GUOCO GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(stock code: 53)

OVERSEAS REGULATORY ANNOUNCEMENT

(This overseas regulatory announcement is issued pursuant to Rule 13.10(B) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.)

Please refer to the attached announcement on the next page.

As at the date of this announcement, the board of directors of Guoco Group Limited comprises Mr. Quek Leng Chan as Chairman; Mr. Kwek Leng Hai as President, CEO; Mr. Kwek Leng San and Mr. Tan Lim Heng as non-executive directors and Mr. Volker Stoeckel, Mr. Roderic N. A. Sage and Mr. David Michael Norman as independent non-executive directors.

News Release

20 August 2015

The Rank Group Plc ("Rank" or the "Group")
Full-year results for the 12 months ended 30 June 2015

Strong progress made in 2014/15

Financial highlights in the 12 months ended 30 June 2015

	2014/15	2013/14	Change
Group revenue	**£738.3m**	£707.7m	4%
Statutory revenue	**£700.7m**	£678.5m	3%
Group EBITDA before exceptional items	**£126.3m**	£116.0m	9%
Group operating profit before exceptional items	**£84.0m**	£72.4m	16%
Adjusted profit before tax	**£74.1m**	£62.5m	19%
Adjusted earnings per share	**14.6p**	12.4p	18%
Net debt	**£(52.9)m**	£(137.0)m	61%
Dividend per share	**5.60p**	4.50p	24%

Key highlights

- Operating profit up 16% with all brands in growth
- Group revenue up 4%, with like-for-like revenue for Grosvenor Casinos and Mecca up 8% and 2% respectively
- Strong digital growth with revenue up 21% and operating profit up 14% despite the introduction of Remote Gaming Duty ('RGD') from 1 December 2014
- Migration to new Bede digital platform underway with go-live planned for Q3 2015/16
- Robust balance sheet with cash flow from operations up 44% and net debt reduced by 61%
- Significant progress made towards our five strategic objectives
- Strong dividend growth with dividend per share of 5.60p, up 24% year-on-year
- Adjusted EPS up 18%

Henry Birch, Chief Executive of The Rank Group Plc said:

"I am delighted to be announcing a significant improvement in our performance with a strong set of results and profit growth across all our brands. Our 16% profit growth has translated into 18% adjusted EPS growth and a 24% increase in our annual dividend which is reflected in a strong balance sheet and lower debt. Alongside our strong operating performance, we have made good progress on our strategic objectives that we outlined 12 months ago, and we have a clear strategy for delivering sustainable profitable growth across all our brands.

We are particularly pleased that the strong digital growth we reported at our interims continues and we remain on track to implement a new digital platform in early 2016. Our market-leading Grosvenor Casinos business continues to deliver consistent growth with like-for-like revenue up 8% and operating profit up 17%. Mecca has had a significantly improved year with like-for-like revenues up 2% and operating profit up 16%, driven by good digital growth, stable like-for-like revenues in our venues and lower operating costs benefiting from a reduction in bingo duty. And after several years of tough trading conditions, Enracha, our Spanish bingo business, has reported euro profits up 240%.

We firmly believe that alongside growth in digital gambling, there will continue to be sustained demand for venue-based gambling in bingo clubs and casinos which offer an experience that cannot be digitised. Moreover, we believe that consumer trends will increasingly favour companies that can offer services across digital and retail channels and successfully offer a joined-up experience to our customers.

Trading in the short seven-week period to 16 August 2015 has continued in line with the trends seen in 2014/15 and is in line with management's expectations.

Following our strong performance in the year, the board is pleased to recommend a significant increase to the dividend, delivering strong returns to shareholders and reflecting our continued confidence for the future."

Ends

Definition of terms:

- Group revenue is before adjustment for free bets, promotions and customer bonuses;
- Group EBITDA is Group operating profit before exceptional items, depreciation and amortisation;
- Adjusted profit before tax is profit from continuing operations before taxation adjusted to exclude exceptional items, the unwinding of discount in disposal provisions and other financial gains or losses;
- Adjusted earnings per share is calculated by adjusting profit attributable to equity shareholders to exclude discontinued operations, exceptional items, other financial gains or losses, unwinding of the discount in disposal provisions and the related tax effects;
- "2014/15" refers to the audited 12-month period to 30 June 2015 and "2013/14" refers to the audited 12-month period to 30 June 2014; and
- Like-for-like excludes the effect of club openings, closures, relocations, and discontinued operations.

Enquiries

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Photographs available from www.rank.com

Analyst meeting and webcast details:
Thursday 20 August 2015
There will be an analyst meeting at 9.30am, admittance to which is by invitation only. There will also be a simultaneous webcast of the meeting.

For the live webcast, please register at www.rank.com. A replay of the webcast and a copy of the slide presentation will be made available on the website later. The webcast will be available for a period of six months.

Forward-looking statements
This announcement includes "forward-looking statements". These statements contain the words "anticipate", "believe", "intend", "estimate", "expect" and words of similar meaning. All statements, other than statements of historical facts included in this announcement, including, without limitation, those regarding the Group's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to the Group's products and services) are forward-looking statements that are based on current expectations. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance, achievements or financial position of the Group to be materially different from future results, performance, achievements or financial position expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's operating performance, present and future business strategies, and the environment in which the Group will operate in the future. These forward-looking statements speak only as at the date of this announcement. Subject to the Listing Rules of the Financial Conduct Authority, the Group expressly disclaims any obligation or undertaking, to disseminate any updates or revisions to any forward-looking statements, contained herein to reflect any change in the Group's expectations, with regard thereto or any change in events, conditions or circumstances on which any such statement is based. Past performance cannot be relied upon as a guide to future performance.

Chief executive's review

In August 2014 we set out our strategy to generate long-term sustainable growth across the Group by creating a compelling multi-channel offer; building a strong digital capability; investing in our brands and marketing; continuing to develop our venues; and harnessing technology to improve our customer experience and drive operating efficiency.

We firmly believe that alongside growth in digital gambling, there will continue to be sustained demand for venue-based gambling in bingo clubs and casinos which offer an experience that cannot be digitised. Moreover, we believe that consumer trends will increasingly favour companies that can offer services across digital and retail channels and successfully offer a joined-up experience.

We are pleased that in the last 12 months, alongside delivering a very strong operating performance across our businesses, we have made significant progress towards these strategic objectives.

Summary of financial results

The Group achieved 4% growth in revenue; with 2% growth in venues and 21% in digital (online and mobile). Like-for-like revenue for the Group grew by 5%.

Group operating profit increased by 16% with the benefit from increased revenue and lower bingo duty being partly offset by the introduction of Remote Gaming Duty ("RGD"). On a constant tax basis (i.e. removing impact of RGD and the net benefit from the reduction in bingo duty) Group profits were up 10%.

£m	**Revenue***		**Operating profit****	
	2014/15	2013/14	**2014/15**	2013/14
Grosvenor Casinos	**423.4**	391.2	**66.5**	56.8
Venues	**401.1**	377.7	**63.4**	57.7
Digital	**22.3**	13.5	**3.1**	(0.9)
Mecca	**289.6**	288.2	**43.0**	37.0
Venues	**224.4**	229.3	**28.9**	21.1
Digital	**65.2**	58.9	**14.1**	15.9
Enracha	**25.3**	28.3	**2.6**	0.8
Venues	**25.3**	28.3	**3.1**	1.2
Digital	**-**	-	**(0.5)**	(0.4)
Central costs			**(28.1)**	(22.2)
Total	**738.3**	707.7	**84.0**	72.4

* before adjustments for free bets, promotions and customer bonuses; ** before exceptional items

Revenue from Grosvenor Casinos increased by 8% to £423.4m, driven by an improved London performance in H2 and a 65% increase in digital revenue. Operating profit rose by 17% to £66.5m.

Mecca's revenue was flat year-on-year as good growth in digital was offset by lower venues revenue following the closure of six underperforming venues. Like-for-like revenue for Mecca venues however was flat in the year following two years of like-for-like revenue declines. Despite the introduction of RGD from 1 December 2014 operating profit rose by 16% to £43.0m driven by the reduction in bingo duty and other operating costs.

Enracha's euro like-for-like revenue increased by 9% driven by a 7% increase in like-for-like admissions. Sterling operating profit increased by 225%, following the closure or disposal of two loss making venues in the last two financial years.

Central costs increased by 27% to £28.1m due to higher IT, management incentivisation costs, employee bonus and redundancy costs.

On a cash basis, Rank invested £31.9m of capital across the Group during the year.

The Group's adjusted net financing charge of £9.9m was in line with the prior period.

Adjusted earnings per share increased by 18% to 14.6p.

Exceptional items relating to continuing operations were a profit of £2.1m in the year and further detail can be found in note 3.

Dividend

The Board targets a progressive and sustainable dividend. This dividend policy reflects the strong cash flow characteristics and long-term earnings potential of the Group, whilst allowing it to retain sufficient capital to fund on-going operating requirements, investment and balance sheet management. The board is recommending a final dividend of 4.00 pence per share to be paid on 21 October 2015 to shareholders on the register at 11 September 2015. This will take the full year dividend to 5.60 pence per share, a 24% increase on last year. The Group's dividend cover has as a result reduced to 2.6 times from 2.8 times in the prior year.

Operating responsibly
The Rank Board is fully committed to upholding the licensing objectives, as set out in the Gambling Act 2005, with the aim of ensuring that all our customers enjoy our products responsibly. Following two specific cases, the UK Gambling Commission brought to our attention deficiencies in the application of our policies and procedures relating to anti-money laundering and responsible gambling. We are taking remedial actions and have commissioned an externally-led review of our responsible gambling and anti-money laundering controls to provide us with further assurance that we are taking all appropriate steps in these areas. We will continue to aim for the highest standards, in keeping with our commitment to upholding the licensing objectives.

National living wage
The introduction of the national living wage will impact the last quarter of 2015/16. In common with other leisure operators, the Group has a number of employees who will benefit from its introduction. This will result in additional operating costs but we believe a majority of these can be mitigated over time.

Taxation
From 30 June 2014, bingo duty was reduced from 20% to 10% and resulted in a £11.3m tax reduction in the year. This duty cut funded a reduction in prices to our customers, the recommencement of a venues refurbishment programme and an increase in Mecca's capital investments in product and technology.

From 1 December 2014, RGD at 15% was applied to all online gambling revenues generated by customers in the UK. The cost to the Group in the year was £6.6m.

VAT claims
Following the Court of Appeal decision regarding claims for overpaid VAT on certain types of amusement machines, Rank applied for leave to appeal to The Supreme Court. Rank was granted permission and the appeal was heard on 21 April 2015. On 8 July 2015, The Supreme Court issued its decision in favour of HMRC, which concludes this line of litigation. Rank repaid £25.2m of the £30.7m received in connection with these claims to HMRC in May 2014 and has fully provided for the remainder. As a consequence, the decision has no impact on Rank's financial performance or balance sheet strength in 2014/15 or future periods.

Listing Rules
On 7 July 2014, the Company made a formal submission to the UK Listing Authority ("UKLA") requesting it to modify LR 6.1.19 R, so that it could continue to be a premium listed company with a slightly lower free float percentage than 25%. On 27 August 2014, the UKLA formally agreed to modify LR 6.1.19 R to accept a free float of 23%.

On 18 February 2015, GuoLine Overseas Limited ("GuoLine"), a subsidiary of Hong Leong Company (Malaysia) Berhad ("Hong Leong"), sold 50 million ordinary shares in Rank, thereby reducing Hong Leong's interest in Rank's shares to approximately 56.09%. As a result the Group now has a free float of greater than 25% and is no longer in breach of LR 6.1.19 R.

Board changes
On 1 June 2015, Chris Bell joined Rank's board as the senior independent director and also serves on Rank's audit committee. Chris brings with him extensive experience of the gambling industry and considerable corporate experience and is an excellent addition to the board.

On 1 September 2015, Susan Hooper will join our board and she will seek election by shareholders at our forthcoming annual general meeting on 15 October 2015. Details of her background and experience can be found in our notice of annual general meeting. Shaa Wasmund will not be seeking re-election at our annual general meeting and we would like to take this opportunity to thank her for her contribution to the board.

Management team changes
On 23 September 2014, Colin Cole-Johnson joined Rank as group director of digital and cross-channel services. Colin has over 15 years international digital gaming experience and is responsible for the integration and delivery of Rank's multi-channel offer.

During 2014/15, Phil Urban left the Group after serving six years as managing director of Grosvenor Casinos and has been succeeded by Mark Jones (formerly managing director of Mecca).

On 5 January 2015, Martin Pugh joined Rank as managing director of Mecca. Martin has a wealth of experience in marketing, gambling and multi-site leisure, having previously run Virgin Active UK and Camelot's UK business.

On 9 September 2015, Paul Richardson will join the Group's management team as group director of strategy and corporate development. Paul is a former investment banker and corporate lawyer, who has worked both in an advisory and management capacity in the gaming sector. Most recently he was a senior vice president of international development at Galaxy Entertainment Group, one of the largest casino operators in Macau.

Management incentivisation

On 22 April 2015, a general meeting was held where two resolutions were put to the Company's shareholders for consideration and approval. The first was regarding proposed amendments to the Group's Long-Term Incentive Plan for its employees and executive directors. The second resolution was regarding proposed amendments to the director's remuneration policy. Both resolutions proposed were approved by the Company's shareholders and further detail can be found on the Company's corporate website at www.rank.com/general_meeting.

Current trading and outlook

Trading in the short seven-week period to 16 August 2015 has continued in line with the trends seen in 2014/15 and is in line with management's expectations.

Rank remains in a strong financial position, possesses market leading brands and has a clear strategy for long-term growth.

Our strategy

Rank's aim is to be the UK's leading multi-channel gaming operator. In order to achieve this, we are focussed on building engaging brands with the ability to deliver them via whichever channels customers prefer – whether venues, online or mobile. We will focus in particular on building engagement with customers across multiple channels, where our analysis indicates we are likely to generate more durable and valuable customer relationships. Our strategy is focussed on five inter-related initiatives to drive long-term sustainable growth in profits.

1: Creating a compelling multi-channel offer

In the markets where we operate, Rank is one of the few gaming companies in a position to offer customers a genuine multi-channel gaming offer. We have a number of key assets, including a portfolio of more than 150 venues, our membership-based model with approximately three million members, our loyalty and rewards programmes and the high levels of engagement that our team members enjoy with customers.

We will build on this position by investing in a range of improvements designed to make it simpler, more convenient and more rewarding for customers to engage with us across multiple channels. These improvements include the development of a single customer account, a single customer wallet and a single customer rewards programme, as well as a number of other content and technology-related initiatives. These are large and complex programmes which will take time to deliver, but which we believe will give Rank an important competitive advantage.

Activity in 2014/15

- **Grosvenor Casinos services app:** A new app, My Casino, was launched in Q4 2014/15. The app provides customers with information on all our UK casino venues from location and directions to virtual tours of every casino.
- **Tri-channel launch of content:** Grosvenor Casinos had its first simultaneous tri-channel game launch. Prowling Panther was launched across retail, mobile and desktop supported by a cross-channel promotion. Revenues for each channel exceeded typical levels.
- **Progress towards a new digital platform:** In January 2015, we announced that we would be working with Bede Gaming to develop a new platform for our digital business. As part of the selection process, we conducted an extensive technical and business evaluation of a number of platform providers and Bede was chosen on the basis of the quality of its product, its open architecture allowing a linking of systems and multiple sources of games content and its willingness to enter into a collaborative partnership which gives Rank the ability to own its technology in the future should it choose to do so. A more modern and functional digital gaming platform will drive additional digital revenue and will be a key component in creating a multi-channel offer.
- **Bring Your Own Device ('BYOD') trial in Mecca:** Four venues took part in offering customers Mecca Max content on both customer and club Android devices. The trial has provided Mecca with clarity over where investment and further development is required prior to a programme being rolled out across the remaining retail estate.
- **Grosvenor Casinos loyalty scheme:** During the year Grosvenor Casinos' loyalty scheme, Play Points, was rolled out across a further 14 venues taking the total venues participating to 46. This was in addition to the previous year's roll out across its digital channel to create the Group's first cross-channel rewards programme.
- **Grosvenor Casinos Black & Gold cards:** During 2014/15, both card schemes were launched targeting higher spending customers. The scheme provides improved customer benefits and aims to improve customer spend, retention and visit frequency.

Priorities for 2015/16

- **Digital platform migration:** Preparation for the migration of meccabingo.com and grosvenorcasinos.com websites is underway and the Group is targeting a full migration to Bede Gaming's platform by Q3 FY 2015/16.
- **Mecca services app:** During the 2015/16 year we plan to launch a Mecca version of the My Casino app to bring the same useful tool to our Mecca customers.
- **Progress towards single account and single wallet:** Work will start on upgrading and integrating Grosvenor Casinos and Mecca retail management systems.

2: Building digital capability

Rank has built strong positions in venue-based gaming which we seek to replicate across our digital channels (online and mobile). In 2014/15, our digital operations generated 12% of Group revenue whereas digital channels now represent around 30% of Great Britain's gambling market (excluding National Lottery), presenting a significant growth opportunity. We recognise that we need to enhance our capability in this area if we are to meet the changing needs of our customers and to capture a greater share of the digital market.

Activity in 2014/15

- **Bede appointment:** Please see 'Creating a compelling multi-channel offer' section above.
- **New Mecca website with a single responsive and adaptive front end for desk top, tablet and mobile devices**: Through Mecca's insight into customer behaviour and preferences, Mecca was able to design, create and launch one of the UK's first responsive, adaptive and customisable gaming websites consistent across all digital channels.
- **Continued focus on digital customer acquisition conversion and retention:** This contributed to digital revenue increasing by 21% and now accounts for 12% of Group revenue.
- **Single teams across marketing, mobile, design and user experience:** Following the appointment of Colin Cole-Johnson as group director of digital and cross-channel services, a shared service digital team was created across our brands to develop centres of expertise and remove unnecessary duplication.
- **Expansion of talent:** In addition to building a stronger cross-brand team the Group has hired a number of individuals with specific functional experience who have been involved in growing and transforming digital gaming businesses.
- **Decision to move Enracha to Bede:** As with Mecca and Grosvenor Casinos, it is important that Enracha's online operations are hosted on a suitable platform and cost efficiencies are realised. Therefore during the year the decision was also made to migrate Enracha's digital operations to Bede Gaming. Enracha's digital channel is planned to be re-launched by 2016/17.

Priorities for 2015/16

- **Digital poker product development:** As the UK's leading land-based poker operator we are looking to upgrade and improve our digital poker offer. Work will commence on this in 2015/16.
- **Sports betting product:** Rank is looking to complement its leading gaming offer with a sports betting product via a third party partnership. We do not see this as a significant revenue opportunity for the Group, but believe it will improve our offer to customers and can be achieved without significant cost.
- **New digital brands:** Work will commence on creating additional brands for our digital channels. These new brands will provide an opportunity to attract customers who are looking for something different to Mecca and Grosvenor Casinos.

3: Developing our venues

Our casinos and bingo venues remain the bedrock of Rank's business, providing entertainment for millions of customers each year and generating the majority of the Group's revenue and profits. By continuing to invest in our venues (in terms of product, environment and service) and by creating new ones, we are constantly evolving and enhancing the experiences that we offer to customers, and in doing so growing our revenue.

Activity in 2014/15

- **New casino opened in Southend:** In September 2014 Grosvenor Casinos opened a new 26.5k sq. ft. venue in Southend at a capital cost of £6.1m comprising table gaming, slots and poker with a restaurant and bar outside the licensed gambling floor. Initial trading has been slower than expected since opening, but in recent months we have seen an improvement in trading.
- **Refurbishment of the Gloucester Road casino:** During the year our successful Gloucester Road casino in London was refurbished at a capital cost of £0.5m. This investment enabled us to protect one of our key venues within the competitive London casino market.
- **Oldbury casino licence:** As part of the Group's strategy to fully utilise its existing assets, a previously non-trading casino licence was opened in December 2014 alongside Mecca's Oldbury venue.
- **Refurbishment of our Bournemouth casino:** £1.4m was spent in the year on refurbishing the Bournemouth casino which was one of the 19 acquired from Gala Coral.

- **Luton 2005 Act:** Following Rank's successful bid for the 2005 Act casino licence in Luton, works are underway to refurbish and extend the current Luton casino to accommodate the permitted additional product. The total capital cost will be approximately £4.8m and is due to be completed by September 2015.
- **Light refurbishments of eight Mecca venues:** Capital investment into our Mecca venues was increased in the year following the reduction in bingo duty to 10%, with eight venues undergoing refurbishments at a total capital cost of £1.3m.
- **Enracha rebrand:** During the year a further three venues in Spain were rebranded to Enracha at a capital cost of £0.6m.

Priorities for 2015/16

- **Commitment to three new bingo venues:** In line with our continuing commitment following the reduction in bingo duty, Mecca will continue to develop its venues offer with at least one new format venue to be opened in 2015/16.
- **Expansion of key casino sites:** As part of Grosvenor Casinos' on-going refurbishment programme and dependent on planning, we expect to upgrade three to five existing casinos within the next financial year. As with previous casino refurbishments, the aim will be to provide our customers with more modern product and an enhanced gaming experience. These upgrades will include our London Park Tower, Coventry and Nottingham casinos.
- **Grosvenor 'sparkles':** 18 Grosvenor Casinos venues will be enhanced in the year at a total estimated cost of £4.5m. Each 'sparkle' will comprise numerous low cost investments ranging from new uniforms and carpets to upgrades of smoking terraces in each venue.
- **Light refurbishment of eight Mecca venues:** The increased capital investment in Mecca's venues will continue into 2015/16 with an additional eight venues receiving a refurbishment in the year at an estimated total capital cost of £2.1m.

4: Investing in brands and marketing

The development of a group of well-defined, relevant and resonant brands is critical for the success of our ambition. At Rank, we enjoy ownership of a number of well-known brands with strong levels of affinity amongst customers. We intend to invest more in the development of our brands and in the marketing support required to release their potential.

Activity in 2014/15

- **A single cross-brand digital marketing team:** Please refer to the 'Building digital capability' section above.
- **New Mecca marketing director appointed:** Anna Shirley joined Mecca in August 2015 as marketing director for Mecca with responsibility for both Mecca's retail and digital channels. Anna brings a wealth of experience of both national and local marketing from some of the UK's leading brands such as Sainsbury's and Freemans.
- **New advertising agency appointed across both brands:** This will result in a more productive and efficient relationship.
- **New Mecca and Grosvenor Casinos TV adverts:** New adverts were aired in the period promoting both our digital and retail channels.
- **New Grosvenor Casinos logo design:** Following consultation with our customers we took the step to simplify the Grosvenor Casinos logo to improve its recognition and better accommodate its digital format.
- **Increased VIP teams in Grosvenor Casinos**: During the year VIP managers were deployed across our London venues. The managers are focused on improving both customer care levels and VIP customer retention.
- **Increased marketing spend:** Total marketing spend, including free-bets, increased by 19% to £75.5m in the year with a particular focus on TV advertising to promote multi-channel.

Priorities for 2015/16

- **Continue to incrementally increase marketing spend:** Overall marketing expenditure will increase but will be in keeping with revenue increases and ensuring a return on marketing investment.
- **Review of our customer relationship management ('CRM'), business intelligence ('BI'), and insights capability:** The Group has access to a significant amount of data on how our customers interact with each of its brands. We will start work on implementing new ways of storing, accessing and interrogating this data, thus enabling us to react better to our customers' needs and behaviours.
- **Review sponsorship opportunities:** The Group will look at further opportunities in the coming year to build on the sponsorship activity carried out in 2014/15 which contributed to improved brand awareness and in-club events.

5: Using technology to drive efficiency and improve customer experience

The customer is at the heart of our focus on increasing the use of technology in our businesses and driving efficiency. By speeding up processes we can remove customer frustrations and by removing costs we can offer better value. Together, these will create important competitive advantages. We have identified a number of opportunities to harness technological developments to offer our customers more engaging experiences and to achieve sustainable growth in operating margins.

Activity in 2014/15

- **Server-based slots roll out in Mecca:** 1,000 new and 1,315 upgraded server-based machines were rolled out across 81 Mecca venues in the year, representing 44% of Mecca's gaming machine estate. These provide an enhanced customer experience with high definition screens offering a wide choice of content and access to promotional features. These machines have Ticket In Ticket Out (TiTo) functionality to reduce cash handling costs.
- **Mecca Max roll out**: Mecca Max is a key component in the delivery of improved efficiency and profitability within Mecca's venues. By increasing capacity more customers have the opportunity for electronic bingo therefore reducing cash handling costs. 5,600 units were purchased in the year of which 2,200 units were incremental.
- **Bring Your Own Device ('BYOD') trial**: Please refer to the 'Creating a compelling multi-channel offer' section above.
- **Labour scheduling in Grosvenor Casinos venues:** A central rota system for Grosvenor Casinos was implemented in the year. The system enables management to monitor labour scheduling per venue and hence optimise allocation of labour resources.

Priorities for 2015/16

- **iBeacon trial:** iBeacon technology enables us to communicate with our customers via their mobile devices on entering one of our venues. A low-cost trial will be carried with an initial focus on establishing how many of our customers' devices are open to this method of communication.
- **Improved electronic roulette:** To increase spin rates and improve table choice, the Group is looking at ways to broadcast electronic roulette game play from one casino to another.
- **Cashless systems in our venues:** Mecca will be looking at ways to further reduce the amount of cash that is handled within its venues to decrease cash handling costs and meet our customers' growing needs.
- **Launch of progressive Blackjack jackpot:** We are rolling out a new progressive jackpot across our UK casino estate.

Business review

Grosvenor Casinos

Grosvenor Casinos has performed strongly in the year across both channels. Total and like-for-like revenue was up 8%.

	2014/15	2013/14	Change
Total revenue* (£m)	**423.4**	391.2	8%
Venues	401.1	377.7	6%
Digital	22.3	13.5	65%
Total EBITDA (£m)**	**91.7**	80.9	13%
Venues	87.1	79.8	9%
Digital	4.6	1.1	318%
Total operating profit (£m)**	**66.5**	56.8	17%
Venues	63.4	57.7	10%
Digital	3.1	(0.9)	444%
Like-for-like revenue	**8%**		
Venues	6%		
Digital	65%		

* before adjustments for free bets, promotions and customer bonuses; ** before exceptional items,

A recovery in win margin in the second half of the year, bringing the full year back to a normal win margin, contributed to a 6% growth in venues revenue for the year. Operating profit grew by 10% principally due to an improved London performance despite a £1.4m increase in irrecoverable VAT (£0.8m relating to the prior year) and higher operating costs.

Following a successful bid, Grosvenor Casinos was awarded the 2005 Act casino licence for Luton in June 2014. The existing Luton casino will house the 2005 Act licence and as result is currently undergoing refurbishment and extension works to accommodate the additional permitted product. The total capital cost will be approximately £4.8m with works due to be completed by September 2015.

On 25 September 2014, a new casino in Southend was opened at a capital cost of £6.1m. Initial trading has been slower than expected since opening, but in recent months we have seen an improvement in trading.

As part of our estate rationalisation programme aimed at improving long-term profitability, we closed two of our under-performing casinos. Our New Brighton casino was closed in July 2015 following a disappointing trading performance since its opening in April 2012. We also closed our smaller Osborne Road casino in Portsmouth in August 2015 and plan to transfer the licence to our highly successful Portsmouth casino at Gunwharf Quays. Subject to planning permission the additional licence will be operating in H1 2015/16.

Digital continues to deliver strong revenue growth with revenues up 65% in the year. The brand maintained its focus on developing and improving its digital offer with 167 games launched in the year and its first multi-channel game launch. RGD was introduced from 1 December 2014 and despite this additional cost of £1.7m, the digital channel delivered a profit for the year after being loss making in prior periods.

Key performance indicators

	2014/15	2013/14	Change
Total customers (000s)**	**1,817**	1,745	4%
Venues *	1,743	1,721	1%
Digital *	114	50	128%
Cross channel customer cross over***	**2.3%**	1.5%	0.8ppt
Total customer visits (000s)	**8,900**	8,579	4%
Venues	8,233	8,139	1%
Digital	667	440	52%
Total spend per visit (£)	**47.57**	45.60	4%
Venues	48.72	46.41	5%
Digital	33.43	30.68	9%
Total net promoter score	**40%**	41%	(1)ppt
Venues	40%	44%	(4)ppt
Digital	18%	7%	11ppt

* Customers shown on a moving annual total ('MAT') basis; **cross-over customers included only once and 2013/14 brand customer numbers have been restated to remove duplication relating to the acquired casinos;
*** percentage of venues customers who are also digital customers

Venues customers grew by 1% in the year driven by the London venues.

Digital customers and visits numbers continued to grow in the year, up 128% and 52% respectively. Mobile customers grew very strongly, up 132%, driven by investments, upgrades and the launch of a mobile app for our successful live casino.

Venues regional analysis
The casinos estate is split into three key areas – London, Provinces and Belgium. To better illustrate the differences across the estate the following analysis has been provided.

	Customer visits (000s)		**Spend per visit (£)**		**Revenue (£m)**		**Operating profit (£m)**	
	2014/15	2013/14	**2014/15**	2013/14	**2014/15**	2013/14	**2014/15**	2013/14
London	**1,468**	1,452	**101.02**	90.56	**148.3**	131.5	**34.0**	27.9
Provinces	**6,506**	6,406	**36.83**	36.17	**239.6**	231.7	**28.6**	29.4
Belgium	**259**	281	**50.97**	51.60	**13.2**	14.5	**0.8**	0.4
Total	**8,233**	8,139	**48.72**	46.41	**401.1**	377.7	**63.4**	57.7

London performed strongly in the year with revenues up 13% driven by a stronger win margin and major player activity in H2. During the year Grosvenor Casinos' top 50 customers contributed approximately £4.6m of additional revenue compared to the average recorded over the last four years (including 2014/15). Operating profit grew by 22%.

Provincial revenue grew by 3% in the year driven by a 2% increase in customer visits. Excluding the impact from the opening of Southend, visits were broadly flat against last year which is in line with the latest available data for the UK casino market. This lack of visit growth was disappointing and will be a focus for the coming year. Comparable revenue was up 2% driven by increased spend per visit offset by a lower win margin. Disappointingly operating profit fell by 3% in the year due to higher irrecoverable VAT, start-up losses at Southend, a lower win margin and other one-off costs.

Venues revenue analysis – Great Britain only

£m	**2014/15**	2013/14	Change
Casino games	**263.5**	247.5	6%
Gaming machines	**79.4**	72.9	9%
Card room games	**15.7**	14.7	7%
Food & drink/other	**29.3**	28.1	4%
Total	**387.9**	363.2	7%

Gaming machine revenue grew strongly in the year, up 9%, driven by product improvements in the prior period, particularly in the 19 acquired casinos. The London Poker Room (opened November 2013) was the key driver of the 7% increase in card room revenue.

Mecca

Mecca's like-for-like revenue rose by 2% in the year, with venues revenue flat and digital revenue up 11%.

	2014/15	2013/14	Change
Total revenue* (£m)	**289.6**	288.2	0%
Venues	224.4	229.3	(2)%
Digital	65.2	58.9	11%
Total EBITDA (£m)**	**57.2**	53.2	8%
Venues	41.6	34.9	19%
Digital	15.6	18.3	(15)%
Total operating profit (£m)**	**43.0**	37.0	16%
Venues	28.9	21.1	37%
Digital	14.1	15.9	(11)%
Like-for-like revenue	**2%**		
Venues	0%		
Digital	11%		

* before adjustments for free bets, promotions and customer bonuses; ** before exceptional items

Like-for-like venues revenue benefited from an increase in spend per visit, driven by product enhancements, but this was offset by a 3% fall in like-for-like customer visits. This like-for-like revenue performance is pleasing as it follows two years of revenue declines. Total venues revenue fell in the period by 2% driven by the closure of six under-performing venues in the year. Operating profit increased by 37% due to lower operating costs, predominantly due to lower bingo duty and lower labour costs.

Investment in bingo
In line with the Group's commitments following the reduction in bingo duty to 10% the Group has invested in the following programmes in the year:

Investment in facilities

- Venue refurbishment programme recommenced: Total capital expenditure of £1.3m on refurbishing eight venues during the year, with a further eight refurbishments planned for 2015/16.
- New bingo venues: The Group remains committed to opening three new bingo venues. A new format club is currently in development and is planned to open in 2015/16. It will form part of Mecca's sustainable investment model and will leverage off Mecca's popular electronic bingo product offer.
- Increased maintenance expenditure: An additional £1.1m was spent in the year, a 85% increase on last year.
- WiFi upgrade: As part of the brand's drive to improve customer experience WiFi trials were carried out in our venues in the year.

Improved value to customers

- Reduced main stage bingo pricing: £3.4m of the bingo duty saving was allocated to reduce the price of bingo books in the year.
- Enhanced customer prizes: £1.5m was spent on new in-venue events with enhanced prizes.

Improvement in product

- Mecca Max units: £2.2m was spent in the year on 5,600 hand held Mecca Max units of which 2,200 were incremental.

Digital performed strongly in the year with revenues up 11% driven by an increase in customer numbers and improved customer retention. Operating profit fell by 11% following the introduction of RGD on 1 December 2014, costing £4.9m in the year.

Key performance indicators

	2014/15	2013/14	Change
Total customers (000s)**	**1,141**	1,096	4%
Venues*	961	937	3%
Digital*	267	229	17%
Cross channel customer cross over***	**9.1%**	7.5%	1.6ppt
Total customer visits (000s)	**17,248**	17,429	(1)%
Venue	12,035	12,607	(5)%
Digital	5,213	4,822	8%
Total spend per visit (£)	**16.79**	16.54	2%
Venues	18.65	18.19	3%
Digital	12.51	12.21	2%
Total net promoter score	**57%**	43%	14ppt
Venues	62%	47%	15ppt
Digital	30%	21%	9ppt

* Customers shown on a moving annual total ('MAT') basis; **cross-over customers included only once; ***percentage of venues customers who are also digital customers

Venues continued to increase the number of customers in the year, up 3%. Total visits fell by 5% due to the continued decline in visit frequency. However, following the closure of under-performing venues in the year, the like-for-like visits decline was lower at 3%. As highlighted in our interim announcement, the rate of decline in visits has slowed compared to the 7% decline seen in the prior year.

Six loss-making venues were closed in the year as part of Mecca's drive to create a more profitable and sustainable venues estate. The impact on operating profit of these closures is small however management time savings are more significant. Two further venues were closed after the year end and one further closure is planned for 2015/16.

Digital customers numbers grew by 17% in the year following a successful TV campaign and a more competitive sign up bonus. During the year significant investment was made into mobile product to support the brand's increasing number of mobile customers, up 49%, who now account for 70% of Mecca's digital customer base.

Venues revenue analysis

£m	**2014/15**	2013/14	Change
Main stage bingo	**31.4**	35.1	(11)%
Interval games	**92.9**	94.7	(2)%
Amusement machines	**73.5**	73.8	0%
Food & drink/other	**26.6**	25.7	4%
Total	**224.4**	229.3	(2)%

The roll out of the 1,000 server-based gaming machines was completed in the year along with the conversion of 1,315 machines to TiTo functionality.

Enracha

Our Spanish brand, Enracha, has performed well in the year, with like-for-like euro revenue up 9%.

	2014/15	2013/14	Change
Revenue (€m)	**33.4**	34.0	(2)%
Revenue (£m)	**25.3**	28.3	(11)%
EBITDA* (£m)	**4.1**	2.9	41%
Operating profit* (€m)	**3.4**	1.0	240%
Operating profit* (£m)	**2.6**	0.8	225%

* before exceptional items

Operating profit continues to benefit from tax de-regulation and tight cost control. Enracha's Sterling revenue fell by 11% in the year due to the adverse exchange rate and the reduction in the number of venues.

Enracha's venue in Girona continues to benefit from reduced competition and, due to the sustained improvement in profitability, a £1.6m impairment reversal has been recognised in the year.

During the year three more venues were converted to the Enracha brand at a capital cost of £0.6m. Enracha will look to re-launch its digital channel by 2016/17 following its migration onto the Bede digital platform.

Key performance indicators

	2014/15	2013/14	Change
Customers (000s)*	**269**	260	3%
Customer visits (000s)	**1,844**	1,945	(5)%
Spend per visit (€)	**18.11**	17.48	4%
Spend per visit (£)	**13.72**	14.55	(6)%
Net promoter score	**91%**	86%	5ppt

* Customers shown on a moving annual total ('MAT') basis

Venues revenue analysis

€m	2014/15	2013/14	Change
Bingo	**19.1**	20.3	(6)%
Amusement machines	**11.7**	10.8	8%
Food & drink/other	**2.6**	2.9	(10)%
Total	**33.4**	34.0	(2)%

Financial review

Group revenue for the 12-month period from continuing operations rose by 4% to £738.3m while Group operating profit before exceptionals of £84.0m was 16% higher than the prior period.

Adjusted net interest payable for the 12 months was in line with the prior period.

Adjusted earnings per share was up 18% year on year at 14.6p.

Taxation

The Group's effective corporation tax rate on continuing operations was 22.9% (2013/14: 22.2%) based on a tax charge of £17.0m on adjusted profit before taxation and a tax credit on exceptionals of £1.3m. The Group's effective corporation tax rate for 2015/16 is expected to fall within the range of 21% to 23% as a result of the reduction of UK corporation tax rates.

The Group had a cash tax rate of 3.0% on adjusted profits following refunds received in the year. These arose following submission of the 2012/13 tax returns which included the amusement machines VAT repayment to HMRC. Taking into account this refund, the adjusted cash tax rate of 15.6% reflects the utilisation of capital allowances and losses in the Group (16.7% in the year ended 30 June 2014). This adjusted cash tax rate was in line with management's expectations. The Group is expected to have a cash tax rate of 17.5% to 20.0% in 2015/16, excluding any tax payable on the resolution of a number of legacy issues. This is lower than the Group's effective corporation tax rate due to the utilisation of capital allowances and losses in the Group.

Rank's appeal regarding claims for overpaid VAT on certain types of amusement machines was heard at the Supreme Court on 21 April 2015. The Supreme Court's decision, which is final, was then subsequently released on 8 July 2015 in favour of HMRC. Rank repaid £25.2m of the £30.7m received in connection with these claims to HMRC in May 2014 and has fully provided for the remainder. As a consequence, the decision has no impact on Rank's financial performance or balance sheet strength in 2014/15 or future periods.

As highlighted in last year's report the Group previously participated in a disclosed tax avoidance scheme. The scheme will be litigated through the courts and the case is expected to be heard in December 2016. Under new tax rules implemented last year, HMRC can request payment of the amounts under dispute in advance of any Tax Tribunal. The Group has still not yet received any request for payment, with the amounts at dispute worth up to £21.7m excluding any interest due.

Exceptional items

In order to give a full understanding of the Group's financial performance and aid comparability between periods, the Group reports certain items as exceptional to normal trading.

Full details of the Group's exceptional items are provided in note 3.

Cash flow

	2014/15 £m	2013/14 £m
Continuing operations		
Cash inflow from operations	**154.5**	107.2
Capital expenditure	**(31.9)**	(44.3)
Fixed asset disposals	**1.5**	0.3
Operating cash inflow	**124.1**	63.2
Discontinued operations	**-**	(0.6)
Net acquisitions and disposals	**(0.1)**	1.1
Net cash payments in respect of provisions and exceptional items	**(7.9)**	(6.7)
	116.1	57.0
Net interest and tax payments	**(9.7)**	(15.5)
Settlement of legacy tax issues	**-**	(56.6)
Dividends paid	**(18.6)**	(16.4)
New finance leases	**-**	(2.3)
Convertible loan payment	**(2.4)**	-
Other (including foreign exchange translation)	**(1.3)**	0.9
Cash inflow / (outflow)	**84.1**	(32.9)
Opening net debt	**(137.0)**	(104.1)
Closing net debt	**(52.9)**	(137.0)

Financial structure and liquidity

At 30 June 2015, net debt was £52.9m compared with net debt of £137.0m at 30 June 2014. The net debt comprised £120.0m in bank term loans in respect of the acquisition of the former Gala casinos, £8.6m in fixed rate Yankee bonds, £11.8m in finance leases and £2.1m in overdrafts offset by cash at bank and in hand of £89.6m.

The Group's banking facilities comprise two £60.0m bi-lateral term loans (reduced from £70.0m in the year) and four £20.0m bi-lateral revolving credit facilities with its relationship banks totalling £200.0m. These facilities require the maintenance of a minimum ratio of earnings before interest, tax, depreciation and amortisation ('EBITDA') to net interest payable; a minimum ratio of EBITDA plus operating lease charges to net interest payable plus operating lease charges and a maximum ratio of net debt to EBITDA, tested quarterly and biannually depending on the facility. The Group has complied with its banking covenants.

The Group's term loans and revolving credit facilities are due to expire in May 2016 and January 2017 respectively. The Group has been working with its relationship banks and anticipates replacement facilities will be signed shortly.

The Group's balance sheet continued to strengthen in the year with leverage falling from 1.2 times to 0.4 times at 30 June 2015.

Capital expenditure

	2014/15	2013/14
	£m	£m
Cash:		
Continuing operations		
Grosvenor Casinos	**15.9**	35.5
Mecca	**9.5**	5.9
Enracha	**0.9**	1.3
Central	**5.6**	1.6
	31.9	44.3
Finance leases:		
Mecca	**-**	2.3
Total capital expenditure	**31.9**	46.6

During 2014/15, Rank invested £8.8m in making improvements to its Grosvenor Casinos venues, this included £4.0m to complete the new Southend casino that opened in September 2014, £1.4m on a major refurbishment of its Bournemouth casino (ex-Gala Coral), £0.5m to modernise its London Gloucester Road casino and £0.9m on works to extend and refurbish its Luton casino to accommodate the awarded 2005 Act casino licence. Grosvenor Casinos also spent £1.3m on rolling out the brand's loyalty scheme, Play Points, across the acquired venues from Gala Coral, £2.3m on a variety of IT upgrades, and £0.9m on developing its digital channel with the balance on minor capital works.

Mecca increased its level of investment into its venues estate in line with its commitment to HM Treasury following the 10% reduction in bingo duty. A total of £9.5m was spent in the year which included £1.3m on venue refurbishments and £2.2m on Mecca Max units. £1.9m was also invested in the brand's digital channel with a majority spent on re-designing the meccabingo.com website and app development.

Central capital expenditure of £5.6m included £3.4m on migrating the Group's digital business to its new platform provider, Bede Gaming.

During 2015/16, we plan to spend approximately £50m.

Total capital committed at 30 June 2015 was £2.8m of which £1.4m related to completing the extension and refurbishment of Grosvenor's Luton casino and £1.0m related to the new online gaming platform.

Going concern

In adopting the going concern basis for preparing the financial information the directors have considered the issues impacting the Group during the period as detailed in the business review above and have reviewed the Group's projected compliance with its banking covenants. The Group is in advanced stages of negotiating replacement bank facilities and based on the Group's cash flow forecasts and operating budgets, the directors believe that the Group will generate sufficient cash to meet its borrowing requirements for at least 12 months from the date of approval of the financial statements and comply with its banking covenants.

Principal risk and uncertainties

Regulatory and tax

- *Regulation*

Adverse regulatory changes in legislation continue to represent a significant risk. Changes in political and social attitudes to gambling in our key markets and negative publicity surrounding the gambling industry could influence regulators' perception of gambling and could lead to increased gambling regulation.

Impact
Regulatory changes could increase the cost of doing business or limit the products and services we can offer.

Mitigation
We participate actively in trade bodies' representations to Government and opposition parties, and work to enable stakeholders to understand our business and its positive contribution to the economy and community. We continue to work hard to promote the Keep it Fun brand and website to customers, regulators and the public to de-mystify the perception of casinos, promote a safe environment to play and illustrate the Company's position in leading the industry in this field.

Direction of travel - risk increasing

- *Taxation*

Adverse changes in fiscal regulation continue to be a significant risk. From December 2014 we have been required to pay UK Remote Gaming Duty at a rate of 15% for the digital gaming business.

Impact
Any increases in the levels of taxation or levies to which we are subject, or the implementation of any new taxes or levies to which we will be subject, could have a material adverse effect on our business, financial condition and results of operations.

Mitigation
Rank is a leading participant in its relevant trade organisations and takes an active part in all relevant consultations by Government.

Direction of travel - stable

Operational risk

- *New online gaming platform – transition and implementation*

The Group is in the process of replacing its online gaming platform, which is of significant strategic importance and represents the largest IT project underway. A supplier, Bede Gaming, has been selected. The key risks for this project include failure to: (a) specify correctly the Group's requirements with the result that the platform is not fit for purpose; (b) deliver the project on time and on budget; (c) conduct adequate testing to ensure that the platform is effective; (d) manage adequately the transition from the existing platform; and (e) provide for an appropriate exit strategy.

Impact
This project is a key strategic enabler, so any failures in the delivery of the project risk having an adverse effect on the ability to optimise the digital platform and its associated business, consequently impacting profitability.

Mitigation
The project is now in the software development stage and has engaged appropriate experienced resources internally to support its delivery. The selected supplier is expert in its field and a professional project management and governance structure is in place to ensure that the schedule, budget and deliverables are tracked and monitored.

Direction of travel - risk increasing

- *Volatility of gaming win*

Win percentages for gambling activities can vary over a short period of time, although they will stabilise over a longer period. The business is also vulnerable to the potential impact of a small number of customers who can create volatility from the level of their gaming win. Win percentages may also be affected by misfeasance or any other problems with the accurate running of the game.

Impact
Gaming win margin directly impacts profitability.

Mitigation
Gaming limits are actively used to manage the exposure of the business at all times.

Programmes are in place to manage high staking VIP customers through a dedicated VIP team and reward programmes exist to manage and incentivise loyalty.

Resources, including a security team, are in place to review and detect misfeasance and any other operational difficulties with game play.

Direction of travel - stable

- *Loss of licences*

Rank's gaming licenses are fundamental to its operation. In the British venues part of the business there is a requirement to hold an operator's licence from the Gambling Commission (the body responsible for regulating commercial gambling in Great Britain) in respect of each of the licensed activities undertaken. Additionally, it is necessary to hold premises licences from the relevant local authority in which each venue is situated, one for gambling activities and one for the sale of alcohol. Our UK customer facing remote gaming activities require licences from both the UK Gambling Commission and the Alderney Gambling Control Commission. Our operations in Spain and Belgium are also subject to licensing requirements in the jurisdictions and local areas in which they operate.

Impact
The loss of licences could have an adverse effect on our business and profitability and prevent us from providing gambling services.

Mitigation
Rank has a dedicated compliance function that is independent of operations and a separate internal audit function that is independent of both operations and the compliance function. Rank maintains a strong and open relationship with the UK Gambling Commission and the other relevant regulatory bodies in all jurisdictions in which we operate.

Direction of travel - stable

- *Business continuity and disaster recovery*

Due to the venues based nature of much of the business, the Group's significant reliance on technology, and the criticality of staff in serving customers and running the business, serious disruptive events such as building fire, pandemic or serious technology failure may cause an interruption to the ability to operate elements of the business if business continuity and disaster recovery plans failed to operate successfully.

Impact
If business continuity and disaster recovery plans failed to operate successfully the business would experience delays in recovering critical revenue-generating activities or operational processes, such as financial reporting, causing both financial and reputational damage.

Mitigation
A Group business continuity plan is in place and regularly reviewed. Departmental plans are required for all critical departments and premises, and managed by the director of security. IT plans were reviewed in light of the transfer of risk arising through the engagement of IT outsourced supplier Tata Consultancy Services and suitable plans are in place for their operations.

Direction of travel - stable

- *Wage rise inflation*

We employ a large number of employees at or just above the minimum wage. Significant increases to the national minimum wage, national living wage or other significant changes to employment regulation could have an adverse impact on the Group's results.

Impact
Changes generating significant employment cost inflation could negatively impact the Group's profitability.

Mitigation
Rank continually monitors the regulatory environment for changes with a view to ensuring that appropriate compensatory productivity improvements can be implemented and the additional costs minimised.

Direction of travel - stable

Information technology risk

- *Reliance on technology*

The Group is highly dependent on complex technology and advanced information systems with many interfaces and a significant number of separate suppliers. The pace of business change and development means that IT changes such as new software coding, systems enhancements and new software application integrations are undertaken continually and consequently these systems are inherently vulnerable to experiencing malfunctions, failures, or cyber attacks such as viruses or hacker intrusion. Comprehensive technology resilience and systems protection measures are in place but it is difficult to detect all threats and vulnerabilities in order to prevent all service interruptions and problems.

Impact

If our prevention measures for technology attacks should fail our reputation may be harmed and customers deterred from using our services which may in turn have a material adverse effect on our financial performance. Failures in service provision could also render the Group unable to serve customers during such service interruptions, again having an adverse effect on revenue and profit.

Mitigation

The IT outsourcing to Tata Consultancy Services has substantially enhanced the resources for providing business support and resilience around key systems. Over the past year a substantial amount of investment has been put into enhancing the security, network and application infrastructure and further work will continue into the coming year.

Direction of travel - stable

Directors' Responsibility Statement

Each of the directors named below confirm that to the best of his or her knowledge:

- the financial statements, prepared in accordance with the financial statements under International Financial Reporting Standards (IFRSs) as adopted by 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 fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the risks and uncertainties that they face.

The directors of The Rank Group Plc are:

Chris Bell
Henry Birch
Ian Burke
Clive Jennings
Lord Kilmorey
Owen O'Donnell
Tim Scoble
Shaa Wasmund MBE

Signed on behalf of the board on 19 August 2015

Henry Birch Chief Executive	Clive Jennings Finance Director

Group Financial Information

Group Income Statement
For the year ended 30 June 2015

	Year ended 30 June 2015			Year ended 30 June 2014		
	Before exceptional items £m	**Exceptional items (note 3) £m**	**Total £m**	Before exceptional items £m	Exceptional items (note 3) £m	Total £m
Continuing operations						
Revenue before adjustment for free bets, promotions and customer bonuses	738.3	-	738.3	707.7	-	707.7
Free bets, promotions and customer bonuses	(37.6)	-	(37.6)	(29.2)	-	(29.2)
Revenue	**700.7**	**-**	**700.7**	678.5	-	678.5
Cost of sales	**(376.6)**	**-**	**(376.6)**	(380.0)	-	(380.0)
Gross profit	**324.1**	**-**	**324.1**	298.5	-	298.5
Other operating costs	**(240.1)**	**2.1**	**(238.0)**	(226.1)	(46.5)	(272.6)
Group operating profit (loss)	**84.0**	**2.1**	**86.1**	72.4	(46.5)	25.9
Financing:						
– finance costs	**(10.4)**	**(1.3)**	**(11.7)**	(10.1)	(4.3)	(14.4)
– finance income	**0.4**	**-**	**0.4**	0.1	1.8	1.9
– other financial (losses) gains	**(0.3)**	**-**	**(0.3)**	1.0	-	1.0
Total net financing charge	**(10.3)**	**(1.3)**	**(11.6)**	(9.0)	(2.5)	(11.5)
Profit (loss) before taxation	**73.7**	**0.8**	**74.5**	63.4	(49.0)	14.4
Taxation	**(16.8)**	**1.3**	**(15.5)**	(10.6)	13.6	3.0
Profit (loss) for the year from continuing operations	**56.9**	**2.1**	**59.0**	52.8	(35.4)	17.4
Discontinued operations - profit	**-**	**15.8**	**15.8**	-	2.8	2.8
Profit (loss) for the year	**56.9**	**17.9**	**74.8**	52.8	(32.6)	20.2
Attributable to:						
Equity holders of the parent	**56.9**	**17.9**	**74.8**	52.8	(32.6)	20.2
Earnings (loss) per share attributable to equity shareholders						
– basic	**14.6p**	**4.5p**	**19.1p**	13.5p	(8.3)p	5.2p
– diluted	**14.6p**	**4.5p**	**19.1p**	13.5p	(8.3)p	5.2p
Earnings (loss) per share – continuing operations						
– basic	**14.6p**	**0.5p**	**15.1p**	13.5p	(9.0)p	4.5p
– diluted	**14.6p**	**0.5p**	**15.1p**	13.5p	(9.0)p	4.5p
Earnings per share – discontinued operations						
– basic	**-**	**4.0p**	**4.0p**	-	0.7p	0.7p
– diluted	**-**	**4.0p**	**4.0p**	-	0.7p	0.7p

Group Statement of Comprehensive Income
For the year ended 30 June 2015

	Year ended 30 June 2015 £m	Year ended 30 June 2014 £m
Comprehensive income:		
Profit for the year	**74.8**	20.2
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Exchange adjustments net of tax	**(4.7)**	(2.4)
Items that will not be reclassified to profit or loss:		
Actuarial loss on retirement benefits net of tax	**(0.4)**	(0.3)
Total comprehensive income for the year	**69.7**	17.5
Attributable to:		
Equity holders of the parent	**69.7**	17.5

Group Statement of Changes in Equity
For the year ended 30 June 2015

	Share capital £m	Share premium £m	Capital redemption reserve £m	Exchange translation reserve £m	Retained earnings (losses) £m	Total £m
At 1 July 2013	54.2	98.4	33.4	16.1	39.8	241.9
Comprehensive income:						
Profit for the year	-	-	-	-	20.2	20.2
Other comprehensive income:						
Exchange adjustments net of tax	-	-	-	(2.4)	-	(2.4)
Actuarial loss on retirement benefits net of tax	-	-	-	-	(0.3)	(0.3)
Total comprehensive (expense) income for the year	-	-	-	(2.4)	19.9	17.5
Transactions with owners:						
Dividends paid to equity holders (see note 6)	-	-	-	-	(16.4)	(16.4)
Debit in respect of employee share schemes including tax	-	-	-	-	(0.7)	(0.7)
At 30 June 2014	**54.2**	**98.4**	**33.4**	**13.7**	**42.6**	**242.3**
Comprehensive income:						
Profit for the year	**-**	**-**	**-**	**-**	**74.8**	**74.8**
Other comprehensive income:						
Exchange adjustments net of tax	**-**	**-**	**-**	**(4.7)**	**-**	**(4.7)**
Actuarial loss on retirement benefits net of tax	**-**	**-**	**-**	**-**	**(0.4)**	**(0.4)**
Total comprehensive (expense) income for the year	**-**	**-**	**-**	**(4.7)**	**74.4**	**69.7**
Transactions with owners:						
Dividends paid to equity holders (see note 6)	**-**	**-**	**-**	**-**	**(18.6)**	**(18.6)**
Credit in respect of employee share schemes including tax	**-**	**-**	**-**	**-**	**1.0**	**1.0**
At 30 June 2015	**54.2**	**98.4**	**33.4**	**9.0**	**99.4**	**294.4**

Group Balance Sheet
At 30 June 2015

	As at 30 June 2015 £m	As at 30 June 2014 £m
Assets		
Non-current assets		
Intangible assets	**395.7**	390.2
Property, plant and equipment	**203.4**	217.5
Deferred tax assets	**2.2**	2.5
Other receivables	**5.3**	3.1
	606.6	613.3
Current assets		
Inventories	**2.8**	3.1
Other receivables	**29.3**	31.1
Income tax receivable	**1.7**	6.6
Cash and short-term deposits	**89.6**	47.1
	123.4	87.9
Assets held for sale	**0.6**	-
Total assets	**730.6**	701.2
Liabilities		
Current liabilities		
Trade and other payables	**(147.0)**	(113.2)
Income tax payable	**(28.0)**	(40.3)
Financial liabilities – loans and borrowings	**(125.5)**	(4.4)
Provisions	**(8.9)**	(10.5)
	(309.4)	(168.4)
Net current liabilities	**(186.0)**	(80.5)
Non-current liabilities		
Trade and other payables	**(37.6)**	(40.5)
Financial liabilities – loans and borrowings	**(17.6)**	(179.5)
Deferred tax liabilities	**(23.1)**	(18.1)
Provisions	**(44.7)**	(49.0)
Retirement benefit obligations	**(3.8)**	(3.4)
	(126.8)	(290.5)
Total liabilities	**(436.2)**	(458.9)
Net assets	**294.4**	242.3
Capital and reserves attributable to the Company's equity shareholders		
Share capital	**54.2**	54.2
Share premium	**98.4**	98.4
Capital redemption reserve	**33.4**	33.4
Exchange translation reserve	**9.0**	13.7
Retained earnings	**99.4**	42.6
Total shareholders' equity	**294.4**	242.3

Group Cash Flow Statement
For the year ended 30 June 2015

	Year ended 30 June 2015 £m	Year ended 30 June 2014 £m
Cash flows from operating activities		
Cash generated from operations	**146.6**	61.6
Interest received	**0.3**	0.1
Interest paid	**(7.8)**	(8.2)
Tax paid	**(2.2)**	(19.1)
Discontinued operations	**-**	(6.6)
Net cash from operating activities	**136.9**	27.8
Cash flows from investing activities		
(Disposal) acquisition of subsidiaries including deferred consideration (net of cash disposed or acquired)	**(0.1)**	1.1
Purchase of intangible assets	**(10.5)**	(13.5)
Purchase of property, plant and equipment	**(21.4)**	(30.8)
Proceeds from sale of property, plant and equipment	**1.5**	0.3
Purchase of convertible loan note	**(2.4)**	-
Net cash used in investing activities	**(32.9)**	(42.9)
Cash flows from financing activities		
Dividends paid to equity holders	**(18.6)**	(16.4)
(Repayment) drawdown on revolving credit facilities	**(20.0)**	20.0
Repayment of term loans	**(20.0)**	-
Repurchase of bonds	**(0.4)**	-
Finance lease principal payments	**(3.1)**	(3.2)
Net cash (used in) from financing activities	**(62.1)**	0.4
Net increase (decrease) in cash, cash equivalents and bank overdrafts	**41.9**	(14.7)
Effect of exchange rate changes	**(0.7)**	(0.6)
Cash and cash equivalents at start of year	**46.3**	61.6
Cash and cash equivalents at end of year	**87.5**	46.3

1. General information, basis of preparation and accounting policies

General information

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 Statesman House, Stafferton Way, Maidenhead, SL6 1AY.

This condensed consolidated financial information was approved for issue on 19 August 2015.

This condensed consolidated financial information does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. The statutory accounts for the year ended 30 June 2015 were approved by the board of directors on 19 August 2015, but have not yet been delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain a statement made under Section 498 of the Companies Act 2006. The statutory accounts for the year ended 30 June 2014 have been delivered to the Registrar of Companies.

Basis of preparation

The financial information attached has been extracted from the audited financial statements for the year ended 30 June 2015. The financial information has been prepared in accordance with IFRS as adopted by the European Union.

Going concern

In adopting the going concern basis for preparing the financial information the directors have considered the issues impacting the Group during the period as detailed in the business review above and have reviewed the Group's projected compliance with its banking covenants. The Group is in advanced stages of negotiating replacement bank facilities and based on the Group's cash flow forecasts and operating budgets, the directors believe that the Group will generate sufficient cash to meet its borrowing requirements for at least 12 months from the date of approval of the financial statements and comply with its banking covenants.

Accounting policies

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 30 June 2014, as described in those financial statements.

The following new standards, amendments and interpretations of existing standards are mandatory for the first time for the financial period beginning 1 July 2014:

- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interests in Other Entities
- IAS 27 Separate Financial Statements (Revised)
- IAS 28 Investments in Associates and Joint Ventures (Revised)
- IAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Liabilities (Amendment)
- IAS 36 Recoverable Amount Disclosures for Non-Financial Assets (Amendment)
- IAS 39 Novation of Derivatives and Continuation of Hedge Accounting (Amendment)
- IFRIC 21 Levies

The Group has not been materially impacted by the adoption of any of these standards, amendments or interpretations.

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

2. Segment information – continuing operations

	Year ended 30 June 2015							
	Grosvenor Casinos		**Mecca**		**Enracha**		**Central**	
	Venues	**Digital**	**Venues**	**Digital**	**Venues**	**Digital**	**costs**	**Total**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Continuing operations								
Group revenue reported in internal information	**401.1**	**22.3**	**224.4**	**65.2**	**25.3**	**-**	**-**	**738.3**
Free bets, promotions and customer bonuses	**(6.7)**	**(5.1)**	**(13.7)**	**(12.1)**	**-**	**-**	**-**	**(37.6)**
Segment revenue	**394.4**	**17.2**	**210.7**	**53.1**	**25.3**	**-**	**-**	**700.7**
Operating profit (loss) before exceptional items	**63.4**	**3.1**	**28.9**	**14.1**	**3.1**	**(0.5)**	**(28.1)**	**84.0**
Exceptional profit	**-**	**-**	**1.0**	**-**	**1.1**	**-**	**-**	**2.1**
Segment result	**63.4**	**3.1**	**29.9**	**14.1**	**4.2**	**(0.5)**	**(28.1)**	**86.1**
Finance costs								**(11.7)**
Finance income								**0.4**
Other financial losses								**(0.3)**
Profit before taxation								**74.5**
Taxation								**(15.5)**
Profit for the year from continuing operations								**59.0**

	Year ended 30 June 2014							
	Grosvenor Casinos		Mecca		Enracha		Central	
	Venues	Digital	Venues	Digital	Venues	Digital	costs	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Continuing operations								
Group revenue reported in internal information	377.7	13.5	229.3	58.9	28.3	-	-	707.7
Free bets, promotions and customer bonuses	(3.7)	(3.1)	(12.5)	(9.9)	-	-	-	(29.2)
Segment revenue	374.0	10.4	216.8	49.0	28.3	-	-	678.5
Operating profit (loss) before exceptional items	57.7	(0.9)	21.1	15.9	1.2	(0.4)	(22.2)	72.4
Exceptional loss	(12.5)	-	(25.3)	-	(8.7)	-	-	(46.5)
Segment result	45.2	(0.9)	(4.2)	15.9	(7.5)	(0.4)	(22.2)	25.9
Finance costs								(14.4)
Finance income								1.9
Other financial gains								1.0
Profit before taxation								14.4
Taxation								3.0
Profit for the year from continuing operations								17.4

2. Segment information – continuing operations (continued)

To increase transparency, the Group has decided to include additional disclosure analysing total costs by type and segment. A reconciliation of total costs on continuing operations, before exceptional items, by type and segment is as follows:

	Year ended 30 June 2015							
	Grosvenor Casinos		**Mecca**		**Enracha**		**Central**	
	Venues	**Digital**	**Venues**	**Digital**	**Venues**	**Digital**	**costs**	**Total**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Employment and related costs	**138.9**	**3.2**	**54.8**	**6.7**	**12.3**	**0.2**	**17.0**	**233.1**
Taxes and duties	**84.6**	**1.8**	**35.3**	**5.0**	**1.7**	**-**	**1.9**	**130.3**
Direct costs	**16.9**	**4.8**	**22.6**	**14.4**	**2.1**	**0.2**	**-**	**61.0**
Property costs	**30.0**	**0.2**	**27.0**	**0.3**	**1.6**	**-**	**1.0**	**60.1**
Marketing	**14.6**	**2.2**	**10.5**	**9.7**	**0.9**	**-**	**-**	**37.9**
Depreciation and amortisation	**23.7**	**1.5**	**12.7**	**1.5**	**1.5**	**-**	**1.4**	**42.3**
Other	**22.3**	**0.4**	**18.9**	**1.4**	**2.1**	**0.1**	**6.8**	**52.0**
Total costs before exceptional items	**331.0**	**14.1**	**181.8**	**39.0**	**22.2**	**0.5**	**28.1**	**616.7**
Cost of sales								**376.6**
Operating costs								**240.1**
Total costs before exceptional items								**616.7**

	Year ended 30 June 2014							
	Grosvenor Casinos		Mecca		Enracha		Central	
	Venues	Digital	Venues	Digital	Venues	Digital	costs	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Employment and related costs	137.7	2.0	55.2	6.5	13.4	0.2	15.2	230.2
Taxes and duties	78.1	-	48.1	0.4	2.1	-	2.0	130.7
Direct costs	15.6	3.9	21.0	14.5	2.5	0.1	-	57.6
Property costs	29.9	0.2	27.6	0.7	2.5	-	0.9	61.8
Marketing	13.2	2.6	10.4	7.0	0.9	-	-	34.1
Depreciation and amortisation	22.1	2.0	13.8	2.4	2.1	-	1.2	43.6
Other	19.7	0.6	19.6	1.6	3.6	0.1	2.9	48.1
Total costs before exceptional items	316.3	11.3	195.7	33.1	27.1	0.4	22.2	606.1
Cost of sales								380.0
Operating costs								226.1
Total costs before exceptional items								606.1

3. Exceptional items

	Year ended 30 June 2015 £m	Year ended 30 June 2014 £m
Exceptional items relating to continuing operations		
Impairment charges	**(1.2)**	(12.9)
Impairment reversals	**3.1**	1.5
Net charge to provisions for property leases	**(1.5)**	(6.6)
Closure of venues	**1.7**	(0.7)
Acquisition and integration costs	**-**	(1.7)
Net charge to provision for indirect taxation	**-**	(26.1)
Exceptional operating income (costs)	**2.1**	(46.5)
Finance costs (see note 4)	**(1.3)**	(4.3)
Finance income (see note 4)	**-**	1.8
Taxation (see note 5)	**1.3**	13.6
Exceptional items relating to continuing operations	**2.1**	(35.4)
Exceptional items relating to discontinued operations		
Finance costs (see note 4)	**(0.4)**	(0.3)
Finance income (see note 4)	**-**	0.3
Taxation (see note 5)	**16.2**	2.8
Exceptional items relating to discontinued operations	**15.8**	2.8
Total exceptional items	**17.9**	(32.6)

Continuing operations – year ended 30 June 2015

Impairment charges
The Group recognised impairment charges of £1.2m of which £0.6m relates to a Grosvenor Casinos venue and £0.6m to two Mecca venues. Performance at these venues has not been in line with expectations.

Impairment reversals
The Group reversed previous impairment charges of £0.7m in the UK, £0.3m of which related to a Grosvenor Casinos venue and £0.4m of which related to a Mecca venue. The reversal was in respect of venues where changes in the commercial environment had led to improvements in performance.

A further reversal of £0.8m was made in respect of a casino in Belgium which has shown continued improved performance above expectations.

A further reversal of £1.6m was recognised in respect of an Enracha venue which has shown continued improved performance following a competitor closure.

Net charge to provisions for property leases
The Group recognised a net charge of £1.5m in relation to provision for property leases in the year. This included a charge of £1.1m in two Grosvenor Casinos venues and £1.0m in respect of a Mecca venue for unavoidable dilapidations costs and where expected income no longer exceeds the unavoidable costs associated with these sites.

In addition a reversal of £0.6m has been made in respect of a Grosvenor Casinos venue where the provision has been reduced due to expected sublet income.

Further movements in the property lease provision are explained under closure of venues below.

Closure of venues
During the year the Group has closed, or committed to close, twelve venues. Nine of these venues are in Mecca, two are in Grosvenor Casinos and one is in Enracha. The credit in the period includes a reduction in the property lease provision required at two of these venues of £2.3m, an increase in the restructuring provision of £0.5m at three venues which are due to close in early 2015/16, an increase in the property lease provision for dilapidations of £0.7m at a single venue, and a profit on disposal of a freehold property of £0.6m.

4. Financing

	Year ended 30 June 2015 £m	Year ended 30 June 2014 £m
Continuing operations:		
Finance costs:		
Interest on debt and borrowings	**(5.7)**	(6.4)
Amortisation of issue costs on borrowings	**(2.5)**	(1.5)
Interest payable on finance leases	**(0.9)**	(1.0)
Unwinding of discount in property lease provisions	**(1.2)**	(1.1)
Unwinding of discount in disposal provisions	**(0.1)**	(0.1)
Total finance costs	**(10.4)**	(10.1)
Finance income:		
Interest income on short term bank deposits	**0.2**	0.1
Interest income on direct taxation	**0.2**	-
Total finance income	**0.4**	0.1
Other financial (losses) gains	**(0.3)**	1.0
Total net financing charge for continuing operations before exceptional items	**(10.3)**	(9.0)
Exceptional finance costs	**(1.3)**	(4.3)
Exceptional finance income	**-**	1.8
Total net financing charge for continuing operations	**(11.6)**	(11.5)
Discontinued operations:		
Exceptional finance costs	**(0.4)**	(0.3)
Exceptional finance income	**-**	0.3
Total net financing charge for discontinued operations	**(0.4)**	-
Total net financing charge	**(12.0)**	(11.5)

Exceptional finance costs recognised in continuing operations in the year of £1.3m are in respect of tax balances provided for.

Exceptional finance costs recognised in discontinued operations in the year of £0.4m relate to the cost of a letter of credit held in respect of taxation balances on disposed entities.

A reconciliation of total net financing charge for continuing operations before exceptional items to adjusted net interest included in adjusted profit is disclosed below:

	Year ended 30 June 2015 £m	Year ended 30 June 2014 £m
Total net financing charge for continuing operations before exceptional items	**(10.3)**	(9.0)
Adjust for :		
Unwinding of discount in disposal provisions	**0.1**	0.1
Other financial losses (gains) - including foreign exchange	**0.3**	(1.0)
Adjusted net interest payable	**(9.9)**	(9.9)

5. Taxation

	Year ended 30 June 2015		
	Continuing operations £m	**Discontinued operations £m**	**Total £m**
Current income tax			
Current income tax – UK	**(10.0)**	**-**	**(10.0)**
Current income tax – overseas	**(2.7)**	**-**	**(2.7)**
Current income tax on exceptional items	**1.1**	**0.1**	**1.2**
Amounts over provided in previous period	**0.7**	**-**	**0.7**
Amounts over provided in previous period on exceptional items	**0.4**	**16.1**	**16.5**
Total current income tax (charge) credit	**(10.5)**	**16.2**	**5.7**
Deferred tax			
Deferred tax – UK	**(3.7)**	**-**	**(3.7)**
Deferred tax – overseas	**(0.1)**	**-**	**(0.1)**
Restatement of deferred tax due to rate change	**0.2**	**-**	**0.2**
Deferred tax on exceptional items	**(0.2)**	**-**	**(0.2)**
Amounts under provided in previous period	**(1.2)**	**-**	**(1.2)**
Total deferred tax charge	**(5.0)**	**-**	**(5.0)**
Tax (charge) credit in the income statement	**(15.5)**	**16.2**	**0.7**

	Year ended 30 June 2014		
	Continuing operations £m	Discontinued operations £m	Total £m
Current income tax			
Current income tax – UK	(12.4)	-	(12.4)
Current income tax – overseas	(0.4)	-	(0.4)
Current income tax on exceptional items	7.8	-	7.8
Amounts over provided in previous period	5.0	2.8	7.8
Amounts over provided in previous period on exceptional items	2.3	-	2.3
Total current income tax credit	2.3	2.8	5.1
Deferred tax			
Deferred tax – UK	(1.3)	-	(1.3)
Deferred tax – overseas	(0.3)	-	(0.3)
Restatement of deferred tax due to rate change	2.6	-	2.6
Deferred tax on exceptional items	3.5	-	3.5
Amounts under provided in previous period	(3.8)	-	(3.8)
Total deferred tax credit	0.7	-	0.7
Tax credit in the income statement	3.0	2.8	5.8

5. Taxation (continued)

Tax on exceptional items - continuing operations
The taxation impacts of continuing exceptional items are disclosed below:

	Year ended 30 June 2015			Year ended 30 June 2014		
	Current income tax	**Deferred tax**	**Total**	Current income tax	Deferred tax	Total
	£m	**£m**	**£m**	£m	£m	£m
Impairment charges	**-**	**0.1**	**0.1**	-	3.1	3.1
Impairment reversals	**-**	**(0.6)**	**(0.6)**	-	-	-
Net charge to provisions for property leases	**0.3**	**-**	**0.3**	0.9	0.4	1.3
Acquisition and integration costs	**-**	**-**	**-**	0.1	-	0.1
Closure of venues	**0.5**	**0.3**	**0.8**	0.1	-	0.1
Net charge to provision for indirect taxation	**-**	**-**	**-**	5.9	-	5.9
Exceptional finance costs	**0.3**	**-**	**0.3**	1.0	-	1.0
Exceptional finance income	**-**	**-**	**-**	(0.2)	-	(0.2)
Amounts over provided in respect of previous years	**0.4**	**-**	**0.4**	2.3	-	2.3
Tax credit (charge) on exceptional items - continuing operations	**1.5**	**(0.2)**	**1.3**	10.1	3.5	13.6

Tax on exceptional items - discontinued operations
The taxation impacts of discontinued exceptional items are disclosed below:

	Year ended 30 June 2015			Year ended 30 June 2014		
	Current income tax	**Deferred tax**	**Total**	Current income tax	Deferred tax	Total
	£m	**£m**	**£m**	£m	£m	£m
Tax refunds arising on previously disposed subsidiary undertakings	**-**	**-**	**-**	-	2.8	2.8
Net release of provisions relating to overseas tax audits	**16.1**	**-**	**16.1**	-	-	-
Exceptional finance costs	**0.1**	**-**	**0.1**	-	-	-
Tax credit on exceptional items - discontinued operations	**16.2**	**-**	**16.2**	-	2.8	2.8

The £16.1m exceptional tax credit in discontinued operations in respect of provisions relating to overseas tax audits consists of the release from income tax payable of £16.9m following the successful resolution of a transfer pricing dispute, offset by income tax payable of £0.8m in relation to an overseas audit of a disposed entity.

Tax effect of items within other comprehensive income

	Year ended 30 June 2015	Year ended 30 June 2014
	£m	£m
Current income tax charge on exchange movements offset in reserves	**(0.4)**	(0.2)
Deferred tax credit on actuarial movement on retirement benefits	**0.1**	0.1
Total tax charge on items within other comprehensive income	**(0.3)**	(0.1)

The credit in respect of employee share schemes included within the Statement of Changes in Equity includes a deferred tax credit of £nil (year ended 30 June 2014: charge of £0.3m on the debit in respect of employee share schemes).

5. Taxation (continued)

Factors affecting future taxation

UK corporation tax is calculated at 20.75% (year ended 30 June 2014: 22.5%) of the estimated assessable profit for the period. Taxation for overseas operations is calculated at the local prevailing rates.

On 20 March 2013, the Chancellor of the Exchequer announced the reduction in the main rate of UK corporation tax to 21% with effect from 1 April 2014 and a further 1% reduction to 20% from 1 April 2015. These changes were substantively enacted in July 2013.

On 20 June 2014, the Spanish Government announced the reduction in the corporation tax rate in Spain from 30% to 28% for financial years beginning in 2015 and to 25% for financial years beginning in 2016. These changes were substantively enacted in November 2014.

6. Dividends

	Year ended 30 June 2015 £m	Year ended 30 June 2014 £m
Dividends paid to equity holders		
Final dividend for 2012/13 paid on 23 October 2013 - 2.85p per share	**-**	11.1
Interim dividend for 2013/14 paid on 21 March 2014 - 1.35p per share	**-**	5.3
Final dividend for 2013/14 paid on 22 October 2014 - 3.15p per share	**12.3**	-
Interim dividend for 2014/15 paid on 20 March 2015 - 1.60p per share	**6.3**	-
	18.6	16.4

A final dividend in respect of the year ended 30 June 2015 of 4.00p per share, amounting to a total dividend of £15.6m, is to be recommended at the annual general meeting on 15 October 2015. The financial information does not reflect this dividend payable.

7. Adjusted earnings per share

Adjusted earnings is calculated by adjusting profit attributable to equity shareholders to exclude discontinued operations, exceptional items, other financial gains or losses, unwinding of the discount in disposal provisions and the related tax effects. Adjusted earnings is one of the business performance measures used internally by management to manage the operations of the business. Management believes that the adjusted earnings measure assists in providing a view of the underlying performance of the business.

Adjusted net earnings attributable to equity shareholders is derived as follows:

	Year ended 30 June 2015 £m	Year ended 30 June 2014 £m
Profit attributable to equity shareholders	**74.8**	20.2
Adjust for:		
Discontinued operations (net of taxation)	**(15.8)**	(2.8)
Exceptional items after tax on continuing operations	**(2.1)**	35.4
Other financial losses (gains)	**0.3**	(1.0)
Unwinding of discount in disposal provisions	**0.1**	0.1
Taxation on adjusted items and impact of reduction in tax rate	**(0.2)**	(3.3)
Adjusted net earnings attributable to equity shareholders (£m)	**57.1**	48.6
Adjusted earnings per share (p) – basic	**14.6p**	12.4p
Adjusted earnings per share (p) – diluted	**14.6p**	12.4p

8. Provisions

	Property lease provisions £m	Disposal provisions £m	Restructuring provisions £m	Indirect tax provision £m	**Total £m**
At 1 July 2014	52.8	4.6	0.9	1.2	**59.5**
Exchange adjustments	(0.1)	0.2	-	-	**0.1**
Unwinding of discount	1.2	0.1	-	-	**1.3**
Charge to the income statement - exceptional	2.8	-	0.5	-	**3.3**
Release to the income statement - exceptional	(2.9)	-	-	-	**(2.9)**
Utilised in year	(6.2)	(0.6)	(0.9)	-	**(7.7)**
At 30 June 2015	**47.6**	**4.3**	**0.5**	**1.2**	**53.6**
Current	6.2	1.0	0.5	1.2	**8.9**
Non-current	41.4	3.3	-	-	**44.7**
Total	**47.6**	**4.3**	**0.5**	**1.2**	**53.6**

Further details of the exceptional charge and release to the income statement are provided in note 3.

9. Borrowings to net debt reconciliation

Under IFRS, accrued interest and unamortised facility fees are classified as loans and borrowings. A reconciliation of loans and borrowings disclosed in the balance sheet to the Group's net debt position is provided below:

	As at 30 June 2015 £m	As at 30 June 2014 £m
Total loans and borrowings	**(143.1)**	(183.9)
Less: accrued interest	**0.7**	1.1
Less: unamortised facility fees	**(0.1)**	(1.3)
	(142.5)	(184.1)
Add: cash and short-term deposits	**89.6**	47.1
Net debt	**(52.9)**	(137.0)

10. Cash generated from operations

	Year ended 30 June 2015 £m	Year ended 30 June 2014 £m
Continuing operations		
Operating profit	**86.1**	25.9
Exceptional items	**(2.1)**	46.5
Operating profit before exceptional items	**84.0**	72.4
Depreciation and amortisation	**42.3**	43.6
Share based payments	**1.1**	(0.5)
Loss on disposal of property, plant and equipment	**0.3**	0.3
Loss on disposal of intangible assets	**0.5**	-
Impairment of property, plant and equipment	**0.5**	-
Decrease in inventories	**0.3**	0.2
Decrease (increase) in other receivables	**1.8**	(1.1)
Increase (decrease) in trade and other payables	**23.7**	(7.7)
	154.5	107.2
Cash utilisation of provisions	**(7.7)**	(36.5)
Cash payments in respect of exceptional items	**(0.2)**	(9.1)
Cash generated from continuing operations	**146.6**	61.6

11. Contingent assets

Discontinued taxation

During the year the Group released an amount of £16.9m from income tax payable (see note 5) following the successful conclusion of a tax exposure relating to a discontinued operation in an overseas jurisdiction. In addition, the Group has been advised that it could receive a refund of between £2.5m to £4.0m in respect of amounts previously paid.

The Group has not recognised any gain in the financial statements at 30 June 2015 in respect of the potential refund.

12. Contingent liabilities

Property leases

Concurrent to the £211m sale and leaseback in 2006, the Group transferred the rights and obligations but not the legal titles of 44 property leases to a third party. The Group remains potentially liable in the event of default by the third party. Should default occur then the Group would have recourse to two guarantors. It is understood that, of the original 44 leases transferred, 11 of these have not expired or been surrendered. These 11 leases have durations of between 17 months and 98 years and a current annual rental obligation (net of sub-let income) of approximately £1.1m.

During the prior year, the Group became aware of certain information in respect of a change in the financial position of the third party and one of the guarantors. However, the Group has not to date been notified of any default, or intention to default, in respect of the transferred leases.

Stamp duty

The Group has received from HMRC a determination in respect of the amount of stamp duty payable on certain transactions undertaken by Gala Casino 1 Limited (now Grosvenor Casinos (GC) Limited) before its acquisition by the Group on 12 May 2013. The Group estimates the maximum potential additional stamp duty that could be due if HMRC are successful to be £7.2m plus interest. Under the terms of the Sale and Purchase Agreement the vast majority of any liability arising falls upon Gala Coral and the Group has further indemnification in the event of default by Gala Coral.

13. Related party transactions and ultimate parent undertaking

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 Hong Leong Company (Malaysia) Berhad (Hong Leong) which is incorporated in Malaysia. At 30 June 2015, entities controlled by Hong Leong owned 56.1% of the Company's shares, including 52.0% through Guoco and its wholly-owned subsidiary, Rank Assets Limited, the Company's immediate parent undertaking.

During the year, The Gaming Group Limited, a wholly owned subsidiary within the Group, completed the purchase of a non-operating casino licence from Clermont Leisure (UK) Limited for consideration of £0.2m (year ended 30 June 2014: £5.8m). Clermont Leisure (UK) Limited is an entity subject to common control. As set out in the prior year financial statements, the valuation of the casino licences was carried out by a third party on an arms' length basis.