma basis with only one third of the 2017/18 LTIP being included) of £625,161 as stated in the above table.

Henry Birch (from 6 May 2014 until 7 May 2018)

		Single figure of total remuneration	Annual 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 (proforma) 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 proforma disclosure sets out the single figure if only one-third of the 2014/15 LTIP block award is included.

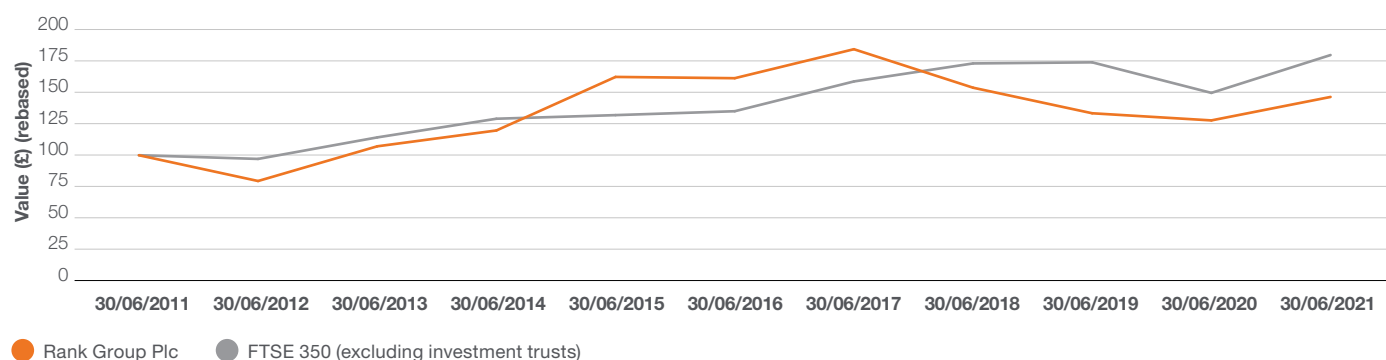
Ian Burke (until 16 May 2014)

		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.

The following chart illustrates the Company's total shareholder return ('TSR') performance compared with the FTSE 350 Index (excluding investment trusts) for the ten years to 30 June 2021. The Committee has selected this index as the Company was a constituent of the FTSE 350 for the entirety of this period.

Total shareholder return (Source: Datastream)



This graph shows the value, by 30 June 2021, of £100 invested in Rank on 30 June 2011, compared with the value of £100 invested in the FTSE 350 Index (excluding Investment Trusts) Index on the same date. The other points plotted are the values at intervening financial year-ends.

Leaving arrangements (Audited)

Tang Hong Chong stepped down from the Board on 10 December 2020. He did not receive any payment in lieu of notice or any payment for loss of office.

The position adopted in relation to such departing Director was in accordance with the Existing Policy.

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 will have five years from appointment 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. In view of the low level of free float following the completion of Guoco Group Limited's general offer for Rank in July 2011, the Non-Executive Director quarterly share purchase programme and the shareholding guidelines for Executive Directors and other members of the Executive Committee who are directors of Rank subsidiary companies were suspended on 14 December 2011. 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 pending a restoration of the Company's free float to a higher level. At present, such guidelines remain suspended. For further information with regard to the Company's free float position, please see page 135.

Directors' shareholdings and details of unvested share awards as at 30 June 2020 and 30 June 2021 are set out in the table below. All awards were made as conditional awards:

	Ordinary shares as at 30 June 2020	Ordinary shares as at 30 June 2021	Unvested share awards as at 30 June 2020	Unvested share awards as at 30 June 2021
Non-Executive Directors				
Chris Bell	20,614	29,614	n/a	n/a
Chew Seong Aun	n/a	0	n/a	n/a
Steven Esom	0	90,000	n/a	n/a
Susan Hooper	0	20,000	n/a	n/a
Katie McAlister	n/a	0	n/a	n/a
Tang Hong Cheong	130,000	200,000¹	n/a	n/a
Alex Thursby	0	25,000	n/a	n/a
Karen Whitworth	0	20,000	n/a	n/a
Executive Directors²				
John O'Reilly	252,500	302,748	1,594,387	813,179
Bill Floydd	25,000	45,000	770,713	369,177

1. Position as at 10 December 2020 when Tang Hong Cheong stepped down from the Board.

2. Shareholdings comprise purchased shares, rather than shares vesting by way of a deferred bonus or vesting under an incentive plan.

Dilution limits (Unaudited)

The 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 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 2021.

The current level of dilution, based on the maximum number of shares that could vest as at 30 June 2021, and on the basis that no shares 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) is set out below:

	Total awards under discretionary schemes as at 30 June 2021	Percentage of issued share capital as at 30 June 2021
Maximum number of shares needed to satisfy existing unvested awards as at 30 June 2021	3,180,466¹	0.68%
Total number of shares issued in respect of awards granted after 30 June 2011	Nil	0%
Total	3,180,466	0.68%

1. For the avoidance of doubt, this number reflects the maximum level of vesting under the 2017/18 LTIP following determination by the Committee at the end of the performance period, 30 June 2021. For further information, please see pages 124 to 125.

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).

	2020/21	2019/20	Percentage change
Overall expenditure on pay	£166.6m	£191.1m	(12.8)%
Dividend paid in the year	Nil	£32.4m	(100)%
Share buyback	Nil	Nil	n/a

Statement of change in pay of all Directors compared with other employees (Unaudited)

The table on page 129 sets out the percentage change in each Director's base salary/fee, benefits and annual bonus amounts for the year ended 30 June 2021 versus previous year, alongside the average change in gross earnings for all UK employees across the Group. The "salary" 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) and we have therefore also included proforma figures in the table to demonstrate the percentage change in salary/fee if there had been no such reduction (please see footnotes to the table for further information):

2020/21 vs 2019/20 ¹	Salary ²	Salary proforma ²	Benefits ²	Bonus
Chief Executive	2.4%	0.0%	(1.8)%	0.0%
Chief Financial Officer	4.4%	2.0%	(0.4)%	0.0%
Chris Bell	0.6%	(1.75)% ³	n/a	n/a
Steven Esom	2.5%	0.0%	n/a	n/a
Susan Hooper	2.4%	0.0%	n/a	n/a
Alex Thursby ⁴	27.2%	22.9%	n/a	n/a
Karen Whitworth ⁵	61.7%	54.3%	n/a	n/a
Average employees ⁶	7.4%	2.6%	(7.7)%	1.6%

1. Excludes any Directors appointed during 2020/21.
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. The proforma column in the table above reflects the position had the Directors' salary reduction not been volunteered.
3. Reflects that Chris Bell fulfilled the role of Chair of the Audit Committee on an interim basis for the period from 17 October 2019 to 21 November 2019.
4. Reflects that Alex Thursby was appointed as chair of the Board on 17 October 2019, from having previously been chair of the Audit Committee (and not therefore a full 12 months year-on-year comparison).
5. Reflects that Karen Whitworth was appointed to the Board on 4 November 2019 and as chair of the Audit Committee on 21 November 2019 (and not therefore a full 12 months year-on-year comparison).
6. Calculated on basis of UK employees, which was determined to provide the most meaningful comparison, as no employees are employed by The Rank Group Plc.

CEO pay ratio (Unaudited)

The Committee considered the appropriate calculation approaches for the CEO pay ratio as set out in the 2013 Regulations. Although for the prior year it chose Option A, 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 121 (including showing this on a proforma basis including only one third of the 2017/18 LTIP) 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
2021 figures ¹	(Option C)	39:1	38:1	30:1
2021 figures (proforma) ¹	(Option C)	33:1	32:1	25:1
2020 figures	(Option A)	32:1	31:1	24:1

	Salary	Total pay and benefits
CEO	£486,539	£746,862 ¹
25th percentile	£18,533	£18,910
50th percentile	£18,533	£19,489
75th percentile	£23,525	£24,757

- 1 The 2013 Regulations require the full value to be included in the 2021 figures. However, if the CEO single figure for 2021 is adjusted to include only 1/3rd of the 2017/18 LTIP (on the basis that it actually vests over three years), the CEO total pay and benefits for 2021 would reduce by £121,701 to £625,161. The impact that this would have on the CEO pay ratio for 2021 is indicated in the proforma disclosure.

Gender pay gap (Unaudited)

The Committee reviewed and approved Rank's Gender Pay Gap Report, which can be found at www.rank.com. Throughout 2020/21 a significant proportion of colleagues were furloughed in response to national lockdowns and other restrictions that reduced trading throughout the year. This impacted the gender pay gap calculations in two ways across the qualifying pay period: (i) the Executive Directors took a 20% reduction in their pay; and (ii) 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.

Further to the above, the results indicate that the gender pay gap at Rank has worsened, but the Committee does not believe these results are truly representative of the situation, with only 508 qualifying colleagues from a maximum total of 7,488 colleagues, representing just 7% of the workforce. Having said that, irrespective of the reliability of the results for this year, 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:

- The structure of a new recovery incentive scheme for Executive Directors and senior management;
- The proposed amended remuneration policy and feedback from the shareholder consultation conducted in relation to the same;
- Analysis of shareholder voting at the 2020 Annual General Meeting on the annual remuneration report;
- April 2021 fixed pay review;
- 2019/20 and 2020/21 annual bonus outcomes;
- 2021/22 annual bonus plan structure;
- 2020/21 LTIP performance measures and targets;
- 2017/18 and 2020/21 LTIP performance;
- Remuneration of the Chair, independent Non-Executive Director and Executive Committee members appointed during 2020/21;
- 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&M are members of the Remuneration Consultants' Group and comply with its Code of Conduct, which sets out guidelines to ensure that any advice is independent and free of undue influence.

During the year, the Committee requested A&M to advise on all aspects of remuneration practice. A&M provided the TSR performance graph for the Directors' Remuneration Report. A&M was paid fees totalling £83,229 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.

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. The process for such review is set out on page 91. Our progress against last year's actions, as well as the outcomes from this year's evaluation, are set out below.

Outcomes from 2019/20 review

Agreed actions	Progress made in 2020/21
Consider how the Committee remains comfortable that management incentives remain aligned with strategy and are competitive	Proposed introduction of new one-off recovery incentive scheme (subject to shareholder approval), to align management and shareholders in relation to post-COVID-19 recovery.

Agreed actions	Progress made in 2020/21
Consider how the Committee will approach measures for performance in light of, and post, COVID-19, so as to give clarity and confidence to senior management	Having considered revisiting the performance measures for the legacy 2017/18 LTIP, the Committee determined that it was more appropriate to focus on forward-looking measures and recovery. This led to the proposed introduction of the one-off recovery incentive scheme, as referenced above. In addition, the Committee determined to set the targets for the 2020/21 LTIP grant at the point at which it felt it had greater clarity on meaningful performance measures, rather than at the time of grant when there was much uncertainty.
Ensure that it receives further workforce feedback	Received data from the business in the form of a dashboard, enabling an increased level of oversight and challenge.

Outcomes from 2020/21 review

This year's Committee's evaluation exercise, facilitated internally by the Group General Counsel & Company Secretary (following use of an external provider in 2019), concluded that the Committee continues to operate effectively. Having considered the findings, we agreed that our focus for the forthcoming year should be, in particular:

1. continuing to review the alignment of management incentives with strategy, particularly as the Company recovers from the impact of the pandemic;
2. 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; and
3. continuing to consider the alignment of shareholders views and the need to retain, motivate and incentivise management and ensure appropriate challenge to proposals made and advice received.

Statement of shareholder voting (Unaudited)

The table below shows the voting outcome of the Directors' Remuneration Policy and the 2019/20 Directors' Remuneration Report at the November 2020 Annual General Meeting. Votes are shown both including and excluding the Company's majority shareholder:

November 2020 – 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	321,054,249	96.38	12,066,987	3.62	333,121,236	85.27	37,491,282
Excluding majority shareholder	101,704,208	89.39	12,066,987	10.61	113,771,015	66.40	37,491,282

1. A vote "withheld" is not a vote in law.

November 2020 – 2020 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	302,377,133	90.79	30,684,150	9.21	333,061,283	85.25	37,551,235
Excluding majority shareholder	83,026,912	73.02	30,684,150	26.98	113,711,062	66.37	37,551,235

1. A vote "withheld" is not a vote in law.

During the 2020/21 financial year, the chair of the Committee engaged with institutional investors in relation to the proposed amended Remuneration Policy as set out earlier in this report.

Implementation of policy in 2021/22 (Unaudited)

Salaries

Salaries will be reviewed during the year with the current expectation that any changes will be effective 1 April 2022. Current base salaries are as follows (noting that the Executive Directors volunteered a 20% reduction in salary with effect from 1 April 2020 to 15 August 2020 and that the Chief Financial Officer elected to postpone implementation of his salary increase during the previous year until May 2021):

- John O'Reilly – £500,000
- Bill Floyd – £350,000

Pension policy

There will be no change to pension arrangements:

- John O'Reilly – 10% of contracted salary (less lower earnings limit)
- Bill Floydd – 10% of contracted salary (less lower earnings limit),

save that with effect from 1 January 2023, each of John O'Reilly's and Bill Floydd's respective payments in lieu of pension will be reduced from 10% of salary (less the lower earnings limit) (such 10% having been agreed under their service agreements when they each 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. 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.

Recovery Incentive Scheme ('RIS')

Awards will be granted on a one-off basis to Executive Directors over shares with a value of up to 100% of salary, subject to shareholder approval at the AGM of the Remuneration Policy and the Rules for the RIS. The awards will vest 50% after one year and 50% after two years subject to meeting challenging financial targets for net gaming revenue and profits after tax for the 2021/22 financial year with both targets needing to be met for the awards to vest. Disclosure of the targets is considered commercially sensitive and will therefore be disclosed retrospectively in next year's report. The awards will be made, subject to shareholder approval, within six weeks of the AGM.

Long-term incentive

It is anticipated that an annual award will be made to Executive Directors in FY 2021/22. 40% of the award will be based on relative total shareholder return, 30% will be based on earnings per share and 30% will be based on strategic measures, applied in the same manner as for the 2020/21 grant. 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 2023/24 financial year. The award will vest, subject to meeting the performance targets and continued employment, on the third anniversary of grant. 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 too commercially sensitive to disclose but will be reported 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 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 2021 comprise:¹

	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. 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 will be reviewed again during the year with the current expectation that any changes will be effective 1 April 2022. The Non-Executive Directors took a voluntary deduction of 20% of their respective fees for the period from 1 April 2020 until 15 August 2020.

The Directors present their report together with the audited consolidated financial statements for the year ended 30 June 2021.

The Companies Act 2006 ('CA 2006'), the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (the '2008 Regulations'), the Companies (Disclosure of Auditor Remuneration and Liability Limitation Agreements) Regulations 2008, the Financial Reporting Council's UK Corporate Governance Code (July 2018) (the '2018 Code'), 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 2021.

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 no.
Business description	Our business	Inside cover
Business objectives, strategies and likely future developments	Our strategy to unlock our growth potential	18 to 31
	Key performance indicators	32 to 33
Corporate responsibility: employees and community (including hiring, continuing employment and training, career development and promotion of disabled persons)	Our people	49 to 53
Diversity	Our people	49 to 51
Dividends	Chair's letter	8
Stakeholder engagement	Stakeholder engagement	39 to 43
Going concern and viability statement	Compliance statement	69 to 71
Greenhouse gas emissions	Our environment	53 to 55
Particulars of important events affecting the Company and its subsidiary undertakings occurring after the year end	Chair's letter and Chief Executive's review	8 to 17
Principal risks and uncertainties	Risk management	60 to 68
Profits	Financial review	57
Research and development	Our strategy to unlock our growth potential	18 to 31
	Customer insights	34
	Our customers	45 to 48

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 134. There are no other disclosures required under this Listing Rule.

Directors

The Directors who served during the period under review are:

Name	Position	Notes
Alex Thursby	Chair	
Chris Bell	Senior Independent Director	
Chew Seong Aun	Non-Executive Director	Chew Seong Aun was appointed on 10 December 2020
Steven Esom	Non-Executive Director	
Bill Floydd	Chief Financial Officer	
Susan Hooper	Non-Executive Director	
Katie McAlister	Non-Executive Director	Katie McAlister was appointed on 28 April 2021
John O'Reilly	Chief Executive	
Tang Hong Cheong	Non-Executive Director	Tang Hong Cheong stepped down from the Board on 10 December 2020
Karen Whitworth	Non-Executive Director	

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 2021 was £180m (£180m as at 30 June 2020), 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 (390,683,521 as at 30 June 2020), which were held by 9,569 registered shareholders (9,711 as at 30 June 2020). Details of movements in issued share capital can be found in note 25 of the Financial Statements.

Distribution of registered shareholders as at 30 June 2021

Range	Total no. of registered shareholders	% of holders	Total no. of shares	% of issued share capital
1 – 1,000	8,181	85.50	1,475,729	0.31
1,001 – 5,000	1,002	10.47	2,066,590	0.44
5,001 – 10,000	124	1.30	878,268	0.19
10,001 – 100,000	157	1.64	5,521,703	1.18
100,001 – 1,000,000	73	0.76	28,371,621	6.06
1,000,001 and above	32	0.33	430,115,630	91.82
Totals	9,569	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 2021 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 2021 and 31 July 2021 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.

Shareholder	As at 30 June 2021		As at 31 July 2021	
	% 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)	9.34	43,747,936	9.34	43,731,782
M&G plc	6.39	29,910,994	6.30	29,504,445
Aberforth Partners	4.32	20,243,620	4.41	20,659,088
Aberdeen Standard Investments	3.69	17,291,213	3.67	17,186,580

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.

Shareholder	Date last notified under DTR	As per FCA DTRs disclosures as at 18 August 2021	
		% 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
M&G Plc	22 October 2019	7.38%	28,838,715
Artemis Investment Management LLP	31 May 2017	4.94%	19,287,793

Under Listing Rule 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 M&G are not regarded as being in public hands. The Company's free float position as at 30 June 2021 was 27.68% (26.98% as at 30 June 2020).

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.

Following the Company's placing of ordinary shares in November 2020, the Company 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) 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



Luisa Wright

Group General Counsel & Company Secretary
18 August 2021

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 international accounting standards in conformity with the requirements of the Companies Act 2006 (and international financial reporting standards (IFRSs) adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union). 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 IFRSs as adopted by the European Union 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 IFRSs as adopted by the European Union, 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 81 to 83 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 International Financial Reporting Standards in conformity with the requirements of the Companies Act 2006 (and the IFRSs adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union), 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.

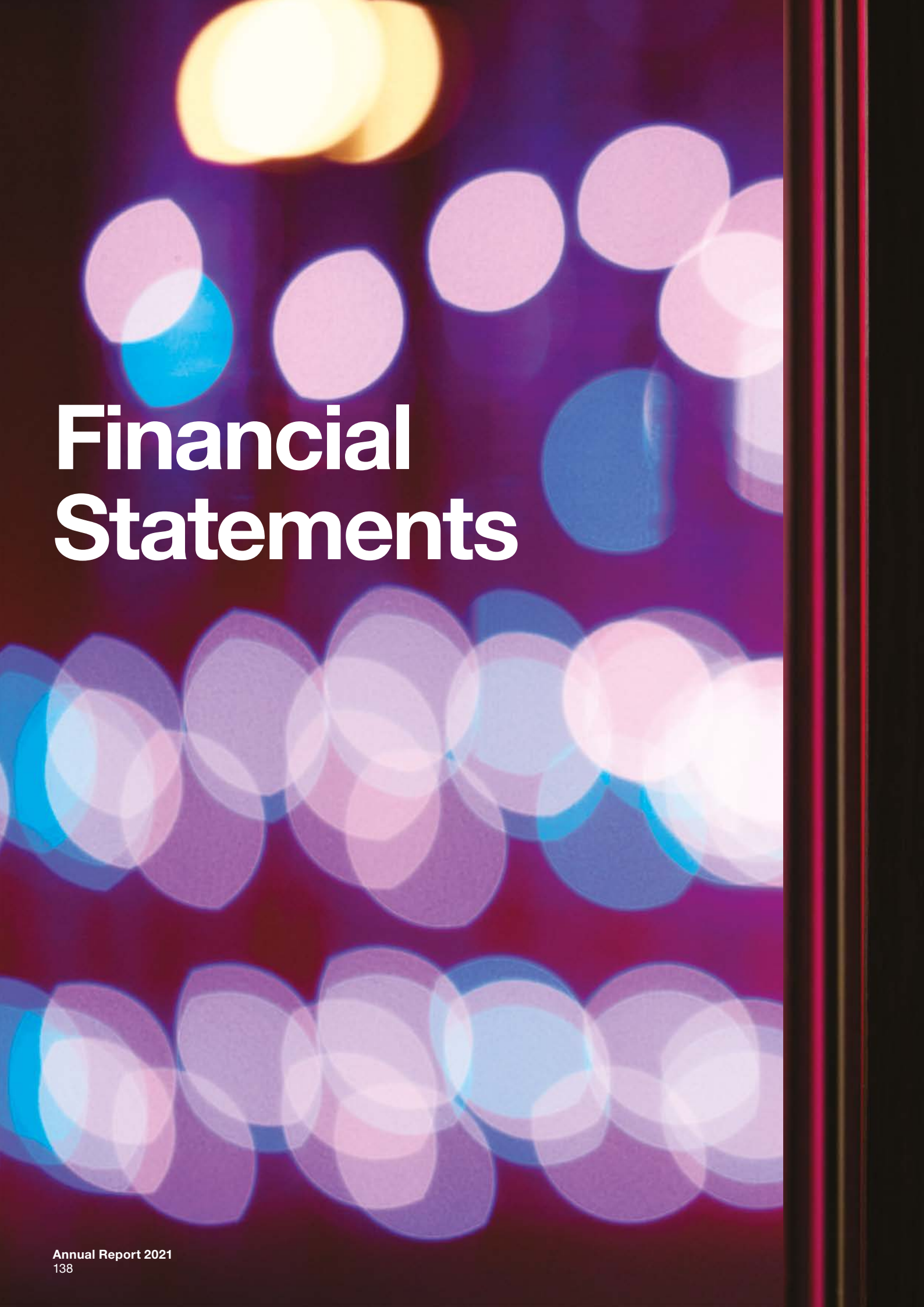
On behalf of the Board



John O'Reilly
Chief Executive
18 August 2021



Bill Floyd
Chief Financial Officer
18 August 2021



Financial Statements

140	Independent auditor's report
149	Group income statement
150	Group statement of comprehensive income
151	Balance sheets
153	Statements of changes in equity
155	Statements of cash flow
156	Notes to the financial statements
202	Five year review
203	Shareholder information

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 2021 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards adopted pursuant to Regulation (EC) No.1606/2002 as it applies in the European Union;
- the parent company financial statements have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 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 2021 which comprise:

Group	Parent Company
– Consolidated balance sheet as at 30 June 2021	– Balance sheet as at 30 June 2021
– 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 36 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 36 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 International Accounting Standards in conformity with the requirements of the Companies Act 2006 and, as regards to the group financial statements, International Financial Reporting Standards adopted pursuant to Regulation (EC) No. 1606/2002 as it applies in the European Union 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 are independent of the Group 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.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and Parent Company's ability to continue to adopt the going concern basis of accounting included;

- The audit engagement partner and senior team members increased their time directing and supervising the audit procedures on going concern, in particular in assessing the going concern model, assumptions, sensitivities and reviewing the compliance with banking covenants;
- In conjunction with our walkthrough of the Group's financial close process, we confirmed our understanding of Rank's going concern assessment process as well as the review controls in place on 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 of this 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:

Management's assessment and assumptions

- We challenged management to ensure all key matters were considered in their assessment;
- We obtained the cash flow forecast models prepared by management to 31 August 2022 (which represents 12 months from release of the opinion) used by the Board in its assessment, checking their arithmetical accuracy, whether they had been approved by the Board;
- We assessed the reasonableness of the cashflow forecast by analysis of management's historical forecasting accuracy and understanding how any anticipated continued impact of 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 2022;
- Using the assistance of our economics advisory team we considered whether the assumptions included within the base case, particularly over the extent to which trading would recover to pre- COVID-19 levels, were within a reasonable range based on expectations for the external environment as well as other matters identified in the audit;

- We held discussions with the Audit Committee to understand the forecasts and their basis as prepared by management. 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

- The covenant waiver period until March 2022 has revised covenants, which requires a minimum available cash and available facilities of no less than £50m. We recalculated the Group's available cash and available facilities above the liquidity requirements at each of the assessment points during the period;
- We considered the adequacy of forecast liquidity as per the base and the downside forecasts and applied sensitivity analysis;
- When the Group reverts to its debt financial covenants from June 2022, we evaluated the compliance of the Group with these covenants in the remainder of the forecast period by reperforming calculations of the covenant tests. We further assessed impact of the downside risk scenarios on covenant compliance.

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 31 August 2022.

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 the period to 31 August 2022. Going concern has also been determined to be a key audit matter.

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 seven components and audit procedures on specific balances for a further twenty-three components.
	– The components where we performed full or specific audit procedures accounted for 99% of Revenue and 99% of Total assets.
– Key audit matters	– Impairment of tangible and intangible assets.
	– Compliance with laws and regulations.
	– Revenue recognition including the risk of management override.
– Materiality	– Overall Group materiality of £2.3m which represents 0.7% 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-six reporting components of the Group, we selected thirty components covering entities within United Kingdom, Alderney, Malta, Spain, Gibraltar, Mauritius, India and Israel, which represent the principal business units within the Group.

Of the thirty components selected, we performed an audit of the complete financial information of seven components ('full scope components') which were selected based on their size or risk characteristics. For the remaining twenty-three components ('specific scope 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.

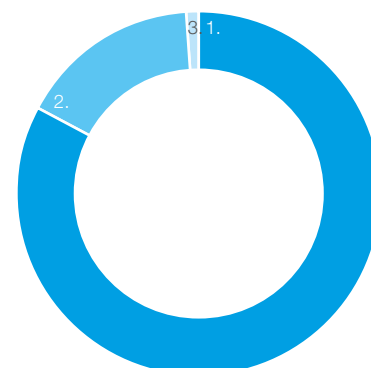
The reporting components where we performed audit procedures accounted for 99% (2019/20: 100%) of the Group's revenue and 99% (2019/20: 99%) of the Group's Total assets. For the current year, the full scope components contributed 83% (2019/20: 88%) of the Group's Revenue and 75% (2019/20: 75%) of the Group's Total assets. The specific scope components contributed 16% (2019/20: 12%) of the Group's Revenue and 24% (2019/20: 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. We also instructed three locations to perform specified procedures over certain aspects of revenue, as described in the risk section above.

Of the remaining sixteen components that together represent 1% of the Group's revenue, none are individually greater than 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 below illustrate the coverage obtained from the work performed by our audit teams.

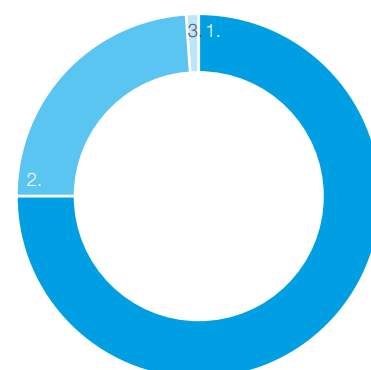
Revenue

1. Full scope components **83%**
2. Specific scope components **16%**
3. Other procedures **1%**



Total assets

1. Full scope components **75%**
2. Specific scope components **24%**
3. Other procedures **1%**



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 operating under our instruction. Of the seven full scope components, audit procedures were performed on all seven of these directly by the primary audit team. For the five 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 intended to complete site visits to the EY component team in Spain and the Grant Thornton component team in Mauritius which are specific scope components. Due to COVID-19 and government guidance issued by the UK and other governments it was not possible to complete the planned visits. We therefore completed the site visits virtually through the use of video or teleconferencing facilities. The virtual visits involved discussing the planned audit approach with the component team and any issues arising from their work, meeting with local management, attending closing meetings and reviewing key audit working papers on risk areas. The primary team interacted regularly with the component teams where appropriate during various stages of the audit, reviewed key working papers and were responsible for the scope and direction of the audit process. This, together with the procedures performed at Group level due to significant accounts and processes being managed by the Group finance function, gave us appropriate evidence for our opinion on the Group financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgement, 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 of tangible and intangible assets (Enil, 2020: £37.9m) <i>Refer to the Audit Committee Report (page 96); Accounting policies (page 161); and note 14 of the Consolidated Financial Statements (page 185)</i> At 30 June 2021 the carrying value of tangible and intangible assets was £750.6 million (2020: £810.7 million), £435.3 million (2020: £437.3 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 across all retail venues following nationwide lockdowns in the UK, Spain and Belgium as a result of COVID-19. The main assumptions used in the impairment assessment are revenue recovery post-COVID-19, assumed future cost savings, the discount rate, earnings multiples and the long-term growth rate. In the current year, no impairment was recognised. In the prior year owing to the downturn in forecast performance across retail venues due to the COVID-19 pandemic, an impairment charge of £37.9 million was recognised against intangible assets. In the current and prior year no reversal of impairment was recognised.	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. 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 past pre-COVID 19 performance. As well as performance since reopening the venues post lock down and third-party future economic forecasts incorporating COVID-19 impact for the UK and Spanish economies and corroborated them to budgets approved by the Board. – We also engaged our internal valuations experts to consider the reasonableness of the recovery assumptions applied. – We reperformed calculations in the models to check mathematical accuracy. – Critically challenged management's ability to forecast accurately through comparing prior year actual performance pre-COVID-19 against forecast performance and corroborating the reasons for deviations. – We also performed sensitivity analysis on earnings multiples for all 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 rates, discount rate, EBITDA multiple and long-term growth rate. We have corroborated that the reasonable possible change assumptions applied by management are reasonable and have been correctly calculated. – 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 adequately disclosed. – For the right-of-use assets, we tested that the assets had been appropriately allocated to the correct cash generating unit and an appropriate value in use calculation had been performed and that material changes to the right-of-use asset in the period were appropriate.	Based on our audit procedures we have concluded the assets are not impaired and no impairment reversal should be recorded. We highlighted that a reasonably possible change in certain key assumptions, including revenue recovery assumptions post-COVID-19, 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 impairment charges. We have concluded appropriate disclosures have been included in the financial statements as required.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Impairment of tangible and intangible assets (continued)	In addition, we worked with our EY internal valuation specialists to: – Independently validate and corroborate the discount rates to supporting evidence and corroborated these to industry averages/trends and compare to discount rates applied by management. – Assess the multiples applied by management which had been received from third-party experts for reasonableness and against other market indicators. – We worked with our EY Economics Advisory team to validate and corroborate Board approved forecasts for revenue recovery post-COVID-19 to external economic forecasts and corroborated the short-term revenue assumptions adopted by management fall within what we considered to be a reasonable range.	
Compliance with laws and regulations <i>Refer to the Audit Committee Report (page 96); Accounting policies (page N/A); and note 18 of the Consolidated Financial Statements (page 183)</i> 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. In addition, the Group took advantage of the Coronavirus Job Retention Scheme and received government income during the period for employees placed on furlough amounting to £64.1 million (FY19/20: £28.1 million). The scheme has inherent complexities linked to calculating the amount claimable and therefore a risk that an inappropriate claim is made.	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. – We reviewed regulatory correspondence and enquiries made through the year, management's response thereto and their assessment of potential exposure as at 30 June 2021. – 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. Coronavirus Job Retention Scheme ('CJRS') We performed the following procedures: – We understood management's process for calculating the amount claimable under the Coronavirus Job Retention Scheme. – We used data analytics tools to assess the accuracy of the claims by management to publicly available HMRC CJRS guidelines and agreed receipt of cash from HMRC to bank statements. – For a sample of employees on furlough for which the Group made a claim, we verified that the eligibility criteria was satisfied to supporting documents including formal notification of furlough to employee, employment contracts, payslips and payroll records.	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. We concluded that the amount claimed through the Coronavirus Job Retention Scheme has been appropriately calculated, accounted for and disclosed within the financial statements.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Revenue recognition including the risk of management override (£329.6 million, 2020: £629.7 million) <i>Refer to the Audit Committee Report (page N/A); Accounting policies (page 161); and note 2 of the Consolidated Financial Statements (page 168)</i> 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. Due to the closure of venues for the majority of the financial year we consider that the risk of manual override to be heightened in order to meet revenue targets.	We performed full and specific scope audit procedures over this risk area in 17 locations, which covered 99% of Group reported 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 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. – 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 customer balances (for Digital). These identified entries included VAT, customer incentives, bingo duty and jackpot provisions and we obtained corroborating evidence for such entries. – For 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-five 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 6 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. Digital segment specific procedures: – We reconciled the year end customer balances to the system report, which was tested for completeness and accuracy. – We applied data analytics tools to reperform the monthly reconciliation between revenue, cash and customer balances. For each brand, using test accounts in the live gaming environment, we tested the interface between gaming servers, data warehouse and the accounting system.	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 the transition impact on adoption of IFRS 16 Leases and valuation of the intangible assets arising on the acquisition of Stride Gaming plc. In the current year, we have excluded these as key audit matters.

The transition impact on adoption of IFRS 16 is no longer relevant as the standard was fully adopted in the prior year. The valuation of the intangible assets arising on the acquisition of Stride Gaming is no longer relevant as the IFRS 3 accounting relating to the acquisition was completed in the prior year.

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 £2.3 million (2020: £3.4 million), which is 0.7% of revenue (2020: which represented our professional judgement based on a range of relevant metrics used by investors and other readers of the financial statements following the impact of COVID-19). We believe that revenue provides us with an appropriate measure given the Group's loss-making position and the unusual circumstances in FY 2021 in respect of the COVID-19 pandemic.

We determined materiality for the Parent Company to be £7.0 million (2020: £7.7 million), which is 1% (2020: 1%) of equity. The Parent Company has a higher materiality than the Group as the basis of determining materiality is different. The Parent Company is a non-trading entity and as such, equity is the most relevant measure to the stakeholders of the entity.

During the course of our audit, we re-assessed initial materiality to reflect the reopening of the venues in line with government advice in the UK and Spain. Preliminary planning materiality for 2021 was calculated at £1.7 million based on 0.7% of revenue, with the increase to £2.3 million reflecting the impact of the reopening of the venues.

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% (2020: 50%) of our planning materiality, namely £1.2 million (2020: £1.7 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. Our objective in adopting this approach was to conclude that undetected audit differences in all accounts did not exceed our planning materiality level.

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 £0.2 million to £0.6 million (2020: £0.3 million to £0.9 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 £0.1 million (2020: £0.9 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 137, including the five-year review and the shareholder information, 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 there is 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

The Listing Rules require us to review 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.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the UK Corporate Governance Code 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 69;
- 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 71;
- Directors' statement on fair, balanced and understandable set out on page 97;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 61;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on page 94; and
- The section describing the work of the Audit Committee set out on page 93.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 137, 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.

- 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; 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. As such the Senior Statutory Auditor 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 correspondence received from the regulator.
- Our overseas teams specifically reported on their procedures and findings in relation to compliance with applicable laws and regulations. These findings were discussed with 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 17th 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 twelve years, covering the years ending 31 December 2010 to 30 June 2021.
- 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.

Annie Graham (Senior statutory auditor)

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

19 August 2021

Group income statement

for the year ended 30 June 2021

		Year ended 30 June 2021			Year ended 30 June 2020		
	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	329.6	–	329.6	629.7	–	629.7
Cost of sales		(305.4)	–	(305.4)	(363.6)	–	(363.6)
Gross profit		24.2	–	24.2	266.1	–	266.1
Other operating income	2	64.4	–	64.4	29.0	–	29.0
Other operating costs		(173.1)	(8.4)	(181.5)	(246.0)	(27.6)	(273.6)
Group operating (loss) profit	2,3	(84.5)	(8.4)	(92.9)	49.1	(27.6)	21.5
Financing:							
– finance costs		(14.0)	–	(14.0)	(13.8)	–	(13.8)
– finance income		0.1	–	0.1	0.6	–	0.6
– other financial (losses) gains		(0.5)	–	(0.5)	(0.2)	5.3	5.1
Total net financing (charge) income	5	(14.4)	–	(14.4)	(13.4)	5.3	(8.1)
(Loss) profit before taxation		(98.9)	(8.4)	(107.3)	35.7	(22.3)	13.4
Taxation	6	10.1	0.3	10.4	(9.8)	4.6	(5.2)
(Loss) profit for the year from continuing operations		(88.8)	(8.1)	(96.9)	25.9	(17.7)	8.2
Discontinued operations – profit	8	1.1	23.8	24.9	1.2	–	1.2
(Loss) profit for the year		(87.7)	15.7	(72.0)	27.1	(17.7)	9.4
Attributable to:							
Equity holders of the parent		(87.8)	15.7	(72.1)	27.5	(17.7)	9.8
Non-controlling interest		0.1	–	0.1	(0.4)	–	(0.4)
		(87.7)	15.7	(72.0)	27.1	(17.7)	9.4
(Loss) earnings per share attributable to equity shareholders							
– basic	10	(20.1)p	3.6p	(16.5)p	7.0p	(4.5)p	2.5p
– diluted	10	(20.1)p	3.6p	(16.5)p	7.0p	(4.5)p	2.5p
(Loss) earnings per share – continuing operations							
– basic	10	(20.3)p	(1.9)p	(22.2)p	6.7p	(4.5)p	2.2p
– diluted	10	(20.3)p	(1.9)p	(22.2)p	6.7p	(4.5)p	2.2p
Earnings per share – discontinued operations							
– basic	10	0.2p	5.5p	5.7p	0.3p	–	0.3p
– diluted	10	0.2p	5.5p	5.7p	0.3p	–	0.3p

Details of dividends paid and payable to equity shareholders are disclosed in note 9.

Group statement of comprehensive income

for the year ended 30 June 2021

	Note	Year ended 30 June 2021 £m	Year ended 30 June 2020 £m
Comprehensive income:			
(Loss) profit for the year		(72.0)	9.4
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange adjustments net of tax		(4.2)	1.1
Items that will not be reclassified to profit or loss:			
Actuarial gain (loss) on retirement benefits net of tax	31	0.2	(0.1)
Total comprehensive (loss) income for the year		(76.0)	10.4
Attributable to:			
Equity holders of the parent		(76.1)	10.8
Non-controlling interest		0.1	(0.4)
		(76.0)	10.4

The tax effect of items of comprehensive income is disclosed in note 6.

Balance sheets

at 30 June 2021

	Note	Group		Company	
		As at 30 June 2021 £m	As at 30 June 2020 £m	As at 30 June 2021 £m	As at 30 June 2020 £m
Assets					
Non-current assets					
Intangible assets	11	504.6	521.0	–	–
Property, plant and equipment	12	117.4	144.6	–	–
Right-of-use assets	13	128.6	145.1	–	–
Investments in subsidiaries	15	–	–	1,131.8	1,131.8
Deferred tax assets	23	3.6	0.9	–	–
Other receivables	17	5.1	7.0	–	–
		759.3	818.6	1,131.8	1,131.8
Current assets					
Inventories	16	2.0	2.0	–	–
Other receivables	17	16.3	19.6	–	–
Government grants	18	0.8	11.9	–	–
Income tax receivable	20	10.1	1.4	–	–
Cash and short-term deposits	27	69.6	73.6	–	–
		98.8	108.5	–	–
Total assets		858.1	927.1	1,131.8	1,131.8
Liabilities					
Current liabilities					
Trade and other payables	19	(126.3)	(142.6)	(0.6)	(0.6)
Lease liabilities	32	(42.2)	(50.9)	–	–
Income tax payable	20	(3.1)	(2.5)	–	–
Financial liabilities					
– financial guarantees	21	–	–	(3.1)	(4.0)
– loans and borrowings	21	(39.4)	(21.7)	(371.9)	(431.1)
Provisions	24	(5.4)	(3.0)	(0.1)	(0.2)
		(216.4)	(220.7)	(375.7)	(435.9)
Net current liabilities		(117.6)	(112.2)	(375.7)	(435.9)
Non-current liabilities					
Trade and other payables	19	–	(1.1)	–	–
Lease liabilities	32	(164.7)	(189.6)	–	–
Financial liabilities					
– loans and borrowings	21	(77.7)	(107.4)	–	–
Deferred tax liabilities	23	(18.3)	(22.5)	–	–
Provisions	24	(16.0)	(15.9)	(0.9)	(0.9)
Retirement benefit obligations	31	(3.8)	(4.0)	–	–
		(280.5)	(340.5)	(0.9)	(0.9)
Total liabilities		(496.9)	(561.2)	(376.6)	(436.8)
Net assets		361.2	365.9	755.2	695.0

	Note	Group		Company	
		As at 30 June 2021 £m	As at 30 June 2020 £m	As at 30 June 2021 £m	As at 30 June 2020 £m
Capital and reserves attributable to the Company's equity shareholders					
Share capital	25	65.0	54.2	65.0	54.2
Share premium	25	155.7	98.4	155.7	98.4
Capital redemption reserve		33.4	33.4	33.4	33.4
Exchange translation reserve		14.6	18.8	–	–
Retained earnings		92.6	161.3	501.1	509.0
Total equity before non-controlling interest		361.3	366.1	755.2	695.0
Non-controlling interest	15	(0.1)	(0.2)	–	–
Total shareholders' equity		361.2	365.9	755.2	695.0

The loss for the year ended 30 June 2021 for the Company was £7.9m (year ended 30 June 2020: loss of £11.3m).

These financial statements were approved by the Board on 18 August 2021 and signed on its behalf by:



John O'Reilly
Chief Executive
18 August 2021



Bill Floyd
Chief Financial Officer
18 August 2021

Statements of changes in equity

for the year ended 30 June 2021

Group	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 2019	54.2	98.4	33.4	17.7	194.3	398.0	–	398.0
Effect of adoption of IFRS 16 Leases	–	–	–	–	(10.8)	(10.8)	–	(10.8)
At 1 July 2019 – Adjusted comprehensive income	54.2	98.4	33.4	17.7	183.5	387.2	–	387.2
Comprehensive income:								
Profit (loss) for the year	–	–	–	–	9.8	9.8	(0.4)	9.4
Other comprehensive income:								
Exchange adjustments net of tax	–	–	–	1.1	–	1.1	–	1.1
Actuarial loss on retirement benefits net of tax	–	–	–	–	(0.1)	(0.1)	–	(0.1)
Total comprehensive income (loss) for the year	–	–	–	1.1	9.7	10.8	(0.4)	10.4
Business acquired	–	–	–	–	–	–	0.2	0.2
Transactions with owners:								
Dividends paid to equity holders (see note 9)	–	–	–	–	(32.4)	(32.4)	–	(32.4)
Credit in respect of employee share schemes including tax	–	–	–	–	0.5	0.5	–	0.5
At 30 June 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

1. Prior year adjustment relating to deferred tax on lease balances that is not considered material by the Directors.

Statements of changes in equity
continued

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 2019	54.2	98.4	33.4	–	553.0	–	–	739.0
Loss and total comprehensive expense for the year	–	–	–	–	(11.3)	–	–	(11.3)
Debit in respect of employee share scheme	–	–	–	–	(0.3)	–	–	(0.3)
Transactions with owners:								
Dividends paid to equity holders (see note 9)	–	–	–	–	(32.4)	–	–	(32.4)
At 30 June 2020	54.2	98.4	33.4	–	509.0	–	–	695.0
Loss and total comprehensive expense for the year	–	–	–	–	(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	–	–	755.2

Statements of cash flow

for the year ended 30 June 2021

	Note	Group		Company	
		Year ended 30 June 2021 £m	Year ended 30 June 2020 £m	Year ended 30 June 2021 £m	Year ended 30 June 2020 £m
Cash flows from operating activities					
Cash (used in) generated from operations	26	(15.3)	171.9	-	(0.1)
Interest received		0.1	0.8	-	-
Interest paid		(15.0)	(16.4)	-	-
Tax paid		(1.4)	(14.0)	-	-
Net cash (used in) from operating activities		(31.6)	142.3	-	(0.1)
Cash flows from investing activities					
Purchase of intangible assets		(15.9)	(18.0)	-	-
Purchase of property, plant and equipment		(6.3)	(32.7)	-	-
Proceeds from sale of business	8	25.2	-	-	-
Deferred consideration		-	(2.3)	-	-
Purchase of subsidiaries (net of cash acquired)		-	(85.5)	-	-
Proceeds from sale of investments		-	5.6	-	-
Net cash from (used in) investing activities		3.0	(132.9)	-	-
Cash flows from financing activities					
Issue of share capital		68.1	-	-	-
Dividends paid to equity holders		-	(32.4)	-	(32.4)
Repayment of term loans		(19.7)	(50.0)	-	-
Repayment of acquired loans		-	(2.5)	-	-
Drawdown of term loans		-	128.1	-	-
Drawdown of revolving credit facilities		11.0	-	-	-
Lease principal payments		(31.8)	(37.1)	-	-
Loan arrangement fees		-	(2.9)	-	-
Amounts received from subsidiaries		-	-	-	32.5
Net cash from financing activities		27.6	3.2	-	0.1
Net (decrease) increase in cash, cash equivalents and bank overdrafts		(1.0)	12.6	-	-
Effect of exchange rate changes		(0.5)	(0.2)	-	-
Cash and cash equivalents at start of year		71.1	58.7	-	-
Cash and cash equivalents at end of year	28	69.6	71.1	-	-

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 2021 were authorised for issue in accordance with a resolution of the Directors on 18 August 2021.

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 35.

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 international accounting standards in conformity with the requirements of the Companies Act 2006 and prepared in accordance with International Financial Reporting Standards adopted pursuant to Regulation (EC) No. 1606/2002 as it applies in the European Union.

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 year in review and Chief Executive's review on pages 9 to 17, including the trading performance for the venues since reopening in accordance with Government guidance, the budget for 2021/22 and long range forecast approved by the Board, and have reviewed the Group's projected compliance with its banking covenants and access to funding options for the 12 months ending 31 August 2022.

The Directors recognise that there continues to be a greater level of forecasting uncertainty at this time caused by the impact of the COVID-19 pandemic on consumer sentiment, Government policy and the overall impact on consumer demand. Notwithstanding this, the Directors have taken confidence in the performance of the Group since venues reopened, and also note the continued success of the vaccine roll out in line with the UK Government's targets. This consequently led to the decision to remove all social distancing restrictions in England, where the majority of the Group's venues are located, on 19 July 2021, and the removal of restrictions in Wales from 7 August 2021 and in Scotland from 9 August 2021.

The Directors have reviewed and challenged management's assumptions on the resumption of trading in the Group's venues and digital forecast. Key considerations are the assumptions on the levels of revenue achieved in comparison to pre-COVID-19 levels, the growth in digital trading performance and that there are no further lockdowns in the base case assumptions. Management's base case assumptions and the latest performance against those assumptions are as follows:

Venues	Outcome to date
Grosvenor venues Venues are open from 1 July 2021 with revenue levels returning on average to 95% of pre-COVID-19 levels by June 2022, and above pre-COVID-19 levels by June 2023.	All clubs (with the exception of Glasgow) were permitted to reopen on 17 May 2021, with social distancing and, in Scotland only, the application of a 10.30pm curfew. Glasgow venues reopened on 6 June 2021. The curfew in Scotland was extended to midnight on 19 July 2021. Social distancing in all English venues was removed on 19 July 2021. Social distancing in Scottish venues was removed on 9 August 2021 and in Welsh venues on 7 August 2021. Actual performance has been slightly ahead of the base case prepared for reopening.
Mecca venues Venues are open from 1 July 2021 with revenue levels returning on average to 95% of pre-COVID-19 levels by June 2022, and above pre-COVID-19 levels by June 2023.	All clubs (with the exception of Glasgow) were permitted to reopen on 17 May 2021, with social distancing. Glasgow venues reopened on 6 June 2021. Social distancing in all English venues was removed on 19 July 2021. Social distancing in Scottish venues was removed on 9 August 2021 and in Welsh venues on 7 August 2021. Actual performance has been in line with the base case prepared for reopening.
Enracha venues Venues are open from 1 July 2021 with revenue levels returning on average to 95% of pre-COVID-19 levels by June 2022, and above pre-COVID-19 levels by June 2023.	All clubs reopened progressively from April 2021, under a series of regional restrictions, including social distancing, capacity, restrictions on service levels including provision of food and beverage, and curfews, which vary by region. Actual performance has been in line with the base case prepared for reopening (notwithstanding the ongoing restrictions).
Digital segment	Outcome to date
The digital businesses deliver double digit growth in FY 2022.	Actual performance has been in line with base case.

The key base case assumptions on cost are substantially within management control and are as follows:

- Payroll costs are forecast at pre-COVID-19 levels, adjusted for increases in the National Minimum Wage, with offsets from the Coronavirus Job Retention Scheme in line with the current scheme rules where applicable, and an inflationary pay rise being awarded in October 2021;
- Rent due during the 2021/22 financial year is paid on time. Rent deferrals from the 2020/21 financial year are paid by the end of 2021/22;
- All tax and duty is paid on time;
- Capital expenditure is £40.0m;
- Standard payment terms are assumed for supplier payments; and
- Allowance is made for one-off costs in relation to the business transformation programme and in the event that a small number of club closures are made.

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 £108.4m which reduces to £78.8m in May 2022 due to a scheduled loan repayment
- Revolving credit facilities ('RCF') of £80.0m

The plan also assumes that no additional funding is raised during the plan period, and that the proceeds from the VAT duty case, estimated at £80.0m, are not received by the Group within the going concern period. At the date of approval of the financial statements, the term loan was £108.4m and the £80.0m RCF was undrawn.

In undertaking their assessment, the Directors also reviewed compliance with the renegotiated banking covenants that temporarily replace the normal tests with a minimum liquidity test of £50.0m that is tested quarterly in June, September and December 2021 and in March 2022 ('Revised Covenants'), and the normal banking covenants which are applicable from 30 June 2022, when the covenant testing reverts back to being on a six-monthly basis. The Group expects to meet the Revised Covenants and its normal banking covenants at 30 June 2022.

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 plan has also been tested. The main downside risk is:

COVID-19: Continued disruption due to the pandemic. Two downside cases have been modelled, each of which assumes more widespread business interruption with the effects of a lower return to pre-COVID-19 trading levels due to lower consumer sentiment and, in the second scenario, the emergence of new variants which would result in a closure in accordance with Government guidance over the winter months. The two downside scenarios modelled are:

- (i) venues trading only returning to 75% of pre-COVID-19 levels over the period of review, and
- (ii) all venues trade in line with base case until October 2021 but then are closed from November 2021 to February 2022, reopening from March 2022 at 75% of pre-COVID-19 levels.

Having modelled the downside scenarios, the indication is that the Group would continue to meet its Revised Covenants, albeit with lower headroom, in both cases. In the more severe downside scenario reflecting a four-month closure, covenant headroom is limited before the impact of mitigating actions within management's control are reflected which further increases headroom. Furthermore, in both downside scenarios, the Group would also meet its normal banking covenants at the 30 June 2022 test date when they again apply.

Accordingly, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period at least through to 31 August 2022. For these reasons, the Directors continue to adopt the going concern basis for the preparation of these financial statements and in preparing the financial statements they do not include any adjustments that would be required to be made if they were prepared on a basis other than going concern.

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 financial statements.

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 SDI or included within the underlying results.

1 General information and accounting policies (continued)

Separately disclosed items include (but are not limited to):

- Amortisation of acquired intangible assets;
- 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; and
- Tax impact of all the above.

For further detail of those items included as SDIs, refer to note 4.

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 of 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, and as a result of the continuing COVID-19 pandemic, the Group has assessed the impact of incorporating an additional COVID-19 risk factor into the impairment testing of goodwill and non-current assets and included additional sensitivity analysis in the disclosures. The key judgement is the level of trading in the venues following reopening and that venues remain open, and the 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. As for impairment testing of goodwill, intangible assets and property, plant and equipment, the Company has adjusted its estimates in relation to future earnings to reflect a COVID-19 risk factor relating to the level of trading in the venues following reopening and the impact on estimated future cash flows.

(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 income statement in the relevant period.

Within the Group's net income tax receivable of £7.0m (30 June 2020: £1.1m payable) are amounts of £0.3m payable (30 June 2020: £0.6m) 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

The following accounting standards, interpretations, improvements and amendments have become applicable for the current period:

- 'Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)' as published by the IASB on 31 March 2021, which extends, by one year, the May 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. The amendment is effective for annual reporting periods beginning on or after 1 April 2021.

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

(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 2021. 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 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 a separately disclosed item in finance cost in the 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 a separately disclosed item in the 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.

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 profit or loss.

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 a separately disclosed item.

1.4 Revenue recognition

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

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

(a) Gaming win – Casino

Revenue for casinos includes gaming win before deduction of gaming-related duties. Although disclosed as revenue, gaming win – casino is accounted for and meets the definition of a gain under IFRS 9 "Financial Instruments". Gaming revenue includes gains and losses arising where customers play against the house. Due to the nature of the transaction, the amount of the payment the Group may be obliged to pay to the customer is uncertain. The financial instrument is therefore a derivative and is initially recognised at fair value and subsequently remeasured to fair value with changes in fair value recorded in profit and loss. The initial fair value is generally the amount staked by the customer and includes adjustment for customer incentives, such as free bets, promotions and customer bonuses, where applicable. The instrument is subsequently remeasured when the result of the transaction is known and the amount payable is confirmed. This movement may be a gain or a loss. Gains and losses are offset on the basis that they arise from similar transactions. Such gains and losses are recorded in revenue.

(b) Gaming win – Bingo, Gaming win – Poker, Gaming win – Rummy, food and beverage and other

Revenue for bingo is net of customer contribution to prizes but gross of company contributed prizes. It is net of any VAT but before deduction of gaming-related duties. Revenue for poker represents the rake received. Revenue for 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.

1 General information and accounting policies (continued)

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 78 and at www.rank.com), which makes strategic and operational decisions (Chief Operating Decision-makers).

The Group reports five segments: digital, Grosvenor venues, Mecca venues, International 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 operate as International venues segment.

With the sale of the Belgium casino during the year, the International venues segment now consists solely of Enracha venues. The prior year comparative information has been restated to assist with comparability.

1.6 Discontinued operations

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 income statement.

Additional disclosures are provided in note 8. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

1.7 Foreign currency translation

The consolidated 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 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 2020: 1.09);

- (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 1.13 (year ended 30 June 2020: 1.14); 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 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 statement of profit or loss 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 statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

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 consolidated statement of financial position) 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's financial liabilities include trade and other payables and loans and borrowings including bank overdrafts.

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

(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 profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

(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 statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position 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 ranging up to 94 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

The 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 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.

1 General information and accounting policies (continued)

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

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

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

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

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

- Land and buildings up to 36 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 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 finance lease income, which is shown net of lease costs.

1.11 Provisions

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.

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 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 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 programs are recognised as an expense as incurred.

(d) Brands

Represents the fair value of brands and trade-mark 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	Indefinite
– Software and development	3 to 5 years
– Brands	10 years
– Customer relationships	4 years

1.14 Impairment of intangible assets and property, plant and equipment

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation 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 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 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 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 all other performance and/or service conditions are 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.

1 General information and accounting policies (continued)

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 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.

1.17 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.

1.18 Share capital

Ordinary shares are classified as equity.

1.19 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.

1.20 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.

1.21 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 2021					
	Digital £m	Grosvenor Venues £m	Mecca Venues £m	International 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)
Separately disclosed items 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

2 Segmental reporting (continued)

	Year ended 30 June 2020 (Restated)					Total £m
	Digital £m	Grosvenor Venues £m	Mecca Venues £m	International Venues £m	Central Costs £m	
Continuing operations						
Revenue	196.2	275.9	130.7	26.9	–	629.7
Other operating income	0.2	19.3	7.8	0.8	0.9	29.0
Underlying operating profit (loss)	28.7	40.2	6.0	3.3	(29.1)	49.1
Separately disclosed items	(10.9)	(7.4)	(0.4)	(8.6)	(0.3)	(27.6)
Segment result	17.8	32.8	5.6	(5.3)	(29.4)	21.5
Finance costs						(13.8)
Finance income						0.6
Other financial gains						5.1
Profit before taxation						13.4
Taxation						(5.2)
Profit for the year from continuing operations						8.2
Other segment items – continuing operations						
Capital expenditure	(15.3)	(25.7)	(3.8)	(2.0)	(3.9)	(50.7)
Depreciation and amortisation	(11.0)	(31.8)	(23.9)	(2.9)	(5.9)	(75.5)
Separately disclosed items						
Impairment charges	–	(13.9)	(15.7)	(8.3)	–	(37.9)
Profit on disposal of venues	–	–	1.8	–	–	1.8
Profit on disposal of investment	–	–	–	–	2.1	2.1
Acquisition related costs	–	–	–	–	(1.4)	(1.4)
Integration costs	(1.3)	–	–	(0.3)	(1.0)	(2.6)
Pay provision	–	2.9	2.0	–	–	4.9
VAT claim	–	3.6	21.7	–	–	25.3
Amortisation of acquired intangible assets	(9.6)	–	–	–	–	(9.6)
Property related provisions	–	–	(10.2)	–	–	(10.2)

The Group reports segmental information on the basis by which the Chief Operating Decision-maker utilises internal reporting within the business.

Other operating income for the year ended 30 June 2021 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. Other operating income for the year ended 30 June 2020 related to Coronavirus Job Retention Scheme only.

Results for the year ended 30 June 2020 include the acquisition of Stride Gaming plc ('Stride') from 4 October 2019 within the digital segment. Comparative results for International venues have been restated to exclude Blankenberge Casino Belgium following its sale during the year.

Assets and liabilities have not been segmented as this information is not provided to the Chief Operating Decision-maker 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 2021 £m	Year ended 30 June 2020 (Restated) £m
UK	286.7	582.2
Continental Europe	38.6	43.1
Rest of World	4.3	4.4
Total revenue	329.6	629.7

ii) Non-current assets by geographical area based on location of assets

	As at 30 June 2021 £m	As at 30 June 2020 (Restated) £m
UK	693.7	598.1
Continental Europe	65.6	75.4
Total non-current assets	759.3	673.5

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

	Note	Revenue		Profit	
		Year ended 30 June 2021 £m	Year ended 30 June 2020 (Restated) £m	Year ended 30 June 2021 £m	Year ended 30 June 2020 (Restated) £m
From continuing operations		329.6	629.7	(96.9)	8.2
From discontinued operations	8	4.6	8.4	24.9	1.2
		334.2	638.1	(72.0)	9.4

d) Total revenue by income stream

	Year ended 30 June 2021 £m	Year ended 30 June 2020 (Restated) £m
Revenue recognised under IFRS 9		
Gaming win – Casino	237.2	495.2
Revenue recognised under IFRS 15		
Gaming win – Bingo	65.8	78.7
Gaming win – Poker	5.6	12.7
Gaming win – Rummy	4.3	4.4
Food and beverage	11.4	34.5
Other	5.3	4.2
Total revenue recognised under IFRS 15	92.4	134.5
Total revenue	329.6	629.7

“Gaming win – Casino” is recognised in accordance with IFRS 9 – financial instruments and all other revenue is recognised in accordance with IFRS 15 – revenue from contracts with customers.

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 separately disclosed items, by type and segment is as follows:

	Year ended 30 June 2021					
	Digital £m	Grosvenor Venues £m	Mecca Venues £m	International 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
Property costs	0.9	3.4	0.2	0.5	1.6	6.6
Marketing	35.4	2.0	3.5	0.3	–	41.2
Depreciation and amortisation	13.7	32.9	16.4	1.5	5.8	70.3
Other	8.5	9.8	10.8	0.3	1.0	30.4
Total costs before separately disclosed items	174.2	165.2	92.6	18.0	28.5	478.5
Cost of sales						305.4
Operating costs						173.1
Total costs before separately disclosed items						478.5

	Year ended 30 June 2020 (Restated)					
	Digital £m	Grosvenor Venues £m	Mecca Venues £m	International Venues £m	Central Costs £m	Total £m
Employment and related costs	22.0	109.3	45.1	15.1	18.1	209.6
Taxes and duties	44.3	61.5	23.8	1.6	1.4	132.6
Direct costs	47.6	20.8	15.1	1.7	–	85.2
Property costs	1.0	10.1	6.5	0.8	0.5	18.9
Marketing	34.7	9.6	5.5	1.6	–	51.4
Depreciation and amortisation	11.0	31.8	23.9	2.1	5.9	74.7
Other	7.1	11.9	12.6	1.5	4.1	37.2
Total costs before separately disclosed items	167.7	255.0	132.5	24.4	30.0	609.6
Cost of sales						363.6
Operating costs						246.0
Total costs before separately disclosed items						609.6

The Group reports segmental information on the basis by which the Chief Operating Decision-maker utilises internal reporting within the business.

Results for the year ended 30 June 2020 include the acquisition of Stride Gaming plc ('Stride') from 4 October 2019 within the digital segment. Comparative results for International venues have been restated to exclude Blankenberge Casino Belgium following its sale during the year.

3 Profit for the year – analysis by nature

The following items have been charged in arriving at the (loss) profit for the year before financing and taxation from continuing operations:

	Year ended 30 June 2021 £m	Year ended 30 June 2020 £m
Employee benefit expense	166.6	191.1
Cost of inventories recognised as expense	6.4	21.5
Amortisation of intangibles	16.2	14.2
Depreciation		
– owned assets (including £27.7m (year ended 30 June 2020: £30.0m) within cost of sales)	29.9	30.0
– right-of-use assets (including £22.2m (year ended 30 June 2020: £31.3m) within cost of sales)	23.8	31.3
Operating lease rentals payable – sub-lease income	0.1	0.1
Assets written off	0.5	1.0
Separately disclosed items – operating costs (see note 4)	8.4	27.6
Auditors' remuneration for audit services	0.8	1.0

In the year, the Group's auditors, Ernst & Young LLP, including its network firms, earned the following fees:

	Year ended 30 June 2021 £m	Year ended 30 June 2020 £m
Audit services		
– Fees payable to the Company's auditor for the parent company and consolidated financial statements	0.8	0.9
Other services		
– The audit of the Company's subsidiaries pursuant to legislation	–	0.1
	0.8	1.0

£35,000 (year ended 30 June 2020: £29,000) 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

	Note	Year ended 30 June 2021 £m	Year ended 30 June 2020 £m
Continuing operations			
Integration costs		(2.3)	(2.6)
Amortisation of acquired intangible assets		(11.8)	(9.6)
Property related provisions		(0.2)	(10.2)
Business transformation costs		(5.6)	–
Closure of venues		(2.1)	–
Gaming duty refund		13.6	–
Impairment charges	11,12,13,14	–	(37.9)
Profit on disposal of venues		–	1.8
Profit on disposal of investments		–	2.1
Acquisition related costs		–	(1.4)
Pay provision		–	4.9
VAT claim		–	25.3
Separately disclosed items¹		(8.4)	(27.6)
Other financial gains	5	–	5.3
Taxation	6	0.3	4.6
Separately disclosed items relating to continuing operations		(8.1)	(17.7)
Separately disclosed items relating to discontinued operations			
Profit on sale of business		23.8	–
Total separately disclosed items		15.7	(17.7)

1. It is Group policy to reverse separately disclosed items in the same line as they were originally recognised.

Integration costs

One-off fees and directly associated costs with the integration of business acquisitions are charged to the income statement. Such items are material, infrequent in nature and are not considered to be part of the underlying business performance.

In the current year, £2.3m of costs 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 over the coming year.

In the prior year, costs of £2.6m were excluded from the underlying operating results of the Group.

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 £11.8m (2020: £9.6m) relating to the acquired intangible assets of Stride and YoBingo.

Property related provision

In the prior year, 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 £10.2m was recognised, being the present value of the amount expected to be paid over the remaining term of the lease.

In the current year, and as a result of assessing the present value of the amount expected to be paid over the remaining term of the lease, the Group raised this provision by £0.2m, increasing the total provision held by the Group to £10.4m. This is a material, one-off provision and as such has been excluded from underlying results.

Business transformation costs

This is 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 started in January 2019 and was expected to last three years, however in light of COVID-19, the timeframe has been extended to 2023. The multi-year change programme is a material, infrequent programme and is not considered to be part of the underlying business performance.

In the current year, £5.6m of costs are excluded from the underlying performance of the Group, including redundancy costs and the write off technology assets.

The total costs incurred to date by the Group on the business transformation programme is £16.4m.

Closure of venues

During the year the Group made the decision not to reopen five Mecca venues because appropriate lease renewal terms could not be reached with landlords. £2.1m of costs relating to these venues, including dilapidation repairs and redundancy costs directly attributed to these venues, have been expensed in the year. This is a material, one-off provision and as such has been excluded from underlying results.

Gaming duty refund

During the 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 is 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 is classified within operating costs which is where the costs were previously deducted.

Impairment charges

There has been no impairment charge recognised in the current year.

In the prior year, following the closure of venues as a result of the COVID-19 outbreak, the Group recognised impairment charges of £13.9m relating to five Grosvenor venues, £15.7m relating to 41 Mecca venues and £8.3m relating to five International venues. These non-cash charges are material and not expected to occur every year and as such have been disclosed separately to allow comparability between periods and to reflect the underlying performance of the business.

Profit on disposal of venues

In the prior year the Group recognised a net credit of £1.8m as a result of the sale of five Mecca venues. Such profits are not expected to occur every year and as such it has been excluded from the underlying results.

Profit on disposal of investments

In the prior year the Group sold an investment for cash consideration of £5.6m and a profit of £2.1m.

Acquisition related costs

Fees and directly associated costs of potential or actual acquisitions are charged to the income statement. As such items are material, infrequent and not considered to be part of the underlying business, they are excluded from the underlying performance of the Group.

In the prior year there were £1.4m of one-off costs relating to the acquisition of Stride.

Pay provision

In the year ended 30 June 2019, the Group made a £8.0m provision for the ongoing HMRC investigation into breaches of the National Minimum Wage regulations. The Group reached agreement with HMRC in early 2020 for total costs of £3.1m resulting in a provision release of £4.9m. All costs have been settled. As these are material, infrequent items and do not form part of the underlying business performance, they are removed from the underlying results.

VAT claim

In the prior year, the Group successfully concluded the legal process to reclaim VAT paid on slot machines between 2002 and 2005. The total amount recognised of £25.3m is the VAT claim of £25.2m plus protective VAT assessment of £1.0m offset by advisor fees of £0.9m. A further £5.0m is recognised as a separately disclosed item within net financing income. These have been removed from underlying operating results as they are material, infrequent in nature and do not represent underlying performance.

Finance income/costs and other finance losses and gains relating to specific items

Those finance charges or credits associated with (1) VAT claims and (2) revaluation and retranslation of foreign currency denominated contingent consideration are material and considered to relate to liabilities that are not part of the underlying performance of the business. The Group's underlying results have therefore been adjusted to remove these items.

In the prior year, £5.0m of finance income relates to interest on the successful VAT claim and £0.3m relates to foreign exchange gains on the remeasurement of contingent consideration.

The related tax impact of all the above items is also not considered to be part of the underlying operations of the Group.

Profit on sale of business

During the year the Group sold the Blankenberge Casino in Belgium for cash consideration of £25.2m and a profit of £23.8m. Such profits are not expected to occur every year and as such it has been excluded from the underlying results.

5 Financing

	Year ended 30 June 2021 £m	Year ended 30 June 2020 £m
Continuing operations		
Finance costs:		
Interest on debt and borrowings ¹	(4.0)	(3.7)
Amortisation of issue costs on borrowings ¹	(2.2)	(1.2)
Interest payable on leases	(7.8)	(8.9)
Total finance costs	(14.0)	(13.8)
Finance income:		
Interest income on net investments in leases	0.1	0.1
Interest income on short-term bank deposits ¹	–	0.5
Total finance income	0.1	0.6
Other financial losses	(0.5)	(0.2)
Total net financing charge before separately disclosed items	(14.4)	(13.4)
Separately disclosed items – other financial gains	–	5.3
Total net financing charge	(14.4)	(8.1)

1. Calculated using the effective interest method.

Other financial losses include foreign exchange losses on loans and borrowings.

Separately disclosed items – other financial gains for the year ended 30 June 2020 includes £5.0m interest income received from the successful VAT claim and £0.3m of gains recognised on contingent consideration payable as a result of the acquisition of QSB Gaming Limited ('YoBingo').

6 Taxation

	Year ended 30 June 2021 £m	Year ended 30 June 2020 £m
Current income tax		
Current income tax – UK	6.7	(4.2)
Current income tax – overseas	(0.1)	(2.5)
Current income tax on separately disclosed items	(0.9)	(1.3)
Amounts over provided in previous period	1.4	0.6
Total current income tax credit (charge)	7.1	(7.4)
Deferred tax		
Deferred tax – UK	4.9	(1.2)
Deferred tax – overseas	2.7	0.1
Restatement of deferred tax due to rate change	(5.3)	(2.4)
Deferred tax on separately disclosed items	1.2	5.9
Amounts under provided in previous period	(0.2)	(0.2)
Total deferred tax credit (note 23)	3.3	2.2
Tax credit (charge) in the income statement	10.4	(5.2)

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 2020: 19.00%). The differences are explained below:

	Year ended 30 June 2021 £m	Year ended 30 June 2020 £m
(Loss) profit before taxation on continuing operations	(107.3)	13.4
Tax charge calculated at 19.00% on profit before taxation (year ended 30 June 2020: 19.00%)	20.4	(2.5)
Effects of:		
Expenses not deductible for tax purposes	(2.4)	(0.6)
Difference in overseas tax rates	(4.9)	0.1
Restatement of deferred tax due to rate change	(5.3)	(2.4)
Adjustments relating to prior periods	1.2	0.4
Deferred tax not recognised	1.4	(0.2)
Tax credit (charge) in the income statement	10.4	(5.2)

Tax on separately disclosed items

The taxation impacts of separately disclosed items are disclosed below:

	Year ended 30 June 2021			Year ended 30 June 2020		
	Current income tax £m	Deferred tax £m	Total £m	Current income tax £m	Deferred tax £m	Total £m
Integration costs	0.4	0.1	0.5	0.4	–	0.4
Amortisation of acquired intangible assets	–	1.1	1.1	–	1.1	1.1
Property related provisions	–	–	–	1.9	–	1.9
Business transformation costs	1.0	–	1.0	–	–	–
Closure of venues	0.3	–	0.3	–	–	–
Gaming duty refund	(2.6)	–	(2.6)	–	–	–
Impairment charges	–	–	–	2.4	5.0	7.4
Profit on disposal of venues	–	–	–	–	(0.2)	(0.2)
Pay provision	–	–	–	(0.2)	–	(0.2)
VAT claim	–	–	–	(4.8)	–	(4.8)
Finance costs and other financial gains	–	–	–	(1.0)	–	(1.0)
Tax (charge) credit on separately disclosed items	(0.9)	1.2	0.3	(1.3)	5.9	4.6

Factors affecting future taxation

UK corporation tax is calculated at 19.00% (year ended 30 June 2020: 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.

The rate increase 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 2021 for the Company was £7.9m (year ended 30 June 2020: loss of £11.3m).

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 has been 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

The financial performance and cash flow information presented for the nine months ended 31 March 2021, and the year ended 30 June 2020.

	Nine months ended 31 March 2021 £m	Year ended 30 June 2020 £m
(Loss) profit before taxation on continuing operations	(107.3)	13.4
Tax charge calculated at 19.00% on profit before taxation (year ended 30 June 2020: 19.00%)	20.4	(2.5)
Effects of:		
Expenses not deductible for tax purposes	(2.4)	(0.6)
Difference in overseas tax rates	(4.9)	0.1
Restatement of deferred tax due to rate change	(5.3)	(2.4)
Adjustments relating to prior periods	1.2	0.4
Deferred tax not recognised	1.4	(0.2)
Tax credit (charge) in the income statement	10.4	(5.2)

(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 profit and loss account as additional profit on sale.

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	As at 30 June 2020 £m
Assets		
Intangible assets	0.9	–
Property, plant and equipment	0.5	0.7
Other receivables	1.6	1.7
Income tax receivable	0.3	–
Assets held for sale	3.3	2.4
Liabilities		
Trade and other payables	(2.7)	(2.1)
Income tax payable	–	(0.1)
Liabilities directly associated with assets held for sale	(2.7)	(2.2)
Net assets directly associated with disposal group	0.6	0.2

9 Dividends paid to equity holders

	Year ended 30 June 2021 £m	Year ended 30 June 2020 £m
Final dividend for 2018/19 paid on 29 October 2019 – 5.50p per share	–	21.5
Interim dividend for 2019/20 paid on 13 March 2020 – 2.80p per share	–	10.9
Dividends paid to equity holders	–	32.4

No final dividend in respect of the year ended 30 June 2021 will be recommended at the Annual General Meeting on 14 October 2021.

10 Earnings per share

(a) Basic earnings per share

	Year ended 30 June 2021			Year ended 30 June 2020 (Restated)		
	Underlying	Separately disclosed items	Total	Underlying	Separately disclosed items	Total
(Loss) profit attributable to equity shareholders						
Continuing operations	£(88.9)m	£(8.1)m	£(97.0)m	£26.3m	£(17.7)m	£8.6m
Discontinued operations	£1.1m	£23.8m	£24.9m	£1.2m	–	£1.2m
Total	£(87.8)m	£15.7m	£(72.1)m	£27.5m	£(17.7)m	£9.8m
Weighted average number of ordinary shares in issue	437.3m	437.3m	437.3m	390.7m	390.7m	390.7m
Basic (loss) earnings per share						
Continuing operations	(20.3)p	(1.9)p	(22.2)p	6.7p	(4.5)p	2.2p
Discontinued operations	0.2p	5.5p	5.7p	0.3p	–	0.3p
Total	(20.1)p	3.6p	(16.5)p	7.0p	(4.5)p	2.5p

(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 2021			Year ended 30 June 2020 (Restated)		
	Underlying	Separately disclosed items	Total	Underlying	Separately disclosed items	Total
Weighted average number of ordinary shares in issue	437.3m	437.3m	437.3m	390.7m	390.7m	390.7m
Number of shares used for fully diluted earnings per share	437.3m	437.3m	437.3m	390.7m	390.7m	390.7m
Diluted (loss) earnings per share						
Continuing operations	(20.3)p	(1.9)p	(22.2)p	6.7p	(4.5)p	2.2p
Discontinued operations	0.2p	5.5p	5.7p	0.3p	–	0.3p
Total	(20.1)p	3.6p	(16.5)p	7.0p	(4.5)p	2.5p

11 Intangible assets

Group	Note	Goodwill £m	Casino and other gaming licences and concessions £m	Software and development £m	Brands and customer relationships £m	Property contracts £m	Total £m
Cost							
At 1 July 2019		166.6	279.1	69.6	11.7	3.9	530.9
IFRS 16 transition impact		–	–	–	–	(3.5)	(3.5)
Exchange adjustments		0.6	1.2	0.1	0.3	(0.4)	1.8
Disposals		–	–	(0.1)	–	–	(0.1)
Additions		–	–	18.0	–	–	18.0
Acquisitions		53.0	–	31.2	9.9	–	94.1
At 30 June 2020		220.2	280.3	118.8	21.9	–	641.2
Reallocation between categories ¹		–	–	0.6	–	–	0.6
Exchange adjustments		(2.0)	(2.9)	(0.2)	(0.6)	–	(5.7)
Disposals		–	–	(3.3)	–	–	(3.3)
Additions		–	0.4	14.1	0.9	–	15.4
Business disposed	8	–	–	(0.1)	(0.9)	–	(1.0)
At 30 June 2021		218.2	277.8	129.9	21.3	–	647.2
Aggregate amortisation and impairment							
At 1 July 2019		–	47.3	31.1	2.8	1.9	83.1
IFRS 16 transition impact		–	–	–	–	(1.6)	(1.6)
Exchange adjustments		–	0.9	0.1	0.2	(0.3)	0.9
Charge for the year		–	0.6	18.7	4.5	–	23.8
Impairment charges		–	14.1	–	–	–	14.1
Disposals		–	–	(0.1)	–	–	(0.1)
At 30 June 2020		–	62.9	49.8	7.5	–	120.2
Exchange adjustments		–	(2.3)	(0.1)	(0.4)	–	(2.8)
Charge for the year		–	0.1	22.7	5.2	–	28.0
Impairment charges		–	–	0.6	–	–	0.6
Disposals		–	–	(3.3)	–	–	(3.3)
Business disposed	8	–	–	(0.1)	–	–	(0.1)
At 30 June 2021		–	60.7	69.6	12.3	–	142.6
Net book value at 30 June 2019		166.6	231.8	38.5	8.9	2.0	447.8
Net book value at 30 June 2020		220.2	217.4	69.0	14.4	–	521.0
Net book value at 30 June 2021		218.2	217.1	60.3	9.0	–	504.6

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 £28.0m (30 June 2020: £23.8m) comprise of £11.8m (30 June 2020: £9.6m) recognised in respect of separately disclosed items relating to continuing operations and £16.2m (30 June 2020: £14.2m) in respect of operating profit before separately disclosed items.

Impairment charges for the year of £0.6m (30 June 2020: £14.1m) have been recognised in respect of separately disclosed items relating to continuing operations. There were no impairment reversals in either year.

Software includes internally-generated computer software and development technology with a net book value of £5.5m (30 June 2020: £11.7m).

Property contracts, brands and customer relationships are fair value adjustments that arose on acquisition.

Included in software and development are assets in the course of construction of £1.5m (30 June 2020: £5.3m).

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 2019		124.4	462.8	587.2
IFRS 16 transition impact		(12.7)	(10.9)	(23.6)
Exchange adjustments		0.2	1.2	1.4
Additions		3.0	23.1	26.1
Disposals		(1.6)	(8.1)	(9.7)
Acquisitions		–	0.6	0.6
At 30 June 2020		113.3	468.7	582.0
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)
Additions		1.0	5.7	6.7
Disposals		(0.5)	(5.1)	(5.6)
Write off of assets		–	(0.5)	(0.5)
Business disposed	8	–	(3.3)	(3.3)
At 30 June 2021		109.8	462.4	572.2
Accumulated depreciation and impairment				
At 1 July 2019		72.0	353.7	425.7
IFRS 16 transition impact		(10.2)	(9.9)	(20.1)
Exchange adjustments		–	1.2	1.2
Charge for the year		3.9	26.1	30.0
Impairment charges		2.6	6.3	8.9
Disposals		(1.4)	(6.9)	(8.3)
At 30 June 2020		66.9	370.5	437.4
Reallocation between categories ²		(0.8)	–	(0.8)
Exchange adjustments		(0.1)	(3.3)	(3.4)
Charge for the year		4.0	25.9	29.9
Disposals		(0.5)	(5.0)	(5.5)
Business disposed	8	–	(2.8)	(2.8)
At 30 June 2021		69.5	385.3	454.8
Net book value at 30 June 2019		52.4	109.1	161.5
Net book value at 30 June 2020		46.4	98.2	144.6
Net book value at 30 June 2021		40.3	77.1	117.4

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.

There have been no impairment charges in the current year. Impairment charges in the prior year of £8.9m were recognised in separately disclosed items relating to continuing operations. There were no impairment reversals in either year.

Assets under construction

Included in property, plant and equipment are assets in the course of construction of £1.7m (30 June 2020: £18.1m).

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 2019 – Recognition of right-of-use assets on initial application of IFRS 16	183.0	5.0	188.0
Exchange adjustments	0.2	–	0.2
Acquisitions	3.2	–	3.2
At 30 June 2020	186.4	5.0	191.4
Reallocation between categories ¹	1.9		1.9
Exchange adjustments	(0.3)	–	(0.3)
Additions	6.6	–	6.6
Disposals	(0.2)	–	(0.2)
At 30 June 2021	194.4	5.0	199.4
Accumulated depreciation and impairment			
At 1 July 2019 – Recognition of right-of-use assets on initial application of IFRS 16	–	–	–
Exchange adjustments	0.1	–	0.1
Charge for the year	29.7	1.6	31.3
Impairment charges	14.9	–	14.9
At 30 June 2020	44.7	1.6	46.3
Reallocation between categories ¹	0.8	–	0.8
Exchange adjustments	(0.1)	–	(0.1)
Charge for the year	23.0	0.8	23.8
At 30 June 2021	68.4	2.4	70.8
Net book value at 30 June 2020	141.7	3.4	145.1
Net book value at 30 June 2021	126.0	2.6	128.6

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.

There have been no impairment charges in the current year. Impairment charges in the prior year of £14.9m were recognised in separately disclosed items relating to continuing operations. There were no impairment reversals in either 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, which primarily includes YoBingo. 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 2021, 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	
	2020/21 £m	2019/20 £m	2020/21 £m	2019/20 £m
Grosvenor – group of CGUs ¹	80.9	80.9	210.4	210.4
UK digital CGUs ²	106.4	106.5	–	–
International digital CGUs	30.8	32.8	–	–
International CGUs ³	–	–	6.7	7.0
Total	218.1	220.2	217.1	217.4

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. Includes the legacy UK operations and Stride.

3. Each International 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 2021, and management is satisfied that the assumptions used were appropriate. No impairment charge was recorded at this time. Further calculations were performed after year end in order to reflect the recent performance of venues since reopening and any change in CGU values to 30 June 2021. This additional review resulted in no subsequent changes to the year-end assessment, and accordingly no impairment charge is recorded at 30 June 2021.

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 was 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 division.

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 consistent with prior year.

The principal assumptions underlying the CGU cash flow forecasts include:

- Grosvenor venues, Mecca venues and International venues are open from July 2021 operating under guidance issued by Government and venues remain open;
- Venues return to pre-COVID-19 trading levels by the end of year one of the strategic plan as discussed on pages 11 to 17 in the year in review and Chief Executive's review;
- The underlying business model will be consistent with previous years, adjusted for expected socioeconomic, regulatory or tax changes and planned business initiatives;
- Long-term growth or decline trends in customer visits and spend per visit will continue, adjusted for changes in the business model or expected changes in the wider industry or economy; and
- CGUs will achieve normal win margins, which are based upon historic experience.

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.

The other significant assumptions incorporated into impairment reviews are those relating to discount rates and long-term growth.

	Pre-tax discount rate		Long-term growth rate	
	2020/21 £m	2019/20 £m	2020/21 £m	2019/20 £m
Grosvenor venues ¹	10.5%	10.5%	2%	2%
Mecca venues	10.5%	10.5%	0%	0%
UK digital	12.8%	11.6%	2%	2%
International digital ²	14.0%	14.0%	2%	2%
International venues ³	11.7%	11.7%	2%	2%

1. Discount rate and long-term growth rate applied to Grosvenor venues CGUs and group of Grosvenor venues CGUs to which goodwill is allocated.

2. International digital is included above for comparative purposes. There are no indicators of impairment for this CGU in the current year.

3. International venues now consists solely of Enracha venues in Spain. In 2019/20 this also included Belgium. The pre-tax discount rate shown in the table above now reflects this change in CGU for both years.

14 Impairment reviews (continued)

Where a CGU does not have goodwill or an indefinite life intangible, the CGU is only assessed for impairment where an indicator of impairment to the associated definite life intangible and/or property, plant and equipment is identified. During the period, a sustained period of club underperformance due to closure caused by COVID-19 was identified to be an indicator of impairment at all venues CGUs.

During the period no indicators of impairment reversals were 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, there were no impairment charges recognised during the year.

In the year ended 30 June 2020, the following impairment charges were recognised and disclosed within separately disclosed items within profit and loss.

	Property plant and equipment £m	Right of use asset £m	Intangible assets £m	Total £m
Grosvenor venues ¹	(2.1)	(2.0)	(9.8)	(13.9)
Mecca venues ¹	(5.2)	(10.5)	–	(15.7)
International venues ¹	(1.7)	(2.4)	(4.2)	(8.3)
Total	(9.0)	(14.9)	(14.0)	(37.9)

1. Impairment recorded at the different individual venue CGUs.

Sensitivity of impairment review

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 assets¹).

For digital CGUs, no reasonable possible changes in assumptions will result in an impairment and therefore no sensitivity analysis has been disclosed.

For venues based business the following sensitivities would result in changes to the proposed impairments in Grosvenor venues CGUs and Mecca venues CGUs. No reasonable possible changes in assumptions will result in an impairment and therefore no sensitivity analysis has been disclosed for International venues CGUs.

Grosvenor Venues CGUs

Key Assumption	Reasonable Possible Change	Impact on impairment	£m
Revenue Growth	10% decrease in revenue in year 1	Increase	(0.1)
	10% increase in revenue in year 1	Decrease	–
Post-tax discount rates	1% decrease in discount rates	Decrease	–
	1% increase in discount rates	Increase	(3.0)
Earnings Multiples	10% decrease in earnings multiples	Increase	(3.5)
	10% increase in earnings multiples	Decrease	–
Long-term growth rates	1% decrease in long-term growth rates	Increase	(1.6)
	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	(0.3)
	10% increase in revenue in year 1	Decrease	–
Pre-tax discount rates	1% decrease in discount rates	Decrease	–
	1% increase in discount rates	Increase	(0.1)
Long-term growth rates	1% decrease in long-term growth rates	Increase	(0.4)
	1% increase in long-term growth rates	Decrease	–

Grosvenor Casinos Goodwill – allocated to the group of Grosvenor CGUs

Given the current trading climate we have modelled the following sensitivity analysis:

- +/- £1m movement in year 3 EBITDA represents a +/- £3m movement in the DCF and headroom
- +/- 1% movement in the discount rate represents a +/- £20m movement in the DCF and headroom

DCF	Other assets	Goodwill to be supported	Headroom	Impact of +/- £1m EBITDA movement on headroom	Impact of +/- 1% discount rate movement on headroom
£405.6	£176.1m	£60.0m	£169.4m	+/- £3m	-/+ £20m

EBITDA in year 3 would have to decrease by £60.8m or the discount rate would have to increase by 12.4% for the recoverable amount of the group of Grosvenor CGUs to be equal to their total carrying amount.

Year-end assessment

As at 30 June 2021, management determined that no reasonable possible change in assumptions will result in an impairment. The above disclosures have been provided as additional information in order to inform the users of the accounts of the available headroom and the assessment performed by management.

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.

In the current 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, IFRS 16 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 and reflect the forecast impact of COVID-19.

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

Through the acquisition of Stride, the Group continues to hold a 50% stake in Aspers Online Limited to which £nil value was assigned. Losses not recognised in the period amounted to £0.4m (30 June 2020: £0.2m).

In the prior year, the Group sold its £3.5m equity investment for total sale proceeds of £5.6m recognising a profit of £2.1m shown in separately disclosed items in the prior year.

b) Company investments

	As at 30 June 2021 £m	As at 30 June 2020 £m
Company – investment in subsidiaries		
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 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.

A list of the significant Company investments in subsidiaries, including the name, country of incorporation, registered office and proportion of ownership interest is given in note 35.

15 Investments (continued)**c) Non-controlling interest**

Set out below is the summarised financial information for the subsidiary that has non-controlling interests that are material to the Group.

The amounts disclosed for each subsidiary are before intercompany eliminations.

Stride Gaming plc

	As at 30 June 2021 £m	As at 30 June 2020 £m
Current assets	1.0	0.4
Current liabilities	(1.3)	(0.8)
Current net assets	(0.3)	(0.4)
Non-current assets	0.1	0.1
Non-current net assets	0.1	0.1
Net assets	(0.2)	(0.3)
Accumulated NCI	(0.1)	(0.2)

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.

16 Inventories

	Group	
	As at 30 June 2021 £m	As at 30 June 2020 £m
Finished goods	2.0	2.0

There were no write downs of inventory in the year (30 June 2020: £nil).

17 Other receivables

	Group	
	As at 30 June 2021 £m	As at 30 June 2020 £m
Current		
Other receivables	7.8	10.8
Less: provisions for impairment of other receivables	(1.6)	(1.9)
Other receivables – net	6.2	8.9
Net investment in lease	3.1	2.7
Prepayments	7.0	8.0
Other receivables – current	16.3	19.6
Non-current		
Other receivables	3.7	4.7
Net investment in lease	1.4	2.3
Other receivables – non-current	5.1	7.0

Group

The Directors consider that the carrying value of other receivables approximate to their fair value.

As at 30 June 2021 other receivables of £1.0m (30 June 2020: £0.4m) 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 2021 £m	As at 30 June 2020 £m
At the start of the year	11.9	–
Receivable in the year	64.4	29.0
Cash received	(75.5)	(17.1)
At the end of the year	0.8	11.9

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 have also been received in current financial year. Local Restrictions Support Grants is a grant funding scheme which support businesses that are required to close during national lockdown periods and periods of local restrictions. The Restart Grant scheme supports business with a one-off grant, to reopen safely as COVID-19 restrictions are lifted.

19 Trade and other payables

	Group		Company	
	As at 30 June 2021 £m	As at 30 June 2020 £m	As at 30 June 2021 £m	As at 30 June 2020 £m
Current				
Trade payables	25.7	30.9	–	–
Social security and other taxation	22.7	46.2	–	–
Other payables	38.0	30.5	0.6	0.6
Accruals	39.9	35.0	–	–
Trade and other payables – current	126.3	142.6	0.6	0.6
Non-current				
Trade payables	–	0.9	–	–
Other payables	–	0.2	–	–
Trade and other payables – non-current	–	1.1	–	–

20 Income tax

	Group	
	As at 30 June 2021 £m	As at 30 June 2020 £m
Income tax receivable	10.1	1.4
Income tax payable	(3.1)	(2.5)
Net income tax receivable (payable)	7.0	(1.1)

21 Financial assets and liabilities**(a) Interest-bearing loans and borrowings**

	Maturity	Group	
		As at 30 June 2021 £m	As at 30 June 2020 £m
Current interest-bearing loans and borrowings			
Bank overdrafts	On Demand	–	2.5
Obligations under leases	Various	42.2	50.9
Term loans	May 2022	29.6	19.7
Revolving credit facility		11.0	
Other current loans			
Accrued interest	July 2021	0.4	0.2
Unamortised facility fees	Various	(1.6)	(0.7)
Total current interest-bearing loans and borrowings		81.6	72.6
Non-current interest-bearing loans and borrowings			
Obligations under leases	Various	164.7	189.6
Term loans	Various	78.8	108.4
Other non-current loans			
Unamortised facility fees	Various	(1.1)	(1.0)
Total non-current interest-bearing loans and borrowings		242.4	297.0
Total interest-bearing loans and borrowings		324.0	369.6
Sterling			
		324.0	369.6
Total interest-bearing loans and borrowings		324.0	369.6

Bank overdrafts

Bank overdrafts are for short-term funding and are repayable on demand.

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 is LIBOR dependant. The total term loan at 30 June 2021 was £108.4m (30 June 2020: £128.1m), a reduction of £19.7m in the year following the first scheduled repayment made in May 2021.

Revolving credit facilities ('RCF')

The five-year RBS £30.0m facility signed on 29 September 2015 expired on 29 September 2020. The Group has two existing facilities that were signed on 29 February 2020 and 2 March 2020 totalling £55.0m, with expiry dates of May 2024 (£40.0m) and February 2025 (£15.0m). Interest is payable on a periodic basis depending on the loan drawn. The facilities carry floating rates of interest which are LIBOR dependant. At 30 June 2021, £11.0m of RCF was drawn (30 June 2020: £nil), providing the Group with £44.0m of undrawn committed facilities. The Group signed a new two-year £25.0m bi-lateral sterling facility with Lloyds Bank Plc on 6 July 2021.

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 separately disclosed items ('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 existing covenant waivers was subsequently secured in November 2020, with the testing of the two biannual financial covenants tests now to resume from the 30 June 2022. During the waiver period the Group must meet a minimum cash and available facilities position of no less than £50.0m which is tested quarterly.

Company

The Company did not hold any external interest bearing loans or borrowings at 30 June 2021 (30 June 2020: £nil). The Company held interest bearing loans with other Group companies at 30 June 2021 of £371.9m (30 June 2020: £431.1m).

(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 2021 and 30 June 2020.

		Carrying amount		Fair value	
		As at 30 June 2021 £m	As at 30 June 2020 £m	As at 30 June 2021 £m	As at 30 June 2020 £m
Group					
Financial assets:					
Loans and receivables					
Other receivables	Level 2	4.8	7.8	4.8	7.8
Cash and short-term deposits	Level 1	69.6	73.6	69.6	73.6
Total		74.4	81.4	74.4	81.4
Financial liabilities:					
Other financial liabilities					
Interest bearing loans and borrowings					
– Obligations under leases	Level 2	206.9	240.5	206.9	258.3
– Floating rate borrowings	Level 2	119.4	128.1	119.4	128.1
– Bank overdrafts	Level 1	–	2.5	–	2.5
– Other	Level 2	0.4	0.3	0.4	0.3
Trade and other payables	Level 2	101.8	95.7	101.8	95.7
Property leases	Level 2	15.2	13.5	15.2	13.5
Total		443.7	480.6	443.7	498.4
		Carrying amount		Fair value	
		As at 30 June 2021 £m	As at 30 June 2020 £m	As at 30 June 2021 £m	As at 30 June 2020 £m
Company					
Financial liabilities:					
Other financial liabilities					
Trade and other payables		0.6	0.6	0.6	0.6
Financial guarantee contracts		3.1	4.0	3.1	4.0
Amounts owed to subsidiary undertakings		371.9	431.1	371.9	431.1
Total		375.6	435.7	375.6	435.7

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, bank overdrafts and other financial liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments;
- The fair value of fixed rate borrowings is based on price quotations at the reporting date; and
- The fair value of floating rate borrowings are approximates to their carrying amounts.

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.

22 Financial risk management objectives and policies

Financial risk factors

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. 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 at 30 June 2021 and 30 June 2020.

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 2021 £m	As at 30 June 2020 £m	As at 30 June 2021 £m	As at 30 June 2020 £m
Change in foreign exchange rates:				
+10.0% US\$	(0.1)	(0.1)	–	–
-10.0% US\$	0.1	0.2	–	–
+10.0% euro	(0.2)	(0.3)	6.8	4.9
-10.0% euro	0.3	0.3	(6.8)	(4.9)

(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. In prior year and due to the current economic climate, the Group exercised its right to operate outside the Group policy of maintaining between 40% and 60% of its borrowings at fixed rate of interest. At 30 June 2021, the Group is operating within the policy with 58% of the borrowings at a fixed rate of interest (30 June 2020: 65%).

(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 2021 £m	As at 30 June 2020 £m
Sterling:		
100 basis point increase	(1.1)	(0.9)
200 basis point increase	(2.2)	(1.8)

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 a £55.0m bi-lateral revolving credit facility (30 June 2020: £85.0m) expiring May 2024 (£40.0m) and February 2025 (£15.0m), and the £108.4m term loan facility (30 June 2020: £128.1m). The Group signed a new two-year £25.0m bi-lateral sterling facility with Lloyds Bank Plc on 6 July 2021. 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 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
At 30 June 2020						
Interest-bearing loans and borrowings ¹	2.5	21.4	31.0	80.5	–	135.4
Trade and other payables	–	95.7	–	–	–	95.7
Lease liabilities	–	57.0	34.4	75.0	74.1	240.5
	2.5	174.1	65.4	155.5	74.1	471.6

Interest payments on the interest-bearing loans and borrowings have been projected until the instruments mature.

1. The bank facility interest payments were based on current LIBOR 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 separately disclosed items, depreciation and amortisation from continuing operations.

Due to the impact of COVID-19 on the Group's performance and resultant negative EBITDA the ratio for the year ended 30 June 2021 does not provide a useful monitor of capital and therefore have not been shown.

Taking into consideration both the Group's capital investment requirements and the stability of the wider economic environment, the Group considers its progressive dividend policy to be appropriate.

Collateral

The Group did not pledge or hold any collateral at 30 June 2021 (30 June 2020: £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 2020: £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 2021 £m	As at 30 June 2020 £m
Deferred tax assets:		
Accelerated capital allowances	19.6	15.7
Tax losses carried forward	9.6	–
Other UK temporary differences	5.8	2.5
Deferred tax assets	35.0	18.2
Deferred tax liabilities:		
Other overseas temporary differences	(1.9)	(3.6)
Business combinations – acquired intangibles	(0.3)	(0.3)
Business combinations – non-qualifying properties	(0.7)	(0.6)
Temporary differences on UK casino licences	(46.8)	(35.3)
Deferred tax liabilities	(49.7)	(39.8)
Net deferred tax liability	(14.7)	(21.6)

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 £31.4m (30 June 2020: £17.3m) have been offset and disclosed on the balance sheet as follows:

	Group	
	As at 30 June 2021 £m	As at 30 June 2020 £m
Deferred tax assets	3.6	0.9
Deferred tax liabilities	(18.3)	(22.5)
Net deferred tax liability	(14.7)	(21.6)

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 £0.6m (30 June 2020: £0.8m) and overseas tax losses of £15.7m (30 June 2020: £16.2m) 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.

The Group has UK capital losses carried forward of £780m (30 June 2020: £781m). These losses have no expiry date and are available for offset against future UK chargeable gains. No deferred tax asset (30 June 2020: £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 2020: £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 2021 £m	Year ended 30 June 2020 £m
Deferred tax in the income statement		
Accelerated capital allowances	4.0	1.8
Tax losses	9.6	(0.1)
Business combinations – property lease fair value adjustments	(0.3)	(0.1)
Temporary differences on UK casino licences	(11.5)	(2.2)
Other temporary differences	1.5	2.8
Total deferred tax credit	3.3	2.2

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

	Group	
	30 June 2021 £m	30 June 2020 £m
As at start of year	(21.6)	(22.0)
Exchange adjustments	0.1	–
Acquisition of Stride Gaming plc ('Stride')	–	(0.1)
Deferred tax credit in the income statement	3.3	2.2
Deferred tax credit (charge) to equity	3.5	(1.7)
As at end of year	(14.7)	(21.6)

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 2020	13.5	3.9	0.1	1.2	0.2	–	18.9
Charge to the income statement – separately disclosed items	3.5	–	–	–	–	0.8	4.3
Release to the income statement – separately disclosed items	(1.8)	–	–	–	–	–	(1.8)
At 30 June 2021	15.2	3.9	0.1	1.2	0.2	0.8	21.4
Current	3.5	0.2	0.1	1.2	0.2	0.2	5.4
Non-current	11.7	3.7	–	–	–	0.6	16.0
Total	15.2	3.9	0.1	1.2	0.2	0.8	21.4

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 opening balance comprised of £3.3m of dilapidations provisions and a property related provision of £10.2m. 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 £3.5m which represents Rank's best estimate of returning the properties to their original state, whilst £1.8m of provisions were released during the year.

Disposal provisions

Provision has been made for legacy industrial disease and personal injury claims, deferred payments arising from the settlement of property lease obligations and other directly attributable costs arising as a consequence of the sale or closure of the 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 2021 £m	As at 30 June 2020 £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 (30 June 2020: £0.1m) relates to remaining SDI restructuring and relocation costs awaiting finalisation.

Indirect tax provision

The indirect tax provision relates to an amusement machine licence duty claim by HMRC. The balance of £1.2m (30 June 2020: £1.2m) represents the Directors' best estimate of the outflow likely to arise.

Pay provision

The balance of £0.2m (30 June 2020: £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 wholly owned subsidiary during the year, a warranty provision of £0.8m was recognised in separately disclosed items. This amount represented Rank's best estimate of liability in relation to certain indemnities and warranties provided to the purchaser.

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 2021 £m	As at 30 June 2020 £m
Current	0.1	0.2
Non-current	0.9	0.9
Total legacy industrial disease and personal injury claims	1.0	1.1

25 Share capital and reserves

	As at 30 June 2021		As at 30 June 2020	
	Number m	Nominal value £m	Number m	Nominal value £m
Authorised ordinary shares of 13 ⁸ / ₁₀₀ p each	1,296.0	180.0	1,296.0	180.0

Issued and fully paid

	As at 30 June 2021		As at 30 June 2020	
	Number m	Nominal value £m	Number m	Nominal value £m
At 1 July 2020	390.7	54.2	390.7	54.2
Shares issued in year	77.7	10.8	–	–
At 30 June 2021	468.4	65.0	390.7	54.2

Share premium

	As at 30 June 2021		As at 30 June 2020	
	Number m	Nominal value £m	Number m	Nominal value £m
At 1 July 2020	390.7	98.4	390.7	98.4
Shares issued in year	77.7	57.3	–	–
At 30 June 2021	468.4	155.7	390.7	98.4

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 during the year have been included in share premium, less the costs associated with the issue of new equity.

Total shares in issue at 30 June 2021 are 468,429,541.

26 Notes to cash flow

Reconciliation of operating profit to cash generated from operations:

	Note	Group		Company	
		Year ended 30 June 2021 £m	Year ended 30 June 2020 £m	Year ended 30 June 2021 £m	Year ended 30 June 2020 £m
Operating (loss) profit from continuing operations		(92.9)	21.5	1.0	(2.4)
Operating profit from discontinued operations	8	1.5	2.0	–	–
Separately disclosed items		8.4	27.6	–	–
Operating (loss) profit before separately disclosed items		(83.0)	51.1	1.0	(2.4)
Depreciation and amortisation		71.2	75.5	–	–
Share-based payments		(0.2)	0.8	–	–
Assets written off		0.5	1.0	–	–
(Increase) decrease in inventories		(0.1)	0.7	–	–
Decrease (increase) in other receivables		4.8	(8.4)	–	–
(Decrease) increase in trade and other payables		(14.4)	26.6	(1.0)	2.3
		(21.2)	147.3	–	(0.1)
Cash utilisation of provisions (see note 24)		–	(3.0)	–	–
Cash receipts in respect of separately disclosed items		5.9	27.6	–	–
Cash (used in) generated from operations		(15.3)	171.9	–	(0.1)

27 Cash and short-term deposits

	Group	
	As at 30 June 2021 £m	As at 30 June 2020 £m
Cash at bank and on hand	59.6	33.6
Short-term deposits	10.0	40.0
Total	69.6	73.6

The analysis of cash and short-term deposits by currency is as follows:

	Group	
	As at 30 June 2021 £m	As at 30 June 2020 £m
Sterling	55.6	62.8
Euro	11.6	8.9
Others	2.4	1.9
Total	69.6	73.6

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 £7.1m relating to customer funds which is matched by liabilities to customers of equal value within trade payables (note 19).

Company

At 30 June 2021 the Company had cash and short-term deposits of £nil (30 June 2020: £nil).

28 Reconciliation of cash flow from financing activities

Reconciliation of net debt:

	Group	
	As at 30 June 2021 £m	As at 30 June 2020 £m
Cash and cash equivalents	69.6	71.1
Borrowings excluding leases	(119.4)	(128.1)
IFRS 16 lease liabilities	(206.9)	(240.5)
Net debt	(256.7)	(297.5)

For the purpose of the statements of cash flow, cash and cash equivalents comprise the following:

	Group	
	As at 30 June 2021 £m	As at 30 June 2020 £m
Cash at bank and on hand	59.6	33.6
Short-term deposits	10.0	40.0
	69.6	73.6
Bank overdrafts	–	(2.5)
Total	69.6	71.1

28 Reconciliation of cash flow from financing activities (continued)

Changes in liabilities arising from financing activities:

	As at 30 June 2021 £m	Transactions year ended 30 June 2021		As at 30 June 2020 £m
		Cash flow	Non-cash changes	
Obligations under leases	206.9	31.8	1.8	240.5
Term loans	108.4	19.7	–	128.1
Revolving credit facility	11.0	(11.0)	–	–
Total borrowings	326.3	40.5	1.8	368.6

29 Employees and directors**(a) Employee benefit expense for the Group during the year**

	Year ended 30 June 2021 £m	Year ended 30 June 2020 £m
Wages and salaries	148.5	169.7
Social security costs	13.8	15.4
Pension costs	4.5	5.1
Share-based payments	(0.2)	0.9
	166.6	191.1

The Company has no employees (year ended 30 June 2020: nil).

(b) Average monthly number of employees

	Full-time Year ended 30 June 2021	Part-time Year ended 30 June 2021	Total Year ended 30 June 2021	Full-time Year ended 30 June 2020	Part-time Year ended 30 June 2020	Total Year ended 30 June 2020
Digital	600	27	627	356	19	375
Grosvenor Venues	2,661	1,569	4,230	2,880	1,738	4,618
Mecca Venues	572	1,633	2,205	554	1,883	2,437
International Venues	487	75	562	521	99	620
Central Costs	286	23	309	352	29	381
	4,606	3,327	7,933	4,663	3,768	8,431

(c) Key management compensation

	Year ended 30 June 2021 £m	Year ended 30 June 2020 £m
Salaries and short-term employee benefits (including social security costs)	2.5	2.7
Termination benefits	0.1	0.2
Post-employment benefits	0.2	0.2
Share-based payments	–	0.7
	2.8	3.8

Included in key management compensation are bonuses of £0.2m in respect of the current year (year ended 30 June 2020: £nil).

Key management is defined as the Executive Directors of the Group and the management team, details of which are set out on page 78 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 2021 £m	Year ended 30 June 2020 £m
Salaries and short-term employee benefits (including social security costs)	1.1	1.3
Termination benefits	–	0.1
Post-employment benefits	0.1	0.1
Share-based payments	(0.2)	0.5
	1.0	2.0

No Director accrued benefits under defined benefit pension schemes in either year. No Director (year ended 30 June 2020: one) is a member of the Group's defined contribution pension plan at the year end. 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 121.

30 Share-based payments

During the year ended 30 June 2021, the Company operated an equity settled Long-Term Incentive Plan ('LTIP'). Further details of the LTIP are included in the Remuneration Report on pages 124 to 126. The LTIP is an equity settled scheme and details of the movements in the number of shares are shown below:

	As at 30 June 2021	As at 30 June 2020
Outstanding at start of the year	4,860,348	5,470,589
Granted	3,396,884	490,058
Exercised	–	(50,181)
Expired	–	(53,431)
Forfeited	(738,856)	(996,687)
Outstanding at end of the year	7,518,376	4,860,348
Weighted average remaining life	2.4 years	3.3 years
Weighted average fair value for shares granted during the year (p)	96.7p	147.9

There are two LTIP awards currently in issue during the financial year ended 30 June 2021.

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.

The number of LTIP awards and the fair value per share of the LTIP awards granted during the year were as follows:

	30 June 2021	30 June 2020
Number	–	490,058
Weighted average fair value per share	–	154.1p

The fair value of the LTIP 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 2021	30 June 2020
Dividend yield (%)	–	4.10
Vesting period (Years)	2.30	3.30
Weighted average share price (p)	–	183.2

LTIP – 2020/21 award

Vests in a single tranche in December 2023. All LTIP awards have £nil exercise price.

The number of LTIP awards and the fair value per share of the LTIP awards granted during the year were as follows:

	30 June 2021	30 June 2020
Number	3,396,884	–
Weighted average fair value per share	96.7p	–

30 Share-based payments (continued)

The fair value of the LTIP 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 2021	30 June 2020
Dividend yield (%)	2.00	—
Vesting period (Years)	3.00	—
Weighted average share price (p)	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 £1.1m charge (30 June 2020: nil 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 2021, the Group contributed a total of £5.3m (year ended 30 June 2020: £5.1m) 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 2021, the Group's commitment was £3.8m (30 June 2020: £4.0m). The Group paid £0.2m (year ended 30 June 2020: £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 £0.2m (year ended 30 June 2020: loss of £0.1m) before taxation and £0.2m after taxation (year ended 30 June 2020: loss of £0.1m).

	30 June 2021 % p.a.	30 June 2020 % p.a.
Discount rate	1.9	1.4
Pension increases	3.3	2.8

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 94 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 (included under interest-bearing loans and borrowings) and the movements during the period:

	£m
As at 1 July 2020	240.5
Additions	0.7
Modification	2.3
Payments	(36.4)
Foreign exchange	(0.2)
As at 30 June 2021	206.9
Current liabilities	42.2
Non-current liabilities	164.7
Total	206.9

The maturity analysis of lease liabilities are disclosed below:

	As at 30 June 2021	
	Present value of the minimum lease payments £m	Total minimum lease payments £m
Within 1 year	42.2	48.6
After 1 year but within 2 years	25.6	31.1
After 2 years but within 5 years	73.0	84.7
After 5 years	66.1	73.1
	206.9	237.5
Less: total future interest expenses		(30.6)
Present value of lease liabilities		206.9

The following are the amounts recognised in profit or loss:

	Year ended 30 June 2021 £m
Depreciation expense of right-of-use assets	23.8
Interest expense on lease liabilities	7.8
Total amount recognised in profit or loss	31.6

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.

The undiscounted potential future rental payments relating to extension options that are unlikely to be exercised are £0.5m (£0.5m within five years; £nil more than five years.)

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 finance lease income which is shown net of lease costs. Lease income as at 30 June 2021 from lease contracts in which the Group sub-lets certain property space is disclosed below:

Future minimum rentals receivable under non-cancellable operating leases as at 30 June are as follows:

	As at 30 June 2021 Total minimum lease payments £m
Within 1 year	3.1
After 1 year but within 2 years	1.2
After 2 years but within 5 years	0.2
After 5 years	–
Total	4.5

Capital commitments

At 30 June 2021, the Group has contracts placed for future capital expenditure of £6.9m (30 June 2020: £4.0m).

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 2021, 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 £2.0m 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 regular 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 2021, the Company has made guarantees to subsidiary undertakings of £108.7m (30 June 2020: £128.6m).

Contingent assets**Group**

On 30 June 2021, the Group was informed that the First-tier Tribunal ('FTT') had allowed the appeal of The Rank Group Plc 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 has a number of avenues of appeal available before this matter reaches a definitive conclusion, beginning with an initial 56-day period from the date of the decision in which to lodge an appeal and agree the exact quantum of the claim with the Group.

Rank expects that the value will be materially in line with its previous estimate of £80.0m. Once a final decision is obtained and the exact quantum of the refund amount is determined, the Group will account for the refund as a separately disclosed item, consistent with current practice.

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 134.

Company

The following transactions with subsidiaries occurred in the year:

	Year ended 30 June 2021 £m	Year ended 30 June 2020 £m
Interest payable to subsidiary undertaking	(9.8)	(11.6)

During the year, Rank Group Finance Plc, a subsidiary of the Company, received cash from the Company of £68.1m (year ended 30 June 2020: provided additional cash to the Company of £32.5m).

35 Subsidiaries

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 ⁸	Alderney	Interactive gaming	La Corvee House, La Corvee, Alderney, GY9 3TQ
Blankenberge Casino-Kursaal NV ²	Belgium	Casino	Zeedijk (Casino), B-8430 Middelkerke, Belgium
8Ball Games Limited	England and Wales	Marketing services	Unit 901 Highgate Studios 53-79 Highgate Road, Kentish Town, London, NW5 1TL
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
Rank (U.K.) Holdings Limited	England and Wales	Intermediary holding company	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	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

35 Subsidiaries (continued)

Name	Country of incorporation	Principal activities	Registered office address
The Rank Organisation Limited	England and Wales	Dormant	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Think Beyond Media Limited	England and Wales	Marketing services	Unit 441/2 Highgate Studios 53-79 Highgate Road, Kentish Town, London, NW5 1TL
Upperline Marketing Limited ⁹	England and Wales	Support services to interactive gaming	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Associated Leisure France Properties SCI ⁶	France	Dormant	Zi Sud, 12 Rue des Petits Champs, 35400, St Malo, France
Associated Leisure France SARL ⁶	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	Gibraltar	Dormant	Second Floor, Icom House, 1/5 Irish Town, Gibraltar
Mindful Media Limited	Guernsey	Dormant	Kingsway House, Havilland Street, St Peter Port, Guernsey, GY1 2QE
Passion Gaming Private Limited ⁴	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 ⁵	Israel	Dormant	58 Harakevet St. Electra City Tower Tel-Aviv 6777016 Israel
Baldo Line SRL ³	Italy	Dormant	Gallarate (VA) Via Postporta 2 CAP 21013
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 ⁷	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

Name	Country of incorporation	Principal activities	Registered office address
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 Andalucía SL	Spain	Arcade and sports betting	Calle Balmes N° 268-270 1st Floor, 08006, Barcelona, Spain
Top Rank Andalucía SA	Spain	Social and bingo clubs	Conde Robledo 1, 14008, Córdoba, Spain
Verdiales SL	Spain	Social and bingo clubs	Sala Andalucía, Ronda, Capuchinos 19, 41008, Sevilla, Spain
Stride Gaming Sweden AB ⁵	Sweden	Dormant	c/o Nordic Gaming, Norrtullsgatan 6, 113 29 Stockholm, Sweden
Rank America Inc. ⁷	U.S.A.	Dormant	The Corporation Trust Company, 1209 Orange Street, Wilmington, DE 19801, USA

1. Directly held by the Company
2. Sold 1 April 2021
3. Sold 15 June 2021
4. 51% investment and year end 31 March
5. Year end 31 August
6. Year end 31 October
7. Year end 31 December
8. Principal activities are carried out in Gibraltar through its Gibraltar branch
9. Principal activities are carried out in Malta through its Malta branch

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.

36 Post balance sheet event

On 6 July 2021 the Group signed a new two-year £25.0m bi-lateral sterling revolving credit facility with Lloyds Bank Plc.

During the year the Group sold the Blankenberge Casino in Belgium (refer to note 8). Subsequent to the sale and year end, on 2 August 2021, the Group was advised by the buyer of the outcome of a salary moderation case 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 which will be recognised in the 2021/22 financial year.

Five year review

	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	Year ended 30 June 2017 £m
Continuing operations					
Revenue	329.6	629.7	695.1	691.0	707.2
Operating (loss) profit before separately disclosed items	(84.5)	49.1	75.7	77.0	83.5
Separately disclosed items	(8.4)	(27.6)	(36.7)	(26.9)	1.0
Group operating (loss) profit	(92.9)	21.5	39.0	50.1	84.5
Total net financing charge	(14.4)	(8.1)	(4.4)	(3.4)	(4.8)
(Loss) profit before taxation	(107.3)	13.4	34.6	46.7	79.7
Taxation	10.4	(5.2)	(7.0)	(10.8)	(16.8)
(Loss) profit after taxation from continuing operations	(96.9)	8.2	27.6	35.9	62.9
Discontinued operations	24.9	1.2	1.5	–	–
(Loss) profit for the year	(72.0)	9.4	29.1	35.9	62.9
Basic (loss) earnings per ordinary share	(20.1)p	7.0p	15.3p	15.0p	16.2p
Total ordinary dividend (including proposed) per ordinary share	0.00p	2.80p	7.65p	7.45p	7.30p
Group funds employed					
Intangible assets, property, plant and equipment and right-of-use assets	750.6	810.7	609.3	630.6	599.4
Provisions	(21.4)	(18.9)	(46.8)	(41.6)	(33.7)
Other net liabilities	(111.3)	(128.4)	(166.2)	(183.2)	(162.7)
Total funds employed at year-end	617.9	663.4	396.3	405.8	403.0
Financed by					
Ordinary share capital and reserves	361.2	365.9	398.1	396.5	390.6
Net (cash) debt	256.7	297.5	(1.8)	9.3	12.4
	617.9	663.4	396.3	405.8	403.0
Average number of employees (000s)	7.9	8.4	9.0	9.9	10.4

2021/22 financial calendar

Not applicable	Record date for 2020/21 final dividend
14 October 2021	Annual General Meeting and trading update
Not applicable	Payment date for 2020/21 final dividend
27 January 2022	Interim results announcement

Annual General Meeting

The 2021 Annual General Meeting ('AGM') will be held on 14 October 2021, 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, which will be published at least 20 working days before the AGM. The full text of the notice of 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 may be 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 2098¹ and from outside the UK +44 121 415 7047¹).

There is a text phone available on 0371 384 2255¹ 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 is no longer operating 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 that shareholders have: <http://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 the www.rank.com website.

Shareholder security

We are aware that some of our shareholders have received 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/protectyourself-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 at our registered office:

Luisa Wright, Group General Counsel & Company Secretary
Sarah Powell, Director of Investor Relations & Corporate Communications

Registered office

The Rank Group Plc,
TOR, Saint-Cloud Way, Maidenhead SL6 8BN

Tel: 01628 504 000

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For more information, visit our website.

www.rank.com



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