國浩集團有限公司
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. KWEK Leng Hai as Executive Chairman; Mr. CHEW Seong Aun as Executive Director; Mr. KWEK Leng San as Non-executive Director; Mr. David Michael NORMAN, Mr. Lester G. HUANG, SBS, JP and Mr. Paul Jeremy BROUGH as Independent Non-executive Directors.

News release

LEI: 213800TXKD6XZWOFTE12

27 January 2022

The Rank Group Plc ('Rank' or the 'Group')

Interim results for the six months ended 31 December 2021

Rank (LSE: RNK) is pleased to announce its interim results for the six months ended 31 December 2021.

Overview

- The Group returned to profitability in H1 with improving venues performance in Grosvenor, Mecca and Enracha through Q1 and into Q2
- The UK Government's Plan B measures, the return of social distancing measures in Scotland and Wales, the reintroduction of capacity and opening hour restrictions in Spain, together with the resultant increase in consumer caution in regards to indoor hospitality settings negatively impacted trading in November and December
- The digital business grew revenues 7% in the half and in January 2022 has completed the successful migration of meccabingo.com to the RIDE proprietary trading platform
- Cash and bank facilities ended December at £224.8m, strengthened by the return to cash generative trading and receipt of the £83.1m VAT repayment, enabling an acceleration in the Group's Transformation 2.0 programme

Financial highlights

		H1 2021/22	H1 2020/21	Change
Financial KPIs	Group underlying net gaming revenue (NGR)[1]	**£333.5m**	£175.9m	90%
	Digital underlying NGR[1]	**£92.1m**	£85.9m	7%
	Venues underlying NGR[1]	**£241.4m**	£90.0m	168%
	Underlying operating profit / (loss)[1,2]	**£24.1m**	£(41.2)m	-
	Net cash / (debt) pre IFRS 16	**£55.1m**	£(45.2)m	-
	Cash and available facilities	**£224.8m**	£128.3m	75%
	Underlying earnings / (loss) per share[2]	**3.0p**	(9.5)p	-
Statutory performance	Reported NGR	**£333.7m**	£177.6m	88%
	Group operating profit / (loss)	**£103.0m**	£(52.9)m	-
	Profit / (loss) after taxation	**£84.6m**	£(48.6)m	-
	Cash generated from / (used in) operations	**£139.6m**	£(17.5)m	-

	Net (debt)	**£(141.2)m**	£(268.3)m	(47)%
	Basic earnings / (loss) per share	**18.1p**	(11.9)p	-
	Dividend per share	**0p**	0p	-

1. On a like-for-like ('LFL') basis which removes the impact of club openings, closures, acquired businesses, foreign exchange movements and discontinued operations.
2. Excludes separately disclosed items.

Financial highlights

- Underlying LFL operating profit for H1 of £24.1m, following a loss of £41.2m in the same period last year, reflects the venues businesses being open throughout the half, but also the continued impact of COVID-19 on leisure and hospitality venues. Compared with the pre-pandemic H1 2019/20, operating profit was down 59%
- Statutory Group operating profit of £103.0m, up 295%, following the receipt of the £83.1m VAT repayment
- Venues LFL NGR grew 168% on the COVID-19 impacted prior year but was down 20% on H1 2019/20. Revenues grew in Q1 but softened in Q2 as pandemic restrictions were reintroduced on rising case numbers and as consumer caution further increased with the onset of the Omicron variant
- Digital NGR grew 7% in H1 with the reopening of venues supporting the growth in revenues from omni-channel customers
- The balance sheet further strengthened through £57.9m cash generated from trading and £83.1m in VAT receipts. The existing debt covenant waivers continue until the March 2022 testing date; without further disruption to the business in the form of curfews or enforced closures, we will return to our standard debt covenants in June 2022

Operational highlights

- Trading in Grosvenor grew steadily in H1 2021/22 until the rise of COVID-19 case numbers and restrictions were reintroduced. London performance was initially weaker than the rest of the estate but improved rapidly once most travel restrictions were removed in October; our London casinos saw a sharp increase in handle until the onset of the Omicron variant in early December
- Following growth in Q1, visitor volumes and revenues declined in Mecca from late October as COVID-19 case numbers grew across the UK
- 7% growth in active customers in UK digital supported by a 37% increase in marketing investment in H1 and growth in omni-channel play with Grosvenor and Mecca venues open
- Good progress in the development of the RIDE proprietary technology platform with meccabingo.com successfully migrated in early January and grosvenorcasino.com expected to migrate in the summer
- The improved cash position of the Group has enabled the acceleration of the Group's Transformation 2.0 programme focusing on revenue growth in each of the businesses. A strong pipeline of investments is in train for H2 2021/22

Due to the restrictions imposed by our current bank debt covenant waivers, the Board has not proposed an interim dividend but expects to restart dividend payments as soon as circumstances permit.

John O'Reilly, Chief Executive of The Rank Group Plc said:

"Our venues performed well following the reopening in May 2020, with revenues rising until the second half of Q2 when growing COVID-19 case numbers, the emergence of the Omicron variant and the resultant return of restrictions on consumers softened demand. Grosvenor has demonstrated high customer demand in the absence of COVID-19 restrictions, particularly when the travel restrictions for tourists coming into the UK were largely removed in October, resulting in much improved table handle in our London venues. Mecca has been harder hit, as caution amongst our older customer cohort has impacted visit numbers, particularly with the rising Omicron case numbers in the run up to Christmas.

"Our digital business performed strongly in the half and is now much better positioned to continue to deliver on our digital ambitions. The successful migration of meccabingo.com earlier this month is the latest significant milestone in the shift to our in-house technology platform. We expect to complete the migration of Grosvenor in the summer which will free up considerable development capability to enable much greater agility and speed in the delivery of products, services and enhanced digital customer experiences, as well as delivering valuable cost synergies. At this interim period, I am pleased with the return of stronger customer numbers and revenue growth across our digital brands.

"Whilst the trading environment continues to be challenging and cost headwinds are applying additional pressure on the hospitality sector, we have proven that with no restrictions, our trading rebounds quickly. Rank is well positioned to regain the robust revenue and profit growth momentum we had created before the pandemic struck. We have strengthened the balance sheet and, with the return to profitability and cash generation, we have been able to accelerate our transformation programme to drive faster revenue growth as restrictions are lifted. There remains some uncertainty as to how COVID-19 will impact our businesses over the coming months, but we are accelerating our transformation investments and are competitively very well placed to benefit as consumers emerge from the pandemic.

"We are looking forward to the publication of the UK Government's gambling review white paper, expected in the coming months. Land-based casinos and bingo clubs are in need of long overdue modernisation and the legislative review will hopefully enable us to deliver a broader and more compelling proposition to our customers.

"I am hugely grateful to colleagues right across the Group for their commitment to their customers and to their local communities during the pandemic restrictions and for the progress being made in the ongoing transformation of Rank."

Current trading and outlook

The current COVID-19 restrictions have resulted in soft trading across our venues businesses in the first three weeks of January. The digital business is trading in line with expectations and meccabingo.com has already returned to pre-migration revenue levels.

We are well positioned to regain the strong growth momentum we had previously built up as we now come out of the pandemic. With most UK COVID-19 restrictions now removed, we expect trading to recover quickly across the Grosvenor estate, particularly when inbound tourism picks up. For the Mecca venues business we expect a slower build as consumer confidence gradually recovers.

With the expectation of no further material restrictions and with trading therefore improving across our venues businesses in the second half of the year, management expects underlying EBIT for the year ending 30 June 2022 to be within a range of £55m to £65m.

Definition of terms:

- Net gaming revenue ('NGR') is revenue less customer incentives;
- Underlying measures exclude the impact of amortisation of acquired intangibles; profit or loss on disposal of businesses; acquisition and disposal costs including changes to deferred or contingent consideration; impairment charges; reversal of impairment charges; restructuring costs as part of an announced programme; retranslation and remeasurement of foreign currency contingent consideration; discontinued operations, significant material proceeds from tax appeals and the tax impact of these, should they occur in the period. Collectively these items are referred to as separately disclosed items ('SDIs');
- EBIT is operating profit before SDIs;
- Underlying earnings per share is calculated by adjusting profit attributable to equity shareholders to exclude SDIs;
- 'H1 2021/22' refers to the six-month period to 31 December 2021 and 'H1 2020/21' refers to the six month period to 31 December 2020;
- Like-for-like ('LFL') measures have been disclosed in this report to show the impact of club openings, closures, acquired businesses, foreign exchange movements and discontinued operations;
- Prior year LFL measures are amended to show an appropriate comparative for the impact of club openings, disposals, closures and acquired businesses;
- The Group results make reference to 'underlying' results alongside our statutory results, which we believe will be more useful to readers as we manage our business using these adjusted measures. The directors believe that SDIs impair visibility of the underlying performance of the Group's business because these items are often material, non-recurring and do not relate to the underlying trading performance. Accordingly, these are excluded from our non-GAAP measurement of revenue, EBITDA, operating profit, profit before tax and underlying EPS. Underlying measures are the same as those used for internal reports; and
- Venues includes Grosvenor venues, Mecca venues and Enracha venues.

Enquiries

The Rank Group Plc

Sarah Powell, director of investor relations and communications (investor enquiries)	Tel: 01628 504 303
David Williams, director of public affairs (media enquiries)	Tel: 01628 504 295

FTI Consulting LLP

Ed Bridges	Tel: 020 3727 1067
Alex Beagley	Tel: 020 3727 1045

Photographs available from www.rank.com

Webinar

There will be a virtual meeting for sell-side analysts and investors at 9:30am GMT today, the details of which can be obtained from FTI Consulting LLP by emailing them at rank.sc@fticonsulting.com.

A replay of the webcast will be made available on the website later. The webcast will be available for a period of six months.

Forward-looking statements

Business review

The COVID-19 pandemic has continued to impact the Group's performance during the first half of 2021/22. Nevertheless, both the Grosvenor and Enracha venues businesses have performed strongly, providing evidence that the end of the pandemic will see a strong recovery in revenue and profitability.

The Mecca venues business has been more severely impacted by the autumn's rise in COVID-19 case numbers, but venues-based bingo remains an attractive social activity and we are focussed on investing in value for bingo customers as consumers return to indoor hospitality.

The UK facing digital business returned to growth in the first half, strongly supported by omni-channel customer revenues, and, in early January 2022, we have successfully migrated the meccabingo.com business onto the proprietary technology platform acquired in the Stride acquisition. This is a very significant milestone for our UK digital business, Rank Interactive.

Similarly, in our Spanish facing digital business, we have migrated the enracha.es site onto the Yo Bingo platform and are now well advanced in terms of launching Yo Sports in Spain and introducing the Yo brand to the Portuguese market.

Our balance sheet, which inevitably came under considerable pressure during the lengthy periods of lockdown over the past two years, is back into a strong position with the return to profitable cash generative trading and the receipt of £83.1m following the successful conclusion of a longstanding VAT refund claim. The Group has numerous opportunities for organic growth investments and the strengthened balance sheet has enabled the acceleration of our Transformation 2.0 programme, with some key investments now again being made in products, properties and systems to improve the quality of our customer proposition. We have a strong capital investment programme in train during the second half of the year.

We continue to fully engage with the UK Government as it considers the first major review of gambling legislation since the 2005 Gambling Act. The majority of the UK's casinos are regulated under legislation which dates back over 50 years and the current review is the opportunity for much needed modernisation of both land-based casino and bingo regulations in the UK. The Government has announced that it expects to publish a white paper outlining its proposals in the coming months.

Business performance

Year-on-year comparisons are distorted by significant periods of closure, curfews and regional restrictions in H1 2020/21 and the absence of restrictions in H1 2019/20. At a Group level, LFL NGR was up 90% in H1 against the prior year at £333.5m. The largest growth was in Grosvenor venues which were subject to the most severe restrictions in H1 2020/21. In comparison to H1 2019/20, LFL NGR was down 17%. This principally reflects the continued restrictions across the venues businesses so far this year.

Underlying LFL operating profit of £24.1m compares with a loss of £41.2m in H1 last year and a profit of £59.8m in H1 2019/20.

£m	NGR				
	H1 2021/22	H1 2020/21	Change	H1 2019/20[1]	Change
Digital	92.1	85.9	7%	99.7[2]	(8)%
Grosvenor venues	161.6	43.1	275%	198.1	(18)%
Mecca venues	65.7	38.4	71%	86.3	(24)%

Enracha venues	14.1	8.5	66%	18.0	(22)%
Underlying LFL[3]	**333.5**	**175.9**	**90%**	**402.1[2]**	**(18)%**
Impact of venues closures and FX[4]	0.2	1.7		6.4	
Underlying	333.7	177.6	88%	408.5[2]	(19)%
	Operating profit				
	H1 2021/22	H1 2020/21	Change	H1 2019/20	Change
Digital	3.7	1.3	185%	12.9[2]	(71)%
Grosvenor venues	34.9	(20.9)	267%	48.1	(27)%
Mecca venues	(1.3)	(4.8)	73%	13.8	(109)%
Enracha venues	2.7	(0.6)	550%	4.2	(36)%
Central costs	(15.9)	(16.2)	2%	(19.2)	17%
Underlying LFL[3]	**24.1**	**(41.2)**	**158%**	**59.8[2]**	**(60)%**
Impact of venues closures and FX[4]	(0.4)	(0.6)		-	
Underlying	**23.7**	**(41.8)**	**157%**	**59.8[2]**	**(60)%**

1. H1 2019/20 trading represents performance before the impact of COVID-19.
2. Digital performance for H1 2019/20 includes pre acquisition performance of Stride.
3. On a like-for-like ('LFL') basis which removes the impact of club closures, foreign exchange movements and discontinued operations.
4. A full analysis of these adjustments can be found in the Alternative Performance Measures ('APM') section.

Grosvenor venues

Key financial performance indicators

£m	**H1 2021/22**	H1 2020/21	Change	H1 2019/20[5]	Change
LFL NGR	**161.6**	43.1	275%	198.1	(18)%
London	**54.0**	14.5	272%	80.3	(33)%
Rest of UK	**107.6**	28.6	276%	117.8	(9)%
Underlying LFL operating profit / (loss)[6]	**34.9**	(20.9)	267%	48.1	(27)%
Total NGR	**161.6**	43.1	275%	198.1	(18)%
Total underlying operating (loss) / profit[6]	**34.7**	(21.2)	264%	48.1	(28)%
Total operating profit / (loss)	**72.8**	(22.0)	431%	48.1	51%

5. H1 2019/20 trading represents performance before the impact of COVID-19.
6. Before the impact of separately disclosed items.

The strength of the Grosvenor venues business is reflected in both the rapid return of revenues when our venues were open without material restrictions and the return of strong profitability, reflecting the improvements in operating leverage delivered by the early phase transformation initiatives. A 27% decline in LFL underlying operating profit versus pre-pandemic H1 2019/20 of £48.1m is a positive performance when taking into account the continued impact of COVID-19 restrictions in the half and £2.5m of additional energy costs.

All of Grosvenor's 52 venues were operational throughout H1 2021/22 but with social distancing measures for much of the time and face masks and table service compulsory under the Government's Plan B measures introduced in December. Moreover, inbound travel restrictions severely impacted the performance of Grosvenor's London venues until they eased in October. The

Omicron variant significantly impacted trade across the estate in the run up to, and during, the Christmas and New Year holiday period.

Grosvenor's LFL NGR was up 275% compared to the same period in the prior year, where Grosvenor's venues were either closed or operating under curfew for 81% of the total available days, but was down 18% compared with its pre-COVID-19 performance in H1 2019/20.

NGR performance across the London venues was relatively weak in the first quarter, down 33% against 2019/20, with inbound travel restrictions and the slow return of office workers heavily impacting the capital's night-time economy. With the removal of most travel restrictions in October, Grosvenor's London venues quickly rebounded with NGR performance just 13% behind 2019 in November, before slowing again in December as Omicron hit the capital particularly hard.

Across the rest of the UK, Grosvenor made a steady recovery in Q1 and into October but softened in November as case numbers grew and consumer caution increased.

Nevertheless, with pandemic restrictions being eased across the UK in the early part of H2, the evidence from H1 suggests a strong recovery for the Grosvenor business.

Transformation initiatives in H1 have focussed strongly on product and system improvements across the Grosvenor estate. Two new electronic roulette games were launched in the half; Reel King Roulette, and Lucky Lady's Charm which was successfully trialled for roll out in H2. Further investment has been made in updating the estate of electronic roulette terminals with 156 new machines deployed. The first phase of the rollout of a new table management system which supports teams in scheduling table opening and minimum bets has been successfully completed with a further investment planned for H2. Additional investment in new roulette wheels in the half, alongside table management improvements delivered a strong increase in the table margin during the period. Investment has also continued in updating the gaming machine estate with additional rollout of IGT Curve terminals alongside a further rollout of flexi-link jackpots. Further investments in the second half of the year include the rollout of Reel King Roulette on live tables and the trial of a table roulette progressive jackpot, a first for the UK market. Also in the pipeline is a further investment in replacement roulette wheels and electronic roulette terminals.

Following the successful rollout of ID scanning technology across the Grosvenor estate prior to reopening in May 2021, the team have been focussed on improvements to the risk management model to identify and interact appropriately with customers who show possible signs of at-risk play. The model was rolled out across the Grosvenor business in July 2021 with further work ongoing to hone its effectiveness and to better support our venue teams in protecting their customers. ID scanning on entry has also led to new omni-channel journeys being introduced for customers new to Grosvenor, introduced in the first half, and for existing single channel customers which will roll out in the second half of the year.

The Grosvenor business is piloting a new demand-led rostering system which, alongside the new table management system, should further optimise the operating model to be better meet customer demand. Grosvenor has launched a new programme of Gaming Academies through which, in H1, just over 250 colleagues have enjoyed an extensive six-week training programme before graduating as qualified dealers. The programme continues through H2 and has now been extended to attract external as well as internal applicants.

The Huddersfield casino was refurbished with a significantly improved customer journey and facilities and has performed strongly since completion. An additional licence acquired in Nottingham saw a small refurbishment deliver an additional 20 gaming machines; an investment which is also performing strongly. The investment plan steps up considerably from the start of the second half with refurbishment works commencing in three casinos in January, a further two in February and a further two in April. A further four casinos have plans being prepared for works to commence before the end of the second half.

Mecca venues

£m	**H1 2021/22**	H1 2020/21	Change	H1 2019/20[7]	Change
LFL NGR	**65.7**	38.4	71%	86.3	(24)%
Underlying LFL operating (loss) / profit[8]	**(1.3)**	(4.8)	73%	13.8	(109)%
Total NGR	**65.9**	39.0	69%	91.9	(28)%
Total underlying operating (loss) / profit[8]	**(1.5)**	(5.3)	72%	13.7	(111)%
Total operating profit / (loss)	**43.6**	(6.1)	815%	15.5	181%

7. H1 2019/20 trading represents performance before the impact of COVID-19.
8. Before the impact of separately disclosed items.

The effect of the pandemic on the consumer's willingness to attend indoor hospitality has had a more severe impact on Mecca given the importance of an older cohort of customers in Mecca's visit numbers. Older customers were slower to return following the reopening of Mecca's venues in May and were quicker to stop visiting when case numbers across the UK began to rise again in Q2. Consequently, Mecca NGR was down 22% in Q1 and down 26% in Q2 against the pre-COVID 19 impacted 2019/20; a reduction of 24% for the half. An underlying operating loss of £1.5m in the half, reflecting both the fall in revenue and a £3.3m increase in energy costs, compares with a £13.7m profit in H1 2019/20 and a £5.3m loss in H1 2021/22.

Compared to the same period in the prior year when Mecca's venues were closed for 41% of the total available days, LFL revenues were up 71%.

Spend per visit was up 12% compared to the same period in H1 2019/20, with visits down 32%. The renewal of 20% of the B3 and C gaming machine estate contributed to machine revenues falling just 9% versus H1 2019/20.

The focus for the Mecca business, as pandemic fears ease and restrictions on consumers are removed, is to re-grow visitor volumes. Bingo remains an attractive proposition for UK consumers with over 30% of adult women saying they would consider playing bingo in a local bingo club. The transformation workstream is centred on investing in value for Mecca's customers as the country emerges from pandemic restrictions. This programme will give exceptional value to customers on the mainstage bingo game in the shape of lower prices and more and improved prize guarantees.

Aligned to additional value is a programme of trial investments in Mecca's facilities which will roll out in the second half of the financial year. In March, a new trial venue will open in Luton. Mecca Luton has been designed to attract and drive frequency of an under-represented cohort of younger, more digital savvy players whilst not alienating our more traditional customer base. The venue design is more contemporary and relevant, using big screen technology, a mix of quiet zones and more social environments, an always-on bingo schedule, a very different food and beverage offering and a strong focus on entertainment, with facilities which will accommodate large events and higher energy evenings. Elsewhere across the Mecca estate the business will be trialling a programme of smaller investments to make the external appearance of our venues more contemporary. The aim is to successfully redefine the bingo proposition and to help inform future direction for investment across the Mecca estate.

Bingo venues continue to provide an important social amenity and, with the emergence from the pandemic, the Mecca team has a clear focus on returning their venues to growth and profitability. Customer NPS scores across the estate continue to improve and community activity such as the recent 'Everyone Deserves a Christmas' campaign, which saw the Mecca team deliver over 4,000 hampers to families in need, reinforce the effort to revitalise venue-based bingo across the UK.

Good progress has been made in the half in developing the omni-channel experience for Mecca customers. A joint liquidity game with Mecca's online customers, Mecca Fortune, has proved a successful addition to the evening venue schedule and will be further developed in the second half. Progress in the rollout of Mecca's programme of entertainment events linked to bingo has slowed with the growth in COVID-19 case numbers and restrictions on indoor hospitality venues but is primed to accelerate once pandemic fears ease.

Enracha venues

£m	**H1 2021/22**	H1 2020/21	Change	H1 2019/20[9]	Change
LFL NGR	**14.1**	8.5	66%	18.0	(22)%
Underlying LFL operating profit / (loss)[10]	**2.7**	(0.6)	550%	4.2	(36)%
Total NGR	**14.1**	9.0	57%	18.6	(24)%
Total underlying operating profit / (loss)[10]	**2.7**	(0.6)	550%	4.2	(36)%
Total operating profit / (loss)	**1.5**	(0.6)	350%	4.2	(64)%

9. H1 2019/20 trading represents performance before the impact of COVID-19.
10. Before the impact of separately disclosed items.

Enracha venues in Catalonia, Madrid and Andalusia, remained open throughout the first half, however opening hours and capacity restrictions in force during Q1 were lifted at the start Q2 but reinstated in Catalonia in December. The need for COVID-19 passports to gain entry into venues selling food and beverage also impacted our venues in Catalonia and Andalusia from early December.

Visitor numbers were down 32% compared with H1 2019/20 with LFL NGR down 22%. The sharp increase in spend per visit, up 16%, reflects the electronic games investments made within the transformation programme which has seen machine revenues being maintained at H1 2019/20 levels despite the sharp drop in visitor numbers due to the pandemic.

Enracha's LFL NGR was up 66% compared to the same period in the prior year where Enracha's venues were subject to enforced closures and, when open, occupancy and opening hour restrictions.

Operating profit of £2.7m was much improved on last year's first half loss of £0.6m but was 36% down on the £4.2m operating profit achieved in H1 2019/20.

The key transformation initiative in the half has been the gradual rollout of a new gaming machine management system which will provide enhanced performance metrics on customer play. Our venue in Gorbea, a suburb of Madrid, has permanently closed following damage to the property caused by last winter's Storm Filomena. As many colleagues as possible have been redeployed across the Enracha estate but a provision of £1.2m has been made for redundancy costs associated with the closure. The recently opened second Enracha venue in Girona is performing ahead of expectations.

Digital

Key financial performance indicators

£m	**H1 2021/22**	H1 2020/21	Change
LFL NGR	**92.1**	85.9	7%
Mecca	**34.9**	33.8	3%
Grosvenor	**25.8**	21.9	18%
Enracha	**0.4**	0.5	(20)%
Yo	**10.0**	9.2	9%
Stride	**21.0**	20.5	2%
Underlying LFL operating profit[4]	**3.7**	1.3	185%
Total NGR	**92.1**	86.5	6%
Mecca	**34.9**	33.8	3%
Grosvenor	**25.8**	21.9	18%
Enracha	**0.4**	0.6	(33)%
Yo	**10.0**	9.7	3%
Stride	**21.0**	20.5	2%
Total underlying operating profit[4]	**3.7**	1.5	147%
Total operating (loss)	**(3.5)**	(5.8)	40%

4 Before the impact of separately disclosed items.

LFL Digital NGR grew by 7% in the half with a particularly strong 18% growth in the Grosvenor online business which benefitted from the reopening of venues and the return of much stronger revenues from omni-channel customers. Around 70% of consumers who visit casino venues in the UK also play online and the ability to provide customers with a single account and the ability to move seamlessly across channels to make bookings, accept and redeem promotions and to play casino games is a key competitive strength for Grosvenor and a focus area for the transformation of our digital business. The development of Grosvenor's omni-channel capability progressed further in the half with the successful launch of TheVic.com, a standalone site for customers of the Victoria Casino on London's Edgeware Road.

Mecca digital grew revenues by 3%, its growth impacted by the preparation for the migration of the business onto the RIDE proprietary platform which was successfully completed at the start of the second half (January 2022). This is a major milestone for the development of Rank's digital business, remaining key to driving digital revenue growth in the UK and internationally, and follows two years of extensive development to the technology platform acquired through the acquisition of Stride Gaming plc. Rank's UK digital business, Rank Interactive, now has its own technology platform with which to drive a strong programme of product, service and customer journey improvements and innovations. This will start immediately for the Mecca online brand whilst development continues in preparation for the migration of the Grosvenor online business in the summer.

We remain on track to deliver our projected annual cost synergies of £15m following the migrations, with £10.1m forecasted to be achieved in FY 2021/22 and the remaining £4.9m to be delivered following completion of the Grosvenor migration.

The Stride brands operating on the RIDE platform performed much more strongly in the first half with NGR growing 34% but this was largely offset by a decline of 16% in NGR from the nonproprietary brands operating on third party platforms which reflected a catching up in affordability restrictions being introduced by other operators.

Significant improvements to our systems and data analytics have been made to provide ever increasing levels of customer protection. Amongst the key first half initiatives have been enhanced affordability journeys for customers to improve response rates following requests for evidence supporting expenditure levels, further enhancements to our 24-hour customer monitoring system, Hawkeye, to identify higher risk play following new customer registration and detailed analysis work for the next phase of development across all of our risk models. The migration to the RIDE platform further improves our risk management capability and the service levels we can provide to our customers in this respect.

Further significant improvements have been made to the Rank Interactive operating model in the half with a further build out of technical development capability in Cape Town, additional growth of our Mauritius operations and several key appointments across technology and commercial functions. The business is well set to grow as the migration to the RIDE platform completes.

Yo performed well in the half, with particularly strong growth from the YoCasino offering which was launched in December 2019. Our more established YoBingo brand saw NGR growth slow as it continued to feel the effects of the regulatory changes bought in May 2021 preventing any level of incentivisation to prospective or recently acquired customers. During the half, enracha.es was successfully migrated onto the proprietary Yo technology platform. In the second half of the year we expect to launch sports betting on both the Enracha and Yo brands and launch the YoBingo brand in Portugal where we are in the final stages of the platform's regulatory approval process.

Passion Gaming, the online Indian rummy business in which Rank holds a 51% share, returned to growth during Q2 and continues to trade cash positively as we review the changing and currently improving regulatory landscape in India.

Group liquidity

The Group ended H1 2021/22 in a strong liquidity position with its venues open generating cash, bolstered by the recent £83.1m VAT refund from HM Revenue and Customs ('HMRC').

Total cash and available facilities at 31 December 2021 was £224.8m, up £126.8m from 30 June 2021.

During the half the Group settled all of the £12.2m of deferred rent from 30 June 2021 and entered 2022 with no additional rent deferrals.

In May 2022, the Group will make its scheduled term loan repayment of £29.6m in line with the agreed loan amortisation profile, reducing its term loan to £78.8m.

The Group's bank debt financial covenant waivers, which were put in place in H1 2020/21, expire in H2 2021/22, with the end of March 2022 being the last testing date where the Group is required to have at least £50m of total cash and available facilities (the 'liquidity test', a condition of the waivers). The Group will revert to its financial covenants of net debt to EBITDA of less than 3x and EBITDA to interest charge of no less than 3x from 30 June 2022.

The Group expects to meet its final liquidity test in March 2022 and all future financial covenants.

The strengthened balance sheet has enabled the acceleration of investments identified in the next phase of Rank's transformation programme and we expect £50m of capital to be invested in the full year.

Dividend

Due to restrictions under our current bank debt financial covenant waivers the Board has not proposed an interim dividend. The Board is committed to restarting dividends when circumstances permit and this will be kept under regular review.

Sustainability

We have a clear ambition at Rank to become a £1 billion revenue international gaming company by 2023, through transforming our business and consistently exceeding our customer and shareholder expectations.

Those expectations include the sustainable evolution of our operations, considering our impact on society and the environment. Only a model that builds Environmental, Social and Governance ('ESG') matters into its strategy can be truly sustainable.

Our ESG objectives are clear, to reduce the negative impact and to increase the positive impacts of our operations.

Our commitments focus on the following four areas:

1. Customer experience:
    - provide a fun, exciting and safe experience;
    - encourage and enable good gambling behaviours; and
    - seek to protect vulnerable customers from harm.

2. Colleague experience:
    - educate our colleagues to enable and encourage positive gaming behaviours;
    - create a fair, safe and fulfilling working environment that supports professional development; and
    - maintain positive relationships with business partners.

3. Environmental management:
    - invest in efficient and responsible operations to reduce our impact on the environment; and
    - engage with the supply chain to deliver sustainable and responsible outcomes.

4. Community engagement:
    - provide a social outlet for customers and generate lasting community spirit; and
    - drive community action and develop positive social legacy.

Today we formally launch the Group's first Responsible Business Report. The report provides an overview of the initial work we have undertaken to establish the appropriate approach to the development of our ESG strategy. The next stage of our work will be to promote the core initiatives and define the key performance indicators which will enable us to report more broadly on our social and environmental impacts alongside our financial reporting calendar.

A copy of the report can be found on the Group's corporate website here https://www.rank.com/en/investors/results--reports---presentations.category1.html

Regulatory update

We look forward to the publication of the Government's white paper which will shape the next stage of the review of gambling legislation in the UK. We continue to work closely with our industry peers, and our trade bodies, in pursuing evidence-based reforms to the current existing legislation and regulation. A further period of consultation is likely to follow the publication of the white paper before legislative change can be implemented. For our land-based casino and bingo business, we have presented a modernisation programme which, were the Government to deliver legislative change in line with our proposals, would help to revitalise the customer experience in our clubs, and better address the customer's expectations and demands.

Any changes which require primary legislation are, we believe, unlikely to be delivered within the next 24 months. However, the majority of our modernisation proposals can be delivered by statutory instrument (secondary legislation) and could, therefore, be delivered quickly. Our expectation is for a tightening of regulations governing online play in the UK alongside modest, but important, regulatory changes for land-based venues and their customers.

Board changes

Group Chief Financial Officer
On 1 May 2022, Richard Harris will join the Group as Chief Financial Officer ('CFO') and the Rank Board following the departure of Bill Floydd in December 2021. Richard will join us from Foxtons Group plc where he has held the role of CFO since June 2019. Simon Hay, Director of Group Finance, was appointed interim CFO with effect from 1 January 2022 and will continue in that role until Richard joins the Group.

Susan Hooper
Susan Hooper, Non-executive Director and Chair of Rank's ESG & Safer Gambling Committee, will step down from the Rank Board on 31 January 2022 having completed over six years.

Katie McAlister has been appointed Chair of the ESG & Safer Gambling Committee with effect from 1 February 2022.

Senior Independent Director
Chris Bell, Non-Executive Director and Senior Independent Director, resigned on 19 January 2022 having served over six years on the Rank Board.

Karen Whitworth has been appointed Senior Independent Director with effect from 19 January 2022.

Financial review

Reported net gaming revenue ('NGR')

For the six months to 31 December 2021 NGR increased by 88% to £333.7m due to our venues not being subject to any enforced COVID-19 closures as experienced in the comparable period.

Operating profit

In line with NGR, operating profit benefited from our venues being open in the period. The increase in NGR and the SDI operating profit of £79.3m led to an operating profit of £103.0m.

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 six months to 31 December 2021 were £70.7m, post discontinued operations and tax.

The key SDIs in the period were as follows:

- Integration costs of £1.3m regarding the costs incurred to ready the RIDE proprietary platform, acquired in the Stride acquisition, to migrate the legacy Rank brands over the coming year;
- Amortisation costs of £5.9m relating to the acquired intangible assets of Stride and Yo;
- Closure costs of £1.2m regarding the closure of an Enracha venue in Spain;
- A VAT receipt of £77.1m (net of costs) and the associated interest of £5.6m regarding a long-standing VAT claim regarding gaming machines during the period April 2006 and January 2013;
- A reversal of previously impaired assets of £10.8m relating to six Grosvenor venues; and
- £3.1m of additional profit on the disposal of the Group's Blankenberge casino in Belgium in the prior year.

Net financing charge

The £6.5m underlying net financing charge for the period was in line with the prior year.

Taxation

On a statutory basis, the Group had an effective tax rate of 20.2% (H1 2020/21 16.5%) based on a tax charge of £20.6m and total profits of £102.1m. This is higher than the UK statutory tax rate of 19% because of amortisation costs that are not deductible for tax purposes.

The Group's effective underlying corporation tax rate in H1 2021/22 was 19.2% (2020/21: 17.0%) based on a tax charge of £3.3m on underlying profit before taxation. This is higher than the Group's anticipated effective tax rate of 17% to 19% for the period as a result of the mix of UK profits compared to overseas profits being higher than previously forecast.

Further details on the tax charge are provided in note 5.

Earnings per share ('EPS')

Basic EPS grew by 252% to 18.1 pence. Underlying EPS was up 132% to 3.0 pence.

Cash flow and net debt

As at 31 December 2021, net debt was £141.2m. Debt comprised £108.4m in term loans and £196.3m in finance leases, offset by cash at bank of £163.5m.

	H1 2021/22 £m	H1 2020/21 £m
Cash inflow / (outflow) from operations	**57.9**	(12.4)
Cash receipts in respect of VAT claim recognised as SDI	**83.1**	-
Cash payments in respect of SDIs	**(1.4)**	(5.1)
Cash generated from / (used in) operations	**139.6**	(17.5)
Capital expenditure	**(13.4)**	(11.2)
Net interest and tax	**(10.2)**	(7.7)
Net proceeds from equity placing	**-**	68.1
Disposal of subsidiary	**3.1**	-
Lease payments	**(13.9)**	(19.6)
Others (including exchange translation)	**(0.3)**	(0.3)
Cash inflow / (outflow)	**104.9**	**11.8**
Opening net (debt) pre IFRS 16	**(49.8)**	(57.0)
Closing net cash / (debt) pre IFRS 16	**55.1**	(45.2)
IFRS 16 lease liabilities	**(196.3)**	(223.1)
Closing net debt post IFRS 16	**(141.2)**	(268.3)

Net cash for covenant purposes at 31 December 2021 was £37.6m.

Cash tax rate

In the period ended 31 December 2021, the Group had an effective cash tax rate of 5.8% on total profit before taxation (H1 2020/21: (3.8)%). The cash tax rate is lower than the effective tax rate due to the utilisation of losses arising in 2020/21 to offset profits in 2021/22 resulting in a reduction in cash tax due.

<u>Alternative Performance Measures</u>

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

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

Purpose

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

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

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

APM	**Purpose**	**Closest equivalent IFRS measure**	**Adjustments to reconcile to primary financial statements**
Underlying like-for-like ('LFL') net gaming revenue ('NGR')	Revenue measure	NGR	• Separately disclosed items • Excludes contribution from any venue openings, closures, disposals, acquired businesses and discontinued operations • Foreign exchange movements
Underlying LFL operating (loss) / profit	Profit measure	Operating profit / (loss)	• Separately disclosed items • Excludes contribution from any venue openings, closures, disposals, acquired businesses and discontinued operations • Foreign exchange movements
Underlying LFL (loss) / profit before taxation	Profit measure	Profit / (loss) 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	Profit / (loss) after tax	• Separately disclosed items • Excludes contribution from any venue openings, closures, disposals, acquired businesses and discontinued operations • Foreign exchange movements Tax impact of all
Underlying (loss) / earnings per share	Profit measure	Earnings / (loss) 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 3 of the Financial Statements.

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

In the prior period (H1 2020/21), the Group closed one Mecca venue. For the purpose of calculating like-for-like ('LFL') measures its contribution has been excluded from the prior period numbers and current period numbers, to ensure comparatives are made to measures on the same basis.

3. Foreign exchange movements

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

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

£m	**H1 2021/22**	H1 2020/21
Underlying LFL net gaming revenue (NGR)	**333.5**	175.9
Closed/disposed venues	**0.2**	0.6
Foreign exchange ('FX')	**-**	1.1
Underlying NGR - continuing operations	**333.7**	177.6

Calculation of comparative underlying LFL NGR

	H1 2020/21
Reported underlying LFL NGR	**156.9**
Reversal of Stride (acquired business)	20.5
Reversal of 2020/21 closed venues	0.2
2021/22 closed venues	(0.6)
2021/22 FX	(1.1)
Restated underlying LFL NGR	**175.9**

£m	**H1 2021/22**	H1 2020/21
LFL underlying operating profit / (loss)	**24.1**	(41.2)
Opened, closed and disposed venues	**(0.4)**	(0.8)
Foreign exchange	**-**	0.2
Underlying operating profit / (loss) – continuing operations	**23.7**	(41.8)
Separately disclosed items	**79.3**	(11.1)
Operating profit / (loss) – continuing operations	**103.0**	(52.9)

Calculation of comparative underlying LFL operating profit

£m	**H1 2020/21**
Reported underlying LFL reported operating loss pre IFRS 16	**(33.2)**
Reversal of Stride (acquired business)	(8.2)
Opened and closed venues	(0.4)
2021/22 closed venues	0.8
2021/22 FX	(0.2)
Underlying LFL operating profit	(41.2)

£m	**H1 2021/22**	H1 2020/21
Underlying current tax (charge) / credit	**(3.3)**	8.3
Tax on separately disclosed items	**(17.3)**	1.5
Tax (charge) / credit	**(20.6)**	9.8

Pence	**H1 2021/22**	H1 2020/21
Underlying EPS	**3.0**	(9.5)
Separately disclosed items	**15.1**	(2.4)
Reported EPS	**18.1**	(11.9)

Principal risk and uncertainties

Understanding, accepting and managing risk are fundamental to Rank's strategy and success. We have a Group wide enterprise 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**.** The Group's enterprise risk strategy focuses on the minimisation of the risks for the Group. Key risks are periodically reviewed by the risk committee, executive and the Board, where appropriate, actions are taken to mitigate these.

The principal risks and uncertainties faced by the Group remain those set out in the Group's annual report and financial statements for the year ended 30 June 2021 and include:

- COVID-19 pandemic;
- Changing customer needs (venues);
- Gambling laws and regulations;
- Health and safety;
- Taxation;
- Integration, transformation and technology projects and programmes;
- Business continuity planning and disaster recovery (operational resilience);
- Data protection and management;
- Cyber resilience;
- Dependency on third parties and supply chain; and
- People.

The principal emerging risks faced by the Group include the following:

- The most significant near-term risk is the forthcoming proposed changes to the gambling regulation. 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;
- Ongoing potential impact post 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; and
- Lastly, we are monitoring medium-term emerging environmental and social risks and related reporting requirements, including those in relation to climate change.

Greater detail on these risks and uncertainties are set out in pages 62 to 68 of the Group's 2021 annual report and financial statements.

Directors' Responsibility Statement

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

- The unaudited condensed consolidated financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting", as issued by the International Accounting Standards Board and as contained in UK adopted international accounting standards; and
- The interim management report includes a fair review of the information required by Disclosure Guidance and Transparency Rules sourcebook 4.2.7 and Disclosure Guidance and Transparency Rules sourcebook 4.2.8.

The directors of The Rank Group Plc are:

Chew Seong Aun

Steven Esom

Susan Hooper

Katie McAlister

John O'Reilly

Alex Thursby

Karen Whitworth

Signed on behalf of the board on 26 January 2022

John O'Reilly Chief Executive	Alex Thursby Chair

INDEPENDENT REVIEW REPORT TO THE RANK GROUP PLC

Conclusion

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2021 which comprises the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement and the related explanatory notes that have been reviewed. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2021 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom’s Financial Conduct Authority.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 1, the annual financial statements of the Group will be prepared in accordance with UK adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, “Interim Financial Reporting”.

Responsibilities of the directors

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority

Auditor's Responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our conclusion is based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

This report is made solely to the company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

Ernst & Young LLP
Glasgow
26 January 2022

Consolidated Income Statement
for the six months ended 31 December 2021

		Six months ended 31 December 2021 (unaudited)			Six months ended 31 December 2020 (unaudited)		
	Note	**Underlying £m**	**Separately disclosed items (note 3) £m**	**Total £m**	Underlying £m	Separately disclosed items (note 3) £m	Total £m
Continuing operations							
Revenue	2	**333.7**	**-**	**333.7**	177.6	-	177.6
Cost of sales	2	**(198.4)**	**-**	**(198.4)**	(135.0)	-	(135.0)
Gross profit		**135.3**	**-**	**135.3**	42.6	-	42.6
Other operating costs	2	**(114.6)**	**(8.6)**	**(123.2)**	(113.2)	(11.1)	(124.3)
Other operating income	2	**3.0**	**87.9**	**90.9**	28.8	-	28.8
Operating profit (loss)		**23.7**	**79.3**	**103.0**	(41.8)	(11.1)	(52.9)
Financing:							
– finance costs	4	**(6.6)**	**-**	**(6.6)**	(6.5)	-	(6.5)
– finance income	4	**-**	**-**	**-**	0.1	-	0.1
– other financial gains (losses)	4	**0.1**	**5.6**	**5.7**	(0.1)	-	(0.1)
Total net financing (charge) income		**(6.5)**	**5.6**	**(0.9)**	(6.5)	-	(6.5)
Profit (loss) before taxation		**17.2**	**84.9**	**102.1**	(48.3)	(11.1)	(59.4)
Taxation	5	**(3.3)**	**(17.3)**	**(20.6)**	8.3	1.5	9.8
Profit (loss) for the period from continuing operations		**13.9**	**67.6**	**81.5**	(40.0)	(9.6)	(49.6)
Discontinued operations							
Profit after tax for the period from discontinued operations	6	**-**	**3.1**	**3.1**	1.0	-	1.0
Profit (loss) for the period		**13.9**	**70.7**	**84.6**	(39.0)	(9.6)	(48.6)
Attributable to:							
Equity holders of the parent		**13.9**	**70.7**	**84.6**	(38.9)	(9.6)	(48.5)
Non-controlling interests		**-**	**-**	**-**	(0.1)	-	(0.1)
		13.9	**70.7**	**84.6**	(39.0)	(9.6)	(48.6)
Earnings (loss) per share attributable to equity shareholders							
– basic	8	**3.0p**	**15.1p**	**18.1p**	(9.5)p	(2.4)p	(11.9)p
– diluted	8	**3.0p**	**15.1p**	**18.1p**	(9.5)p	(2.4)p	(11.9)p
Earnings (loss) per share – continuing operations							
– basic	8	**3.0p**	**14.4p**	**17.4p**	(9.8)p	(2.4)p	(12.2)p
– diluted	8	**3.0p**	**14.4p**	**17.4p**	(9.8)p	(2.4)p	(12.2)p
Earnings per share – discontinued operations							
– basic	8	**-**	**0.7p**	**0.7p**	0.3p	-	0.3p
– diluted	8	**-**	**0.7p**	**0.7p**	0.3p	-	0.3p

Consolidated Statement of Comprehensive Income
for the six months ended 31 December 2021

	Six months ended 31 December 2021 (unaudited) £m	Six months ended 31 December 2020 (unaudited) £m
Comprehensive income:		
Profit (loss) for the period	**84.6**	(48.6)
Other comprehensive income:		
Items that may be reclassified to profit or loss:		
Exchange adjustments net of tax	**(1.5)**	(1.1)
Items that will not be reclassified to profit or loss:		
Actuarial gain on retirement benefits net of tax	**-**	0.1
Total comprehensive income (loss) for the period	**83.1**	(49.6)
Attributable to:		
Equity holders of the parent	**83.1**	(49.5)
Non-controlling interests	**-**	(0.1)

Consolidated Balance Sheet
at 31 December 2021 and 30 June 2021

	Note	**As at 31 December 2021 (unaudited) £m**	As at 30 June 2021 (audited) £m
Assets			
Non-current assets			
Intangible assets		**503.6**	504.6
Property, plant and equipment		**112.2**	117.4
Right-of-use assets		**134.4**	128.6
Deferred tax assets		**4.7**	3.6
Other receivables		**6.5**	5.1
		761.4	759.3
Current assets			
Inventories		**2.5**	2.0
Other receivables		**19.3**	16.3
Government grants	9	**-**	0.8
Income tax receivable		**1.1**	10.1
Cash and short-term deposits		**163.5**	69.6
		186.4	98.8
Total assets		**947.8**	858.1
Liabilities			
Current liabilities			
Trade and other payables		**(144.8)**	(126.3)
Lease liabilities		**(40.0)**	(42.2)
Income tax payable		**(1.7)**	(3.1)
Financial liabilities - loans and borrowings		**(31.0)**	(39.4)
Provisions	10	**(5.8)**	(5.4)
		(223.3)	(216.4)
Net current liabilities		**(36.9)**	(117.6)
Non-current liabilities			
Lease liabilities		**(156.3)**	(164.7)
Financial liabilities - loans and borrowings		**(77.7)**	(77.7)
Deferred tax liabilities		**(26.2)**	(18.3)
Provisions	10	**(16.0)**	(16.0)
Retirement benefit obligations		**(3.7)**	(3.8)
		(279.9)	(280.5)
Total liabilities		**(503.2)**	(496.9)
Net assets		**444.6**	361.2
Capital and reserves attributable to the Company's equity shareholders			
Share capital	11	**65.0**	65.0
Share premium	11	**155.7**	155.7
Capital redemption reserve		**33.4**	33.4
Exchange translation reserve		**13.1**	14.6
Retained earnings		**177.5**	92.6
Total equity before non-controlling interests		**444.7**	361.3
Non-controlling interests		**(0.1)**	(0.1)
Total shareholders' equity		**444.6**	361.2

Consolidated Statement of Changes in Equity

for the six months ended 31 December 2021

For the six months ended 31 December 2021 (unaudited)

	Share capital £m	Share premium £m	Capital redemption reserve £m	Exchange translation reserve £m	Retained earnings £m	Reserves attributable to the Company's equity shareholders £m	Non-controlling interest £m	Total equity £m
At 1 July 2021	**65.0**	**155.7**	**33.4**	**14.6**	**92.6**	**361.3**	**(0.1)**	**361.2**
Comprehensive income:								
Profit for the period	**-**	**-**	**-**	**-**	**84.6**	**84.6**	**-**	**84.6**
Other comprehensive income:								
Exchange adjustments net of tax	**-**	**-**	**-**	**(1.5)**	**-**	**(1.5)**	**-**	**(1.5)**
Total comprehensive profit (loss) for the period	**-**	**-**	**-**	**(1.5)**	**84.6**	**83.1**	**-**	**83.1**
Transactions with owners:								
Credit in respect of employee share schemes including tax	**-**	**-**	**-**	**-**	**0.3**	**0.3**	**-**	**0.3**
At 31 December 2021	**65.0**	**155.7**	**33.4**	**13.1**	**177.5**	**444.7**	**(0.1)**	**444.6**

For the six months ended 31 December 2020 (unaudited)

	Share capital £m	Share premium £m	Capital redemption reserve £m	Exchange translation reserve £m	Retained earnings £m	Reserves attributable to the Company's equity shareholders £m	Non-controlling interest £m	Total equity £m
At 1 July 2020	54.2	98.4	33.4	18.8	161.3	366.1	(0.2)	365.9
Comprehensive income:								
Loss for the period	-	-	-	-	(48.5)	(48.5)	(0.1)	(48.6)
Other comprehensive income:								
Exchange adjustments net of tax	-	-	-	(1.1)	-	(1.1)	-	(1.1)
Actuarial gain on retirement benefits net of tax	-	-	-	-	0.1	0.1	-	0.1
Total comprehensive loss for the period	-	-	-	(1.1)	(48.4)	(49.5)	(0.1)	(49.6)
Transactions with owners:								
Issue of share capital (note 11)	10.8	57.3	-	-	-	68.1	-	68.1
Credit in respect of employee share schemes including tax	-	-	-	-	1.2	1.2	-	1.2
At 31 December 2020	65.0	155.7	33.4	17.7	114.1	385.9	(0.3)	385.6

Consolidated Cash Flow Statement
for the six months ended 31 December 2021

	Note	**Six months ended 31 December 2021 (unaudited) £m**	Six months ended 31 December 2020 (unaudited) £m
Cash flows from operating activities			
Cash generated from (used in) operations	13	**139.6**	(17.5)
Interest received		**0.1**	0.1
Interest paid		**(4.4)**	(6.0)
Tax paid		**(5.9)**	(1.8)
Net cash generated from (used in) operating activities		**129.4**	(25.2)
Cash flows from investing activities			
Additional proceeds on disposal of business	6	**3.1**	-
Purchase of intangible assets		**(5.5)**	(8.6)
Purchase of property, plant and equipment		**(7.9)**	(2.6)
Net cash used in investing activities		**(10.3)**	(11.2)
Cash flows from financing activities			
Share capital issued	11	**-**	68.1
Repayment of revolving credit facilities		**(11.0)**	-
Lease principal repayments		**(13.9)**	(19.6)
Net cash (used in) generated from financing activities		**(24.9)**	48.5
Net increase in cash, cash equivalents and bank overdrafts		**94.2**	12.1
Effect of exchange rate changes		**(0.3)**	(0.3)
Cash and cash equivalents at start of period		**69.6**	71.1
Cash and cash equivalents at end of period		**163.5**	82.9

1 General information, basis of preparation and accounting policies

General information

The Rank Group Plc ('the Company') and its subsidiaries (together 'the Group') operate gaming services in Great Britain (including the Channel Islands), Spain and India.

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.

This condensed consolidated interim financial information was approved for issue on 26 January 2022.

This condensed consolidated financial information does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the 12-month period ended 30 June 2021 were approved by the Board of Directors on 18 August 2021 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement made under Section 498 of the Companies Act 2006.

This condensed consolidated interim financial information has been reviewed but not audited.

Basis of preparation

This condensed consolidated interim financial information for the six months ended 31 December 2021 has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and with UK-adopted International Accounting Standards (IAS) 34 'Interim financial reporting'. The condensed consolidated interim financial information should be read in conjunction with the financial statements for the 12-month period ended 30 June 2021, which have been prepared in accordance with UK-adopted International Financial Reporting Standards (IFRS).

Going concern

In adopting the going concern basis for preparing the interim financial statements, the Directors have considered the circumstances impacting the Group during the year including the trading performance for the venues in accordance with Government guidance, the latest forecast for 2021/22 and the long-range forecast approved by the Board. The Directors also considered the Group's projected compliance with its banking covenants and access to funding options for the 12 months ending 31 January 2023.

The Directors recognise that there continues to be a high level of forecasting uncertainty at this time caused by the ongoing 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.

The Group closely monitors and carefully manages its liquidity risks by regularly producing a cash flow forecast which indicates that it will continue to have significant liquidity throughout the going concern period to 31 January 2023. The base case cash flow forecast also 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 cash flow forecast 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 Group's overall liquidity has improved following the receipt of the £83.1m VAT duty refund from HMRC on 2 December 2021. At the date of approval of the interim 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, with the next quarterly test 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 in March 2022 and its normal banking covenants at 30 June 2022 and 31 December 2022.

1 General information, basis of preparation and accounting policies (continued)

Group management have run downside scenarios and sensitivities for different scenarios including an increase in the impact of COVID-19 on the business resulting in (i) the closure of UK venues and receiving Government support via Coronavirus Job Retention Scheme (CJRS) (or equivalent) during the closure period and (ii) the implementation of curfew hours on UK venues which results in reduced capacity, in each case for a period of five (5) months. Notwithstanding the current position from Government to keep business open, should a closure be implemented, management has modelled on five (5) months being in line with the period of closure during 2021. This is considered a severe downside case. Whilst the closures and curfew do not have direct impact over the digital business as a whole, the downside scenarios further incorporated a potential impact on omni-channel performance.

Having modelled the downside scenarios, the Group would continue to meet its Revised Covenants in both cases. Furthermore, in both downside scenarios, the Group would also meet its normal banking covenants at the 30 June 2022 and 31 December 2022 test dates 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 January 2023. For these reasons, the Directors continue to adopt the going concern basis of accounting in preparing the condensed consolidated interim financial statements.

Accounting policies

Standards, amendments to and interpretations of existing standards adopted by the Group

The accounting policies and methods of computation adopted in the condensed consolidated interim financial information are consistent with those followed in the Group's financial statements for the year ended 30 June 2021.

There are no new or amended standards or interpretations that became effective in the period from 1 July 2021 which have had a material impact upon the values or disclosures in the condensed consolidated interim financial information.

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

Separately disclosed items

The Group incurs costs and earns income that is non-recurring in nature or that, in the Directors' judgement, need to be disclosed separately by virtue of their size and incidence in order for users of the condensed consolidated interim financial information to obtain a proper understanding of the financial information and the underlying performance of the business. These 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;
- Significant, material proceeds from tax appeals;
- The tax impact of all the above.

Determining whether an item is part of specific adjusting items requires judgement to determine the nature and the intention of the transaction.

Estimates and judgements

In preparing these condensed consolidated financial information, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 30 June 2021.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

1 General information, basis of preparation and accounting policies (continued)

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors, as the chief operating decision-makers, to enable them to make strategic and operational decisions.
The Group reports five segments: Digital, Grosvenor Venues, Mecca Venues, International Venues and Central Costs.

2 Segment information

	Six months ended 31 December 2021 (unaudited)					
	Digital	**Grosvenor Venues**	**Mecca Venues**	**Enracha Venues**	**Central Costs**	**Total**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**
Segment revenue	**92.1**	**161.6**	**65.9**	**14.1**	**-**	**333.7**
Other operating income	**-**	**2.3**	**0.7**	**-**	**-**	**3.0**
Operating profit (loss)	**3.7**	**34.7**	**(1.5)**	**2.7**	**(15.9)**	**23.7**
Separately disclosed items	**(7.2)**	**38.1**	**45.1**	**(1.2)**	**4.5**	**79.3**
Segment result	**(3.5)**	**72.8**	**43.6**	**1.5**	**(11.4)**	**103.0**
Finance costs						**(6.6)**
Other financial gains						**5.7**
Profit before taxation						**102.1**
Taxation						**(20.6)**
Profit for the period from continuing operations						**81.5**

	Six months ended 31 December 2020 (unaudited)					
	Digital	Grosvenor Venues	Mecca Venues	Enracha Venues	Central Costs	Total
	£m	£m	£m	£m	£m	£m
Segment revenue	86.5	43.1	39.0	9.0	-	177.6
Other operating income	-	21.6	6.7	0.3	0.2	28.8
Operating profit (loss)	1.5	(21.2)	(5.3)	(0.6)	(16.2)	(41.8)
Separately disclosed items	(7.3)	(0.8)	(0.8)	-	(2.2)	(11.1)
Segment result	(5.8)	(22.0)	(6.1)	(0.6)	(18.4)	(52.9)
Finance costs						(6.5)
Finance income						0.1
Other financial losses						(0.1)
Loss before taxation						(59.4)
Taxation						9.8
Loss for the period from continuing operations						(49.6)

Under IFRS 8 – Operating Segments, segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker.

Following the sale of its Blankenberge Casino in Belgium, Management has now refined the previously reported “International Venues” segment to “Enracha Venues” which solely operates in Spain.

2 Segment information (continued)

To increase transparency, the Group continues 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:

	Six months ended 31 December 2021 (unaudited)					
	Digital	**Grosvenor Venues**	**Mecca Venues**	**International Venues**	**Central Costs**	**Total**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**
Employment and related costs	**11.1**	**51.7**	**22.2**	**7.3**	**9.9**	**102.2**
Taxes and duties	**20.2**	**33.7**	**12.9**	**0.8**	**1.2**	**68.8**
Direct costs	**25.6**	**12.7**	**9.9**	**1.1**	**-**	**49.3**
Property costs	**0.1**	**4.4**	**1.8**	**0.4**	**0.8**	**7.5**
Marketing	**19.9**	**2.1**	**3.1**	**0.8**	**-**	**25.9**
Depreciation and amortisation	**7.0**	**16.0**	**7.9**	**0.7**	**2.8**	**34.4**
Other	**4.5**	**8.6**	**10.3**	**0.3**	**1.2**	**24.9**
Total costs before separately disclosed items	**88.4**	**129.2**	**68.1**	**11.4**	**15.9**	**313.0**
Cost of sales						**198.4**
Operating costs						**114.6**
Total costs before separately disclosed items						**313.0**

	Six months ended 31 December 2020 (unaudited)					
	Digital	Grosvenor Venues	Mecca Venues	International Venues	Central Costs	Total
	£m	£m	£m	£m	£m	£m
Employment and related costs	11.2	45.2	21.5	6.2	11.0	95.1
Taxes and duties	20.6	11.4	8.5	0.8	0.6	41.9
Direct costs	24.0	4.5	5.4	1.4	-	35.3
Property costs	0.4	1.7	(0.5)	0.4	0.8	2.8
Marketing	17.2	1.0	1.8	0.2	-	20.2
Depreciation and amortisation	6.8	16.6	8.2	0.9	2.9	35.4
Other	4.8	5.5	6.1	-	1.1	17.5
Total costs before separately disclosed items	85.0	85.9	51.0	9.9	16.4	248.2
Cost of sales						135.0
Operating costs						113.2
Total costs before separately disclosed items						248.2

3 Separately disclosed items

	Six months ended 31 December 2021 (unaudited) £m	Six months ended 31 December 2020 (unaudited) £m
Separately disclosed items		
Integration costs	**(1.3)**	(1.4)
Business transformation costs	**(0.2)**	(3.8)
Amortisation of acquired intangible assets	**(5.9)**	(5.9)
Closure of venues	**(1.2)**	-
Impairment reversal	**10.8**	-
VAT refund	**77.1**	-
Impact on operating profit	**79.3**	(11.1)
Other financial gains	**5.6**	-
Taxation (see note 5)	**(17.3)**	1.5
Separately disclosed items relating to continuing operations	**67.6**	(9.6)
Profit on disposal of business	**3.1**	-
Separately disclosed items relating to discontinued operations	**3.1**	-
Total separately disclosed items	**70.7**	(9.6)

Integration Costs
Costs directly associated with the integration of business acquisitions are charged to the consolidated income statement. Such items are material, infrequent in nature and are not considered to be part of the underlying business performance.

In the current period, £1.3m of costs have been excluded from the 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 period, costs of £1.4m were excluded from the underlying operating results of the Group.

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 period, £0.2m of costs are excluded from the underlying performance of the Group. In the prior period, costs of £3.8m were excluded from the underlying operations 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 £5.9m (six months ended 31 December 2020: £5.9m) relating to the acquired intangible assets of Stride and YoBingo.

Closure of venues
During the period the Group made the decision to close one of its international venues. £1.2m of costs relating to this venue, including redundancy and employee settlement costs, legal costs and reallocation of assets directly attributed to these venues, have been expensed in the period. This is a material, one-off cost and as such has been excluded from underlying results.

Impairment reversal
During the period, the Group recognised a reversal of previously impaired assets of £10.8m relating to six of its Grosvenor venues. This follows the business transformation completed in 2020 and the reopening of venues since May 2021, which has contributed to an improved current result and forecast outlook for the Grosvenor venues identified.

This is a material, non-recurring item and as such, has been excluded from underlying results.

3 Separately disclosed items (continued)

VAT refund
On 30 June 2021, the Group was informed that the First-tier Tribunal (‘FTT’) had allowed the appeal of the Group on its claim to be refunded VAT paid on the takings from gaming machines during the period April 2006 to January 2013. A refund was received in relation to this claim on 2 December 2021, comprising £77.5m principal and interest of £5.6m, with costs directly incurred amounting to £0.4m.

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

Profit on disposal of business
Charges or credits associated with the disposal of part or all of a business may arise. Such disposals may result in one time impacts that in order to allow comparability means the Group removes the profit or loss from the underlying operating results.

The Belgium casino sale was reported in the Annual Report and Accounts at 30 June 2021 at a profit of £23.8m. At 31 December 2021, an additional profit of £3.1m has been recognised, relating to proceeds received from the sale of the Belgium casino following a positive outcome in a salary moderation case in Belgium, the benefit of which was retained by Rank in the sale.

4 Financing

	Six months ended 31 December 2021 (unaudited) £m	Six months ended 31 December 2020 (unaudited) £m
Finance costs:		
Interest on debt and borrowings	**(2.2)**	(1.9)
Amortisation of issue costs on borrowings	**(1.0)**	(0.9)
Interest payable on leases	**(3.4)**	(3.7)
Total finance costs	**(6.6)**	(6.5)
Finance income:		
Interest income on short-term bank deposits	**-**	0.1
Finance income	**-**	0.1
Other financial gains (losses)	**0.1**	(0.1)
Total net financing charge before separately disclosed items	**(6.5)**	(6.5)
Separately disclosed items – interest on VAT refund	**5.6**	-
Total net financing charge	**(0.9)**	**(6.5)**

5 Taxation

Income tax is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial period.

	Six months ended 31 December 2021 (unaudited)			Six months ended 31 December 2020 (unaudited)		
	Continuing operations £m	**Discontinued operations £m**	**Total £m**	Continuing operations £m	Discontinued operations £m	Total £m
Current income tax						
Current income tax – UK	**(1.9)**	**-**	**(1.9)**	2.7	-	2.7
Current income tax – overseas	**(0.7)**	**-**	**(0.7)**	(0.6)	(0.3)	(0.9)
Current income tax (charge) credit	**(2.6)**	**-**	**(2.6)**	2.1	(0.3)	1.8
Current income tax on separately disclosed items	**(6.2)**	**-**	**(6.2)**	-	-	-
Amounts over provided in previous periods	**(4.7)**	**-**	**(4.7)**	0.2	-	0.2
Total current income tax (charge) credit	**(13.5)**	**-**	**(13.5)**	2.3	(0.3)	2.0
Deferred tax						
Deferred tax – UK	**(0.8)**	**-**	**(0.8)**	5.5	-	5.5
Deferred tax – overseas	**(0.5)**	**-**	**(0.5)**	0.5	-	0.5
Restatement of deferred tax due to rate change	**0.6**	**-**	**0.6**	-	-	-
Deferred tax on separately disclosed items	**(11.1)**	**-**	**(11.1)**	1.5	-	1.5
Amounts over provided in previous year	**4.7**	**-**	**4.7**	-	-	-
Total deferred tax (charge) credit	**(7.1)**	**-**	**(7.1)**	7.5	-	7.5
Tax (charge) credit in the income statement	**(20.6)**	**-**	**(20.6)**	9.8	(0.3)	9.5

Further details regarding the Group’s discontinued operations can be found in note 6.

The tax effect of items within other comprehensive income is as follows:

	Six months ended 31 December 2021 (unaudited) £m	Six months ended 31 December 2020 (unaudited) £m
Current tax charge on exchange movements offset in reserves	**(0.1)**	(0.1)
Total tax charge on items within other comprehensive income	**(0.1)**	(0.1)

The credit in respect of employee share schemes included within the Statement of Changes in Equity includes a deferred tax credit of £0.4m (six months ended 31 December 2020: £0.1m charge).

Factors affecting future taxation

UK corporation tax is calculated at 19% (six months ended 31 December 2020: 19%) 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% to 25% for the year starting 1 April 2023. This change was substantively enacted on 24 May 2021.

On 20 July 2021, the Government of Gibraltar announced the increase in the corporation tax rate in Gibraltar from 10% to 12.5% effective from 1 August 2021.

The rate increases will increase the amount of cash tax payments to be made by the Group.

6 Discontinued operations

On 29 October 2020, the Group publicly 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. At 31 December 2020 Blankenberge casino was therefore classified as a disposal group held for sale, and was no longer presented within International Venues in the segmental note 2.

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. Full details of the transaction was disclosed in the Group's 2021 Annual Report and Accounts.

The results of Blankenberge casino for the prior period are presented below:

	Six months ended 31 December 2020 (unaudited) £m
Revenue	4.0
Cost of sales	(0.7)
Gross Profit	3.3
Other operating costs	(2.0)
Operating profit	1.3
Profit before taxation	1.3
Taxation	(0.3)
Profit for the period from discontinued operations	1.0

6 Discontinued operations (continued)

The major classes of assets and liabilities of the balance sheet of the Blankenberge casino classified as held for sale as at 31 December 2020 are shown below in accordance with IFRS requirements.

	As at 31 December 2020 (unaudited) £m
Assets	
Property, plant and equipment	0.6
Other receivables	1.8
Income tax receivable	0.3
Assets held for sale	2.7
Liabilities	
Trade and other payables	(2.1)
Liabilities directly associated with assets held for sale	(2.1)
Net assets directly associated with disposal group	0.6

The net cash flows incurred by Blankenberge casino for the prior period are presented below:

	Six months ended 31 December 2020 (unaudited) £m
Operating	0.5
Net cash inflow	0.5

For the six months ended 31 December 2021, an additional profit of £3.1m relating to additional proceeds from the sale of the Belgium casino following a positive outcome in a salary moderation case in Belgium has been recognised as a Separately disclosed item, which is consistent with the disclosure of the original transaction. Funds were received on 6 August 2021.

7 Dividends

No interim dividend in respect of the period ended 31 December 2021 (31 December 2020: £nil) will be recommended.

8 Underlying earnings per share

Underlying earnings is calculated by adjusting profit attributable to equity shareholders to exclude separately disclosed items and the related tax effects. Underlying earnings is one of the business performance measures used internally by management to manage the operations of the business. Management believes that the underlying earnings measure assists in providing a view of the underlying performance of the business.

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

	Six months ended 31 December 2021 (unaudited)	Six months ended 31 December 2020 (unaudited)
Profit (loss) attributable to equity shareholders	**84.6m**	(48.5)m
Adjusted for:		
Separately disclosed items (after tax)	**(70.7)m**	9.6m
Underlying earnings (loss) attributable to equity shareholders	**13.9m**	(38.9)m
Continuing operations	13.9m	(39.9)m
Discontinued operations	-	1.0m
Weighted average number of ordinary shares in issue	468.4m	406.7m
Underlying earnings (loss) per share – basic	**3.0p**	(9.5)p
Continuing operations	3.0p	(9.8)p
Discontinued operations	-	0.3p
Underlying earnings (loss) per share – diluted	**3.0p**	(9.5)p
Continuing operations	3.0p	(9.8)p
Discontinued operations	-	0.3p

9 Government grants

	As at 31 December 2021 (unaudited) £m	As at 30 June 2021 (audited) £m
At the start of the period	**0.8**	11.9
Receivable in the period	**3.0**	64.4
Cash received	**(3.8)**	(75.5)
At the end of the period	**-**	0.8

Government grants have been received under the Coronavirus Job Retention Scheme in the UK and similar schemes in other countries in which the Group operates.

10 Provisions

	Property lease provisions £m	**Disposal provisions £m**	**Restructuring provisions £m**	**Indirect tax provisions £m**	**Pay provisions £m**	**Warranty provisions £m**	**Total £m**
At 1 July 2021 (audited)	**15.2**	**3.9**	**0.1**	**1.2**	**0.2**	**0.8**	**21.4**
Charge to income statement (separately disclosed items)	**-**	**-**	**1.2**	**-**	**-**	**-**	**1.2**
Utilised in period	**(0.8)**	**-**	**-**	**-**	**-**	**-**	**(0.8)**
At 31 December 2021 (unaudited)	**14.4**	**3.9**	**1.3**	**1.2**	**0.2**	**0.8**	**21.8**
Current	**2.6**	**0.2**	**1.3**	**1.2**	**0.2**	**0.3**	**5.8**
Non-current	**11.8**	**3.7**	**-**	**-**	**-**	**0.5**	**16.0**
At 31 December 2021 (unaudited)	**14.4**	**3.9**	**1.3**	**1.2**	**0.2**	**0.8**	**21.8**

11 Issued capital and reserves

	At 31 December 2021 (unaudited) £m	At 31 December 2020 (unaudited) £m
Authorised ordinary shares of 13 8/9p each		
Number 1,296.0m	**180.0**	180.0
Issued and fully paid		
At 1 July 2020		54.2
Issued on 24 November 2020		10.8
At 31 December 2020		65.0
At 31 December 2021		65.0
Share premium		
At 1 July 2020		98.4
Issued on 24 November 2020		57.3
At 31 December 2020		155.7
At 31 December 2021		155.7

On 24 November 2020, the Group issued 77,746,020 ordinary shares as part of a share placing and parallel retail offer, corresponding to 19.9% of total shares issued. Each share has the same right to receive dividends and represents one vote at shareholders' meetings.

Share premium proceeds in addition to the nominal value of the share issued during the period have been included in share premium, less the costs associated with the issue of new equity.

Total shares in issue at 31 December 2021 are 468,429,541 (2020: 468,429,541)

12 Borrowings to net debt reconciliation

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:

	At 31 December 2021 (unaudited) £m	At 31 December 2020 (unaudited) £m
Total loans and borrowings	**(108.7)**	(124.5)
Adjusted for:		
Accrued interest	**2.3**	0.4
Unamortised facility fees	**(2.0)**	(4.0)
	(108.4)	(128.1)
Cash and short-term deposits from operations	**163.5**	82.9
Net cash (debt) excluding IFRS 16 lease liabilities	**55.1**	(45.2)
IFRS 16 lease liabilities	**(196.3)**	(223.1)
Net debt	**(141.2)**	(268.3)

13 Cash generated from operations

	Six months ended 31 December 2021 (unaudited) £m	Six months ended 31 December 2020 (unaudited) £m
Operating profit(loss) from continuing operations	**103.0**	(52.9)
Operating profit from discontinued operations	**-**	1.3
Separately disclosed items from continuing operations	**(79.3)**	11.1
Operating profit (loss) before separately disclosed items	**23.7**	(40.5)
Depreciation and amortisation	**34.4**	35.5
(Increase) in inventories	**(0.4)**	(0.1)
(Increase) decrease in other receivables	**(22.9)**	6.8
Increase (decrease) in trade and other payables	**22.4**	(15.3)
Share-based payments	**0.3**	1.2
Loss on disposal of property, plant and equipment	**0.3**	-
	57.8	(12.4)
Cash utilisation of provisions	**0.1**	-
Cash receipts in respect of VAT refund	**83.1**	-
Cash payments in respect of separately disclosed items	**(1.4)**	(5.1)
Cash generated from (used in) operations	**139.6**	(17.5)

14 Contingent liabilities

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 31 December 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 party were to default on these arrangements, the obligation for the Group would be £1.5m 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

15 Related party 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 GuoLine Capital Assets Limited ('GuoLine') which is incorporated in Jersey. At 31 December 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