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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. Christian K. NOTHHAFT as CEO & Executive Director; Mr. KWEK Leng San as Non-executive Director; Mr. David M. NORMAN, Mr. Lester G. HUANG, SBS, JP and Mr. Paul J. BROUGH as Independent Non-executive Directors.

News release

LEI: 213800TXKD6XZWOFTE12

15 August 2024

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

Preliminary results for the 12 months ended 30 June 2024

Delivering against the strategic plan with growth across all businesses

Rank (LSE: RNK) is pleased to announce its preliminary results for the 12 months ended 30 June 2024.

Overview

- Like-for-like ('LFL') Net Gaming Revenue ('NGR') grew 9% year on year with all businesses in growth.
- LFL underlying operating profit for the year was £46.5m, slightly ahead of analysts' consensus and more than double the prior year's £20.1m, reflecting the significant operating leverage in the business.
- LFL underlying operating profit continues to rebuild with £24.8m in H2, up 14% compared with £21.7m in H1.
- Strong trading in Q4, with LFL NGR increasing 14% year on year, providing good momentum into 2024/25.
- Net cash pre IFRS 16 at year end was £20.9m, reflecting stronger cash flows as trading improves.
- Group's strong balance sheet position is supported by debt facilities of £120m comprising £30m Term Loan to October 2026 and £90m Revolving Credit Facility ('RCF') to January 2027. The total undrawn RCF at 30 June 2024 was £78.5m.
- The Group has continued to invest in its c.7,600 employees with employment costs increasing by 11% in the year, driven by the combined effect of wage inflation and the reinstatement of colleague bonuses. Employment costs are the key headwind for the Group in 2024/25 and are expected to increase by a further 7%.
- Total capital expenditure in the year was £46.7m, with key investments delivered across the Group's venues and proprietary technology. We expect total capital expenditure for 2024/25 to be c. £60m.
- Good progress continues to be made within the Group's ESG programme with the net zero plan well underway, key technology developments delivered in the year to further enhance protections for our customers, record colleague engagement scores recorded in the period and a continued strong focus on the role we play within the local communities in which we operate.
- The Board is recommending a final dividend of 0.85p per share. The resumption of dividend payments to shareholders reflects the Board's confidence in the improving trading and financial position of the Group.

Financial highlights

		2023/24	2022/23	Change
Financial KPIs	Group underlying LFL net gaming revenue (NGR)[1]	£734.4m	£671.4m	9%
	Venues underlying LFL NGR[1]	£508.4m	£468.8m	8%
	Digital underlying LFL NGR[1]	£226.0m	£202.6m	12%
	Underlying LFL operating profit[1,2]	£46.5m	£20.1m	131%
	Net free cash flow	£26.6m	£(17.9)m[3]	-
	Net cash/(debt) pre IFRS 16	£20.9m	£(5.9)m	-
	Underlying earnings per share[2]	5.9p	1.1p	-

		2023/24	2022/23	Change
Statutory performance	Statutory NGR	£734.7m	£681.9m	8%
	Group operating profit / (loss)	£29.4m	£(110.4)m[3]	-
	Profit / (loss) before taxation	£15.5m	£(123.3)m[3]	-
	Profit / (loss) after taxation	£12.0m	£(96.1)m[3]	-
	Net (debt)	£(132.5)m	£(174.9)m[3]	(24)%
	Basic earnings / (loss) per share	2.7p	(20.5)p[3]	-
	Dividend per share	0.85p	-	-

1. On a like-for-like ('LFL') basis which removes the impact of club openings, closures, foreign exchange movements and discontinued operations.
2. Excludes separately disclosed items.
3. Restated, refer to CFO review for further details.

- Statutory operating profit of £29.4m includes a net impairment charge of £7.6m and a charge of £6.6m relating to the amortisation of acquired intangible assets of Stride Gaming and Yo Bingo.

Operational highlights

- Grosvenor venues LFL NGR grew 9% year on year, with London growing 10% and the rest of the UK growing 8%. Customer visits grew 9% and spend per visit decreased 1%. Active customers grew 2%.
- Mecca venues LFL NGR grew 8% on the prior year with customer visits growing 2% and the spend per visit increasing 6%. 44% of the 187,000 new customers in the year were under 35 years old, reflecting the continued broad appeal of Mecca.
- Enracha venues LFL NGR grew 7% on customer visits growing 6% and spend per visit increasing 1%.
- Digital LFL NGR grew 12% year on year, towards the top end of the annual growth opportunity outlined at the November Capital Markets Day, with particularly strong growth in the Grosvenor and Mecca cross-channel brands and in the Yo brand in Spain. Margin expansion now expected to be greater than 600 bps in the medium term.
- A number of key technology developments were successfully delivered in the year including a single content management system now serving all UK facing brands, the launch of the first in-house developed app for the Grosvenor brand and the successful build of the central engagement platform (a single customer database serving all UK facing businesses). The next

phase of the development programme is focused on the seamless cross-channel customer experience.

- The Spanish facing digital brands were transferred to Ceuta in December 2023 delivering a 10% saving in gaming tax from the start of the second half.
- The sale of the Group's shareholding in the Indian rummy brand, Passion Gaming, was successfully completed in June 2024. In the current year Passion Gaming represented less than 2% of Digital's total NGR, on a proforma basis.
- Discussions regarding the sale of the UK Digital non-proprietary ('multi-brand') business are well advanced and the Group expects the disposal to complete in the next few months.
- The Group has a strong three-year programme of growth initiatives in place for each of our businesses focused on: cash maximisation in land-based bingo; recovery and growth in our Grosvenor venues business; scaling the digital business both in the UK and internationally and maximising the opportunities of the anticipated land-based legislative reforms for the UK's casino and bingo sectors.

Current trading and outlook

We have made a good start to the new financial year. We exited 2023/24 with good momentum which has continued into 2024/25, with Group NGR up 10% for the first 6 weeks against a strong comparative.

Dividend

The continuing recovery in profitability combined with the Group's balance sheet strength gives the Board the confidence to propose a resumption of ordinary dividend payments. The Board is recommending a final dividend of 0.85p as a full year dividend.

The Group is also intending to declare an 2024/25 interim dividend alongside its half year results in January 2025.

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

"This has been a year of strong financial, operational and strategic progress for Rank. We are continuing to rebuild profitability following the impact of lockdowns and the material inflationary pressures experienced in recent years. Trading continues to improve due to ongoing investment in our people, our products and the facilities within our venues businesses, and the continued development of the proprietary technology which is driving the growth of our digital business.

With some important developments within our proprietary technology now in place, we are increasingly delivering a seamless and tailored cross-channel experience for our customers, leveraging our key area of competitive advantage.

We are well-positioned to take advantage of the much needed land-based reforms which will help to further modernise our casino and bingo propositions to better meet the expectations of today's customers and we look forward to the Government confirming the timetable for the required secondary legislation.

We have started the new financial year as we finished the previous one, with good momentum across all businesses. With inflation receding, disposable incomes improving, investment continuing to be

made in the customer proposition and a strong pipeline of growth initiatives underway, we are confident in the future prospects of the Group.

It would not be possible to deliver this improved performance without our excellent colleagues who continue to excite, entertain and protect their customers, support their local communities and contribute fully to the progress we are continuing to make.”

Definition of terms:

- Net gaming revenue ('NGR') is revenue less customer incentives;
- Underlying measures exclude the impact of amortisation of acquired intangibles; profit or loss on disposal of businesses; acquisition and disposal costs including changes to deferred or contingent consideration; impairment charges; reversal of impairment charges; restructuring costs as part of an announced programme; retranslation and remeasurement of foreign currency contingent consideration; discontinued operations, significant material proceeds from tax appeals and the tax impact of these, should they occur in the period. Collectively these items are referred to as separately disclosed items ('SDIs');
- EBIT is operating profit before SDIs;
- Underlying earnings per share is calculated by adjusting profit attributable to equity shareholders to exclude SDIs;
- '2023/24' refers to the 12-month period to 30 June 2024 and '2022/23' refers to the 12-month period to 30 June 2023;
- Like-for-like ('LFL') measures have been disclosed in this report to show the impact of club openings, closures, acquired businesses, foreign exchange movements and discontinued operations;
- Prior year LFL measures are amended to show an appropriate comparative for the impact of club openings, disposals, closures acquired businesses, foreign exchange movements and discontinued operations;
- The Group results make reference to 'underlying' results alongside our statutory results, which we believe will be more useful to readers as we manage our business using these adjusted measures. The directors believe that SDIs impair visibility of the underlying performance of the Group's business because these items are often material, non-recurring and do not relate to the underlying trading performance. Accordingly, these are excluded from our non-GAAP measurement of revenue, EBITDA, operating profit, profit before tax and underlying EPS. Underlying measures are the same as those used for internal reports. Please refer to APMs for further details; and
- Venues includes Grosvenor venues, Mecca venues and Enracha venues.

Enquiries

The Rank Group Plc

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Photographs available from www.rank.com

Analyst meeting and webcast details:
Thursday 15 August 2024
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 or on https://brrmedia.news/RNK_PR24 . 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.

Business review

The year to 30 June 2024 saw continued improvement in trading conditions and in the financial performance of the Group. All businesses have delivered good levels of NGR growth and strong increases in profitability.

At a Group level, underlying like-for-like ('LFL') Net Gaming Revenue ('NGR') of £734.4m grew by 9% against the prior year. Grosvenor venues grew NGR by 9%, Mecca grew by 8% and Enracha grew by 7%. The digital business saw NGR growth of 12%, with the UK growing by 11% and Spain growing by 16%.

With NGR increasing across the Group, underlying LFL operating profit more than doubled from £20.1m in 2022/23 to £46.5m in 2023/24.

NGR / £m	**2023/24**	**2022/23**	**Change**
Grosvenor venues	331.3	305.0	9%
Mecca venues	138.6	127.9	8%
Enracha venues	38.5	35.9	7%
Digital	226.0	202.6	12%
Underlying LFL[1] Group	**734.4**	**671.4**	**9%**
Impact of venues openings, closures and FX[2]	0.3	10.5	-
Underlying Group	**734.7**	**681.9**	**8%**
Operating profit / £m	**2023/24**	**2023/24**	**Change**
Grosvenor venues	23.7	16.7	42%
Mecca venues	3.9	(5.6)	-
Enracha venues	9.6	9.0	7%
Digital	23.4	13.1	79%
Central costs	(14.1)	(13.1)	(8)%
Underlying[3] LFL[1] Group	**46.5**	**20.1[4]**	**131%**
Impact of venues openings, closures, and FX[2]	(0.2)	(1.6)	-
Total Group	**46.3**	**18.5**	**150%**

1. Results are presented on a like-for-like ('LFL') basis which removes the impact of club closures and foreign exchange movements.
2. A full analysis of these adjustments can be found in the Alternative Performance Measures ('APM') section.
3. Before the impact of separately disclosed items.
4. Restated, refer to CFO review for further details.

Digital cross-channel customer revenues continue to grow faster than overall Group revenues, up 16% in the year. The key enabler is the Group's proprietary technology platform, which has seen several critical enhancements successfully delivered this year. These include a single content management system across all of our UK digital brands and a much improved app for the Grosvenor brand which has been developed in-house for the first time. We successfully transferred the UK's digital platform to the cloud to enhance security, scalability and cost efficiency and completed the single customer engagement platform serving each of our UK businesses. There are many technology developments in the roadmap over the coming years to deliver a full cross-channel seamless experience for our customers and to maximise this area of significant competitive advantage. The next steps include the delivery of a single cross-channel membership for Mecca customers in 2024/25 and the development of several cross-channel products and services for both the Grosvenor and Mecca brands.

At a Group level, the focus remains on driving cost efficiencies and ensuring we operate within an appropriately tight control framework. Good progress is being made in enhancing controls and adding automation within both the finance and people and culture support functions. To ensure data is protected and development opportunities are prioritised appropriately, the Group has implemented a governance framework for Artificial Intelligence ('AI').

We retain a single programme management framework across the Group to evaluate, prioritise, resource and continuously monitor the key strategic initiatives, which ensure we continue to meet the needs of our customers, while driving growth in revenues and delivering cost efficiencies.

Grosvenor venues

Key performance indicators:

	2023/24 £m	2022/23 £m	Change
LFL[1] NGR	331.3	305.0	9%
London	108.1	98.0	10%
Rest of the UK	223.2	207.0	8%
Total NGR	331.3	306.3	8%
LFL[1] underlying[2] operating profit	23.7	16.7	42%
Total profit / (loss)	16.5	(35.4)	-

1. Results are presented on a like for like ('LFL') basis which removes the impact of club closures.
2. Before the impact of separately disclosed items.

The Grosvenor management team was strengthened early in the year with the appointment of Mark Harper as Managing Director and Samantha Collins as National Operations Director. We continued to invest in people in the year, ensuring we have the right people in the right roles to deliver quality customer experience and operational execution. Customer Net Promoter Scores ('NPS') climbed steadily throughout the year to reach 68 (30 June 2023: 64), whilst colleague engagement scores have reached a new high of 79% (30 June 2023: 70%).

Grosvenor venues LFL underlying NGR was £331.3m, a growth of 9% over the prior year. This is an acceleration on the 3% growth delivered in 2022/23 as the business continues to recover from the impact of lockdowns, the slow return of international customers, particularly to London's casinos, and the tightening of affordability restrictions in recent years.

Average weekly NGR, which was £7.5m in the eight months prior to lockdown in 2019/20, grew from £5.9m in 2022/23 to £6.3m, highlighting the further opportunity to grow revenues, even before the much needed and anticipated legislative reforms. Active LFL customers in the year grew 2%, reflecting the continued improvements being made in managing customer affordability risk through improvements in systems, processes and in the skills of our colleagues.

Grosvenor's London casino estate grew revenues by 10% with customer visits up 11%. The higher footfall casinos, lower stakes venues which attract tourists and London commuters performed strongly in the year. The higher-end venues, which have historically attracted high net worth international customers continued to perform softly relative to the pre-Brexit position.

The rest of the UK also saw performance continue to improve with NGR up 8% on customer visits up 9%.

With 4,200 colleagues across Grosvenor's 51 venues, employment was the major area of cost increase in the year. Employment costs increased by £17.6m with pay rises heavily focussed towards the lower paid colleagues.

Despite wage pressures, the improved revenue combined with the significant operating leverage within the Grosvenor business delivered a 42% growth in underlying LFL operating profit of £23.7m.

At a statutory level, operating profit improved from a loss of £35.4m in 2022/23 to a profit of £16.5m in 2023/24, including a net impairment charge of £5.9m, principally driven by the underperformance against expectations of one venue.

Grosvenor continues to see strong and consistent growth in all gaming products. Electronic roulette revenues grew 11% in the year, gaming machine revenues grew 9% and table gaming saw revenues grow 9%.

£6.4m was invested in new products during the year. Principally, this was in the form of replacing electronic roulette terminals, roulette wheels, gaming tables and supporting equipment. The business typically leases gaming machines or has contracts on a revenue share basis. In the year, Grosvenor introduced gaming machines from Aristocrat and Blueprint, as well as upgrading Novomatic and IGT machines across the estate. There is considerable opportunity, following the anticipated land-based legislative reforms, to broaden the range of gaming machine content across the Grosvenor estate to increase the excitement and entertainment for our customers.

In addition to product renewal, £7.6m was invested in the property facilities in the year. This included external signage and decoration works at the Northampton, Manchester (Bury New Road), Reading and Great Yarmouth casinos, plus smaller investments in a number of other Grosvenor venues. At the year end, Grosvenor Leicester was nearing completion of a full refurbishment, including the development of an extensive sports viewing facility, which will be converted to a sports betting arena once permitted.

Investment in heating, air conditioning, health and safety and other general infrastructure amounted to £5.0m in the year reflecting the continued catching up following a period of underinvestment during the Covid pandemic.

Grosvenor successfully completed the Gamcare Safer Gambling Standard assessment, being awarded the gold level accreditation.

<u>Mecca venues</u>

Key performance indicators:

	2023/24 £m	2022/23 £m	Change
LFL[1] NGR	138.6	127.9	8%
Total NGR	138.9	136.3	2%
Underlying[2] LFL[1] operating profit / (loss)	3.9	(5.6)	-
Total (loss)	(1.7)	(74.1)	-

1. Results are presented on a like for like ('LFL') basis which removes the impact of club closures.
2. Before the impact of separately disclosed items.

The Mecca business has undergone a considerable rationalisation of the estate following the impact of the pandemic on both customer numbers and visit frequency. In 2018/19, Mecca had 82 venues;

we have ended 2023/24 with 52 venues. Four venues were closed in the year and, with one further closure anticipated in 2024/25, that will complete the rationalisation process other than in the context of specific property lease events which may arise over the coming years. The result of this rationalisation has been the creation of a stronger and more competitive estate with higher liquidity, namely higher visits and therefore more attractive prize boards.

Mecca grew LFL NGR by 8% in the year. LFL visits grew 2% and the average customer spend per visit grew 6%. LFL active customers grew by 1%.

Mecca continues to attract very large volumes of new customers with over 187,000 new memberships in the year. 44% of these new customers to Mecca are under 35 years of age, demonstrating the continued strong appeal of bingo when provided in a contemporary environment, with good value prices and attractive prize boards.

NGR from main stage bingo, the primary game played within Mecca's venues, grew 11% on the prior year with LFL revenues 11% ahead of pre-pandemic 2019 levels. Main stage bingo is the principal driver of customer visitation, and this growth underpins the longevity of the land-based bingo business.

Gaming machine revenues grew 9% and are 1% ahead of LFL revenues in pre-pandemic 2019 levels. The machine estate continued to be modernised during the year with a broader range of both suppliers and game content. Gaming machines account for 40% of Mecca's revenue and remain a significant growth opportunity, subject to the expected delivery of the land-based legislative reforms, which will enable up to 50% of machines to be category B3 machines, by far the most popular machines with bingo customers.

The interval bingo game grew LFL revenue 7% in the year, with food and beverage sales growing 6%.

With a more vibrant Mecca estate, the experience for our customers also improved, reflected in the customer NPS of +78. Significantly, Mecca's employee engagement level continues to grow, from 75% in 2022/23 to 83% in 2023/24.

Underlying LFL operating profit in the year was £3.9m, a strong recovery from the loss of £5.6m in the prior year. The key cost increase was employment costs which grew by 12% due to the continued investment in our colleagues, particularly those on lower hourly pay rates.

Statutory operating loss for the year was £1.7m following a net impairment charge of £5.3m. Whilst there are a large number of impairments and impairment reversals, driven by the sensitivity of changes to financial forecasts at a venue level, the net impairment charge is primarily driven by a small number of venues that have underperformed our expectations.

Capital investment in the year was £14.1m. £1.2m of this was regarding improvements to the branding and external appearance of six venues. At the year end, 15 out of the 52 Mecca venues have received investment in external signage and décor since 2022. £3.5m was invested in improving the gaming machine areas within 17 Mecca venues; 20 Mecca venues now have redesigned and refurbished gaming machine areas since the investment programme commenced. Both the investment in external signage and interior gaming machine areas are delivering strong returns and will continue into 2024/25. An additional £3.5m was spent in the year on refreshing new product across the remaining estate and a new reporting and monitoring system, Playsafe, which provides colleagues with greater visibility of customer's machine play was rolled out across the year.

Capital investment in infrastructure amounted to £4.0m and this was primarily centred on air conditioning systems, boilers, electrical works and other renewals.

Overall, 2023/24 was a positive year for the Mecca business, returning to profitability with a rationalised and revitalised estate, a strong management team, improving revenue growth and good momentum entering 2024/25.

Enracha venues

Key performance indicators:

	2023/24 £m	2022/23 £m	Change
LFL[1] NGR	38.5	35.9	7%
Total NGR	38.5	36.4	6%
Underlying[2] LFL[1] operating profit	9.6	9.0	7%
Total profit	13.1	4.9	-

1. Results are presented on a like for like ('LFL') basis which removes the impact of foreign exchange movements.
2. Before the impact of separately disclosed items.

The Enracha estate of nine bingo, sports betting and gaming machine venues in Spain, continues to perform very strongly. Underlying LFL NGR of £38.5m was 7% ahead of the prior year, with all venues delivering growth. Customer visits grew 6% in the year, as the business continues to attract high attendances for its attractive bingo prize boards. Customer NPS reached a record score of 56 in the year, demonstrating the attractiveness of the customer offering and the high levels of service provided by our Enracha team.

Bingo revenues continue to grow, up 7% on the prior year, and gaming machine revenues increased by 7%.

Underlying LFL operating profit hit a record £9.6m in the year, an increase of 7% on the prior year.

Statutory operating profit for the year was £13.1m following an impairment reversal of £3.6m relating to one venue.

A total £0.9m of capital was invested in a full refurbishment of Enracha Seville, which extends the gaming machine area and improves the overall customer facilities. The overall capital investment in the year was £2.3m and this included the completion of the refurbishment of Enracha Reus, the further roll out of the customer loyalty programme, a new CRM system, new gaming machine jackpot display screens and a new food and beverage EPOS system.

The Enracha business is in a strong position as it enters 2024/25.

Digital

Key financial performance indicators:

	2023/24 £m	2022/23 £m	Change
LFL[1] NGR	226.0	202.6	12%
Mecca	86.9	72.5	20%
Grosvenor	69.0	57.1	21%

Other proprietary brands	23.2	23.4	(1)%
Non-proprietary brands	15.5	19.6	(21)%
Yo/Enracha	27.6	23.8	16%
Passion Gaming	3.8	6.2	(39)%
Total NGR	226.0	202.9	11%
Underlying[2] LFL[1] operating profit	23.4	13.1[3]	79%
Total profit	16.2	4.1	-

1. Results are presented on a like for like ('LFL') basis which removes the impact of foreign exchange movements.
2. Before the impact of separately disclosed items.
3. Restated, refer to CFO review for further details.

Scaling Rank's digital business is a key strategic pillar for the Group and 2023/24 saw considerable progress being made. Underlying LFL NGR increased 12% on the prior year, in line with the 8% to 12% annual growth opportunity outlined in the November 2023 Capital Markets Event.

In the UK facing business, revenues grew 11% with very strong growth of 20% and 21% respectively in the Mecca and Grosvenor cross-channel brands. The other UK facing brands operating on the Group's proprietary technology platform were down 1%.

Driving the growth in customers and revenues in the UK has been the delivery of some key technology developments. In the second half of the year a new single content management system to service all the proprietary technology brands was successfully rolled out. In addition to providing operational efficiencies and speed to market of new front end developments, this also delivers faster webpage loads for customers.

A new in-house developed Grosvenor app was launched in Q4 and is already seeing strong take-up from customers and is driving higher deposits per player. The expectation is that a new in-house developed app for Mecca customers will launch in 2024/25.

Improved personalisation continues following the successful build of the central engagement platform. This centralised data platform is also serving to improve our customer risk management systems with a number of enhancements to Rank's proprietary 'Hawkeye' customer monitoring system introduced in the year.

The proprietary technology platform modernisation programme continues at pace with a number of key architectural changes and system enhancements completed during the year. The full modernisation programme is expected to complete during 2024/25.

In the multi-brand business (non-proprietary brands), which consists of over 80 brands operating on third party platforms and licences, NGR declined 21% in the year. The decision was made mid-way through the year to exit the multi-brand business, for which the process is well advanced, and the Group expects to complete the sale in the coming months.

Yo and Enracha Spanish digital brands delivered NGR growth of 16% over the prior year. In December 2023, the business was successfully relocated to Ceuta, halving the rate of gaming tax from 20% to 10% from the start of the second half.

In April 2024, 'Live Bingo', a streamed bingo service, was successfully introduced with a strong take up from the Yo Bingo community of customers.

The launch of the Yo brand in Portugal is now expected in 2024/25. This will be the first bingo brand to launch in the country and therefore the licensing process has been frustratingly complex and extended.

Passion Gaming, the online Indian rummy in which Rank held a 51% stake, was sold in June 2024 to its founders following significant changes to the tax regime for online games of skill, which saw NGR decline 39% year on year. For further detail refer to note 16.

Underlying operating profit in the digital business grew 79% in the year to £23.4m highlighting the strong operating leverage within the digital business as revenues grow.

Statutory operating profit for the year was £16.2m following £6.6m of amortisation of acquired intangible assets.

Capital investment in the year totalled £10.3m, principally centred on the ongoing developments within the proprietary technology platform.

With a strong pipeline of technology developments being released during 2024/25 another strong performance for the Group's digital business is anticipated, in line with the revenue opportunity presented at the recent Capital Markets Day.

Group liquidity

The Group ended the year with net cash pre IFRS 16 of £20.9m.

Working capital at the end of the year was an inflow of £27.0m, due to the Group's improved financial performance, which has resulted in a higher duty payable and the reinstatement of employee bonuses which are paid post year end.

In January 2024, the Group successfully secured a new £120m club facility, comprising a £30m Term Loan and a £90m Revolving Credit Facility ('RCF'). The Term Loan expires in October 2026 and the RCF in January 2027. Both the Term Loan and RCF have market typical tenor extension options which are at the lender's discretion.

The new facility retains the two financial covenants which were applicable to its previous facilities, net debt to EBITDA not to exceed 3x and EBITDA to net interest payable of no less than 3x. There is an additional covenant referred to as a Fixed Charge Cover ratio, where (net interest payable plus operating leases) to (EBITDA plus net operating leases) can be no less than 1.5x. The Group expects to retain significant headroom against these covenants.

Sustainability update

Our sustainability strategy is now well-established; it focuses on the four key areas of Customers, Colleagues, Environment and Communities.

Customers

Our commitment to our customers is unwavering. We continue to prioritise the safety of our customers, ensuring that they enjoy a frictionless experience, while going beyond compliance to minimise the risk of harmful play. By harnessing increasingly advanced data modelling, we have been able to identify potentially vulnerable customers earlier and with greater precision. Furthermore, we are focused on utilising new technologies to enhance our proposition, to improve our customer service response times and to make the customer experience increasingly personalised and relevant.

These measures are part of our ongoing efforts to safeguard our customers, whilst delivering an exciting and entertaining experience.

Colleagues

Our colleagues are at the heart of what we do. This year, we have focused on weaving our employee value proposition, 'Work. Win. Grow.', into every facet of our operations. We believe that investing in our people is crucial to our continued success. To ensure our venue colleagues are engaged and aware of developments within our business, we launched the connect platform. Our colleagues can now access company information more easily online or through an app; this is already fostering a stronger connection between our colleagues and the business. We are proud to have an employee engagement score of 79%, up 7ppts on the prior year.

Environment

Our journey towards a sustainable future continues to gain momentum. We have made significant progress on our Net Zero Pathway, including the completion of baselining energy use data in our 40 highest-consuming UK venues. Additionally, we have completed Scope 1, 2, and 3 emissions baselining for all our Spanish venues. This year, we commenced our Scope 3 assessment in the UK and began engaging with suppliers to gain a complete picture of our emissions profile across the value chain.

The success of our decarbonisation efforts relies in part on the actions of our colleagues. We therefore launched a cultural programme as part of the Net Zero Pathway and have been raising awareness for more energy conscious behaviours such as our energy efficient lighting initiative. Energy consumption monitoring has been valuable in demonstrating the immediate effect of behavioural change on energy use, and introducing monthly league tables has been a great success in encouraging our venues' teams to think about energy consumption. As a result of these efforts, emissions have fallen by 11%, underscoring the effectiveness of our early initiatives.

Communities

Rank continues to occupy a central role in the communities in which we operate. It has been inspiring to see our colleagues participate in various fundraising initiatives, demonstrating our collective commitment to making a positive impact. This year, we celebrated ten years of our partnership with Carers Trust, raising £3.8m for this deserving charity in that time. Our charitable activities extend beyond fundraising, with our venues being used by Carers Trust to host local events and colleagues volunteering their time for various carers support initiatives. Our ongoing community engagement reflects our dedication to supporting and enriching the lives of those around us.

ESG KPIs	**2023/24**	**2022/23**	**Change**
Customers:			
Customer Net Promoter Score ('NPS')	52	43	21%
% of UK digital customers who use safer gambling tools	31%	30%	1ppts
Customer feedback score relating to Rank's approach to safer gambling	84%	78%	+6ppts
Employee NPS relating to Rank's approach to safer gambling	69	53	30%
Colleagues:			
Employee NPS	39	14	179%
% of females in senior management	34%	35%	(1)ppt

Environment:			
Carbon emissions	22,112 tCO2e	24,853 tCO2e	(11)%
Community:			
Total charitable funds raised	£323k	£283k	14%

High standards of business conduct underpin everything we do at Rank. Compliance remains a central focus, and we ensure that we act in accordance with all relevant regulations in each of our operating locations. Anticipating the impact of new regulations on sustainability reporting, we have proactively begun to align our disclosures to meet these requirements. This year, we conducted a double materiality assessment process to better position ourselves for future reporting obligations, reaffirming our commitment to transparency and accountability.

As we look back on the achievements of 2023/24, we are proud of our progress and remain steadfast in our commitment to sustainable and responsible business practices.

Regulatory update

Publication of the Government's White Paper into gambling reforms was made in April 2023 and the start of 2023/24 saw a number of Gambling Commission and DCMS-led consultations launched with the intention of exploring how best to apply the public policies contained in the White Paper. For Rank, the most material consultation of the year related to the, much needed, land-based reforms for casino and bingo. In May 2024, the Government published its response to the consultation, outlining how the various reforms would be delivered and the proposed secondary legislation to bring them into being. We welcomed the details of the Government's consultation response, noting that it signified another important step closer to the legislation which will enable Rank's Grosvenor and Mecca venues to better meet the needs of our customers.

The July general election inevitably delayed the proposed secondary legislation but, with a new Labour Government now in place and a new DCMS ministerial team appointed, we expect the passage of legislation to recommence in the coming months.

CFO's review

Within this section all prior year comparatives are to the 12 months ended 30 June 2023.

Reported net gaming revenue ('NGR')

For the 12 months ended 30 June 2024, total NGR increased by 8% to £734.7m with improved NGR performance across all of the Group's business units.

Operating profit

The Group delivered an operating profit of £29.4m for the year, compared to an operating loss of £110.4m[1] in the prior year. The improvement in operating profit was due to improved NGR performance across the Group and significantly reduced net impairment charges in the current period of £7.6m, compared to £118.9m in the prior period.

Separately disclosed items ('SDIs')

SDIs are infrequent in nature and/or do not relate to Rank's underlying business performance.

Total SDIs for the 12 months ended 30 June 2024 were £16.9m.

The material SDIs in the year were as follows:

- Net impairment charges of £7.6m relating to lower than anticipated performances and a reduction of forecasted earnings regarding certain venues partially offset by the reversal of previously impaired assets; and
- Amortisation of acquired intangible assets of £6.6m relating to the acquisition of Stride Gaming and Yo Bingo.

Further details regarding the SDIs can be found in note 3.

Prior period restatement

These consolidated financial statements include a prior year restatement in relation to prior year costs identified in the Digital business which erroneously had not been recognised in the prior year consolidated income statements. The error was considered to be material due to its nature and impact to key performance indicators. Accordingly, a third balance sheet has been presented in accordance with IAS 1 'Presentation of Financial Statements'.

During the year, the Group identified an accumulated total of £4.4m of prior year adjustments within the Digital business comprising £3.2m of trading related costs which erroneously had not been recognised in the prior year financial statements and £1.2m of excess releases to income which erroneously had been recognised in the prior year financial statements. Of the total value of £4.4m, £0.5m relates to financial year 2022/23 and the remaining £3.9m relates to pre 2022/23.

The above restatement reduces both basic and diluted EPS by 0.1 pence for the year ended 30 June 2023.

The impact of the adjustment on the June 2023 balance sheet is a reduction to total asset of £2.0m, an increase on trade and other payables of £2.2m, a reduction to closing reserves as at 30 June 2023 of £4.4m and a reduction to opening reserves as at 1 July 2022 of £3.9m.

Due to the working capital movements stated above, the opening cash balance has reduced by £2.0m and cash flows from operating activities increased by £2.4m in the cash flow statement for the year ended 30 June 2023.

In addition to above, the consolidated statement of cash flow includes a prior year restatement in relation to leases. During the year, the Group identified that the lease principal payments incorrectly included £4.6m of property-related VAT and £1.1m of property service charges. Cash flows from lease-related VAT and property service charges should have been disclosed within cash flows from operating activities. This restatement results in a reduction of £5.7m in both net cash generated from operating activities and net cash used in financing activities in the 2023 statement of cash flows.

For further details refer to note 1.

Net financing charge

The £12.8m net financing charge was slightly higher than the prior period's charge of £12.3m principally due to higher bank fees following the refinancing of the Group's facilities in January 2024. The net financing charge includes £5.9m of lease interest calculated under IFRS 16.

Cash flow and net debt

As at 30 June 2024, net debt was £132.5m. Debt comprised £30.0m of term loan, £11.5m of drawn revolving credit facilities and £153.4m in finance leases, offset by cash at bank of £62.4m.

The Group finished the year with net cash for covenant purposes of £5.1m.

	2023/24 £m	**2022/23[1] £m**
Operating profit from continuing operations	46.3	18.5
Depreciation and amortisation	47.7	60.1
Working capital and other	25.1	0.4
Cash inflow from operations	**119.1**	**79.0**
Capital expenditure	(46.7)	(44.1)
Net finance cost and tax	(5.7)	(7.8)
Lease payments	(39.0)	(37.9)
Cashflows in relation to SDIs	(0.1)	(7.1)
Net free cash flow	**27.6**	**(17.9)**
Business disposal/acquisition and other	(0.8)	(0.5)
Total cash in/(out) flow	**26.8**	**(18.4)**
Opening net (debt)/cash pre IFRS 16	(5.9)	12.5
Closing net cash (debt) pre IFRS 16	20.9	(5.9)
IFRS 16 lease liabilities	(153.4)	(169.0)
Closing net (debt) post IFRS 16	**(132.5)**	**(174.9)**

1. Restated.

Taxation

The Group's underlying effective corporation tax rate in 2023/24 was 18.8% (2022/23: 8.1%) based on a tax charge of £6.3m on underlying profit before taxation.

The underlying effective corporation tax rate for 2024/25 is expected to be 17-19%, being below the UK statutory tax rate. The tax rate is driven by some overseas profits being taxed at lower rates than the UK.

On a statutory basis, the Group had an effective tax rate of 22.6% in 2023/24 (2022/23: 22.1%) based on a tax charge of £3.5m on total profit of £15.5m. This is higher than the effective tax rate on underlying profit due to a significant level of separately disclosed items which relate to overseas operations and attract a tax credit at lower rates than the UK.

Further details of the tax charge are provided in note 5

Dividend

The continuing recovery in profitability combined with the Group's balance sheet strength gives the Board the confidence to propose a resumption of ordinary dividend payments. The Board is recommending a final dividend of 0.85p as a full year dividend. Subject to approval by shareholders the final dividend will be paid on 25 October 2024 to shareholders on the register on 20 September 2024. The ex-dividend date will be 19 September 2024.

Earnings per share ('EPS')

Basic EPS increased to 2.7p from a loss of 20.5p[1] in the prior period. Underlying EPS increased to 5.9p, up from 1.1p[1] in the prior period. For further details refer to note 7.

Cash tax rate

In the 12 months ended 30 June 2024, the Group had an effective cash tax rate of (7.2)% on underlying profit before taxation (2022/23: 51.6%).

On a statutory basis, the Group had an effective cash tax rate of (15.5)% in 2023/24 (2022/23: (2.6)%) based on a tax refund of £2.4m on total profit of £15.5m.

The cash tax rate differs from the standard rate of UK tax due to refunds of UK tax overpaid in prior years.

The Group is expected to have an underlying cash tax rate of approximately 1-3% for the year ended 30 June 2025. The cash tax rate is driven by utilisation of brought forward tax losses and expected refunds of UK and Maltese tax paid in prior years from loss carry back and dividend refund claims.

Going concern

Based on the Group's cash flow forecasts and business plan, the Directors believe that the Group will generate sufficient cash to meet its liabilities as they fall due for the period up to 31 August 2025. In making such statement, the Directors highlight forecasting accuracy in relation to the level of trading performance achieved as the key sensitivity in the approved base case.

The Directors have considered two downside scenarios which reflect a reduced trading performance and inflationary impacts on the cost base. In these events, the Group will generate sufficient cash to meet it liabilities as they fall due and meet covenant requirements for the period to 31 August 2025.

Alternative performance measures

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

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

Purpose

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

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

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

APM	Purpose	Closest equivalent IFRS measure	Adjustments to reconcile to primary financial statements	Reconciliation reference
Underlying like-for-like ('LFL') net gaming revenue ('NGR')	Revenue measure	NGR	• Excludes contribution from any venue openings, closures, disposals, acquired businesses and discontinued operations • Foreign exchange movements	1a, 1b
Underlying LFL operating profit /(loss)	Profit measure	Operating profit / (loss)	• Separately disclosed items • Excludes contribution from any venue openings, closures, disposals, acquired businesses and discontinued operations • Foreign exchange movements	3a, 3b

APM	Purpose	Closest equivalent IFRS measure	Adjustments to reconcile to primary financial statements	Reconciliation reference
			• Central cost reallocation	
Underlying (loss) / earnings per share	Profit measure	Earnings / (loss) per share	• Separately disclosed items	6
Net free cash flow	Cash measure	Net cash generated from operating activities	• Lease principal repayments • Cash flow in relation to separately disclosed items • Cash capital expenditure • Net interest and • tax payments	Refer to cash flow in CFO review

Rationale for adjustments – Profit and debt measure

1. Separately disclosed items ('SDIs')

SDIs are items that bear no relation to the Group's underlying ongoing operating performance. The adjustment helps users of the accounts better assess the underlying performance of the Group, helps align to the measures used to run the business and still maintains clarity to the statutory reported numbers.

Further details of the SDIs can be found in the Financial Review and note 3.

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

In the current year (2023/24), the Group closed four Mecca venues. For the purpose of calculating like-for-like ('LFL') measures its contribution has been excluded from the prior period numbers and current period numbers, to ensure comparatives are made to measures on the same basis.

3. Foreign exchange movements

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

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

Reconciliation 1a

2023/24 **£m**	**Grosvenor venues**	**Mecca venues**	**Enracha venues**	**Digital**	**Total**
Underlying LFL NGR	331.3	138.6	38.5	226.0	734.4
Open, closed and disposed venues	-	0.3	-	-	0.3
Foreign exchange ('FX')	-	-	-	-	-
Underlying NGR – continuing operations	**331.3**	**138.9**	**38.5**	**226.0**	**734.7**

Reconciliation 1b

2022/23 **£m**	**Grosvenor venues**	**Mecca venues**	**Enracha venues**	**Digital**	**Total**
Underlying LFL NGR	305.0	127.9	35.9	202.6	671.4
Open, closed and disposed venues	1.3	8.4	-	-	9.7
Foreign exchange ('FX')	-	-	0.5	0.3	0.8
Underlying NGR – continuing operations	**306.3**	**136.3**	**36.4**	**202.9**	**681.9**

Reconciliation 2

Calculation of comparative underlying LFL NGR

	2022/23
Reported underlying LFL NGR	**681.9**
Reversal of 2022/23 closed venues	-
2023/24 closed venues	(9.7)
2023/24 FX	(0.8)
Restated underlying LFL NGR	**671.4**

Reconciliation 3a

2023/24 £m	**Grosvenor venues**	**Mecca venues**	**Enracha venues**	**Digital**	**Central costs**	**Total**
Underlying LFL operating profit	23.7	3.9	9.6	23.4	(14.1)	46.5
Opened, closed and disposed venues	-	(0.2)	-	-	-	(0.2)
Underlying operating profit – continuing operations	**23.7**	**3.7**	**9.6**	**23.4**	**(14.1)**	**46.3**
Separately disclosed items	(7.2)	(5.4)	3.5	(7.2)	(0.6)	(16.9)
Operating profit / (loss) – continuing operations	**16.5**	**(1.7)**	**13.1**	**16.2**	**(14.7)**	**29.4**

Reconciliation 3b

2022/23 £m	**Grosvenor venues**	**Mecca venues**	**Enracha venues**	**Digital[1]**	**Central costs**	**Total**
Underlying LFL operating profit	16.7	(5.6)	9.0	13.1	(13.1)	20.1
Opened, closed and disposed venues	(0.4)	(1.4)	-		-	(1.8)
FX	-	-	0.1	0.1	-	0.2
Underlying operating profit – continuing operations	**16.3**	**(7.0)**	**9.1**	**13.2**	**(13.1)**	**18.5**

Separately disclosed items	(51.7)	(67.1)	(4.2)	(9.1)	3.2	(128.9)
Operating profit / (loss) – continuing operations	**(35.4)**	**(74.1)**	**4.9**	**4.1**	**(9.9)**	**(110.4)**

1. Restated, refer to CFO review for further details

Reconciliation 4

Calculation of comparative underlying LFL operating profit

£m	**2022/23**
Reported underlying LFL operating profit	**20.3**
Reversal of 2022/23 closed venues	**(1.2)**
2023/24 closed venues	**1.8**
2023/24 FX	**(0.2)**
Restatement of Digital costs	**(0.6)**
Underlying LFL operating profit	**20.1**

1. Restated, refer to CFO review for further details

Reconciliation 5

£m	**2023/24**	2022/23[1]
Underlying current tax (charge)	**(6.3)**	(0.5)
Tax on separately disclosed items	**2.8**	27.7
Tax (charge)/credit	**(3.5)**	27.2

1. Restated, refer to CFO review for further details.

Reconciliation 6

P	**2023/24**	2022/23[1]
Underlying EPS	**5.9**	1.1
Separately disclosed items	**(3.2)**	(21.6)
Reported EPS	**2.7**	(20.5)

1. Restated, refer to CFO review for further details.

Principal risks and uncertainties

The Board has conducted an assessment of the Company's principal and emerging risks. The risks outlined in this section are the principal risks that we have identified as material to the Group. They represent a 'point-in-time' assessment, as the environment in which the Group operates is constantly changing and new risks may always arise.

Risks are considered in terms of likelihood and impact and are based on residual risk rating of: high, medium and low, i.e. after taking into account controls already in place and operating effectively. Mapping risks in this way helps not only to prioritise the risks and required actions but also to direct the required resource to maintain the effectiveness of controls already in place and mitigate further where required.

The risks outlined in this section are not set out in any order of priority, and do not include all risks associated with the Group's activities.

Additional risks not presently known to management, or currently deemed less material, may also have an adverse effect on the business. Risks such as these are not raised as principal risks but are nevertheless periodically monitored for their impact on the Group.

The Risk Committee takes responsibility for managing the risk framework, reviews risk and risk mitigation on a monthly basis an acts as an escalation point for risk within the business. The chief finance officer takes responsibility for reporting on risk to the Audit Committee and the Board.

Summary Residual Risk

		Residual Risk Rating	Change
1	Uncertain trading environment	High	-
2	Compliance with gambling law and regulations	High	Moved from increasing to stable
3	Safe and sustainable gambling	Medium	-
4	People	Medium	-
5	Strategic programmes	Medium	-
6	Data protection and management	Medium	-
7	Cyber resilience	Medium	Moved to increasing from stable
8	Business continuity and Disaster Recovery	Medium	-
9	Dependency on third parties and supply chain	Medium	-
10	Taxation	Low	-
11	Liquidity and funding	Low	Residual risk rating moved to low and moved from stable to reducing
12	Health and safety	Low	Residual risk rating moved to low and moved from stable to reducing

Emerging risks

The Group's risk profile will continue to evolve as a result of future events and uncertainties. Our risk management processes include consideration of emerging risks; horizon scanning is performed with a view to enabling management to take timely steps to intervene as appropriate.

The methodology used to identify emerging risks includes reviews with both internal and external subject matter experts, reviews of consultation papers and publications from within and outside the industry and the use of key risk indicators. Throughout the year some new risks have emerged and developed which have been monitored by management with appropriate actions taken.

The Board and management team continue to monitor the political and macroeconomic backdrop faced by the Group. In particular, the forming of the new Government by the Labour party could result in policy or taxation that impact on the profitability of the Group.

Changes to regulation in the gambling industry continue to be closely monitored in all our jurisdictions as further changes are anticipated. The formation of the new Government has created uncertainty over the timing of the legislation to implement the Gambling Act review, including land-based reforms.

The Group primarily operates from properties on short leases in the UK venues businesses. Management seek to renew leases for longer period in strategically important locations and ensure continuity of tenure in profitable venues. However, it is not always possible to guarantee security of tenure where landlords seek to occupy a property themselves or take it back on redevelopment grounds.

New technologies such as Artificial Intelligence (AI) are being explored by the Group and are expected to provide opportunities to deliver improved customer service and efficiency. However, there are also risks associated with new AI technology, particularly in the protection of and use of proprietary data – the Group is exploring how best to capitalise on these technologies whilst not exposing itself to unnecessary risk.

Climate risks are currently not regarded as a principal risk for the Group, but there are additional disclosure requirements that need to be reported on, such as the EU Corporate Sustainability Reporting Directive ('CSRD').

Principal risk 1: Uncertain trading environment

Principal risk

Consumers' discretionary expenditure continues to be impacted by uncertain political and macroeconomic conditions. Such pressures influence customer behaviour and can reduce spend on entertainment and leisure activities such as those offered by the Group, as well as their propensity to visit our venues. This could impact our financial performance and ability to deliver on our strategic plans.

Whilst overall inflationary pressures have eased, wage inflation remains significant and continues to impact the operating margins of our venues businesses. Related risks caused by the current macroeconomic conditions and the change of the UK Government may lead to changes in consumer activity, reduced energy availability and the increased cost of products and services, all of which could impact our future performance.

Residual risk rating and change in risk impact

Considered high residual risk and stable.

With the current trading environment, inflationary pressures (particularly in labour costs), energy prices remaining above historic norms, higher interest rates and labour shortages impacting the leisure sector in particular, the risk here is considered high.

Risk mitigation strategy

We are actively monitoring the situation and continue to put contingency measures in place to manage these risks, including:

- strategic plans have been prepared with current consumer pressures in mind. We have adapted our approach to ensure future plans are sufficiently robust to deal with the uncertain trading conditions.
- monitoring economic developments and undertake scenario analysis where appropriate. In particular, the Group focuses on impacts in the short and medium term that may result from changes in customer behaviour.
- ongoing review of operational plans to ensure that they are robust and well managed.
- undertaking regular insight and tracking work in relation to our brands and continue to assess the relevance of our products to our customers.
- considering ways to manage the Group's exposure in respect of external conditions beyond its control, including forward buying of energy and reviewing the extent of interest rate risk exposure.
- ensuring that our procurement team conducts tender processes and leverages our scale to effectively control costs and ensure pricing is competitive.
- ensuring there are workstreams in place to effectively manage labour cost pressures.

Governance and oversight of risk

Board.

Principal risk 2: Compliance with gambling laws and regulations

Principal risk

Regulatory and legislative regimes for betting and gaming in key markets are constantly under review and can change (including as to their interpretation by regulators) at short notice. These changes could benefit or have an adverse effect on the business and additional costs might be incurred in order to comply. Failing to comply leads to an increased risk of investigation(s), regulatory action and sanctions by way of licence conditions, financial penalties and/or loss of an operating licence.

Residual risk rating and change in risk impact

Considered high residual risk and stable.

There is ongoing and increased regulatory focus on compliance by regulators in the jurisdictions in which the Group operates. The risk of potential non-compliance increases with the pace of change in regulation. In particular, regulatory change in the UK is often delivered through Gambling Commission guidance, which is often open to interpretation.

Risk mitigation strategy

The Group ensures that:

- it seeks ongoing and regular engagement with government, key civil servants involved in determining gambling policy and with regulators.
- it monitors legislative and regulatory developments and announcements in relation to prospective change.
- it has defined policies and procedures in place, which are periodically reviewed and updated as appropriate to take account of regulatory changes and guidance.
- it has a dedicated compliance team led by an experienced Director of Compliance & Safer Gambling, which monitors implementation of, and compliance with such policies and procedures and provides regular reports to the venues' senior management, as well as to the Compliance and Group Risk Committees. The Director of Compliance & Safer Gambling also provides bi-annual reports to the Audit Committee.
- its Compliance Committee meets on a monthly basis, with agenda items including data trends, monitoring programme outputs, proposed changes to compliance models, tools and processes and trade association updates.
- all colleagues undertake annual mandatory compliance training (including anti-bribery, corruption and money laundering), with additional training being undertaken as required/requested or as may be appropriate to a specific role.
- it actively promotes a compliant environment and culture in which customers can play safely.
- it engages with regulators as appropriate and examines the learnings from, and measures adopted by, other operators and sectors of the gambling industry.

Governance and oversight of risk

ESG and Safer Gambling Committee.

Principal risk 3: Safe and sustainable gambling

Principal risk

Safe gambling underpins our strategy with one of our five strategic pillars being that we will build sustainable relationships with our customers by providing them with safe environments in which to play. This minimises the potential for our customers to suffer harm from their gambling and will assist the Group in ensuring that it grows the business in a sustainable way. We are committed to delivering the highest possible levels of player safety and protection.

Failure to provide a safe gambling environment for our customers could have regulatory implications, affect trust in our brands and impact our ability to build a sustainable business for the long term.

Residual risk rating and change in risk impact

Considered medium residual risk and stable.

Our most material ESG issue is to ensure the highest possible levels of player safety and protection.

Risk mitigation strategy

The Group ensures that:

- it actively promotes a safer gambling culture.
- it interacts and engages with its customers on a regular basis.
- it makes available a range of tools on all brands across all channels to support customers in managing their spend and play.
- it invests continuously in the development of its people, processes and technology, including with the assistance of expert third parties, to introduce new and ongoing improvements to enable it to identify and effectively interact with at-risk customers.
- it continues to invest in data analytics to better identify potentially at-risk play by consumers and in the resultant processes which deliver the appropriate interactions with those customers and the ongoing evaluation of the effectiveness of those interactions.
- all colleagues undertake annual mandatory safer gambling training, with additional training (including provided externally, for example by GamCare) as required/requested or as may be appropriate to a specific role.
- it invests significantly in improvements for tackling the problem through donations to research, treatment and education initiatives, as well as through driving collaboration across the industry with other operators, charities and regulatory bodies.
- it has dedicated and experienced first and second line safer gambling teams.

Governance and oversight of risk

ESG and Safer Gambling Committee.

Principal risk 4: People

Principal risk

Pivotal to the success of the organisation isa failure to attract or retain key individuals may impact the Group's ability to deliver on its strategic priorities.

A prerequisite to achieving all the strategic priorities is ensuring the Group has the right people with the right skills, deployed within the right area of the business.

Residual risk rating and change in risk impact

Considered medium residual risk and stable.

The availability of colleagues and competition for talent continues to be a focus area, particularly for our UK venues business.

Risk mitigation strategy

The Group ensures that it:

- regularly engages with colleagues and reviews its reward propositions in order to retain existing talent and attract the best candidates to roles.
- conducts benchmarking exercises in relation to its compensation packages.
- provides training and induction programmes to new joiners, tailored as appropriate for those who are new to the sector.
- monitors attrition and recruitment rates.
- is focused on developing diversity across the Group.
- continues to develop its succession plans.
- offers opportunities for colleagues to develop their skills and progress in their careers.
- continues to consider the development of its culture, including how this is viewed by colleagues in employee opinion surveys and the actions that can be taken in light of the output.
- regularly engage with trade union bodies and maintain an open dialogue on matters impacting our colleagues

Governance and oversight of risk

Board, Nominations and Remuneration Committees.

Principal risk 5: Strategic programmes

Principal risk

Key projects and programmes (including technological change programmes) could fail to deliver, and/or take longer to deliver resulting in missed market opportunities for the Group resulting in missed synergies or savings.

Residual risk rating and change in risk impact

Considered medium residual risk and stable.

Failure to deliver key strategic projects and programmes impacts on customer loyalty and the strategic growth of the business and therefore remains a medium residual risk but is also regarded as stable.

Risk mitigation strategy

The Group ensures that programmes:

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

Governance and oversight of risk

Board.

Principal risk 6: Data protection and management

Principal risk

The inability to adequately protect sensitive customer data and other key data and information assets that could be leaked, exposed, hacked or transmitted would result in customer detriment, formal investigations and/or possible litigation leading to prosecution, fines and/or damage to our brands.

Residual risk rating and change in risk impact

Considered medium residual risk and stable.

The Group continues to develop and enhance its control environment in relation to customer data controls and regulatory requirements.

Risk mitigation strategy

The Group has in place data protection policies in order to protect the privacy rights of individuals in accordance with GDPR and other relevant local data protection and privacy legislation (as applicable). These are monitored by an experienced Data Protection Officer ('DPO') to ensure that the business is aware of, and adheres to, legal requirements and industry best practice. The DPO provides regular reports to the Group Risk Committee on relevant data and trends, monitoring programme outputs, ongoing projects and any potential regulatory matters. The DPO also provides bi-annual reports to the Audit Committee.

All colleagues undertake annual mandatory training, with additional training being undertaken as required/requested or as may be appropriate to a specific role.

Technology and IT security controls are in place to restrict access to sensitive data and ensure individuals only have access to the data they need to do their job. The Group also carries out periodic penetration testing of security controls around data.

Governance and oversight of risk

Audit Committee.

Principal risk 7: Cyber resilience

Principal risk

Cyber-attacks can disrupt and cause considerable financial and reputational damage to the Group. If a cyber-attack were to occur, the Group could lose assets, reputation and business, and potentially face regulatory fines and/or litigation – as well as the costs of remediation.

Operations are highly dependent on technology and advanced information systems (such as the use of cloud computing) and there is a risk that such technology or systems could fail, or outages occur.

Residual risk rating and change in risk impact

Considered medium residual risk and increasing.

There is an ongoing programme of work in place, including monitoring and responding to new and emerging attack vectors. However, the nature of the external environment means this is considered an increasing risk for the Group.

Risk mitigation strategy

The Group:

- has in place security policies and procedures and conducts training for colleagues to ensure ongoing education and awareness.
- employs a dedicated specialist Group security team.
- has a Security Operations Centre ('SOC') and Vulnerability Management service tools(s) to provide monitoring and visibility of security events and enable vulnerabilities to be monitored and quickly addressed.
- carries out periodic attack and penetration testing, with actions arising followed-up, tracked and remediated by the security team.
- follows a rolling programme of work to continue to enhance cybersecurity and resilience within the IT estate.

Governance and oversight of risk

Audit Committee.

Principal risk 8: Business continuity and disaster recovery

Principal risk

Planning and preparation of the organisation, to ensure it could overcome serious incidents or disasters and resume normal operations within a reasonably short period, is critical to ensure that there is minimal impact to its operations, customers and reputation.

Typical disasters might include: natural disasters such as fires and floods, pandemics, accidents impacting key people, insolvency of key suppliers, events that result in a loss or lack of availability of data or IT systems, negative media campaigns and market upheavals.

Residual risk rating and change in risk impact

Considered medium residual risk and stable.

The geographical nature of the operating environment and key risk exposures are known and understood.

Risk mitigation strategy

The Group seeks to develop, embed and refine its approach to incident and crisis management on an ongoing proactive basis. Group business continuity plans are regularly reviewed for key sites and business areas and this work includes reviewing the resilience of and disaster recovery for IT systems.

Governance and oversight of risk

Audit Committee.

Principal risk 9: Dependency on third parties and supply chain

Principal risk

The Group is dependent on a number of third parties and suppliers for the operation of its business. The withdrawal or removal from the market of one or more of these third-party suppliers, failure of these suppliers to comply with contractual obligations, or reputational issues arising in connection with these suppliers could adversely affect operations, especially where these suppliers are niche.

Residual risk rating and change in risk impact

Considered medium residual risk and stable.

The third-party operating environment and key risk exposures continue to be monitored.

Risk mitigation strategy

The Group has a central procurement team that oversees the process for selecting suppliers across the Group, utilising a supplier risk management framework. Our policies and procedures require due diligence to be carried out on material suppliers.

We require that supplier contracts include, amongst other things, appropriate clauses on compliance with applicable laws and regulations, the prevention of modern slavery and anti-bribery. We seek to work with suppliers who are actively managing climate risks.

Business owners are responsible for communication with key suppliers and are ultimately accountable for such relationships and ensuring that contractual requirements are met.

Governance and oversight of risk

Board and Audit Committee.

Principal risk 10: Taxation

Principal risk

Changes in fiscal regimes in domestic and international markets can happen at short notice. These changes could benefit or have an adverse impact with additional costs potentially incurred in order to comply.

Residual risk rating and change in risk impact

Considered low residual risk and stable.

Tax changes in the immediate future are not anticipated to be material. However, with the election of the new UK Government, there may be changes in taxation policy or tax rates that could impact the future profitability of the Group.

Risk mitigation strategy

The Group's tax strategy is approved annually by the Board. Responsibility for its execution is delegated to the Chief Financial Officer who reports the Group's tax position to the Board on a regular basis.

The Group ensures that it:

- has an appropriately qualified and resourced tax team to manage its tax affairs.
- continues to monitor tax legislation and announcements in relation to prospective change and, where appropriate, participate in consultations over proposed legislation, either directly or through industry bodies.
- engages with regulators as appropriate.
- performs analysis of the financial impact on the Group arising from proposed changes to taxation rates.
- seeks external advice and support as may be required.
- develops organisational contingency plans as appropriate.

Governance and oversight of risk

Board and Audit Committee.

Principal risk 11: Liquidity and funding

Principal risk

The Group is reliant on committed debt facilities with four lenders, all of which have specific obligations and covenants that need to be met, and multiple banks for clearing (transaction processing).

A loss of debt facilities and/or clearing facilities could result in the Group being unable to meet its obligations as they become due.

Residual risk rating and change in risk impact

Considered low residual risk and reducing.

The above is being maintained through open dialogue with the banks.

Risk mitigation strategy

The Group ensures that it:

- continues to review the Group's capital structure to ensure we have financing in place to support investment in the business.
- has sufficient cash reserves to navigate through any short-term reduction in available debt facilities.

- ongoing monitoring of financial position with banks and open dialogue around the provisions (accurate forecasting processes and early engagement with lenders around covenant requirements).
- Treasury team involved in advance of any major business decisions that could impact banks providing clearing facilities.
- ensure no trading entity is solely reliant on one bank for clearing services.

Governance and oversight of risk

Board and Finance Committee.

Principal risk 12: Health and safety

Principal risk

Failure to meet the requirements of the various domestic and international rules and regulations relating to the safety of our employees and customers could expose the Group (and individual Directors and employees) to material civil, criminal and/or regulatory action with the associated financial and reputational consequences.

Residual risk rating and change in risk impact

Considered low residual risk and reducing.

No significant changes in domestic and international standards/regulations are anticipated in the short term.

Risk mitigation strategy

The Group ensures that:

- it has defined policies and procedures in place, which are periodically reviewed and updated as appropriate.
- it has a dedicated health and safety team led by an experienced Head of Health and Safety, which monitors implementation of and compliance with such policies and procedures and provides regular reports to the venues' senior management, as well as to the Health and Safety and Group Risk Committees. The Head of Health and Safety also provides bi-annual reports to the Audit Committee.
- all colleagues undertake annual mandatory training, with additional training being undertaken as required/requested or as may be appropriate to a specific role.

Governance and oversight of risk

Audit Committee.

Directors' Responsibility Statement

The Statement of Directors' Responsibilities is made in respect of the full Annual Report and the Financial Statements not the extracts from the financial statements required to be set out in the announcement.

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

- The financial statements, prepared under UK-adopted International Financial Reporting Standard (IFRS), 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 included 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:

Chew Seong Aun

Lucinda Charles-Jones

Richard Harris

Keith Laslop

Katie McAlister

John O'Reilly

Alex Thursby

Karen Whitworth

Signed on behalf of the board on 14 August 2024

John O'Reilly	Richard Harris
Chief Executive	Chief Financial Officer

Group income statement
for the year ended 30 June 2024

	Year ended 30 June 2024			Year ended 30 June 2023 (restated)		
	Underlying £m	**Separately disclosed items (note 3) £m**	**Total £m**	Underlying £m	Separately disclosed items (note 3) £m	Total £m
Continuing operations						
Revenue	**734.7**	**-**	**734.7**	681.9	-	681.9
Cost of sales	**(418.2)**	**(7.6)**	**(425.8)**	(409.0)	(112.3)	(521.3)
Gross profit (loss)	**316.5**	**(7.6)**	**308.9**	272.9	(112.3)	160.6
Other operating income	**-**	**-**	**-**	-	3.7	3.7
Other operating costs	**(270.2)**	**(9.3)**	**(279.5)**	(254.4)	(20.3)	(274.7)
Group operating profit (loss)	**46.3**	**(16.9)**	**29.4**	18.5	(128.9)	(110.4)
Financing:						
– finance costs	**(13.4)**	**-**	**(13.4)**	(12.6)	-	(12.6)
– finance income	**0.7**	**-**	**0.7**	0.8	-	0.8
– other financial losses	**(0.1)**	**(1.1)**	**(1.2)**	(0.5)	(0.6)	(1.1)
Total net financing charge	**(12.8)**	**(1.1)**	**(13.9)**	(12.3)	(0.6)	(12.9)
Profit (loss) before taxation	**33.5**	**(18.0)**	**15.5**	6.2	(129.5)	(123.3)
Taxation	**(6.3)**	**2.8**	**(3.5)**	(0.5)	27.7	27.2
Profit (loss) for the year from continuing operations	**27.2**	**(15.2)**	**12.0**	5.7	(101.8)	(96.1)
Discontinued operations - profit	**-**	**0.2**	**0.2**	-	0.3	0.3
Profit (loss) for the year	**27.2**	**(15.0)**	**12.2**	5.7	(101.5)	(95.8)
Attributable to:						
Equity holders of the parent	**27.5**	**(15.0)**	**12.5**	5.3	(101.5)	(96.2)
Non-controlling interest	**(0.3)**	**-**	**(0.3)**	0.4	-	0.4
	27.2	**(15.0)**	**12.2**	5.7	(101.5)	(95.8)
Earnings (loss) per share attributable to equity shareholders						
– basic	**5.9p**	**(3.2)p**	**2.7p**	1.1p	(21.6)p	(20.5)p
– diluted	**5.9p**	**(3.2)p**	**2.7p**	1.1p	(21.6)p	(20.5)p
Earnings (loss) per share – continuing operations						
– basic	**5.9p**	**(3.3)p**	**2.6p**	1.1p	(21.7)p	(20.6)p
– diluted	**5.9p**	**(3.3)p**	**2.6p**	1.1p	(21.7)p	(20.6)p
Earnings per share – discontinued operations						
– basic	**-**	**0.1p**	**0.1p**	-	0.1p	0.1p
– diluted	**-**	**0.1p**	**0.1p**	-	0.1p	0.1p

Group statement of comprehensive income (loss)
for the year ended 30 June 2024

	Year ended 30 June 2024 £m	Year ended 30 June 2023 (restated) £m
Comprehensive income (loss):		
Profit (loss) for the year	**12.2**	(95.8)
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Exchange adjustments net of tax	**(0.2)**	(0.6)
Total comprehensive income (loss) for the year	**12.0**	(96.4)
Attributable to:		
Equity holders of the parent	**12.3**	(96.8)
Non-controlling interest	**(0.3)**	0.4
	12.0	(96.4)

Group balance sheet
at 30 June 2024

	As at 30 June 2024 £m	As at 30 June 2023 (restated) £m	As at 30 June 2022 (restated) £m
Assets			
Non-current assets			
Intangible assets	**446.4**	456.8	493.6
Property, plant and equipment	**112.5**	97.5	113.1
Right-of-use assets	**64.1**	64.1	101.6
Deferred tax assets	**8.3**	8.1	1.8
Other receivables	**5.2**	5.4	6.3
	636.5	631.9	716.4
Current assets			
Inventories	**2.0**	2.2	2.3
Other receivables	**19.1**	29.1	34.2
Assets classified as held for sale	**0.3**	-	-
Income tax receivable	**8.5**	15.0	8.2
Cash and short-term deposits	**66.1**	58.0	91.4
	96.0	104.3	136.1
Total assets	**732.5**	736.2	852.5
Liabilities			
Current liabilities			
Trade and other payables	**(149.0)**	(128.3)	(130.8)
Lease liabilities	**(32.6)**	(42.2)	(40.4)
Income tax payable	**(4.2)**	(5.7)	(4.2)
Financial liabilities – loans and borrowings	**(14.8)**	(63.7)	(33.9)
Provisions	**(3.6)**	(7.3)	(6.9)
	(204.2)	(247.2)	(216.2)
Net current liabilities	**(108.2)**	(142.9)	(80.1)
Non-current liabilities			
Lease liabilities	**(120.8)**	(126.8)	(141.3)
Financial liabilities – loans and borrowings	**(29.1)**	-	(44.1)
Deferred tax liabilities	**(2.8)**	(1.5)	(20.5)
Provisions	**(33.2)**	(31.7)	(5.6)
Retirement benefit obligations	**(3.4)**	(3.4)	(3.6)
	(189.3)	(163.4)	(215.1)
Total liabilities	**(393.5)**	(410.6)	(431.3)
Net assets	**339.0**	325.6	421.2
Capital and reserves attributable to the Group equity shareholders			
Share capital	**65.0**	65.0	65.0
Share premium	**155.7**	155.7	155.7
Capital redemption reserve	**33.4**	33.4	33.4
Exchange translation reserve	**13.9**	14.0	14.6
Retained earnings	**71.0**	57.2	152.6
Total equity before non-controlling interest	**339.0**	325.3	421.3
Non-controlling interest	-	0.3	(0.1)
Total shareholders' equity	**339.0**	325.6	421.2

Group statement of changes in equity
for the year ended 30 June 2024

	Share capital £m	Share premium £m	Capital redemption reserve £m	Exchange translation reserve £m	Retained earnings (losses) £m	Reserves attributable to the Group's equity shareholders £m	Non-controlling interest £m	Total equity £m
At 1 July 2022 (as previously reported)	65.0	155.7	33.4	14.6	156.5	425.2	(0.1)	425.1
Impact of prior period error (note 1)	-	-	-	-	(3.9)	(3.9)	-	(3.9)
At 1 July 2022 (restated)	65.0	155.7	33.4	14.6	152.6	421.3	(0.1)	421.2
Comprehensive income:								
(Loss) profit for the year	-	-	-	-	(96.2)	(96.2)	0.4	(95.8)
Other comprehensive income:								
Exchange adjustments net of tax	-	-	-	(0.6)	-	(0.6)	-	(0.6)
Total comprehensive (loss) income for the year	-	-	-	(0.6)	(96.2)	(96.8)	0.4	(96.4)
Transactions with owners:								
Credit in respect of employee share schemes including tax	-	-	-	-	0.8	0.8	-	0.8
At 30 June 2023 (restated)	65.0	155.7	33.4	14.0	57.2	325.3	0.3	325.6
Comprehensive income:								
Profit (loss) for the year	**-**	**-**	**-**	**-**	**12.5**	**12.5**	**(0.3)**	**12.2**
Other comprehensive income:								
Exchange adjustments net of tax	**-**	**-**	**-**	**(0.1)**	**(0.1)**	**(0.2)**	**-**	**(0.2)**
Total comprehensive income for the year	**-**	**-**	**-**	**(0.1)**	**12.4**	**12.3**	**(0.3)**	**12.0**
Transactions with owners:								
Credit in respect of employee share schemes including tax	**-**	**-**	**-**	**-**	**1.2**	**1.2**	**-**	**1.2**
Other	**-**	**-**	**-**	**-**	**0.2**	**0.2**	**-**	**0.2**
At 30 June 2024	**65.0**	**155.7**	**33.4**	**13.9**	**71.0**	**339.0**	**-**	**339.0**

Group statement of cash flow
for the year ended 30 June 2024

	Year ended 30 June 2024 £m	Year ended 30 June 2023 (restated) £m
Cash flows from operating activities		
Cash generated from operations (see note 13)	**118.9**	72.0
Interest received	**0.6**	0.3
Interest paid	**(4.4)**	(4.9)
Arrangement fees paid	**(4.3)**	-
Tax received (paid)	**2.4**	(3.2)
Net cash generated from operating activities	**113.2**	64.2
Cash flows from investing activities		
Purchase of intangible assets	**(16.1)**	(13.1)
Purchase of property, plant and equipment	**(30.6)**	(31.0)
Proceeds from sale of business	**(0.8)**	-
Purchase of subsidiaries (net of cash acquired)	**-**	(0.4)
Net cash used in investing activities	**(47.5)**	(44.5)
Cash flows from financing activities		
Repayment of term loans	**(44.4)**	(34.5)
Drawdown of term loans	**30.0**	-
Drawdown of revolving credit facilities	**175.4**	22.0
Repayment of revolving credit facilities	**(181.9)**	(4.0)
Lease principal payments	**(39.0)**	(37.9)
Net cash used in financing activities	**(59.9)**	(54.4)
Net increase (decrease) in cash and short-term deposits	**5.8**	(34.7)
Effect of exchange rate changes	**0.1**	(0.1)
Cash and short-term deposits at start of year[1]	**56.5**	91.3
Cash and short-term deposits at end of year[1]	**62.4**	56.5

[1] is net of bank overdraft of £3.7m (2023: £1.5m) contained in current financial liabilities – loans and borrowings

1. General information, basis of preparation and accounting policies

General information

The consolidated financial statements of The Rank Group Plc ("the Company") and its subsidiaries (together "the Group") for the year ended 30 June 2024 were authorised for issue in accordance with a resolution of the Directors on 14 August 2024.

The Company is a public limited company which is listed on the London Stock Exchange and is incorporated and domiciled in England and Wales under registration number 03140769. The address of its registered office is TOR, Saint-Cloud Way, Maidenhead, SL6 8BN.

The Group operates gaming services in Great Britain (including the Channel Islands), Spain and India.

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all periods presented, except where noted below.

Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention.

The financial information does not constitute the Group's statutory accounts for the years ended 30 June 2024 or 2023 but is derived from those accounts. Statutory accounts for 2023 have been delivered to the Registrar of Companies, and those for 2024 will be delivered in due course. The auditor has reported on those accounts; their reports were (i) unqualified, (ii) did not include reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain statements under Section 498(2) or (3) of the Companies Act 2006.

Whilst the financial information included in this announcement has been computed using the recognition and measurement requirements of UK adopted International Accounting Standards (IAS), this announcement does not itself contain sufficient information to comply with IAS. The Company expects to send its Annual Report 2024 to shareholders on 14 September 2024.

Statement of compliance

The consolidated financial statements have been prepared in accordance with UK-adopted International Accounting Standards. UK-adopted International Accounting Standards includes standards issued by the International Accounting Standards Board ('IASB') that are endorsed for use in the UK.

Going concern

In adopting the going concern basis and viability statement for preparing the financial information, the Directors have considered the circumstances impacting the Group during the year, including the budget for 2024/25 ('the base case') and long range forecast approved by the Board, and recent trading performance, and have reviewed the Group's projected compliance with its banking covenants and access to funding options for the period from the date of this report to 31 August 2025 for the going concern period, and for the period to 31 August 2027 for the viability assessment. The Directors have reviewed and challenged management's assumptions for the Group's base case view for the going concern period. Key considerations are the assumptions on the levels of customer visits and their average spend in the venues-based businesses, and the number of first time and returning depositors in the digital businesses, and the average level of spend per visit for each. The key base assumptions on costs are as follows:

- Payroll costs are adjusted for increases in the National Minimum Wage and pay rise awarded in April 2025
- Rent due during the 24/25 financial year is paid on time
- All tax and duty are paid on time
- Capital expenditure is in line with strategic plans
- Standard payment terms are assumed for supplier payments.

The base case view contains certain discretionary costs within management control that could be reduced in the event of a revenue downturn. These include reductions to overheads, reductions to marketing costs, reductions to the venues' operating costs and reductions to capital expenditure.

The committed financing position in the base case within the going concern assessment period is that the Group continues to have access to the following committed facilities:

- Revolving credit facilities ("RCF") of £90.0m, repayable in January 2027.
- Term loan of £30.0m with bullet repayment in October 2026 - this is after the going concern period.
- Both have +1+1 extension options.

In undertaking their assessment, the Directors also reviewed compliance with the banking covenants ("Covenants") which are tested bi-annually at June and December. The Group expects to meet the Covenants throughout the going concern period and have the cash available to meet its liabilities as they fall due.

Sensitivity Analysis

The base case view reflects the Directors' best estimate of the outcome for the going concern period.

A number of plausible but severe downside risks, including consideration of possible mitigating actions, have been modelled with particular focus on the potential impact to cash flows, cash headroom and covenant compliance throughout the going concern period.

The two downside scenarios modelled are:

(i) revenues in Grosvenor fall by 7% and Rank Interactive by 10% versus the base case view, with management taking a number of mitigating actions including reduction in capital expenditure, reduction in staff costs and the removal of the Group planning contingency.

(ii) a reverse stress test, revenues in Grosvenor fall by 23.5% and revenues in Rank Interactive fall by 15% in the initial year, with management taking actions as for scenario (i) but with further mitigating actions on employment costs and marketing costs.

Having modelled the downside scenarios, the indication is that the Group would continue to meet its covenant requirements in all scenarios and have available cash to meet liabilities within the going concern period.

The Directors acknowledge that there is ongoing uncertainty regarding the outcome of the Gambling Act Review (GAR) and its subsequent timing. The Directors acknowledge that this may have a more positive impact on the budgeting and forecasting performance than anticipated if earlier implementation occurs. For the going concern period, management have not included any benefit from the GAR.

Accordingly, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period at least through to 31 August 2025.

For these reasons, the Directors continue to adopt the going concern basis for the preparation of these consolidated financial statements, and in preparing the consolidated financial statements, they do not include any adjustments that would be required to be made if they were prepared on a basis other than going concern.

Going concern statement

Based on the Group's cash flow forecasts and business plan, the Directors believe that the Group will generate sufficient cash to meet its liabilities as they fall due for the period up to 31 August 2025. In making such statement, the Directors highlight forecasting accuracy in relation to the level of trading performance achieved as the key sensitivity in the approved base case.

The Directors have considered two downside scenarios which reflects a reduced trading performance, inflationary impacts on the cost base and various management-controlled cost mitigations.

In each of the downside scenarios, the Group will generate sufficient cash to meet its liabilities as they fall due and meet its covenant requirements for the period to 31 August 2025 with scenarios i) and ii) requiring the implementation and execution of mitigating cost actions within the control of management.

Changes in accounting policy and disclosures

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

In preparing the consolidated financial statements for the current period, the Group has adopted the following new IFRSs amendments to IFRSs and IFRS Interpretations Committee (IFRIC) interpretations. All standards do not have a significant impact on the results or net assets of the Group. Changes are detailed below:

- Insurance Contracts (IFRS 17)
- Disclosure of accounting policies (amendments to IAS 1 and IFRS Practice Statement 2 effective for period beginning 1 July 2023)
- Definition of accounting estimates (amendments to IAS 8 effective for period beginning 1 July 2023)
- Deferred tax related to assets and liabilities arising from a single transaction (amendment to IAS 12 effective for period beginning 1 July 2023) Interest rate benchmark reform – Phase 2 (amendment to IAS 39)

- International Tax Reform- Pillar Two Model Rules (amendments to IAS 12)
- Classification of Liabilities as Current or Non-current and Non-current liabilities with Covenants (amendment to IAS 1)
- Lease liability in a Sale and Leaseback (amendment to IFRS 16)
- Disclosure: Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Lack of exchangeability (amendment to IAS 21)
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments to IFRS 10 and IAS 28).

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

At the date of authorisation of the consolidated financial statements, the following Standards, amendments and Interpretations, which have not been applied in these consolidated financial statements, were in issue but not yet effective:

- International Tax Reform - Pillar 2 Model Rules - (Amendments to IAS 12)
- Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants (amendment to IAS 1)
- Lease liability in a sale and leaseback (Amendments to IFRS 16)
- Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7
- Lack of exchangeability - amendments to IAS 21
- Classification and measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7
- Presentation and Disclosure in Financial Statements
- Subsidiary without Public Accountability: Disclosures
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28

The Group does not currently believe that the adoption of these new standards or amendments would have a material effect on the results or financial position of the Group.

Separately disclosed items (SDI)

The Group separately discloses certain costs and income that impair the visibility of the underlying performance and trends between periods. The SDIs are material and infrequent in nature and/or do not relate to underlying business performance. Judgement is required in determining whether an item should be classified as an SDI or included within the underlying results.

SDIs include but are not limited to:

- Amortisation of acquired intangible assets
- Profit or loss on disposal of businesses
- Costs or income associated to the closure of venues
- Acquisition and disposal costs including changes to deferred or contingent consideration
- Impairment charges
- Reversal of previously recognised impairment charges
- Property-related provisions
- Restructuring costs as part of an announced programme
- Retranslation and remeasurement of foreign currency contingent consideration
- General dilapidations provision interest unwinding
- General dilapidation asset depreciation
- Discontinued operations
- Significant, material proceeds from tax appeals; and
- Tax impact of all the above.

Climate change

The Group continues to consider the impact of climate change in the consolidated financial statements and considers that the most significant impact would be in relation to the cost of energy to the Group for which best estimates have been factored into future forecasts, the carrying value of assets in the accounts, albeit this is not considered to have a material impact at the current time and the useful economic life of assets.

The Group constantly monitors the latest government legislation in relation to climate related matters. At the current time, no legislation has been passed that will impact the Group. The Group will adjust key assumptions in value in use calculations and sensitise these calculations should a change been required.

Dilapidation costs

The provision represents the estimated cost of dilapidation at the end of the lease term of certain properties. The provision is reviewed periodically and reflects judgement in the interpretation of lease terms and negotiation positions with landlords including the likelihood that the current leasehold properties may be subject to redevelopment at the end of lease term

Estimates and judgements

In preparing the condensed consolidated financial information, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense, including inflationary cost pressures impacting the cost of living and customer sentiment and behaviour. Actual results may differ from these estimates.

Dilapidations provision

Provisions for dilapidations are recognised where the Group has the obligation to make-good its leased properties. These provisions are measured based on historically settled dilapidations which form the basis of the estimated future cash outflows. Any difference between amounts expected to be settled and the actual cash outflow will be accounted for in the period when such determination is made.

The Group's provisions are estimates of the actual costs and timing of future cash flows, which are dependent on future events, property exits and market conditions. Thus, there is inherently an element of estimation uncertainty within the provisions recognised by the Group. Any difference between expectations and the actual future liability will be accounted for in the period when such determination is made.

The provisions are most sensitive to estimates of the future cash outflows which are based on historically settled dilapidations. This means that an increase in cash outflows of 1% would have resulted to a £0.3m increase in the dilapidations provision. Likewise, a decrease in cash outflows of 1% would have resulted to a £0.3m decrease in the dilapidations provision.

Prior period restatement

These consolidated financial statements include a prior year restatement in relation to prior year costs identified in the Digital business which erroneously had not been recognised in the prior year consolidated income statements. The error was considered to be material due to its nature and impact to key performance indicators.

Accordingly, a third balance sheet has been presented in accordance with IAS 1 'Presentation of Financial Statements.'

During the period, the Group identified an accumulated total of £4.4m of prior year adjustments within the Digital business comprising £3.2m of trading related costs which erroneously had not been recognised in the prior year financial statements and £1.2m of excess releases to income which erroneously had been recognised in the prior year financial statements. Of the total value of £4.4m, £0.5m relates to financial year 2022/23 and the remaining £3.9m relates to pre 2022/23.

The impact of the adjustment on the June 2023 balance sheet is a reduction to total asset of £2.2m, an increase on trade and other payables of £2.2m, a reduction to closing reserves as at 30 June 2023 of £4.4m and a reduction to opening reserves as at 1 July 2022 of £3.9m.

The above restatement reduces both basic and diluted EPS by 0.1 pence for the year ended 30 June 2023.

In addition to above, the consolidated statement of cash flow includes a prior year restatement in relation to leases. During the year, the Group identified that the lease principal payments incorrectly included £4.6m of property-related VAT and £1.1m of property service charges. Cash flows from lease-related VAT and property service charges should have been disclosed within cash flows from operating activities. This restatement results in a reduction of £5.7m in both net cash generated from operating activities and net cash used in financing activities in the 2023 statement of cash flows. The restatement was identified following a review of the 2023 Annual Report by the Financial Reporting Council ('FRC'). The FRC's review does not benefit from detailed knowledge of our business, or an understanding of the underlying transactions entered into and therefore provides no assurance that the Annual Report is correct in all material aspects.

The prior period comparatives have been restated for the above items in accordance with IAS 8: 'Accounting Policies, Changes in Accounting Policies and Errors' and have impacted the primary financial statements as follows:

Income Statement
for the year ended 30 June 2023

	As previously reported £m	Adjustment £m	As restated £m
Revenue	681.9	-	681.9
Cost of sales	(521.3)	-	(521.3)
Gross profit	160.6	-	160.6
Other operating income	3.7		3.7
Other operating costs	(274.1)	(0.6)	(274.7)
Operating loss	(109.8)	(0.6)	(110.4)
Financing:			
- finance costs	(12.6)	-	(12.6)
- finance income	0.8	-	0.8
- other financial gains	(1.1)	-	(1.1)
Total net financing charge	(12.9)	-	(12.9)
Loss before taxation	(122.7)	(0.6)	(123.3)
Taxation	27.1	0.1	27.2
Loss for the period from continuing operations	(95.6)	(0.5)	(96.1)
Profit after tax from discontinued operations	0.3	-	0.3
Loss for the year	(95.3)	(0.5)	(95.8)

	As previously reported £m	Adjustment £m	As restated £m
Loss per share attributable to equity shareholders			
- basic	(20.4)p	(0.1)p	(20.5)p
- diluted	(20.4)p	(0.1)p	(20.5)p
Underlying loss per share attributable to equity shareholders			
- basic	(20.4)p	(0.1)p	(20.5)p
- diluted	(20.4)p	(0.1)p	(20.5)p

Balance Sheet
At 30 June 2023

	As previously reported £m	Adjustment £m	As restated £m
Assets			
Deferred tax asset	7.6	0.5	8.1
Other receivables	6.2	(0.8)	5.4
Income tax receivable	14.9	0.1	15.0
Cash and short-term deposits	60.0	(2.0)	58.0
Total assets	738.4	(2.2)	736.2
Liabilities			
Trade and other payable	(126.1)	(2.2)	(128.3)
Total liabilities	(408.4)	(2.2)	(410.6)
Net assets	**330.0**	**(4.4)**	**325.6**
Equity			
Retained earnings	61.6	(4.4)	57.2
Total equity before non-controlling interests	329.7	(4.4)	325.3
Non-controlling interests	0.3	-	0.3
Total shareholders' equity	**330.0**	**(4.4)**	**325.6**

Balance Sheet
At 1 July 2022

	As previously reported £m	Adjustment £m	As restated £m
Assets			
Deferred tax asset	1.4	0.4	1.8
Other receivables	6.7	(0.4)	6.3
Income tax receivable	8.1	0.1	8.2
Cash and short-term deposits	95.7	(4.3)	91.4
Total assets	856.7	(4.2)	852.5
Liabilities			
Trade and other payables	(131.1)	0.3	(130.8)
Total Liabilities	(431.6)	0.3	(431.3)
Net Assets	425.1	(3.9)	421.2
Equity			
Retained earnings	156.5	(3.9)	152.6
Total equity before non-controlling interests	425.2	(3.9)	421.3
Non-controlling interests	(0.1)	-	(0.1)
Total shareholders' equity	425.1	(3.9)	421.2

Cash Flow Statement
for the year ended 30 June 2023

	As previously reported £m	Adjustment £m	As restated £m
Cash flows from operating activities			
Cash generated from operations	75.3	(3.3)	72.0
Net cash generated from operating activities	67.5	(3.3)	64.2
Net cash used in investing activities	(44.5)	-	(44.5)
Net cash used from financing activities	(60.1)	5.7	(54.4)
Net decrease in cash and short-term deposits	(37.1)	2.4	(34.7)
Cash and short-term deposit at the start of the period	95.7	(4.4)	91.3
Effect of exchange rate changes	(0.1)	-	(0.1)
Cash and short-term deposits at end of year	58.5	(2.0)	56.5

2. Segment information

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors, as the chief operating decision-makers (CODM), to enable them to make strategic and operational decisions.

The Group reports five segments: Digital, Grosvenor Venues, Mecca Venues, Enracha Venues and Central Costs.

	Year ended 30 June 2024					
	Digital £m	**Grosvenor Venues £m**	**Mecca Venues £m**	**Enracha Venues £m**	**Central Costs £m**	**Total £m**
Continuing operations						
Revenue	**226.0**	**331.3**	**138.9**	**38.5**	**-**	**734.7**
Operating profit (loss)	**23.4**	**23.7**	**3.7**	**9.6**	**(14.1)**	**46.3**
Separately disclosed items	**(7.2)**	**(7.2)**	**(5.4)**	**3.5**	**(0.6)**	**(16.9)**
Segment result	**16.2**	**16.5**	**(1.7)**	**13.1**	**(14.7)**	**29.4**
Finance costs						**(13.4)**
Finance income						**0.7**
Other financial losses						**(1.2)**
Profit before taxation						**15.5**
Taxation						**(3.5)**
Profit for the year from continuing operations						**12.0**

	Year ended 30 June 2023 (restated and re-presented)					
	Digital £m	Grosvenor Venues £m	Mecca Venues £m	Enracha Venues £m	Central Costs £m	Total £m
Continuing operations						
Revenue	202.9	306.3	136.3	36.4	-	681.9
Operating profit (loss)	13.2	16.3	(7.0)	9.1	(13.1)	18.5
Separately disclosed items	(9.1)	(51.7)	(67.1)	(4.2)	3.2	(128.9)
Segment result	4.1	(35.4)	(74.1)	4.9	(9.9)	(110.4)
Finance costs						(12.6)
Finance income						0.8
Other financial losses						(1.1)
Loss before taxation						(123.3)
Taxation						27.2
Loss for the year from continuing operations						(96.1)

2. Segment information (continued)

Under IFRS8 – Operating Segments, segments are reported in a manner consistent with internal reporting provided to CODM.

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

	Year ended 30 June 2024					
	Digital	**Grosvenor Venues**	**Mecca Venues**	**Enracha Venues**	**Central Costs**	**Total**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**
Employment and related costs	**28.9**	**139.6**	**51.8**	**17.7**	**8.6**	**246.6**
Taxes and duties	**51.2**	**70.0**	**26.1**	**1.8**	**2.1**	**151.2**
Direct costs	**55.3**	**29.2**	**21.9**	**3.4**	**-**	**109.8**
Depreciation and amortisation	**14.6**	**25.9**	**4.3**	**1.5**	**1.4**	**47.7**
Marketing	**39.2**	**8.0**	**5.1**	**2.8**	**-**	**55.1**
Property costs	**1.0**	**9.5**	**5.1**	**0.5**	**0.4**	**16.5**
Other	**12.4**	**25.4**	**20.9**	**1.2**	**1.6**	**61.5**
Total costs before separately disclosed items	**202.6**	**307.6**	**135.2**	**28.9**	**14.1**	**688.4**
Cost of sales						**418.2**
Operating costs						**270.2**
Total costs before separately disclosed items						**688.4**

	Year ended 30 June 2023 (restated)					
	Digital	Grosvenor Venues	Mecca Venues	Enracha Venues	Central Costs	Total
	£m	£m	£m	£m	£m	£m
Employment and related costs	28.1	122.0	46.1	17.7	7.7	221.6
Taxes and duties	47.7	64.2	27.1	2.0	1.2	142.2
Direct costs	57.1	28.2	20.6	3.0	-	108.9
Depreciation and amortisation	14.3	28.8	10.9	1.5	2.5	58.0
Marketing	33.3	6.2	5.7	2.4	0.2	47.8
Property costs	0.8	11.6	6.5	0.6	0.5	20.0
Other	8.4	29.0	26.4	0.1	1.0	64.9
Total costs before separately disclosed items	189.7	290.0	143.3	27.3	13.1	663.4
Cost of sales						409.0
Operating costs						254.4
Total costs before separately disclosed items						663.4

3. Separately disclosed items (SDIs)

	Year ended 30 June 2024 £m	Year ended 30 June 2023 £m
Continuing operations		
Impairment charges	**(28.8)**	(118.9)
Impairment reversals	**21.2**	6.6
Closure of venues	**(0.2)**	(7.7)
Amortisation of acquired intangible assets	**(6.6)**	(8.6)
Property-related provision	**(1.9)**	(1.9)
Loss on disposal of subsidiary	**(0.6)**	-
Integration costs	**-**	(0.1)
Business transformation costs	**-**	(2.0)
Disposal provision release	**-**	3.7
Separately disclosed items [(1)]	**(16.9)**	(128.9)
Interest	**(1.1)**	(0.6)
Taxation (see note 5)	**2.8**	27.7
Separately disclosed items relating to continuing operations [(1)]	**(15.2)**	(101.8)
Separately disclosed items relating to discontinued operations [(1)]		
Profit on disposal of business	**0.2**	0.3
Total separately disclosed items	**(15.0)**	(101.5)

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

Impairment charges and reversal
During the year, the Group recognised impairment charges of £28.8m (2023: £118.9m) relating to Grosvenor and Mecca clubs for a number of reasons, including lower than anticipated performances, further reduction in forecast earnings and a decision to close a number of clubs and venues (see note 8 for further details).

The Group also recognised a reversal of previously impaired assets of £21.2m (2023: £6.6m Grosvenor venues) relating to Grosvenor, Mecca and Enracha venues. The reversals were driven by better than anticipated performance and improved outlook in the identified Grosvenor, Mecca and Enracha venues.

These items are material, non-recurring and as such, have been excluded from underlying results.

Closure of venues
During the year, the Group impact of closed clubs was £0.2m (2023: £3.1m relating to a number of Mecca venues. £3.0m relating to a Grosvenor venue and £0.1m relating to an Enracha venue). These relate to onerous contract costs, dilapidations and strip out costs on leased sites and other directly related costs that have been identified for closure. Upon initial recognition of closure provisions, management uses its best estimates of the relevant costs to be incurred, as well as the expected closure dates.

These are material, one off cost and as such have been excluded from underlying results.

Amortisation of acquired intangible assets
'Acquired intangible assets are amortised over the life of the assets with the charge being included in the Group's reported amortisation expense. Given these charges are material and non-cash in nature, the Group's underlying results have been adjusted to exclude the amortisation expense of £6.6m (2023: £8.6m) relating to the acquired intangible assets of Stride, Yo Bingo and Rialto.

3. Separately disclosed items (continued)

Property related provision

The Group recognised a dilapidation liability (and corresponding dilapidation asset) of £28.7m during the period ending 31 December 2022. As a result, the Group have recognised dilapidation asset depreciation of £1.7m (2023: £1.9m) and interest on dilapidation liability of £1.1m (2023: £0.6m) both recognised as separately disclosed items.

Property related provisions do not relate to the operations of the Group, rather a direct result of potential club or property closures and are therefore, excluded from underlying results.

In prior years and as a result of the COVID-19 lockdown, the Group determined it was probable that they will be required to make payments under a property arrangement for which the liability will revert to the Group if the tenant defaults. A provision of £10.4m was recognised, being the present value of the amount expected to be paid over the remaining term of the lease.

During the prior year, the Group have re-considered this provision in light of the current circumstances and situation for both the Group, the guarantors and the property tenants. It was determined that payment is no longer probable and therefore, the provision was released in full.

This is a material, one-off provision and as such has been excluded from underlying results consistent with the original recognition of the provision.

Integration costs

During the year, no cost (2023: £0.1m) has been excluded from underlying operating results of the Group. These costs have been incurred to ready the RIDE proprietary platform, acquired in the Stride acquisition, to migrate the legacy Rank brands. Meccabingo.com successfully migrated in January 2022 and grosvenorcasino.com in September 2022.

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

Business transformation costs

This was a multi-year change programme for the Group focused around revenue growth, cost savings, efficiencies and ensuring the key enablers are in place. The transformation programme started in January 2019 was expected to complete by 31 December 2021 but due to COVID-19 this period was extended.

The multi-year change programme is a material, infrequent programme and is not considered to be part of the underlying business performance. During the year no cost (2023: £2.0m) was incurred and excluded from the underlying results of the Group. Going forward, the costs associated with this programme would form part of the underlying results of the Group.

Disposal provision release

In prior years, a provision had been made for legacy industrial disease and personal injury claims, and other directly attributable costs arising as a consequence of the sale or closure of previously owned businesses.

During the year, the Group have re-considered this provision by reviewing the historic and recent claims including the final settlement made. The Group also assessed the likelihood of payment for existing and potential future claims and concluded, on most cases, that the payment could not be determined as probable. It was therefore determined necessary to release the provision of £3.7m for the year.

Loss on disposal of subsidiaries

During the year the Group disposed of its subsidiary of Passion Gaming and incurred a loss of £0.5m. In addition, the multi-brand business is in the process of divestment and £0.1m related to legal fees incurred to date.

3. Separately disclosed items (continued)

Taxation

The tax impact on all of the above items are also considered not to be part of the underlying operations of the Group.

Profit on disposal of business

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

The Group also made the decision to release £0.2m of the warranty provision associated with the Belgium casino sale due to passage of time.

4. Financing

	Year ended 30 June 2024 £m	Year ended 30 June 2023 £m
Continuing operations		
Finance costs:		
Interest on debt and borrowings	**(4.0)**	(4.8)
Amortisation of issue costs on borrowings	**(3.5)**	(1.3)
Interest payable on leases	**(5.9)**	(6.5)
Total finance costs	**(13.4)**	(12.6)
Finance income:		
Interest income on net investments in leases	**0.3**	0.1
Interest on short-term bank deposits	**0.4**	0.7
Total finance income	**0.7**	0.8
Other financial losses[1]	**(0.1)**	(0.5)
Total net financing charge before separately disclosed items	**(12.8)**	(12.3)
Separately disclosed items – interest	**(1.1)**	(0.6)
Total net financing charge	**(13.9)**	(12.9)

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

5. Taxation

	Year ended 30 June 2024 £m	Year ended 30 June 2023 (restated) £m
Current income tax		
Current income tax – UK	**0.1**	1.3
Current income tax – overseas	**(2.3)**	(1.9)
Current income tax on separately disclosed items	**-**	2.6
Amounts (under) over provided in previous period	**(0.2)**	0.1
Total current income tax (charge) credit	**(2.4)**	2.1
Deferred tax		
Deferred tax – UK	**(1.6)**	(5.8)
Deferred tax – overseas	**(1.2)**	0.1
Impact of rate changes on deferred tax	**-**	5.7
Deferred tax on separately disclosed items	**2.8**	25.1
Amounts under provided in previous period	**(1.1)**	-
Total deferred tax (charge) credit	**(1.1)**	25.1
Tax (charge) credit in the income statement	**(3.5)**	27.2

5. Taxation (continued)

Tax on SDIs

The taxation impacts of separately disclosed items are disclosed below:

	Year ended 30 June 2024			Year ended 30 June 2023		
	Current income tax	**Deferred tax**	**Total**	Current income tax	Deferred tax	Total
	£m	**£m**	**£m**	£m	£m	£m
Net impairment charges	-	**1.2**	**1.2**	2.0	23.2	25.2
Property-related provisions	-	**0.8**	**0.8**	0.2	0.7	0.9
Amortisation of acquired intangible assets	-	**0.8**	**0.8**	-	1.3	1.3
Closure of venues	-	-	-	0.2	1.3	1.5
Integration costs	-	-	-	0.1	(1.8)	(1.7)
Business transformation costs	-	-	-	0.1	0.4	0.5
Tax credit on SDIs	-	**2.8**	**2.8**	2.6	25.1	27.7

Factors affecting future taxation

UK corporation tax is calculated at 25.00% (year ended 30 June 2023: 20.50%) of the estimated assessable profit for the period. Taxation for overseas operations is calculated at the local prevailing rates.

On 1 July 2024, the Government of Gibraltar announced the increase in the main rate of corporation tax from 12.50% to 15.00% effective from 1 July 2024. This rate change will increase the amount of cash tax payments to be made by the Group.

The ultimate holding company and its subsidiaries (the "UHC Group") of which the Group is a part of, is within the scope of the Organisation for Economic Co-operation and Development ("OECD") Pillar Two model rules whereby top-up tax on profits are required in any jurisdictions in which it operates when the blended effective tax rate in each of those jurisdictions is lower than the minimum effective tax rate of 15%.

The Pillar Two model rules will be effective in the jurisdiction of the UHC Group's parent company from the financial year beginning on or after 1 January 2025. Some tax jurisdictions where the Group operates, including the United Kingdom, will implement the Pillar Two model rules earlier starting from the financial year beginning on or after 1 January 2024, making it effective for the Group from 1 July 2024.

The UHC Group has assessed the potential exposure to the Pillar Two income taxes for all of its subsidiaries that operate in the same jurisdictions as the Group, and the Group has also carried out its own independent assessment. The potential impact has been assessed based on the 30 June 2023 tax filings, country by country reporting and financial statements for the constituent entities in the Group. In this assessment the majority of jurisdictions satisfied the transitional safe harbour rules and based on the level of pre-tax profit and level of tax expense in the other jurisdictions it is not considered that there would be a material top-up tax liability at this stage.

The Amendments to IAS 12 "Income Taxes – International Tax Reform – Pillar Two Model Rules" introduce a temporary mandatory exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two Model Rules as well as disclosure requirements on the exposure to Pillar Two income taxes upon adoption.

Accordingly, the Group has applied the temporary mandatory exception in Amendments to IAS 12 "International Tax Reform – Pillar Two Model Rules" retrospectively and is not accounting for deferred taxes arising from any top-up tax due to the Pillar Two model rules in the consolidated financial statements.

6. Dividends paid to equity holders

A final dividend in respect of the year ended 30 June 2024 of 0.85p per share, amounting to a total dividend of £4.0m, is to be recommended at the Annual General Meeting on 17 October 2024 (year ended 30 June 2023: £nil). These financial statements do not reflect this dividend payable.

7. Underlying earnings per share

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

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

	Year ended 30 June 2024 £m	Year ended 30 June 2023 (restated) £m
Profit (loss) attributable to equity shareholders	**12.5**	(96.2)
Adjust for:		
SDIs after tax	**15.0**	101.5
Underlying net earnings attributable to equity shareholders	**27.5**	5.3
Continuing operations	**27.5**	5.3
Weighted average number of ordinary shares in issue	**468.4m**	468.4m
Underlying earnings per share (p) - basic		
Continuing operations	**5.9p**	1.1p
Underlying earnings per share (p) - diluted		
Continuing operations	**5.9p**	1.1p

8. Impairment reviews

The Group considers each venue to be a separate Cash-Generating Unit ('CGU'). The Group's digital operations consist of the UK digital business and the International digital business. UK digital and International digital are each assessed as separate CGUs. The individual Grosvenor venues are aggregated for the purposes of allocating the Grosvenor goodwill.

As at 30 June 2024, goodwill and indefinite life intangible assets considered significant in comparison to the Group's total carrying amount of such assets have been allocated to groups of CGUs as follows:

	Goodwill		Intangible assets	
	2023/24 £m	2022/23 £m	**2023/24 £m**	2022/23 £m
Grosvenor – group of CGUs[1]	**80.9**	80.9	**179.0**	179.5
UK digital CGUs	**108.5**	108.5	**-**	-
International digital CGUs	**30.9**	30.9	**-**	-
Enracha CGUs[2]	**-**	-	**11.2**	11.6
Total	**220.3**	220.3	**190.2**	191.1

1. Each Grosvenor venue is a separate CGU. Each venue holds at least one licence, but can hold multiple licences, which represents an indefinite life intangible asset. The individual Grosvenor venues are aggregated for the purposes of allocating the Grosvenor goodwill.
2. Each Enracha venue is a separate CGU. As no individual venue CGU is significant in comparison to the total carrying amounts of intangible assets and other assets, the venue CGUs have been presented on aggregated basis.

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment as required by IAS 36. If any such indication exists, then the assets or CGUs recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives, the recoverable amount of the related CGU or group of CGUs is estimated each year at the same time. The recoverable amount is determined based on the higher of the fair value less costs of disposal and value in use. The nature of the test requires that the Directors exercise judgement and estimation.

The impairment test was conducted in June 2024, and management is satisfied that the assumptions used were appropriate and that goodwill asset is not impaired, no reasonable possible changes in assumptions will result in an impairment and therefore no sensitivity analysis has been disclosed.

Testing is carried out by allocating the carrying value of these assets to CGUs, as set out above, and determining the recoverable amounts of those CGUs. The individual CGUs were first tested for impairment and then the group of CGUs to which goodwill is allocated were tested. Where the recoverable amount exceeds the carrying value of the CGUs, the assets within the CGUs are considered not to be impaired. If there are legacy impairments for such assets, except goodwill, these are considered for reversal.

The recoverable amounts of all CGUs or group of CGUs have been calculated with reference to their value in use. Value in use calculations are based upon estimates of future cash flows derived from the Group's strategic plan for the following three years. The strategic plan is updated in the final quarter of the financial year and has been approved by the Board of Directors. Future cash flows will also include an estimate of long-term growth rates which are estimated by business unit.

Pre-tax discount rates are applied to each CGU or group of CGUs cash flows and reflect both the time value of money and the risks that apply to the cash flows of that CGU or group of CGUs. These estimates have been calculated by external experts and are based on typical debt and equity costs for listed gaming and betting companies with similar risk profiles. The rates adopted are disclosed in the table below.

	Pre-tax discount rate		Long-term growth rate	
	2023/24	2022/23	**2023/24**	2022/23
Grosvenor venues	**12.80%**	12.17%	**2%**	2%
Mecca clubs	**12.80%**	12.17%	**2%**	0%
UK digital	**13.41%**	12.57%	**2%**	2%
International digital	**14.29%**	12.63%	**2%**	2%
Enracha venues	**13.07%**	13.83%	**2%**	2%

The following impairment charges and impairment reversals have been recognised during the year and disclosed within Separately disclosed items in the Group income statement:

	Property, plant and equipment £m	**Right-of-use assets £m**	**Intangible assets £m**	**Total £m**
Impairment charges				
Grosvenor venues[1]	(3.0)	(4.7)	(11.1)	(18.8)
Mecca venues [2]	(4.4)	(5.6)	-	(10.0)
	(7.4)	**(10.3)**	**(11.1)**	**(28.8)**
Impairment reversals				
Grosvenor venues[1]	3.5	2.9	6.5	12.9
Mecca venue[2]	1.2	3.5	-	4.7
Enracha venues[3]	0.2	0.7	2.7	3.6
	4.9	**7.1**	**9.2**	**21.2**
At the end of the year	**(2.5)**	**(3.2)**	**(1.9)**	**(7.6)**

1. Impairment charge and reversal are recorded at the different individual Grosvenor venue CGUs. The total value in use of the CGUs where an impairment charge or impairment reversal was recognised totalled to £588.4m.
2. Impairment charge and reversal are recorded at the different individual Mecca venue CGUs. The total value in use of the CGUs where an impairment charge or impairment reversal was recognised totalled to £25.5m.
3. Impairment charge and reversal are recorded at the different individual Enracha venue CGUs. The total value in use of the CGUs where an impairment charge or impairment reversal was recognised totalled to £85.2m.

9. Assets classified as held for sale

At 30 June 2024, the Group is well advanced in discussions to sell the multi-brand business to a third party. The multi-brand business enables customers of those brands to play real money online gambling games on third-party platforms. The sale is expected to complete in the first quarter of the next financial year. The multi-brands business is included in the Digital segment.

The divestment is driven by the Group's longer term strategic ambition to focus on its core brands, including Grosvenor and Mecca, which are hosted on the Group's proprietary online platform.

The non-current assets at 30 June 2024 of the Multi-brands business have been reclassified as a disposal group held for sale. The reclass of non-current assets held for sale which relate to the Multi-brands business consists of the following:

	As at 30 June 2024 £m
Intangible assets	0.3
Assets classified as held for sale	**0.3**

As at the date of reclassification of the multi-brands disposal group to assets held for sale, we have expensed £0.1m for the expected legal transaction costs, to separately disclosed items.

10. Provisions

	Property related provisions £m	Disposal provisions £m	Indirect tax provision £m	Pay provision £m	Warranty provision £m	**Total £m**
At 1 July 2023	37.3	0.2	1.2	0.1	0.2	**39.0**
Created	2.8	-	-	-	-	**2.8**
Charge to the income statement – separately disclosed items	1.1	-	-	-	-	**1.1**
Release to the income statement – separately disclosed items	(2.6)	-	-	-	(0.2)	**(2.8)**
Utilised in the year	(2.1)	-	(1.2)	-	-	**(3.3)**
At 30 June 2024	**36.5**	**0.2**	**-**	**0.1**	**-**	**36.8**
Current	3.3	0.2	-	0.1	-	**3.6**
Non-current	33.2	-	-	-	-	**33.2**
Total	**36.5**	**0.2**	**-**	**0.1**	**-**	**36.8**

Provisions have been made based on management's best estimate of the future cash flows, taking into account the risks associated with each obligation.

11. Share capital and reserves

	As at 30 June 2024		As at 30 June 2023	
	Number m	**Nominal value £m**	Number m	Nominal Value £m
Authorised ordinary shares of 13 8/9p each	**1,296.0**	**180.0**	1,296.0	180.0
Issued and fully paid				
At start of the year	**468.4**	**65.0**	468.4	65.0
At end of the year	**468.4**	**65.0**	468.4	65.0
Share premium				
At start of the year	**468.4**	**155.7**	468.4	155.7
At end of the year	**468.4**	**155.7**	468.4	155.7

Total shares in issue at 30 June 2024 are 468,429,541 (2023: 468,429,541).

12. 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 2024 £m	As at 30 June 2023 (restated) £m
Total loans and borrowings	**(43.9)**	(63.7)
Adjusted for:		
Accrued interest	**0.3**	0.4
Unamortised facility fees	**(1.6)**	(0.6)
	(45.2)	(63.9)
Cash and short-term deposits	**66.1**	58.0
Net debt excluding IFRS 16 lease liabilities	**20.9**	(5.9)
IFRS 16 lease liabilities	**(153.4)**	(169.0)
Net debt	**(132.5)**	(174.9)

£4.3m was paid as arrangement fees during the year.

13. Notes to cash flow

	Year ended 30 June 2024 £m	Year ended 30 June 2023 (restated) £m
Profit (loss) for the year	**12.2**	(95.8)
Adjustments for:		
Depreciation and amortisation	**47.7**	60.1
Amortisation of arrangement fees	**3.5**	1.3
Loss on disposal of property, plant and equipment	**-**	0.2
Net financing charge	**9.4**	12.3
Income tax expense	**6.3**	0.6
Share-based payments	**1.2**	1.1
Separately disclosed items	**15.0**	101.5
	95.3	81.3
Decrease in inventories	**0.2**	0.2
Decrease in other receivables	**21.1**	11.9
Increase (decrease) in trade and other payables	**5.7**	(11.9)
	122.3	81.5
Cash utilisation of provisions	**(3.3)**	(2.4)
Cash receipts in respect of separately disclosed items	**(0.1)**	(7.1)
Cash generated from operations	**118.9**	72.0

14. Contingent liabilities

Property arrangements

The Group has certain property arrangements under which rental payments revert to the Group in the event of default by the third party. At 30 June 2024, it is not considered probable that the third party will default. As such, no provision has been recognised in relation to these arrangements. If the third party were to default on these arrangements, the obligation for the Group would be £0.8m on a discounted basis.

Legal and regulatory landscape

Given the nature of the legal and regulatory landscape of the industry, from time to time the Group receives notices and communications from regulatory authorities and other parties in respect of its activities and is subject to regular compliance assessments of its licensed activities.

The Group recognises that there is uncertainty over any fines or charges that may be levied by regulators as a result of past events and depending on the status of such reviews, it is not always possible to reliably estimate the likelihood, timing and value of potential cash outflows.

Disposal claims
As a consequence of historic sale or closure of previously owned businesses, the Group may be liable for any legacy industrial disease and personal injury claims alongside any other directly attributable costs. The nature and timing of these claims is uncertain and depending on the result of the claim's assessment review, it is not always possible to reliably estimate the likelihood, timing and value of potential cash outflow.

Contingent consideration
On 21 April 2022, the Group completed the purchase of the remaining 50% shareholding of Rank Interactive Limited (formerly known as Aspers Online Limited) for a total consideration £1.3m. Of this consideration, £0.5m was paid in cash on completion in lieu of the outstanding loan balance the Company owed to the seller and £0.8m in contingent consideration.

The contingent consideration will be equivalent to a percentage of the net gaming revenue generated from the acquired customer database. A present value of £0.8m was recognised at 30 June 2022.

The Group settled £0.4m of the contingent consideration leaving a balance of £0.4m on 30 June 2023.

At 30 June 2024, the Group settled a further £0.1m of the contingent consideration leaving a balance of £0.3m.

Contingent Assets
There are no contingent assets requiring disclosures at 30 June 2024.

15. Related party transactions and ultimate parent undertaking

Guoco Group Limited ('Guoco'), a company incorporated in Bermuda and listed on The Stock Exchange of Hong Kong Limited, has a controlling interest in The Rank Group Plc. The ultimate parent undertaking of Guoco is GuoLine Capital Assets Limited ('GuoLine') which is incorporated in Jersey. At 30 June 2024, entities controlled by GuoLine owned 60.3% (30 June 2023: 57.4%) of the Company's shares, including 56.2% (30 June 2023: 53.3%) through Guoco's wholly-owned subsidiary, Rank Assets Limited, the Company's immediate parent undertaking.

16. Loss on disposal of subsidiary undertaking

The Group completed the sale of Passion Gaming to its founders on 26 June 2024.

The major classes of assets and liabilities disposed relating to Passion Gaming for the period ending 26 June 2024 was as follows:

	£m
Intangible fixed assets	**0.1**
Property, plant and equipment	**0.1**
Other receivables	**0.1**
Cash	**1.0**
Total assets	**1.3**
Trade and other payables	**(0.7)**
Total liabilities	**(0.7)**
Net assets disposed	**0.6**
Consideration received	**(0.2)**
Loss on disposal - SDI	**0.4**

The consideration received on the date of disposal of Passion Gaming was £0.2m and, net of cash and cash equivalents disposed, there was a net outflow of £(0.8)m.

SDIs - loss from continuing operations are set out below:

	£m
Loss on disposal	0.4
Exchange losses transferred to income statement on disposal	0.1
Total SDIs	**0.5**