



THE RANK GROUP PLC

February 2022

Rank is headquartered in the UK and makes a strong contribution to the UK Exchequer, having paid approximately £104m in direct and indirect taxes in the year to 30 June 2021. Rank operates 72 bingo venues (under the Mecca Bingo brand) and 52 casino venues (under the Grosvenor Casino brand) in the UK. Rank's remote gaming business operates predominantly under the Mecca Bingo and Grosvenor Casino brands providing a digital offering to approximately 1,000,000 mainly UK based, customers.

Rank aims to be the UK's leading multi-channel gaming operator, creating value for shareholders, having strong brands which meet customers' needs and delivering operational excellence in venues and digital channels.

Rank's objectives are to maximise shareholder value in all aspects of the Group's activity, maintain its corporate reputation and uphold the three objectives of gambling regulation as set out in the Gambling Act 2005:

1. Preventing gambling from being a source of crime and disorder,
2. Ensuring that gambling is conducted in a fair and open way, and
3. Protecting children and vulnerable people from being harmed or exploited by gambling.

Rank is committed to safe and fair gaming and recognises the importance of continuous innovation to make gambling as safe as possible.

UK TAX STRATEGY

Rank operates in a highly regulated industry and is committed to acting responsibly in all areas, including taxation.

Rank recognises that the taxes it pays make a significant contribution to national finances and tries to ensure that its contributions are valued and understood.

The taxation of betting and gaming is complex, involving a number of different taxes and duties. Rank's aim is to ensure that all taxes are correctly accounted for and that tax returns are submitted accurately, on time and that all tax liabilities are paid.

Rank is committed to acting with honesty and integrity in all matters with a strong emphasis on corporate reputation, social responsibility and maintaining good relationships with Government.

RISK MANAGEMENT AND GOVERNANCE

Rank complies with all applicable laws, regulations and disclosure requirements in relation to tax, exercising professional care and judgement in relation to decisions reached. Such decisions are fully documented and audited as appropriate.

The Board review and approve the Group's tax strategy annually. The Group's Chief Financial Officer is responsible for ensuring that the Group complies with the documented tax strategy. Management of the Group's day to day tax affairs is carried out by the Group's Director of Tax, who is supported by appropriately trained and qualified staff within the finance team. The Chief Financial Officer and Director of Tax meet regularly to discuss all tax matters and the Board are provided with an update on tax issues at each Board meeting. External advice is taken when required. Any significant decisions



relating to tax are taken by the Board, including decisions to litigate and the approach to handling disputes with HMRC. The Board are kept informed of future tax changes, including any potential impact from consultations carried out by HMRC.

From an accounting perspective, Rank takes a best estimate approach to areas of dispute providing for areas of uncertainty and not recognising claims unless they are certain to be received.

Systems, processes and controls are in place to ensure that tax returns are correctly prepared, accounted for and taxes paid. Senior Accounting Officer documentation is reviewed and updated as appropriate on an annual basis as a minimum and there are procedures in place to ensure that adequate reviews are undertaken.

ATTITUDE TOWARDS TAX PLANNING

Rank is committed to operating responsibly and considers the reputational impact of transactions as well as the direct financial implications. The Group does not actively seek to enter into artificial tax avoidance transactions and any tax planning will revolve around the commercial needs of the business.

When undertaking commercial transactions, the Group will take advantage of tax reliefs, incentives and exemptions in accordance with the relevant tax legislation.

TAX RISK

Rank's main tax risks are:

- Incomplete or inaccurate completion of tax returns
- Failure to pay the correct amount of tax on time
- Incorrect recording of tax balances in the Financial Statements
- Business projects undertaken with insufficient tax advice
- Incorrect interpretation of fiscal regulation
- Changes in fiscal regulation

Systems and processes are in place to mitigate these risks and these are reviewed and updated on a regular basis.

Rank's tax risks are managed as part of the Group's enterprise risk management framework, that balances risk and opportunities to achieve strategic objectives. Each risk is identified, mitigated, monitored and reviewed based on its specific facts and circumstances. The audit committee, supported by internal audit, is responsible for assessing the effectiveness of the risk management systems which are in place and for undertaking an independent review of the risk mitigation plans which have been designed for material risks. This includes taxation.

The tax team collaborate with colleagues across the business at the start of projects to ensure that tax costs and tax risks are taken into consideration as part of any decision-making process.

To mitigate risk, Rank aims to achieve certainty on the tax treatment of transactions where possible. This may include discussing transactions with HMRC in real time to explain business issues and trying to reach agreement of the appropriate tax treatment in advance of filing deadlines.

Rank aims to make the correct decisions and judgements in relation to tax. Where tax issues are particularly complex or uncertain, or if it is considered that HMRC may take a different view than that adopted by Rank, external advice is taken by professional advisers or Tax Counsel as appropriate.

RELATIONSHIPS WITH HMRC

Rank is committed to having an open and honest relationship with HMRC, fully cooperating with any enquiries and helping HMRC to understand Rank's business and any significant transactions.



Rank fully complies with its statutory tax obligations, maintaining good relationships with tax authorities in all jurisdictions in which it operates. The Group meets regularly with HMRC (and other tax authorities as appropriate) to explain business issues and to discuss future, current and past tax issues.

If the Group disagrees with a tax authority about the correct treatment of a tax issue, the Group aims to reach resolution as quickly as possible whilst also defending its position robustly with a view to protecting shareholder value and taking into account the cost of defending audits or assessments in relation to the amounts of tax at stake. Rank will consider litigation provided that the grounds of appeal stand a good chance of success in litigation and that there is sufficient tax at stake to warrant the cost of litigation.

Rank actively and positively participates in all relevant tax consultations to help shape changes to tax legislation or policy that are relevant to the business.

The publication of this tax strategy is in compliance with Rank's duty under paragraph 16(2), Schedule 19, Finance Act 2016 and relates to the year ending 30 June 2022. It has been approved by the Board of The Rank Group Plc on 26 January 2022.