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. Tang Hong Cheong 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.

Rank Group PLC - RNK Final Results
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17 August 2017

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

Full year results for the 12 months ended 30 June 2017

Strong growth in digital

Financial highlights

		2016/17	2015/16	Change
Financial KPIs	Group like-for-like revenue	**£754.0m**	£743.9m	1%
	UK digital revenue	**£111.5m**	£96.7m	15%
	UK digital operating profit	**£22.7m**	£13.9m	63%
	Venues like-for-like revenue	**£642.5m**	£647.2m	(1)%
	Venues operating profit	**£88.2m**	£97.4m	(9)%
	Group EBITDA before exceptional items	**£128.8m**	£128.2m	0%
	Group operating profit before exceptional items	**£83.5m**	£82.4m	1%
	Adjusted profit before tax	**£79.3m**	£77.4m	2%
	Adjusted earnings per share	**16.0p**	15.4p	4%
Statutory performance	Statutory revenue	**£707.2m**	£708.5m	0%
	Profit before taxation after exceptional items	**£79.7m**	£85.5m	(7)%
	Cash generated from continuing operations	**£116.3m**	£110.2m	6%
	Net debt	**£12.4m**	£41.2m	(70)%
	Basic earnings per share	**16.1p**	19.1p	(16)%
	Dividend per share	**7.30p**	6.50p	12%

- Strong second half operating profit performance versus first half: £46.9m vs £36.6m
- UK digital revenue up 15% with profit increasing 63%
- Challenging UK retail environment led to a 1% fall in like-for-like venues revenue, but with improved underlying key performance indicators in the second half
- Enracha euro revenue up 7% and profit up 53% to €7.2m
- 4% adjusted EPS growth
- Net debt decreased by £28.8m to £12.4m
- Dividend up 12% to 7.30p per share

Operational highlights

- First new retail bingo format, Luda, opened on 7 August 2017, with two more opening in Q2 2017/18
- Two new digital brands developed; Bellacasino.com soft-launched in July 2017 and Luda.com to be launched in 2017/18
- New digital sports offer and refreshed digital poker offer launched in the year
- New retail management system in place in Grosvenor's casinos - an essential building block for single account and wallet
- Two-year grosvenorcasinos.com sponsorship deal agreed with Fulham Football Club
- Successful refurbishments of Nottingham and Leeds Westgate casinos
- Successful completion of the restructuring and harmonisation of pay and benefits across our Grosvenor venues business

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

"After a challenging first half of our financial year, we are very pleased with our second half performance, especially with our digital business which delivered 63% growth in operating profit for the year. We are excited about the roll-out of our new Luda bingo concept following the opening of the first venue on 7 August 2017. Additionally, the Group has put in place a number of digital, product and venue-based initiatives launching in the current financial year which we expect to drive top line revenues. The new financial year has started well and the Board looks to the future with confidence."

Ends

Definition of terms:

- Any reference to revenue or like-for-like group revenue is before adjustment for customer incentives;
- EBITDA is operating profit before exceptional items, depreciation and amortisation;
- Adjusted profit before tax is profit from continuing operations before taxation adjusted to exclude exceptional items and other financial gains or losses resulting from foreign exchange gains and losses on loans and borrowings. See Financial Review for reconciliation;
- Adjusted earnings per share is calculated by adjusting profit attributable to equity shareholders to exclude the impact of reductions in tax rate, discontinued operations, exceptional items, other financial gains or losses and the related tax effects as detailed in note 7;
- "2016/17" refers to the audited 12-month period to 30 June 2017 and "2015/16" refers to the audited 12-month period to 30 June 2016;
- Following the decision to merge Rank's UK digital operations into one team, the Group has decided to change its segmental reporting and to disclose the Group's UK facing digital operations as a single segment. Enracha will also now be shown as a single segment rather than split between digital and retail operations as Enracha's digital results are not yet large enough to warrant reporting as a separate segment;
- Like-for-like measures have been disclosed in this report to show the impact of club openings, closures, relocations, and discontinued operations;
- Prior year like-for-like measures are amended to show an appropriate comparative for the impact of club openings, closures, relocations, and discontinued operations; and
- The Group results make reference to "'adjusted" 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 exceptional items and other adjustments impair visibility of the underlying performance of the Group's business and accordingly, these are excluded from our non-GAAP measurement of revenue, profit before tax, EBITDA, operating profit and adjusted EPS. Adjusted measures are the same as those used for internal reports.
- Venues includes Grosvenor Venues, Mecca Venues and Enracha.

Enquiries

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Photographs available from www.rank.com

Analyst meeting and webcast details:

Thursday 17 August 2017
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

Following a much stronger second half of the year, the Group delivered 1% growth in operating profit[2] with like-for-like revenue[3] marginally up for the full year.

The Group's UK digital business again delivered impressive revenue[1] growth, up 15% with 63% growth in operating profit[2]. With a lower gaming margin and a more stringent application of customer diligence impacting visits, Grosvenor venues' like-for-like revenue fell by 1%. Mecca venues saw reduced visits but successfully grew its spend per visit, with its like-for-like revenue ending 3% down on the prior year. Both retail businesses saw an improvement in the second half in underlying key performance indicators.

As highlighted in our 2016/17 interim results, the Group faced increased costs during the year following the introduction of the National Living Wage and increased property rent costs. The combination of these cost increases and challenging UK retail conditions resulted in the Group undertaking a detailed review of its UK organisational structure and cost base. This identified a number of actions that were taken to mitigate cost inflation and improve efficiency, with the Group finishing the year with total costs marginally lower than the prior year. 2017/18 will see some benefit from the actions taken during the second half of 2016/17 and further details can be found in the Finance Review.

Our Spanish operations, Enracha, delivered a strong performance with euro revenue[1] up 7% and euro operating profit up 53%.

£m	**Group Revenue[1]**		**Operating profit[2]**	
	2016/17	2015/16	**2016/17**	2015/16
Grosvenor Venues	**397.2**	408.1	**52.1**	60.9
Mecca Venues	**213.6**	221.5	**29.9**	32.9
UK Digital	**111.5**	96.7	**22.7**	13.9
meccabingo.com	**67.6**	66.2		
grosvenorcasinos.com	**43.9**	30.5		
Enracha	**32.8**	26.7	**6.2**	3.6
Central costs			**(27.4)**	(28.9)
Total	**755.1**	753.0	**83.5**	82.4

1 Before adjustments for customer incentives.
2 Before exceptional items.
3 Excludes venue openings, closures and relocations.

Post tax exceptional items relating to continuing operations produced a loss of £0.2m in the year. Further detail can be found in the Financial Review.

Current trading and outlook
Trading in the short seven-week period to 13 August 2017 has been encouraging and 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.

Dividend
The board targets a progressive and sustainable dividend. The 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 ongoing operating requirements, investment and balance sheet management.

The board is pleased to recommend a final dividend of 5.3 pence per share to be paid on 31 October 2017 to shareholders on the register at 22 September 2017. This will take the full-year dividend to 7.3 pence per share, a 12% increase on last year. The Group's dividend cover has thus reduced to 2.2 times from 2.4 times in the prior year.

Responsible gambling
As a provider of gambling products, Rank is committed to minimising the potential for harm from gambling. This year we made significant steps to increase the scale and impact of our response regarding the prevention and detection of problem gambling through:

- a newly formed board Responsible Gambling Committee;
- the development of propensity models to detect patterns of play symptomatic of problem gambling;
- investment into resourcing a team solely focused on responsible gambling; and
- the development of our new Customer Solutions Hub in Sheffield to better support our customers.

Culture
During the year, the Group rolled out its group-wide values, STARS, following their launch in July 2016. The values of Service, Teamwork, Ambition, Responsibility and Solutions reflect the behaviours vital for Rank employees to deliver successfully against the Group's strategic goals.

Rank understands the important role the right culture plays in the gaming industry and in addressing our responsibilities to our customers and wider society. Work continues to bring STARS to life for all of Rank's employees.

Management team changes
In September 2016, Alan Morgan joined Rank as managing director of Mecca's retail business. Alan has held several senior positions within the hospitality and leisure sector. Alan's last role was chief operating & commercial officer for Spirit Pub Company until it was sold to Greene King plc.

On Alan's appointment, Martin Pugh became managing director of Grosvenor Casinos' retail business after 21 months as managing director of Mecca.

On 30 June 2017, the Group's human resources director, Sue Waldock, retired after 28 years with the Group. Following Sue's retirement, David Balls was appointed to succeed Sue. David was previously Grosvenor Casinos' human resources director, and will continue to hold this position alongside his Group role.

Board changes
Alex Thursby was appointed to the board as a non-executive director, effective from 1 August 2017. Alex has also joined Rank's audit, remuneration and nominations committees. Alex will chair Rank's audit committee following the conclusion of the annual general meeting on 19 October 2017.

Alex brings experience of developing new, and transforming existing, businesses with the use of technology platforms. Alex's extensive experience in compliance and risk governance in a highly-regulated sector will also further strengthen the board.

Owen O'Donnell, currently chair of the audit committee, notified the board of his intention to not seek re-election at the 2017 annual general meeting and will therefore step down later this year having completed nine years on the board.

Operating Review

Grosvenor Casinos - Venues

2016/17 has been a challenging year for Grosvenor's casinos, with like-for-like[4] revenues down 1%.

Key financial performance indicators

	2016/17	2015/16	Change
Revenue[1] (£m)	**397.2**	408.1	(3)%
EBITDA[2] (£m)	**76.6**	85.9	(11)%
Operating profit[3] (£m)	**52.1**	60.9	(14)%
Like-for-like revenue[4]	**(1)%**		

1 Before adjustments for customer incentives.

2 Before exceptional items.

3 Before exceptional items, as per note 2 in the Group Financial Information.

4 Excludes venues openings, closures and relocations.

The factors highlighted at the Group's half year results continued to affect the performance in the second half of the year:

- Gaming margin: For the full year gaming margin was 0.4 percentage points lower than the prior year across the entire estate and 6.9 percentage points down for our major players;
- Customer due diligence: More stringent customer due diligence to address money laundering, proceeds of crime and problem gambling.

Following a review of costs, savings of £1.2m were made in the year, with approximately £1.0m relating to employment costs.

The refurbishments of Grosvenor's Nottingham and Leeds Westgate casinos were completed in the year at a total capital cost of £5.1m. Both casinos have since traded well.

During the year two casinos were closed: Glasgow Princes Street and Leeds Merrion Way. Grosvenor plans to relocate these spare licences once the required planning and licensing approvals have been obtained.

Key non-financial performance indicators

	2016/17	2015/16	Change
Customers[5,6] (000s)	**1,350**	1,557	(13)%
Customer visits (000s)	**7,732**	8,159	(5)%
Spend per visit (£)	**51.37**	50.02	3%

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

6 Following the introduction of 'partial' and 'full' open door where some of our casinos removed their requirement to register all customers, the participating casinos are unable to accurately track customer numbers, therefore total venues customers only include registered customers.

A combination of macro-economic conditions, customer due diligence, venue closures and competitor openings contributed to a 5% decline in customer visits in the year, with trends in the second half improving from the first half.

During the year, an exceptional cost of £5.2m was recognised relating to the underperformance of two casinos (Southend and Plymouth). Southend's performance has improved, though it is not yet generating the expected returns, whereas Plymouth's performance has deteriorated in the year. Both casinos have improvement plans in place.

Venues regional analysis

The casino estate is split into three key areas - London, Provinces and Belgium. To better illustrate different performance across the estate, analysis is provided below.

	Revenue[1] (£m)		Operating profit[2] (£m)		Customer visits[7] (000s)		Spend per visit (£)	
	2016/17	2015/16	**2016/17**	2015/16	**2016/17**	2015/16	**2016/17**	2015/16
London	**140.1**	150.3	**24.6**	31.7	**1,398**	1,482	**100.21**	101.42
Provinces	**242.1**	243.7	**25.9**	27.2	**6,087**	6,433	**39.77**	37.88
Belgium	**15.0**	14.1	**1.6**	2.0	**247**	244	**60.73**	57.79
Total	**397.2**	408.1	**52.1**	60.9	**7,732**	8,159	**51.37**	50.02

7 Unaudited

8 Based on visit data from the National Casino Forum; excludes high-end casinos.

Notwithstanding a challenging year for the London casino market, Grosvenor Casinos maintained its market share[8].

In Belgium we have two casino concessions. For commercial reasons, it was decided during the year that the concession at Middlekerke would not be renewed, therefore from 1 September 2017 the Belgium operations will consist of only one casino in Blankenberge.

During the year, Blankenberge renewed its partnership with Unibet who utilises its digital licence.

Venues revenue analysis - Great Britain only

£m	**2016/17**	2015/16	Change
Casino games	**248.3**	261.6	(5)%
Gaming machines	**89.5**	86.5	3%
Card room games	**15.3**	15.3	0%
Food and drink/other	**29.1**	30.6	(5)%
Total	**382.2**	394.0	(3)%

A combination of investment into the slot machine estate in 2015/16 and the relocation of two licences alongside higher performing venues led to a 3% growth in gaming machine revenue in the year.

Mecca - Venues

Like-for-like[4] revenue was down 3% in the year due to a reduction in customer visits. Improved cost discipline in the year led to a 2% fall in operating expenses, however the fall in revenue led to lower operating profit[3], down 9%.

Key financial performance indicators

	2016/17	2015/16	Change
Revenue[1] (£m)	**213.6**	221.5	(4)%
EBITDA[2] (£m)	**41.8**	45.5	(8)%
Operating profit[3] (£m)	**29.9**	32.9	(9)%
Like-for-like revenue[4]	**(3)%**		

1 Before adjustments for customer incentives.

2 Before exceptional items.

3 As per note 2 in the Group Financial Information.

4 Excludes venues closures.

During the year two venues were closed, West Bromwich in August 2016 and Bradford in November 2016. The closure of Bradford resulted in exceptional income of £10.7m following the successful surrender of Bradford's onerous lease.

Key non-financial performance indicators

	2016/17	2015/16	Change	LFL[4] change
Customers[5,6] (000s)	**947**	987	(4)%	(4)%
Customer visits (000s)	**10,528**	11,550	(9)%	(9)%
Spend per visit (£)	**20.29**	19.18	6%	6%

5 Customer shown on a moving annual total ('MAT') basis.

6 Following the introduction of 'full' open door at Mecca's Acocks Green venue where it removed the requirement to register all customers, it is unable to accurately track customer numbers, therefore total venues customers only includes registered customers.

Like-for-like[4] customer visits fell by 9% in the period in contrast to a 6% increase in spend per visit in the year.

Mecca's performance on visits and revenues remains ahead of its competitors, and it has a number of initiatives in place to drive visits in the current financial year. These include the roll-out of three new experiential bingo events to our club estate - Batty Bingo, Bonkers Bingo and Big Bingo Bash. These event formats target a specific demographic (students, 18-30 year olds and 25-45 year olds respectively) and have been successfully trialled in pilot clubs.

Following a review of marketing effectiveness in the year, Mecca was able to reduce its marketing costs whilst still increasing its market share against key competitors.

A focus on increasing spend per visit and satisfaction levels led to the following new product and games being rolled out in the year:

- 5,250 Mecca Max units of which 2,550 were incremental;
- New National Game launched in February 2017;
- New American bingo game launched in April 2017;
- New style experiential jackpot interval game;
- New food and beverage menu; and
- Trial of a higher quality food and beverage menu at Mecca Beeston.

Venues revenue analysis

£m	**2016/17**	2015/16	Change	LFL[4] change
Main stage bingo	**35.0**	31.9	10%	11%
Interval games	**82.9**	89.5	(7)%	(7)%
Amusement machines	**69.7**	73.0	(5)%	(3)%
Food and drink/other	**26.0**	27.1	(4)%	(2)%
Total	**213.6**	221.5	(4)%	(3)%

Main stage bingo benefited in the year from the introduction of new bingo packages.

Luda - venues

On 7 August 2017, after some initial planning permission delays, the first Luda venue opened in Walsall, Birmingham. Two more Luda venues are due to open in Leeds and Weston-super-Mare during the first half of 2017/18.

Luda is a new, bingo-led, high street gaming venue, offering a competitive coffee shop and bar combined with bingo games, slots and arcade games in a modern and friendly environment. It is designed to target a different demographic from Mecca and will typically be located in town and city centres.

Dependent on performance, Rank plans to roll out the concept rapidly. Luda.com will also be launched in 2017/18.

UK digital

Rank's UK digital business continued to grow strongly, with revenue[1] up 15% and operating profit up 63% in the year.

Key financial performance indicators

	2016/17	2015/16	Change
Revenue[1] (£m)	**111.5**	96.7	15%
meccabingo.com	**67.6**	66.2	2%
grosvenorcasinos.com	**43.9**	30.5	44%
EBITDA[2] (£m)	**27.8**	18.8	48%
Operating profit[3] (£m)	**22.7**	13.9	63%

1 Before adjustments for customer incentives.

2 Before exceptional items.

3 As per note 2 in the Group Financial Information.

Both Mecca's and Grosvenor's digital brands grew in the year, with revenue[1] up 2% and 44% respectively. Both brands saw an acceleration in revenue[1] growth in the year, 4% and 27% up respectively in the second half versus the first half of the year.

Operating profit[3] grew strongly in the year, up 63%, due to higher revenue and good cost control as a result of combining both digital businesses.

Grosvenorcasinos.com's live casino product performed particularly well in the year. A new digital sports offer and a refreshed poker offer were also launched, positively contributing to revenue.

Meccabingo.com's focus on slots and VIPs contributed to a 2% increase in revenue[1], with growth accelerating in the second half.

Total customers for Mecca bingo.com reduced in the year, with poorly performing marketing campaigns turned off with a focus on higher value customers.

During the year, the UK digital operations were restructured into a single team, rather than separate brand-led digital teams, and hence the Group now reports these as a single business segment.

Key non-financial performance indicators

	2016/17	2015/16	Change
Customers[4] (000s)	400	404	(1)%
Customer cross over[5] Grosvenor Casinos Mecca	 3.4% 10.8%	 3.0% 10.4%	 0.4ppt 0.4ppt

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

5 Percentage of registered venues customers who are also digital customers.

In line with the Group's strategy to invest in new brands, bellacasino.com, a new slots-led digital casino brand, was soft-launched in July 2017. In addition, Luda.com, the complementary digital offer to the new recently opened Luda venue, is due to be launched later in 2017/18.

The Group invested £3.9m in the year in the single account and wallet project and the Group expects to launch the first trial in Grosvenor's Stockport casino during the first half of 2017/18. The project has been very technically complex due to the integration of multiple systems, suppliers and third parties. The project's scope was also extended during the year to include the implementation of a new fraud and payment engine which resulted in a delay to the original launch date.

Enracha

The Group's Spanish operations, trading under the Enracha brand, had a very strong year, with revenue[1] and operating profit[3] of €38.2m and €7.2m, growing by 7% and 53% respectively over the prior year.

Key financial performance indicators

	2016/17	2015/16	Change
Revenue[1] (€m)	**38.2**	35.6	7%
Revenue[1] (£m)	**32.8**	26.7	23%
EBITDA[2] (£m)	**7.7**	5.1	51%
Operating profit[3] (€m)	**7.2**	4.7	53%
Operating profit[3] (£m)	**6.2**	3.6	72%
Euro like-for-like revenue[4]	**7%**		

1 Before adjustments for customer incentives.

2 Before exceptional items.

3 As per note 2 in the Group Financial Information.

4 There were no venue closures or openings in the year, therefore like-for-like is the same as the revenue disclosed above.

While the continued recovery of the Spanish economy provides a conducive environment, Enracha's re-invention of a modern-day bingo offering which has expanded to include a broad variety of gaming and entertainment offers, including sports betting, has driven substantial increases in performance across its portfolio of nine clubs, with particular success in its core markets of Barcelona and Madrid.

During the year, following an improvement in the performance of its venues in Sabadell and Girona, the Group reversed previous exceptional impairment charges of £1.8m. Enracha's venue in Andalucía, however, continues to be adversely impacted by unemployment in the region and this has resulted in an exceptional impairment charge of £1.2m.

Enracha continues to develop its product offering with a new sports betting 'arena' opening in Seville in Q2 2017/18 to add to the facilities there.

Importantly, Enracha will also fully launch its digital channel, enracha.es, in Q2 2017/18, offering its 275k retail customers a first true multi-channel gaming experience.

Key non-financial performance indicators

	2016/17	2015/16	Change
Customers[5] (000s)	**275**	274	0%
Customer visits (000s)	**1,984**	2,020	(2)%
Spend per visit (€)	**19.25**	17.62	9%
Spend per visit (£)	**16.53**	13.22	25%

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

€m	2016/17	2015/16	Change
Bingo	**21.1**	20.3	4%
Amusement machines	**12.7**	12.7	0%
Food & drink/other	**4.4**	2.6	69%
Total	**38.2**	35.6	7%

Our strategy

Rank's aim is to be the UK's leading multi-channel gaming operator. We are focused on building brands with the ability to deliver them via the channels our customers prefer, whether that is through our 151 venues, online or mobile.

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 provide customers a genuine multi-channel gaming offer. We have a number of key assets, including a portfolio of 151 venues, our membership-based model with approximately three million members, our loyalty and reward programmes and the high levels of engagement that our team members enjoy with customers.

Activity in 2016/17

- Continued investment in and development of Grosvenor's single account and wallet
- Affiliate programme for Grosvenor Casinos piloted to encourage customer cross-over from retail to digital
- Cross-channel events held for VIP customers
- Digital membership available in Mecca retail

Priorities for 2017/18

- Trial and subsequent roll-out of single account and wallet in Grosvenor Casinos
- Dual play, the live streaming of retail games through the Group's digital channels
- Increase use of self service terminals in Mecca
- Roll-out of affiliate programme for Grosvenor
- Mobile ordering of F&B in Mecca

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 2016/17, our digital operations generated 15% of Group revenue whereas digital channels now represent around 32% of Great Britain's gambling market (excluding National Lottery), presenting a significant growth opportunity. We continue to enhance our capability in this area such that we can leverage our active retail customer base of three million customers and meet their changing needs.

Activity in 2016/17

- New digital sports betting offer launched
- Improved digital poker offer launched
- New restructured digital team in place
- Improved digital live casino offer launched
- IOS and android apps launched for digital poker
- New digital games suppliers appointed providing new and exclusive games

Priorities for 2017/18

- Digital Enracha offer, enracha.es, to be relaunched in September 2017 with a full marketing programme
- Launch of Luda's digital offer
- New digital brand, Bellacasino, launched in July 2017
- Launch of new Live Casino App in August 2017
- Go-live of a new digital content management system
- New android apps in google play store

3. Developing our venues

Our casino and bingo venues remain a material part 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 concepts, we are constantly evolving and enhancing the experiences that we offer to customers.

Activity in 2016/17

- Refurbishment of Leeds Westgate and Nottingham casinos
- Refurbishment of Mecca Swansea
- New London casino strategy launched with the proposed refurbishment of the Barracuda casino and ongoing refurbishments of the Golden Horseshoe and Piccadilly casinos
- Launch of new bingo concepts - Batty Bingo, Bonkers Bingo and Big Bingo Bash

Priorities for 2017/18

- Launch Luda retail with first venue opened in August 2017 and a further two sites to open by December 2017
- Continue to utilise unused casino licences where possible
- Identify alternative casino venue locations
- Refurbishments under the new London casino strategy
- External refurbishment of Mecca Beeston and a new F&B offer
- Review and develop gaming machine offer in retail bingo venues to help drive new customers
- Roll-out of new bingo concepts to additional bingo venues
- Develop and trial a new concept casino experience

4. Investing in our brands and marketing

The development of a group of well-defined, relevant and resonant brands is critical for the success of our ambition. Rank possesses a number of well-known brands with strong levels of affinity amongst customers. Continuing to invest and develop these brands, alongside new ones, is an important part of increasing and sustaining revenues.

Activity in 2016/17

- New Customer Solution Hub launched in Sheffield in September 2016
- New two-year sponsorship deal agreed with Fulham Football Club by grosvenorcasinos.com
- Investment in a new VIP customer services team

Priorities for 2017/18

- Investment in Mecca digital marketing
- Digital marketing through further high profile sponsorship deals
- Launch of new CRM system, Adobe Campaign, to provide more timely and personalised customer communications
- Roll-out of replacement loyalty system across Grosvenor's casino estate

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 business and driving efficiency. Improved customer experience and operating margins can help create a competitive advantage. 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 2016/17

- Successful roll-out of new casino management system, Neon, across the Grosvenor Casino estate
- Additional Neon functionality (replacement loyalty system, player tracking functionality for slots and electronic roulette and table management system) successfully piloted in Grosvenor's Stockport casino
- Rollout of 2,550 additional Mecca Max units across Mecca's retail estate

- Following positive customer feedback, Get Set Roulette was rolled out to additional casinos
- Investment in new head office systems for both human resources and finance
- Roll-out of new EPOS system including new contactless terminals (approximately 80% complete)

Priorities for 2017/18

- Review electronic roulette pricing and number of units in casino estate to improve efficiency and suitability of offer
- New rostering system to be implemented in both the casino and bingo retail estate to improve labour efficiencies
- Full suite of Neon applications (as per Stockport trial) to be rolled out across entire casino estate
- Refurbishment of 5,100 Mecca Max units across Mecca's retail estate
- Increase use of self service terminals in Mecca
- Planned roll-out of electronic baccarat and additional side bets on electronic roulette

Financial Review

	2016/17 £m	2015/16 £m	Change
Revenue	**755.1**	753.0	0%
Less: Customer incentives	**(47.9)**	(44.5)	8%
Statutory revenue	**707.2**	708.5	0%
Operating profit[1]	**83.5**	82.4	1%
Less: Net finance charges	**(4.8)**	(6.2)	
Less: Unwinding of the discount on disposal provisions	**-**	0.1	
Less: Other financial gains and losses	**0.6**	1.1	
Adjusted profit before taxation[2]	**79.3**	77.4	2%
Profit before interest and taxation	**84.5**	91.7	(8)%
Net financing charge	**(4.8)**	(6.2)	(23)%
Taxation	**(16.8)**	(14.4)	17%
Profit after taxation	**62.9**	71.1	(12)%
EPS	**16.1p**	19.1p	(16)%
Adjusted EPS[3]	**16.0p**	15.4p	4%

1 Before exceptional items, as per note 2 in the Group Financial Information.

2 Adjusted profit before taxation is calculated by adjusting profit from continuing operations before taxation to exclude exceptional items, the unwinding of the discount on disposal provisions and other financial gains and losses.

3 Adjusted EPS is calculated using adjusted profit which excludes discontinued operations, exceptional items, other financial gains or losses, unwinding of the discount in disposal provisions and the taxation on adjusted items and impact of the reduction in tax rates. 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.

For the year ended 30 June 2017, statutory revenue was broadly flat at £707.2m. Strong revenue gains made in the year across the Group's UK digital operations, up 12%, and its Spanish operations, up 23%, were adversely impacted by the Group's challenged UK retail performance, down 3%. Profit before interest and taxation was down 8% following net exceptional income of £9.3m in the prior year, however adjusted profit before taxation was up by 2%.

Following the challenging trading conditions at the end of 2015/16 and beginning of 2016/17, the Group undertook a comprehensive review of its cost base, with a particular focus on labour as its largest cost. This identified areas where front-line labour hours could be reduced, remuneration structures aligned, management roles reduced at club level and a simpler organisational structure adopted. In addition, a review of marketing identified some areas of ineffective spend, particularly the Mecca digital TV campaign in the first half of the year, that were either not repeated or cancelled. The impact of these actions can be seen in note 2 where, despite pay increases and the increase in the National Living Wage, employment costs rose by only 2% in the year. Benefits from these actions will continue into 2017/18 as a number of savings were delivered during the second half.

In summary, total operating costs for the year were marginally lower with higher employment and direct costs offset by lower gaming duties and marketing costs.

The net financing charge for the year fell by 23% to £4.8m as debt levels continued to reduce.

Exceptional items

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

Details of exceptional items can be found in note 3. In the year, the key items were an exceptional cost of £5.2m relating to the underperformance of Grosvenor's Southend and Plymouth casinos; exceptional income of £10.7m following the disposal of Mecca's Bradford site and the associated onerous lease provision release; and an exceptional cost of £8.8m relating to the restructure of the Group's UK operations.

Earnings per share

Basic EPS from continuing operations was down 16% at 16.1 pence. Adjusted EPS[3] was up 4% at 16.0 pence. For further details refer to note 7 in the Group Financial Information.

Taxation

The Group's effective corporation tax rate in 2016/17 was 21.1% (2015/16: 22.5%) based on a tax charge of £16.8m on adjusted profit before taxation. This is in line with the Group's anticipated effective tax rate of 20%-22% for the year. Further details on the taxation charge are provided in note 5.

On a statutory unadjusted basis the Group had an effective tax rate of 21.0% (2015/16: 12.1%), based on a tax charge of £16.8m and total profit for the year of £79.7m.

Cash tax rate

In the year ended 30 June 2017 the Group had an effective cash tax rate of 18.5% on adjusted profit (18.3% in the year ended 30 June 2016). The cash tax rate is lower than the effective tax rate mainly as a result of the use of losses within the Group and the timing of tax instalment payments.

Cash flow and net debt

Cash generated from continuing operations was up at £116.3m. As at 30 June 2017, net debt was £12.4m, £28.8m lower than at the previous year end. Net debt comprised £70.0m in bank term loans, £10.5m in fixed rate Yankee Bonds, £8.4m in finance leases and £2.5m in overdrafts, offset by cash at bank and in hand of £79.0m.

In January 2017, the term loan facilities were reduced to £70.0m, from £80.0m, in line with the agreed amortisation profile. The £90.0m of revolving credit facilities was undrawn at the year end. During the year ending 30 June 2018, the Group's Yankee Bonds will mature (January 2018) and the £70.0m term loan will be amortised further to £50.0m (February 2018). Both are expected to be funded from surplus cash.

The bank facilities require the maintenance of a minimum ratio of earnings before interest, tax, depreciation and amortisation (EBITDA) to net interest payable and a maximum ratio of net debt to EBITDA, tested biannually. The Group has complied with its banking covenants.

The Group's balance sheet continued to strengthen in the year with leverage falling to 0.1 times from 0.3
times at the start of the year.

	2016/17	2015/16
Continuing operations		
Cash inflow from operations	**128.4**	116.4
Net cash payments in respect of provisions and exceptional items	**(12.1)**	(6.2)
Cash generated from continuing operations	**116.3**	110.2
Capital expenditure	**(42.7)**	(52.7)
Fixed asset disposals	**-**	12.3
Disposal of subsidiary	**-**	(0.2)
Net interest and tax payments	**(17.7)**	(12.0)
Payment of disputed tax	**-**	(21.4)
Dividends paid	**(26.2)**	(22.7)
Refund on unclaimed dividend	**0.2**	-
Convertible loan payment	**-**	(1.1)
Other (including exchange translation)	**(1.1)**	(0.7)

Cash inflow	**28.8**	11.7
Opening net debt	**(41.2)**	(52.9)
Closing net debt	**(12.4)**	(41.2)

Capital expenditure

	2016/17	2015/16
Cash:		
Continuing operations		
Grosvenor Casinos - venues	**17.1**	24.9
Mecca - venues	**9.0**	9.1
Luda - venues	**0.3**	-
UK digital	**2.3**	2.1
Enracha	**1.2**	3.4
Central	**12.8**	13.2
Total	**42.7**	52.7

In relation to Grosvenor's casinos, £5.1m was spent on the refurbishment of the Nottingham and Leeds Westgate casinos; £4.7m was spent on the rollout of a new casino management system, Neon; with the balance of £7.1m relating to a variety of small IT projects and minor refurbishments.

Mecca invested £0.9m in refurbishing three venues in the year. New Mecca Max machines were purchased in the year at a capital cost of £2.5m. The introduction of the new £1 coin in the year resulted in £0.9m being spent on replacement cash line coin mechanisms and new coin counting equipment. The balance was spent on general IT and minor refurbishments.

£0.3m was spent on a new bingo concept, Luda, which opened in Walsall on 7 August 2017 at a total capital cost of £0.8m.

UK digital continued to invest in the year with key investments in sports book, live casino, a new Mecca app and the new digital Luda offer.

Within the central investment of £12.8m, key projects were the £3.9m related to the ongoing development of the Group's single account and wallet offer; £3.1m was spent on the Group's move to one new UK corporate office; £2.4m on the development of a new customer management system and lastly £1.4m on new finance and human resource systems.

During 2017/18, the Group is planning to invest between £50m and £55m. The success of any new concepts trialled in the year may lead the Group to invest beyond the stated range.

Total capital committed at 30 June 2017 was £3.3m.

IFRS 16 - Leases

IFRS 16 Leases represents a significant change, notably for lessees, in how leases are accounted for and reported. The standard will result in most of the Group's lease arrangements to be accounted for on the balance sheet and will have a material impact on the Group's balance sheet and reported results.

The standard will be effective for the Group for the period beginning 1 July 2019, subject to EU endorsement, and will replace IAS 17 Leases. The full impact of IFRS 16 on the Group is currently being assessed, including the practical application of the principles of the standard to the Group's leases, and it is therefore not yet possible to provide a reasonable estimate of its effect. We expect to provide guidance on the impact of the new standard in our reporting for the year ended 30 June 2018. Further details are provided in note 1 of the financial information.

IFRS 9 and IFRS 15

IFRS 9 and IFRS 15 will be effective for our next financial reporting period. The Group does not anticipate a material impact on the results or net assets from these standards that are in issue but not yet effective.

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 financial review and have reviewed the Group's projected compliance with its banking covenants. Based on the Group's cash flow forecasts and operating budgets, and assuming that trading does not deteriorate considerably from the current levels, the directors believe that the Group will generate sufficient cash to meet its borrowing requirements for at least 12 months from the approval of this report and comply with all of its banking covenants.

Principal risks and uncertainties

Risk	Impact	Mitigation
Regulatory, finance, business environment and tax risks		
Regulation The current political and social environment continues to perceive the gambling industry in a concerned light and there is a risk that such negative publicity may lead to adverse changes in regulation and legislation.	Stable Regulatory changes could increase the cost of doing business.	Rank works hard to ensure that it actively provides and promotes an environment in which customers can play safely, supported by its long-running 'Keep it Fun' brand which gives customers clear advice and guidance. The company also works with stakeholders, customers and regulators to help public understanding of the gaming offers it provides. Rank also participates in trade bodies' representations to political and regulatory bodies to ensure that such stakeholders clearly understand the positive contribution that its business provides to the economy and community.
Taxation Adverse changes in fiscal regulation continue to be a significant risk, particularly to the digital environment where changes to Remote Gaming Duty will impose this duty on free bets from 1 August 2017.	Stable Any increases in the levels of taxation or duties 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.	Rank continues to actively participate in all relevant consultations by Government.
Macroeconomic Conditions Current macroeconomic conditions coupled with political uncertainty over the Brexit negotiations, are causing a reduction in confidence in the UK economy, with an impact on discretionary leisure spending.	Increasing Macroeconomic conditions directly impact customers' propensity to spend, which could have an adverse effect on revenues. European political uncertainties are fuelling exchange rate weakness which impacts directly on some business costs, reducing profitability.	A rigorous trading analysis and business planning approach ensures that the business is prepared to respond to changing conditions in a rapid and flexible manner.
Operational Risk		
Volatility of Gaming Win The nature of the games played means that win margin can fluctuate in the short term although it will generally perform at a stable average over a longer period. The important VIP sector of the business in both retail and digital contains a small volume of customers who can themselves create volatility in	Stable Fluctuations in gaming win margin directly affect profitability.	Gaming limits are utilised across all areas of gaming operations to continually manage risk exposure. New systems of table management are being implemented in the casino estate to deliver up to the minute information to aid management to help promptly detect any operational issues which may affect the customer experience or the win margin.

the overall margin given the value of their gaming play. Issues with misfeasance or the accurate management of the games can also affect win margins.		The VIP population is closely managed to ensure that strong long-term relationships are developed through dedicated customer handling and specialised incentive schemes. The VIP segment is also monitored by senior management and resources are in place to attract and retain suitable high value players within appropriate limits to mitigate business risk.
Loss of licences or imposition of serious licence conditions Rank's gaming licenses are fundamental to its operation. In the British venues business there is a requirement to hold an operator's licence from the UK 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 transactional websites also require an operator's licence from the UK Gambling Commission as well as a licence from the Alderney Gambling Control Commission, the body responsible for the regulation of eGambling in the States of Alderney where our remote gambling operations are based. Our operations in Spain and Belgium are also subject to licensing requirements in the jurisdictions and local areas in which they operate.	Stable The loss of licences could have an adverse effect on our business and profitability and prevent us from providing gambling services.	All staff undergo relevant training for their roles to ensure that a good understanding of the objectives of compliance and the obligations of their role is maintained. Rank also has a dedicated compliance function that is independent of the operational teams and exists to provide guidance and support to the operational teams delivering compliant operations as well as oversight of all relevant matters relating to ensuring full compliance. In addition, there is a separate and independent internal audit function to provide assessments of the compliance of all operating areas on a regular basis.
Single Account and Wallet Project The project to deliver an integrated wallet and account experience for customers across the digital and retail casinos is a key strategic enabler for the company.	Stable A failure to deliver key strategic projects impacts on customer loyalty and growth.	Rank has a structured and disciplined project delivery methodology to ensure that critical projects are robustly managed to achieve their deliverables. Key projects are also subject to detailed management oversight from a project board as well as having sponsorship from a senior-level stakeholder. A comprehensive project risk approach is also undertaken within the project, managed by experienced project managers.
Business Continuity and Disaster Recovery	Stable	Business continuity plans are in place for key operations and are

The ongoing operation of the business is dependent on the availability of IT systems, staff and physical club venues. Ensuring that serious disruptive events such as fire, flood, pandemic or security incident can be managed to restore operations swiftly and smoothly is of critical importance.	Without effective business continuity and disaster recovery plans the business could experience delays in restoring revenue-generating activities or important operational processes such as financial reporting, causing both financial and reputational damage.	reviewed on a regular basis to ensure that they remain in a state of preparedness. Plans for the recovery of critical IT services are likewise in place and reviewed on an ongoing basis.
Information Risk		
Data Management, Information Technology and Cyber Risk In the course of its commercial business, and to comply with relevant regulatory and legal requirements, Rank collects and stores a considerable amount of data regarding its customers, staff and suppliers. The robust protection of this data is critical to ensuring that Rank acts responsibly in protecting these stakeholders from risk as well as complying with relevant data protection regulation, including the forthcoming EU General Data Protection Regulations due to come into force in May 2018. In order to deliver commercial improvements and new customer experiences there is an ongoing programme of IT changes, additions and improvements. This continues the Group's significant dependence on strong IT systems and processes, as well as a reliance on a large number of suppliers of IT services and software. The resilient and secure operation of these IT systems is a key requirement, particularly for the operation of the digital business, and any vulnerability to malfunctions, service interruptions of cyber-attacks would pose a risk to the Group's ability to serve its customers.	Stable A breach of data security could result in significant reputational damage as well as impacting our customer's trust of the Company, affecting their ongoing relationships and consequently the Company's financial performance. Additionally, potential consequences of a breach may include compensation payments to those affected, or significant fines. Any failure of technology systems may leave the company unable to render service to customers impacting on revenue and profitability.	Rank has invested considerable resources in its information technology and cyber security capabilities and continues to do so, with a team of specialist security resources guiding a comprehensive data and security strategy. A continual process of risk assessment, identification and remediation is in place alongside robust change management protocols to minimise the risk of interruptions caused by IT changes.

Directors' Responsibility Statement

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

- The financial statements, prepared under International Financial Reporting Standard (IFRS) 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 management report includes a fair review of the development and performance of the business and the position of the Company and the undertakings including in the consolidation taken as a whole, together with a description of the risk and uncertainties that they face.

The directors of The Rank Group Plc are:

Chris Bell
Henry Birch
Ian Burke
Steven Esom
Susan Hooper
Clive Jennings
Lord Kilmorey
Owen O'Donnell
Alex Thursby

Signed on behalf of the board on 16 August 2017

Henry Birch
Chief Executive

Clive Jennings
Finance Director

Group Financial Information

Group Income Statement
For the year ended 30 June 2017

	Year ended 30 June 2017			Year ended 30 June 2016		
	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 customer incentives	**755.1**	**-**	**755.1**	753.0	-	753.0
Customer incentives	**(47.9)**	**-**	**(47.9)**	(44.5)	-	(44.5)
Revenue	**707.2**	**-**	**707.2**	708.5	-	708.5
Cost of sales	**(391.4)**	**-**	**(391.4)**	(391.7)	-	(391.7)
Gross profit	**315.8**	**-**	**315.8**	316.8	-	316.8
Other operating costs	**(232.3)**	**1.0**	**(231.3)**	(234.4)	(0.7)	(235.1)
Other operating income	**-**	**-**	**-**	-	10.0	10.0
Group operating profit	**83.5**	**1.0**	**84.5**	82.4	9.3	91.7
Financing:						
- finance costs	**(4.4)**	**-**	**(4.4)**	(5.3)	-	(5.3)
- finance income	**0.2**	**-**	**0.2**	0.2	-	0.2
- other financial losses	**(0.6)**	**-**	**(0.6)**	(1.1)	-	(1.1)
Total net financing charge	**(4.8)**	**-**	**(4.8)**	(6.2)	-	(6.2)
Profit before taxation	**78.7**	**1.0**	**79.7**	76.2	9.3	85.5
Taxation	**(15.6)**	**(1.2)**	**(16.8)**	(14.8)	0.4	(14.4)
Profit (loss) for the year from continuing operations	**63.1**	**(0.2)**	**62.9**	61.4	9.7	71.1
Discontinued operations	**-**	**-**	**-**	-	3.6	3.6
Profit (loss) for the year	**63.1**	**(0.2)**	**62.9**	61.4	13.3	74.7
Attributable to:						
Equity holders of the parent	**63.1**	**(0.2)**	**62.9**	61.4	13.3	74.7
Earnings (loss) per share attributable to equity shareholders						
- basic	**16.2p**	**(0.1)p**	**16.1p**	15.7p	3.4p	19.1p
- diluted	**16.1p**	**(0.1)p**	**16.0p**	15.7p	3.4p	19.1p
Earnings (loss) per share - continuing operations						
- basic	**16.2p**	**(0.1)p**	**16.1p**	15.7p	2.5p	18.2p
- diluted	**16.1p**	**(0.1)p**	**16.0p**	15.7p	2.5p	18.2p
Earnings per share - discontinued operations						
- basic	**-**	**-**	**-**	-	0.9p	0.9p

- diluted	-	-	-	-	0.9p	0.9p

Group Statement of Comprehensive Income
For the year ended 30 June 2017

	Year ended 30 June 2017 £m	Year ended 30 June 2016 £m
Comprehensive income:		
Profit for the year	**62.9**	74.7
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Exchange adjustments net of tax	**2.3**	4.5
Items that will not be reclassified to profit or loss:		
Actuarial loss on retirement benefits net of tax	**(0.6)**	(0.1)
Total comprehensive income for the year	**64.6**	79.1
Attributable to:		
Equity holders of the parent	**64.6**	79.1

Group Statement of Changes in Equity
For the year ended 30 June 2017

	Share capital £m	Share premium £m	Capital redemption reserve £m	Exchange translation reserve £m	Retained earnings (losses) £m	Total £m
At 1 July 2015	54.2	98.4	33.4	9.0	99.4	294.4
Comprehensive income:						
Profit for the year	-	-	-	-	74.7	74.7
Other comprehensive income:						
Exchange adjustments net of tax	-	-	-	4.5	-	4.5
Actuarial loss on retirement benefits net of tax	-	-	-	-	(0.1)	(0.1)
Total comprehensive income for the year	-	-	-	4.5	74.6	79.1
Transactions with owners:						
Dividends paid to equity holders (see note 6)	-	-	-	-	(22.7)	(22.7)
Credit in respect of employee share schemes including tax	-	-	-	-	1.8	1.8
At 30 June 2016	**54.2**	**98.4**	**33.4**	**13.5**	**153.1**	**352.6**
Comprehensive income:						
Profit for the year	**-**	**-**	**-**	**-**	**62.9**	**62.9**
Other comprehensive income:						
Exchange adjustments net of tax	**-**	**-**	**-**	**2.3**	**-**	**2.3**
Actuarial loss on retirement benefits net of tax	**-**	**-**	**-**	**-**	**(0.6)**	**(0.6)**
Total comprehensive income for the year	**-**	**-**	**-**	**2.3**	**62.3**	**64.6**
Transactions with owners:						
Dividends paid to equity holders (see note 6)	**-**	**-**	**-**	**-**	**(26.2)**	**(26.2)**
Refund of unclaimed dividends (see note 6)	**-**	**-**	**-**	**-**	**0.2**	**0.2**
Debit in respect of employee share schemes including tax	**-**	**-**	**-**	**-**	**(0.6)**	**(0.6)**
At 30 June 2017	**54.2**	**98.4**	**33.4**	**15.8**	**188.8**	**390.6**

Group Balance Sheet
At 30 June 2017

	As at 30 June 2017 £m	As at 30 June 2016 £m
Assets		
Non-current assets		
Intangible assets	**411.5**	404.3
Property, plant and equipment	**187.9**	202.0

Deferred tax assets	**0.1**	1.3
Other receivables	**6.5**	6.5
	606.0	614.1
Current assets		
Inventories	**2.8**	2.9
Other receivables	**25.3**	36.2
Income tax receivable	**0.3**	0.4
Cash and short-term deposits	**79.0**	61.0
	107.4	100.5
Total assets	**713.4**	714.6
Liabilities		
Current liabilities		
Trade and other payables	**(128.9)**	(139.3)
Income tax payable	**(12.7)**	(11.0)
Financial liabilities - loans and borrowings	**(34.6)**	(14.4)
Provisions	**(10.0)**	(9.2)
	(186.2)	(173.9)
Net current liabilities	**(78.8)**	(73.4)
Non-current liabilities		
Trade and other payables	**(31.8)**	(34.7)
Financial liabilities - loans and borrowings	**(57.0)**	(87.8)
Deferred tax liabilities	**(19.9)**	(21.0)
Provisions	**(23.7)**	(40.9)
Retirement benefit obligations	**(4.2)**	(3.7)
	(136.6)	(188.1)
Total liabilities	**(322.8)**	(362.0)
Net assets	**390.6**	352.6
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	**15.8**	13.5
Retained earnings	**188.8**	153.1
Total shareholders' equity	**390.6**	352.6

Group Statement of Cash Flow
For the year ended 30 June 2017

	Year ended 30 June 2017 £m	Year ended 30 June 2016 £m
Cash flows from operating activities		
Cash generated from operations (see note 10)	**116.3**	110.2
Interest received	**0.2**	0.1
Interest paid	**(3.2)**	(5.0)
Tax paid	**(14.7)**	(31.1)
Discontinued operations	**-**	4.1
Net cash from operating activities	**98.6**	78.3
Cash flows from investing activities		
Disposal of subsidiaries (net of cash disposed)	**-**	(0.2)
Purchase of intangible assets	**(13.1)**	(14.5)
Purchase of property, plant and equipment	**(29.6)**	(38.2)
Proceeds from sale of property, plant and equipment	**-**	12.3
Purchase of convertible loan note	**-**	(1.1)
Net cash used in investing activities	**(42.7)**	(41.7)
Cash flows from financing activities		
Dividends paid to equity holders	**(26.2)**	(22.7)
Refund of unclaimed dividends	**0.2**	-
Repayment of term loans	**(10.0)**	(130.0)
Drawdown of term loans	**-**	90.0
Finance lease principal payments	**(1.3)**	(2.8)

Loan arrangement fees	**-**	(1.5)
Net cash used in financing activities	**(37.3)**	(67.0)
Net increase (decrease) in cash, cash equivalents and bank overdrafts	**18.6**	(30.4)
Effect of exchange rate changes	**-**	0.8
Cash and cash equivalents at start of year	**57.9**	87.5
Cash and cash equivalents at end of year	**76.5**	57.9

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 TOR, Saint-Cloud Way, Maidenhead, SL6 8BN.

This condensed consolidated financial information was approved for issue on 16 August 2017.

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 2017 were approved by the board of directors on 16 August 2017, 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 2016 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 2017. 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. Based on the Group's cash flow forecasts and operating budgets, the directors believe that the Group will generate sufficient cash to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and comply with its banking covenants. Accordingly the adoption of the going concern basis remains appropriate.

Accounting policies
(a) Standards, amendments to and interpretations of existing standards adopted by the Group

The Group has not been materially impacted by the adoption of any standards. The Group has not early adopted any other standard, amendment or interpretation that was issued but is not yet effective.

(b) Standards, amendments to and interpretations of existing standards that are not yet effective

IFRS 16 'Leases' represents a significant change, notably for lessees, in how leases are accounted for and reported. The standard will be effective for the Group for the period beginning 1 July 2019, subject to EU endorsement, and will replace IAS 17 'Leases'. IFRS 16 will require all lessees to recognise a right of use asset and lease liability for all leases, except for leases with a lease term of 12 months or less or the underlying asset is of low value.

The Group expects the standard to apply to the majority of its operating lease commitments and will have a material impact on the Group's reported results and balance sheet. The recognition of right of use assets and lease liabilities will result in an increase in total assets and total liabilities reported. Within the income statement, the current rent expense will be replaced with a depreciation and interest expense. The standard will also impact a number of statutory reporting measures such as operating profit and cash generated from operations, as well as alternative performance measures used by the Group.

The full impact of IFRS 16 on the Group is currently being assessed, including the practical application of the principles of the standard to the Group's leases, and it is therefore not yet possible to provide a reasonable estimate of its effect.

IFRS 9 'Financial Instruments' and IFRS 15 'Revenue from Contracts with Customers' will be effective for our next financial reporting period. The Group does not anticipate a material impact on the results or net assets from these standards or any other standards that are in issue but not yet effective.

Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the management team that makes strategic and operational decisions.

In the current year, the reporting of operating segments has been modified following changes in management responsibilities and reporting to the chief operating decision maker. As from 1 December

2016 Grosvenor Casinos Digital and Mecca Digital were combined into a single operating segment which is now known as UK Digital. Enracha Venues and Enracha Digital were also combined into a single operating segment which is now known as Enracha.

The Group now report five segments Grosvenor Venues, Mecca Venues, UK Digital, Enracha and Central Costs. The prior year comparative information has been restated.

2. Segment information - continuing operations

	Year ended 30 June 2017					
	Grosvenor Venues £m	**Mecca Venues £m**	**UK Digital £m**	**Enracha £m**	**Central Costs £m**	**Total £m**
Continuing operations						
Revenue before adjustment for customer incentives	**397.2**	**213.6**	**111.5**	**32.8**	**-**	**755.1**
Customer incentives	**(14.9)**	**(10.0)**	**(23.0)**	**-**	**-**	**(47.9)**
Statutory revenue	**382.3**	**203.6**	**88.5**	**32.8**	**-**	**707.2**
Operating profit (loss) before exceptional items	**52.1**	**29.9**	**22.7**	**6.2**	**(27.4)**	**83.5**
Exceptional (loss) profit	**(5.2)**	**11.2**	**(2.0)**	**0.6**	**(3.6)**	**1.0**
Segment result	**46.9**	**41.1**	**20.7**	**6.8**	**(31.0)**	**84.5**
Finance costs						**(4.4)**
Finance income						**0.2**
Other financial losses						**(0.6)**
Profit before taxation						**79.7**
Taxation						**(16.8)**
Profit for the year from continuing operations						**62.9**

	Year ended 30 June 2016					
	Grosvenor Venues £m	Mecca Venues £m	UK Digital £m	Enracha £m	Central Costs £m	Total £m
Continuing operations						
Revenue before adjustment for customer incentives	408.1	221.5	96.7	26.7	-	753.0
Customer incentives	(15.9)	(10.6)	(18.0)	-	-	(44.5)
Statutory revenue	392.2	210.9	78.7	26.7	-	708.5
Operating profit (loss) before exceptional items	60.9	32.9	13.9	3.6	(28.9)	82.4
Exceptional (loss) profit	(1.1)	9.2	-	1.1	0.1	9.3
Segment result	59.8	42.1	13.9	4.7	(28.8)	91.7
Finance costs						(5.3)
Finance income						0.2
Other financial losses						(1.1)
Profit before taxation						85.5
Taxation						(14.4)
Profit for the year from continuing operations						71.1

2016 figures have been restated based on the following changes to operating segments effective from 1 December 2016. Grosvenor Casinos Digital and Mecca Digital have been reported as a single operating segment now known as UK Digital. Enracha Venues and Enracha Digital have been reported as a single operating segment now known as Enracha.

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

	Year ended 30 June 2017					
	Grosvenor Venues £m	**Mecca Venues £m**	**UK Digital £m**	**Enracha £m**	**Central Costs £m**	**Total £m**
Employment and related costs	**140.2**	**53.7**	**9.2**	**13.8**	**21.1**	**238.0**
Taxes and duties	**82.7**	**33.5**	**10.5**	**1.8**	**1.8**	**130.3**

Direct costs	**14.4**	**20.4**	**26.9**	**3.3**	**-**	**65.0**
Property costs	**30.1**	**27.3**	**0.7**	**1.4**	**1.3**	**60.8**
Marketing	**13.7**	**8.4**	**9.1**	**1.0**	**0.2**	**32.4**
Depreciation and amortisation	**24.5**	**11.9**	**5.1**	**1.5**	**2.3**	**45.3**
Other	**24.6**	**18.5**	**4.3**	**3.8**	**0.7**	**51.9**
Total costs on continuing operations before exceptional items	**330.2**	**173.7**	**65.8**	**26.6**	**27.4**	**623.7**
Cost of sales						**391.4**
Operating costs						**232.3**
Total costs on continuing operations before exceptional items						**623.7**

	Year ended 30 June 2016					
	Grosvenor Venues	Mecca Venues	UK Digital	Enracha	Central Costs	Total
	£m	£m	£m	£m	£m	£m
Employment and related costs	139.6	53.7	9.8	11.6	18.9	233.6
Taxes and duties	86.0	35.7	11.6	1.5	1.6	136.4
Direct costs	14.5	21.0	22.6	2.6	-	60.7
Property costs	29.4	25.6	0.6	1.7	1.1	58.4
Marketing	15.6	9.9	12.8	1.0	-	39.3
Depreciation and amortisation	25.0	12.6	4.9	1.5	1.8	45.8
Other	21.2	19.5	2.5	3.2	5.5	51.9
Total costs on continuing operations before exceptional items	331.3	178.0	64.8	23.1	28.9	626.1
Cost of sales						391.7
Operating costs						234.4
Total costs on continuing operations before exceptional items						626.1

3. Exceptional items

	Year ended 30 June 2017 £m	Year ended 30 June 2016 £m
Exceptional items relating to continuing operations		
Venue impairment charges	**(6.7)**	(0.9)
Venue impairment reversals	**2.5**	1.4
Group restructuring including relocation costs	**(8.8)**	-
Net credit from property leases	**14.7**	1.4
Aborted acquisition costs	**(0.7)**	-
Closure of venues	**-**	(2.6)
Exceptional operating costs[(1)]	**1.0**	(0.7)
Disposal of freehold buildings	**-**	10.0
Exceptional operating income	**-**	10.0
Taxation (see note 5)	**(1.2)**	0.4
Exceptional items relating to continuing operations	**(0.2)**	9.7
Exceptional items relating to discontinued operations		
Disposal of subsidiary	**-**	(0.3)
Finance costs (see note 4)	**-**	(0.3)
Taxation (see note 5)	**-**	4.2
Exceptional items relating to discontinued operations	**-**	3.6
Total exceptional items	**(0.2)**	13.3

[(1)]It is Group policy to reverse exceptional costs in the same line as they were originally recognised.

Continuing operations - year ended 30 June 2017

Venue impairment charges

The Group recognised impairment charges of £6.7m of which £5.2m related to two venues within Grosvenor Casinos, £0.3m related to a venue within Mecca and £1.2m related to a venue within Enracha. Performance at these venues has not been in line with expectations and is not expected to significantly improve in the future.

Venue impairment reversals
The Group reversed previous impairment charges of £2.5m, £0.7m of which related to a venue within Grosvenor and £1.8m related to two venues within Enracha. This reflects a significant improvement in performance following the closure of a competitor and a sustained increase in performance attributed to improvements in the local economic environment within Spain.

Group restructuring including relocation costs
In the first six months of 2016/17 the Group carried out a detailed review of its entire UK organisational structure designed to improve customer service and simplify operations. This has resulted in changes to management and team structures at both venue and central levels, the decision to centralise support functions in a new office in Maidenhead and the merging of the separately run brand teams supporting digital into one operational team. The cost of this restructure is estimated to be £9.3m with £8.8m recognised in the current financial year and the balance expected to be incurred in the first six months of 2017/18.

The costs incurred include £5.2m of redundancy cost, £2.2m of onerous lease costs, £0.6m of tangible asset impairment, £0.5m of loss on disposal of tangible assets and £0.3m of legal and professional fees.

Costs by segment were £1.8m Grosvenor Venues, £0.2m Mecca Venues, £2.0m UK Digital and £4.8m Central Costs.

Net credit from property leases
The total net credit was £14.7m.

£11.7m was recognised in Mecca. This includes £10.7m following the successful surrender of an onerous lease at a Mecca venue in exchange for a cash payment of £2.0m, £1.4m due to the renegotiation of lease terms at a venue, offset by a £0.4m charge from increasing the required provision at three venues.

£1.1m was recognised in Grosvenor. This included a £1.0m credit due to advanced negotiation to sub-let an onerous lease, £0.3m due to a final settlement agreed on a previously leased venue, offset by a £0.2m charge for a venue that required a full onerous lease.

£1.9m was recognised in central costs for multi-let venues. This included a credit of £1.5m due to the renegotiation of an onerous lease, £0.8m due to additional sub-let income from a tenant at one of the venues, offset by a £0.4m charge due to a reduction in variable rent expectation.

Aborted acquisition costs
Central cost includes £0.7m of aborted acquisition costs.

4. Financing

	Year ended 30 June 2017 £m	Year ended 30 June 2016 £m
Continuing operations:		
Finance costs:		
Interest on debt and borrowings(2)	**(2.6)**	(3.2)
Amortisation of issue costs on borrowings(2)	**(0.4)**	(0.4)
Interest payable on finance leases	**(0.6)**	(0.7)
Unwinding of discount in property lease provisions	**(0.8)**	(0.9)
Unwinding of discount in disposal provisions	**-**	(0.1)
Total finance costs	**(4.4)**	(5.3)
Finance income:		
Interest income on short-term bank deposits(2)	**0.1**	0.1
Interest income on loans(2)	**0.1**	0.1
Total finance income	**0.2**	0.2
Other financial losses	**(0.6)**	(1.1)
Total net financing charge for continuing operations	**(4.8)**	(6.2)
Discontinued operations:		
Exceptional finance costs	**-**	(0.3)
Total net financing charge for discontinued operations	**-**	(0.3)
Total net financing charge	**(4.8)**	(6.5)

(2) Calculated using the effective interest method.

Exceptional finance costs recognised in discontinued operations in the year ended 30 June 2016 of £0.3m relate to the cost of a letter of credit held in respect of taxation balances on disposed entities. There were no such costs in the current year.

Other financial losses include foreign exchange losses on loans and borrowings.

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 2017 £m	Year ended 30 June 2016 £m
Total net financing charge for continuing operations before exceptional items	**(4.8)**	(6.2)
Adjust for :		
Unwinding of discount in disposal provisions	**-**	0.1
Other financial losses	**0.6**	1.1
Adjusted net interest payable	**(4.2)**	(5.0)

5. Taxation

	Year ended 30 June 2017		
	Continuing operations £m	**Discontinued operations £m**	**Total £m**
Current income tax			
Current income tax - UK	**(11.8)**	**-**	**(11.8)**
Current income tax - overseas	**(3.4)**	**-**	**(3.4)**
Current income tax on exceptional items	**(1.8)**	**-**	**(1.8)**
Amounts over provided in previous period	**0.5**	**-**	**0.5**
Total current income tax charge	**(16.5)**	**-**	**(16.5)**
Deferred tax			
Deferred tax - UK	**(1.3)**	**-**	**(1.3)**
Deferred tax - overseas	**(0.3)**	**-**	**(0.3)**
Restatement of deferred tax due to rate change	**1.1**	**-**	**1.1**
Deferred tax on exceptional items	**0.6**	**-**	**0.6**
Amounts under provided in previous period	**(0.4)**	**-**	**(0.4)**
Total deferred tax charge	**(0.3)**	**-**	**(0.3)**
Tax charge in the income statement	**(16.8)**	**-**	**(16.8)**

	Year ended 30 June 2016		
	Continuing operations £m	Discontinued operations £m	Total £m
Current income tax			
Current income tax - UK	(13.6)	-	(13.6)
Current income tax - overseas	(2.2)	-	(2.2)
Current income tax on exceptional items	0.1	-	0.1
Amounts under provided in previous period	(0.2)	-	(0.2)
Amounts over provided in previous period on exceptional items	0.3	4.2	4.5
Total current income tax (charge) credit	(15.6)	4.2	(11.4)
Deferred tax			
Deferred tax - UK	(1.1)	-	(1.1)
Deferred tax - overseas	(0.6)	-	(0.6)
Restatement of deferred tax due to rate change	2.3	-	2.3
Amounts over provided in previous period	0.6	-	0.6
Total deferred tax credit	1.2	-	1.2
Tax (charge) credit in the income statement	(14.4)	4.2	(10.2)

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

	Year ended 30 June 2017			Year ended 30 June 2016		
	Current income tax £m	**Deferred tax £m**	**Total £m**	Current income tax £m	Deferred tax £m	Total £m

Venue impairment charges	**-**	**1.0**	**1.0**	-	0.2	0.2
Venue impairment reversals	**-**	**(0.5)**	**(0.5)**	-	(0.4)	(0.4)
Group restructuring including relocation costs	**1.5**	**0.1**	**1.6**	-	-	-
Net credit from property leases	**(3.3)**	**-**	**(3.3)**	(0.4)	-	(0.4)
Aborted acquisition costs	**-**	**-**	**-**	-	-	-
Closure of venues	**-**	**-**	**-**	0.5	0.2	0.7
Amounts over provided in respect of previous period	**-**	**-**	**-**	0.3	-	0.3
Tax (charge) credit on exceptional items - continuing operations	**(1.8)**	**0.6**	**(1.2)**	0.4	-	0.4

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

	Year ended 30 June 2017			Year ended 30 June 2016		
	Current income tax £m	**Deferred tax £m**	**Total £m**	Current income tax £m	Deferred tax £m	Total £m
Net credit on exceptional items relating to overseas tax audits	**-**	**-**	**-**	4.2	-	4.2

The £4.2m exceptional tax credit in discontinued operations in prior year relating to overseas tax audits consists of a refund of tax paid of £4.4m following the successful resolution of a transfer pricing dispute, offset by a £0.2m charge in relation to a separate audit.

Tax effect of items within other comprehensive income

	Year ended 30 June 2017 £m	Year ended 30 June 2016 £m
Current income tax credit on exchange movements offset in reserves	**0.2**	0.6
Deferred tax credit on actuarial movement on retirement benefits	**0.1**	-
Total tax credit on items within other comprehensive income	**0.3**	0.6

The debit in respect of employee share schemes included within the Statement of Changes in Equity includes a deferred tax credit of £0.1m (year ended 30 June 2016: £0.1m).

Factors affecting future taxation
UK corporation tax is calculated at 19.75% (year ended 30 June 2016: 20.00%) of the estimated assessable profit for the period. Taxation for overseas operations is calculated at the local prevailing rates.

On 8 July 2015, the Chancellor of the Exchequer announced the reduction in the main rate of UK corporation tax to 19.0% for the year starting 1 April 2017 and a further 1.0% reduction to 18.0% from 1 April 2020. These changes were substantively enacted in October 2015.

On 16 March 2016, the Chancellor of the Exchequer announced a further 1.0% reduction to the previously announced 18.0% main rate of UK corporation tax to 17.0% from 1 April 2020. This change was substantively enacted in September 2016. The rate reductions will reduce the amount of cash tax payments to be made by the Group.

6. Dividends paid to equity holders

	Year ended 30 June 2017 £m	Year ended 30 June 2016 £m
Final dividend for 2014/15 paid on 21 October 2015 - 4.00p per share	**-**	15.6
Interim dividend for 2015/16 paid on 22 March 2016 - 1.80p per share	**-**	7.1
Final dividend for 2015/16 paid on 20 October 2016 - 4.70p per share	**18.4**	-
Interim dividend for 2016/17 paid on 21 March 2017 - 2.00p per share	**7.8**	-
Dividends paid to equity holders	**26.2**	22.7
Refund of unclaimed dividends	**(0.2)**	-

A final dividend in respect of the year ended 30 June 2017 of 5.3p per share, amounting to a total dividend of £20.7m, is to be recommended at the annual general meeting on 19 October 2017. These financial statements do 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 2017 £m	Year ended 30 June 2016 £m
Profit attributable to equity shareholders	**62.9**	74.7
Adjust for:		
Discontinued operations (net of taxation)	**-**	(3.6)
Exceptional items after tax on continuing operations	**0.2**	(9.7)
Other financial losses	**0.6**	1.1
Unwinding of discount in disposal provisions	**-**	0.1
Taxation on adjusted items and impact of reduction in tax rate	**(1.2)**	(2.6)
Adjusted net earnings attributable to equity shareholders (£m)	**62.5**	60.0
Adjusted earnings per share (p) - basic	**16.0p**	15.4p
Adjusted earnings per share (p) - diluted	**15.9p**	15.4p

8. Provisions

	Property lease provisions £m	Disposal provisions £m	Restructuring provisions £m	Indirect tax provision £m	**Total £m**
At 1 July 2016	44.5	4.4	-	1.2	50.1
Unwinding of discount	0.8	-	-	-	**0.8**
Charge to the income statement - exceptional	1.2	-	4.0	-	**5.2**
Release to the income statement - exceptional	(14.6)	-	-	-	**(14.6)**
Utilised in year	(7.3)	(0.2)	(0.3)	-	**(7.8)**
At 30 June 2017	**24.6**	**4.2**	**3.7**	**1.2**	**33.7**
Current	4.9	0.3	3.6	1.2	**10.0**
Non-current	19.7	3.9	0.1	-	**23.7**
Total	**24.6**	**4.2**	**3.7**	**1.2**	**33.7**

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 2017 £m	As at 30 June 2016 £m
Total loans and borrowings	**(91.6)**	(102.2)
Less: Accrued interest	**0.4**	0.5
Add: Unamortised facility fees	**(0.2)**	(0.5)
	(91.4)	(102.2)
Less: Cash and short-term deposits	**79.0**	61.0
Net debt	**(12.4)**	(41.2)

10. Cash generated from operations

	Year ended 30 June 2017 £m	Year ended 30 June 2016 £m
Continuing operations		
Operating profit	**84.5**	91.7
Exceptional items	**(1.0)**	(9.3)
Operating profit before exceptional items	**83.5**	82.4
Depreciation and amortisation	**45.3**	45.8

Share-based payments	**(0.7)**	1.9
Loss on disposal of property, plant and equipment	**0.9**	0.5
Impairment of property, plant and equipment	**0.5**	0.5
Decrease (increase) in inventories	**0.1**	(0.1)
Decrease (increase) in other receivables	**11.0**	(5.9)
Decrease in trade and other payables	**(12.2)**	(8.7)
	128.4	116.4
Cash utilisation of provisions	**(7.8)**	(6.2)
Cash payments in respect of exceptional items	**(4.3)**	-
Cash generated from continuing operations	**116.3**	110.2

11. Contingent liabilities

Property leases
Concurrent to the £211.0m 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, eight of these have not expired or been surrendered. These eight leases have durations of between 21 months and 96 years and a current annual rental obligation (net of sub-let income) of approximately £0.8m.

During 2014, 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
In the prior year, the Group disclosed that it had 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 from Gala Coral. The Group estimated the maximum additional stamp duty that could be due, if HMRC were successful and Gala Coral were to default on terms of the Sale and Purchase Agreement, to be £7.2m plus interest. During the period, Gala Coral, have made a payment on account to HMRC in respect of the determination and the Group has assigned the right to any potential refund back to Gala Coral. As payment has been made by Gala Coral, there is no longer a risk of default and therefore this risk is no longer considered a contingent liability.

12. 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 2017, entities controlled by Hong Leong owned 56.2% of the Company's shares, including 52.0% through Guoco's wholly-owned subsidiary, Rank Assets Limited, the Company's immediate parent undertaking.

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Final Results - RNS