Rank Group

A connected brand experience

Annual Report 2024

Group performance highlights 2024

Group underlying NGR* **£734.4m** ↑	Reported NGR **£734.7m** ↑
Group underlying operating profit* **£46.5m** ↑	Group operating profit **£29.4m** ↑
Net cash pre IFRS 16 **£20.9m** ↑	Net free cashflow **£26.6m** ↑
Net (debt) **£(132.5)m** ↓	Dividend per share **0.85p** ↑
Underlying EPS **5.9p** ↑	Basic earnings per share **2.7p** ↑
Customer NPS **52** ↑	Employee NPS **39** ↑

* On a like-for-like ('LFL') basis which removes the impact of club openings, closures, foreign exchange movements and discontinued operations.

Contents

Introduction
Seamless customer delivery

Who we are
Over the course of more than three-quarters of a century, Rank has entertained many millions of customers in Britain and around the world. The Group's story is one of iconic brands and talented people.

Our Purpose
To deliver exciting and entertaining experiences in safe, sustainable and rewarding environments. We will achieve this through reflecting the changing needs and expectations of our customers, communities and colleagues.

To excite and to entertain.

Mecca Luton

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Investment case
Positioned to deliver continued growth in revenue and profitability

To excite and to entertain our customers

1 Cash maximisation in bingo

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7 People and culture

Grosvenor, Luton

1 Cash maximisation in bingo

Our bingo operations in both the UK and Spain are expected to make a positive contribution to the Group's profit and cash flow going forwards.

Through the rationalisation of our Mecca bingo estate, specifically the closing of loss-making venues and investing in our strong and highly competitive venues, Mecca has returned to profitability. Whilst the rationalisation of the estate has now largely completed, we believe Mecca can return to double-digit operating profit in the medium term.

In Spain, our Enracha venues are well invested, flagship venues. We have scope to further improve this already very competitive and profitable Spanish business.

2 Grosvenor recovery and growth

Prior to the COVID-19 pandemic, Grosvenor was delivering average weekly NGR of £7.5m. With a combination of the impact of the pandemic on our customer base and a tightening of regulation, average weekly NGR fell to £5.9m in 2022/23.

Through improving our approach to risk management and enhanced customer service and experience, Grosvenor is focused on driving average weekly NGR to at least £7m and beyond in the medium term.

Securing the much needed land-based reforms in the UK Government's Gambling Act Review will provide Grosvenor's customers with a more relevant offer and deliver further significant growth opportunities.

3 Digital growth

The Group's digital brands have significant opportunity to grow, holding relatively small market share positions compared to its venues' brands.

Following the acquisition of the proprietary technology, the digital business has been working through a comprehensive programme of platform and product enhancements, all focused on delivering an engaging, personalised and increasingly cross-channel customer experience.

Great progress has been made in 2023/24, and we believe there is opportunity to deliver 8 to 12% compounded annual revenue growth and margin improvement of over 600 basis points over the medium term.

4 Gambling Act Review

The UK Government's review of gambling legislation and regulation will provide the much needed and vitally important reforms for land-based casinos and bingo.

The proposed changes to land-based casinos and bingo present the Group with a once in a lifetime opportunity to modernise and broaden the venues experience.

For further detail regarding the White Paper's proposals refer to page 11.

5 Technology and data

Technology and data are key to the improvements we are making across all of our businesses. There are four key technology projects:

Single content management system

Providing the ability to manage all of the website content for our UK facing brands on a single system. This enables more appealing and relevant real-time promotional content and a smoother customer experience.

App development

Currently, too small a portion of our digital revenue is driven by our apps. Through improved functionality and personalisation we expect to increase our digital app revenues as we better meet the needs of our customers.

Group-wide central engagement platform

Improving the real-time data capabilities across our digital and venues businesses is critical to meeting our customer needs. The platform is helping us deliver a much-improved personalised customer offer in a timely manner.

Modernisation of our RIDE platform

We need to keep investing in our proprietary platform to enable the Group to deliver, at speed, product and service enhancements to our customers.

6 Safer gambling

Safer gambling is at the heart of building a sustainable business for the long term and is pivotal to our success.

We believe that providing excellent customer service, safe environments, and protecting personal data are important factors that attract customers to our brands and support sustainable long-term earnings growth.

7 People and culture

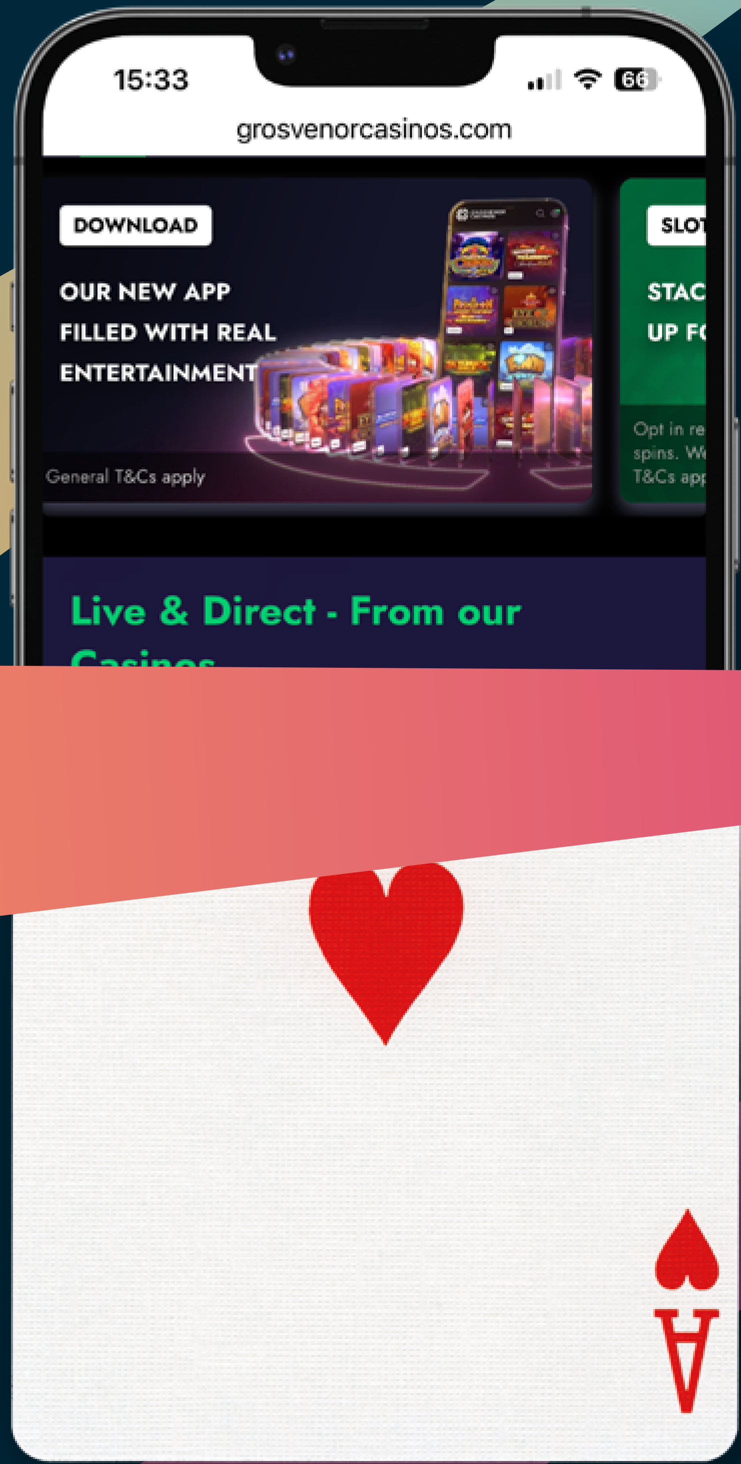
Delivering a high-quality service to our customers depends on our ability to provide a positive working environment for our colleagues.

Recruiting and retaining high quality talent, providing personal development opportunities and consistently driving colleague engagement are all critical parts of the relationship we have with our teams.

Our investment case is centred on the Group delivering against its strategic objectives.

Further information regarding the Group's strategic progress can be found on Strategic Pillar pages 15 to 17.

Group Overview



In this section:

WELCOME

Enhancing our customer proposition

Dear Stakeholder,

We are pleased to share with you The Rank Group Plc's Annual Report for the year ending 30 June 2024; a year which saw us achieve good progress across our businesses, developing and delivering a range of plans focused on prioritising the customer experience to support future growth.

Our Strategic Report captures our operational, financial and sustainability performance across our land-based venues, digital businesses, operational hubs and central functions. The Group has delivered a 9% increase in like-for-like net gaming revenue ('NGR') and, alongside strong cost control, resulted in operating profit more than doubling in the year.

Whilst we operate a number of market-leading brands, customers expect a unified playing experience whether in one of our venues or using our mobile apps; our continuous focus on delivering a seamless customer journey cross-channel remains our priority. This year, our teams have been focused on enhancing the customer journey so we can personalise their experiences across our varied brands, making them more connected and rewarding. Customers will only continue to interact with our brands if we offer them the best experience, whether that be in venue or online. This report outlines many of the delivered projects aimed at keeping the experience exciting and entertaining for the 12.8m customers who visited us this year.

Our Governance Report includes an update on our Non-Executive team's oversight of management strategy, including compliance with regulatory requirements, adherence to the UK Corporate Governance Code, effective risk management and representation of shareholder interests.

Key developments have addressed the Group's approach to culture, workforce and wider stakeholder engagement, as well as the Board's monitoring of the effectiveness of internal controls. The Governance Report also includes an update of the Group's Remuneration Policy.

Transparency in our reporting is a core obligation and our disclosure strategy continues to evolve in line with regulatory changes and stakeholder expectations. We hope this review provides a clear and understandable account of our latest performance and, as ever, we welcome any feedback on our reporting.

Alex Thursby
Chair

John O'Reilly
Chief Executive

BUSINESS MODEL

A customer-centric, brand-led engagement approach

Delivering a more effective customer proposition and resilient business

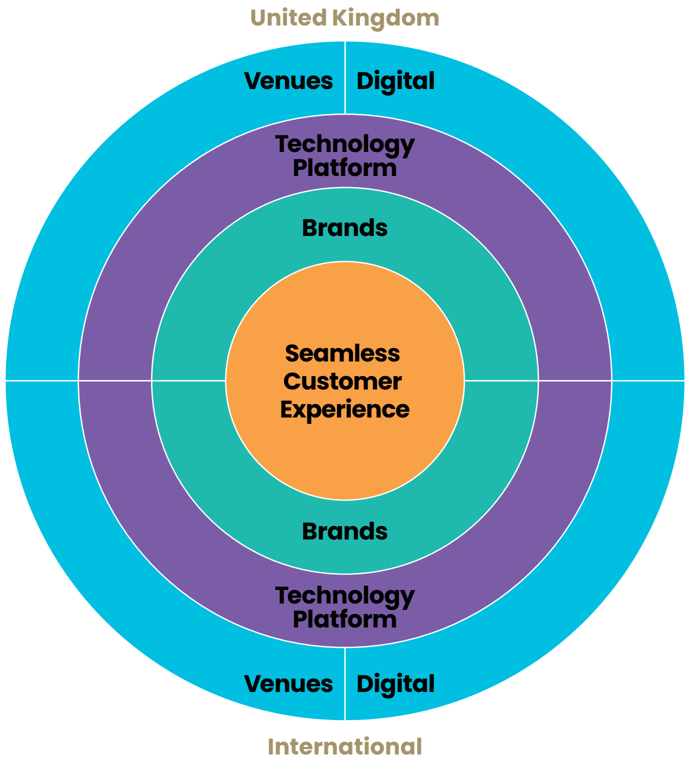
Opportunities

The Group is exposed to a number of advantageous dynamics that combine to present a range of organic growth drivers

- Regulatory changes, delivered through the Gambling Act Review, providing more appealing experiences in land-based casinos and bingo in the UK
- Estate refurbishment and modernisation to attract customers and optimise our venues
- Technology and data provides us with realtime player insights to improve customer interactions and optimise marketing initiatives
- Resource efficiency and effectiveness, including Net Zero Plan realising long-term cost savings
- Pipeline of exciting product development initiatives across engagement channels to broaden our customer base
- Geographic expansion into existing and new territories

Operating model

By bringing the Group brand operations through central technology platforms, Rank can better manage its interactions with customers, and provide a more intuitive and connected product experience whilst ensuring player safety



Competitive advantages

Competitive advantages come from the company's approach to risk, customer engagement culture and resource management to maximise revenue

- Market-leading brands and high customer recognition
- Talented teams focused on local markets
- Appropriate safer gambling strategies to create sustainable customer relationships
- Proprietary technology platform ownership
- Progressive employee value proposition with strategically aligned compensation to attract and retain colleagues

Revenue streams

We have a broad range of complementary revenue streams

- **UK land-based casino games**
- **UK and Spanish land-based bingo games**
- **UK and Spanish land-based slots and electronic games**
- **Food and beverage in our UK and Spanish venues**
- **Wider entertainment experiences in our UK and Spanish venues**
- **UK and Spanish digital portfolio covering casino, bingo, slots and sports**

Value created

The Group creates a number of outcomes for its varied stakeholders through the delivery of its strategy

Investors
Underlying LFL operating profit **£46.5m**
Underlying EPS **5.9p**
Dividend **0.85p**

Customers
Customer NPS **52**

Colleagues
Employee NPS **39**

Regulators
Breaches/fines **Zero**
Good working relationship

Communities
Charitable funds raised **£323k**

Suppliers
Supplier relationships **134**

Environment
Absolute carbon emissions **22,112 tCO_2e**

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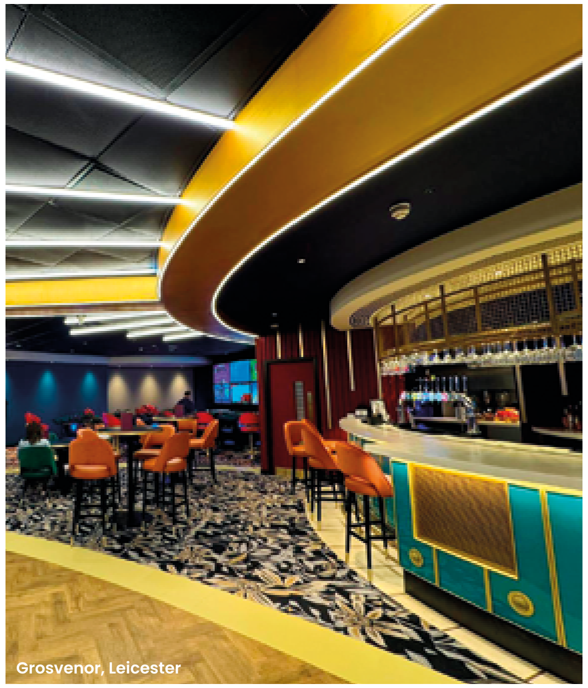
OUR BRANDS

Leveraging our brands to excite and to entertain

Grosvenor Casinos

The UK's largest multi-channel casino operator with 51 venues. The brand offers a range of casino table games, including roulette, blackjack, baccarat and poker as well as electronic roulette and gaming machines alongside bars, restaurants and broader entertainment experiences.



Grosvenor, Leicester

Mecca

Mecca is Rank's community-gaming brand for the British market. A national portfolio of 52 venues offering bingo, gaming machines, great value food and drink and live entertainment.

Mecca, Hull

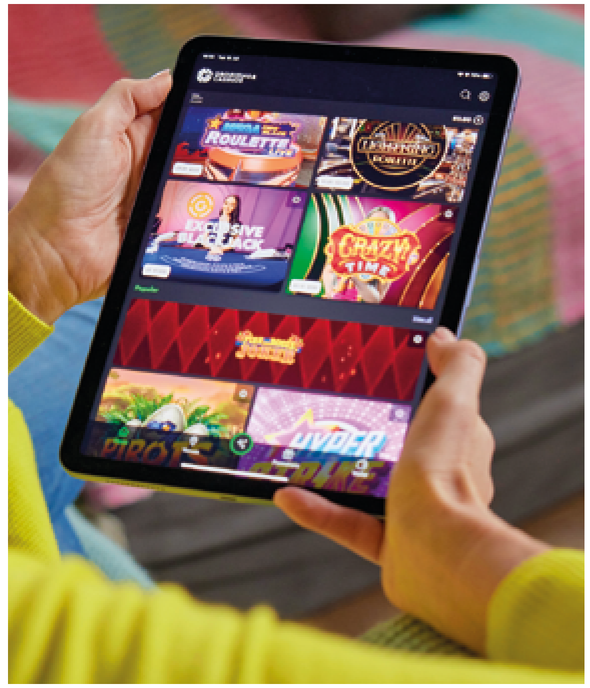
Enracha

Enracha is Rank's community-gaming business for the Spanish market. Nine venues offering a range of popular community games like bingo as well as electronic casino and slot games, sports betting, great value food and drink and live entertainment.

Enracha, Reus

Digital

Our digital portfolio includes our established market leading brands, Mecca and Grosvenor for the UK market and Yo for the Spanish market. The Group also operates over 80 UK digital-only brands via our proprietary technology platform and third-party platforms.



Like-for-like net gaming revenue

UK

Venues **£469.9m** (71%) | Digital **£194.6m** (29%)

International

Venues **£38.5m** (55%) | Digital **£31.4m** (45%)

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Our global teams and delivery

To support the seamless delivery of our brands across our land-based and digital channels, the Group operates its technology development, delivery and operations teams in a number of strategic global locations.

Total colleagues

7,600

Venues colleagues

6,400

Digital colleagues

500

Technology colleagues

300

Corporate colleagues

400

UK

- Corporate
- Venues leadership and support teams
- Venues product and customer support
- Venues and technology support
- Digital customer support

Spain

- Corporate
- Venues leadership and support teams
- Venues product and customer support
- Venues and technology support

Gibraltar

- Digital leadership and delivery
- Digital product support

Ceuta

- Digital leadership and delivery
- Digital product and customer support

Malta

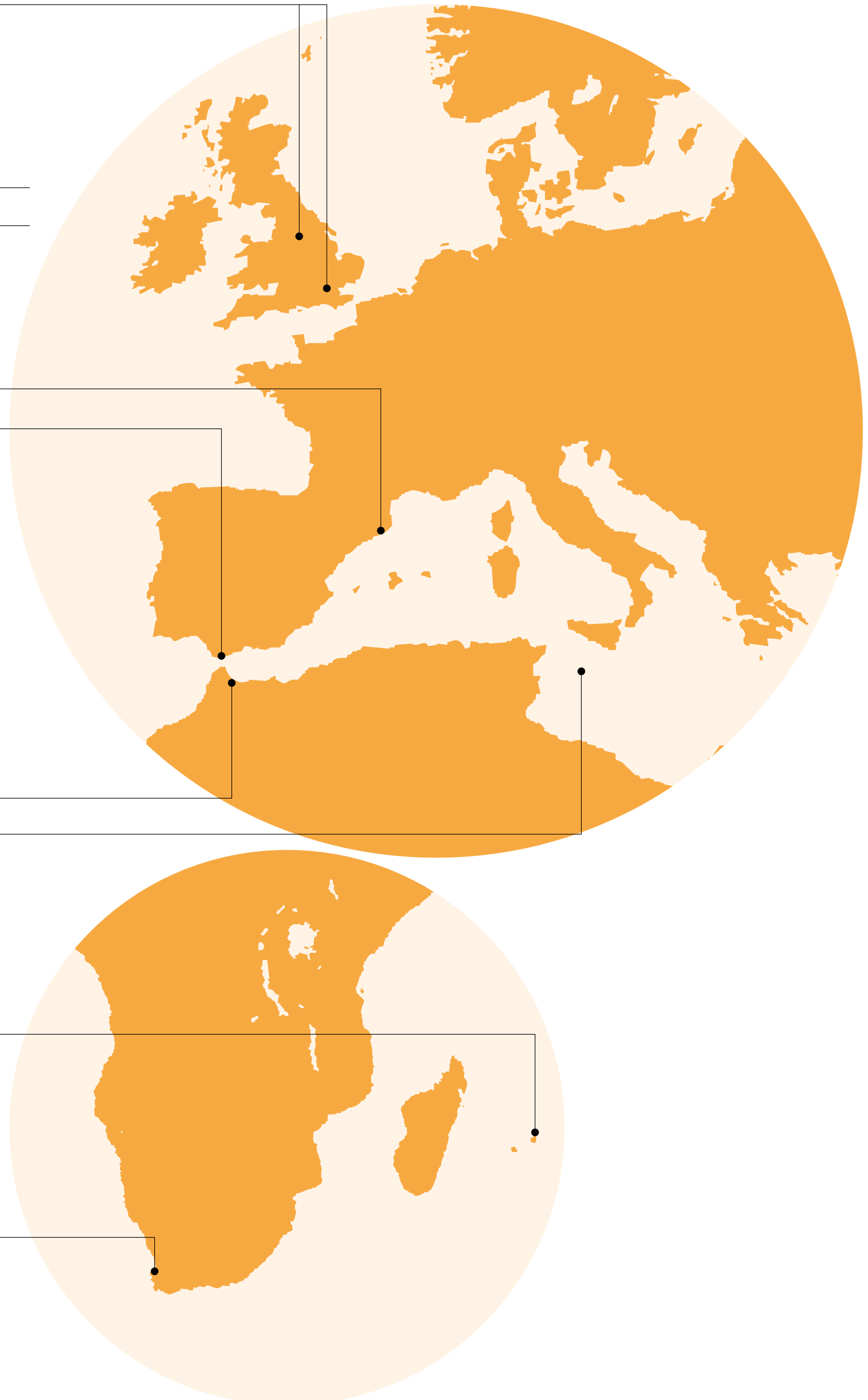
- Digital product and customer support

Mauritius

- Technology and customer support
- Group operational support

South Africa

- Technology development



Our culture

Rank's culture encourages colleagues to take ownership of their roles and promotes collaborative working to create supportive work environments.

Upholding our core values of **Service, Teamwork, Ambition, Responsibility** and **Solutions ('STARS')**, our colleagues are empowered to play an active role in driving Rank's culture, influencing organisational behaviours, decision-making processes and interpersonal dynamics, everything which impacts the Group's performance, strategic ambitions, sustainable growth and profitability.

Our values

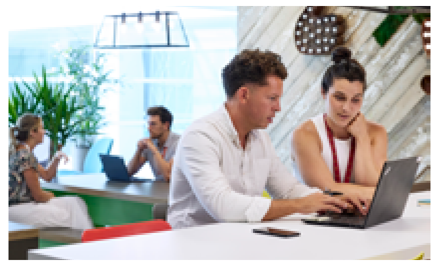
Service
We start with the customer. We do everything in our power to deliver special service every time.

Teamwork
We pull together across brands, channels and locations to perform at our very best.

Ambition
We challenge the way we do things and explore new ways to excite and entertain our customers, and outshine the competition.

Responsibility
We understand our responsibility to all of our communities. We act with the highest integrity and honesty in everything we do.

Solutions
We act positively to get to the heart of problems quickly and find ways to solve them.

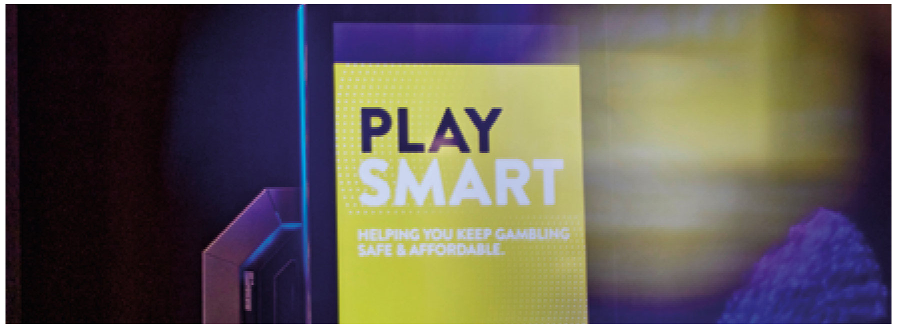


MARKET REVIEW

Evolving customer and industry dynamics

The drivers impacting the Group underpin the potential for an improving cash generation profile

Macro trends



The industry landscape in the UK and Spain

Regulatory pressures, changing consumer habits and the economic impact of inflation have all had an impact on the industry, with the potential for further market consolidation. We believe Rank remains well positioned to manage the risks arising from these changes and will seek to benefit from the opportunities they present.

Regulation

Regulation is central to our industry landscape, with the changing interpretation of regulations by the UK Gambling Commission putting pressure on operators in the market. Our wealth of industry experience means we have strong processes and proprietary technology solutions in place to support our business. We have a good working relationship with regulators and welcome the much-needed land-based reforms.

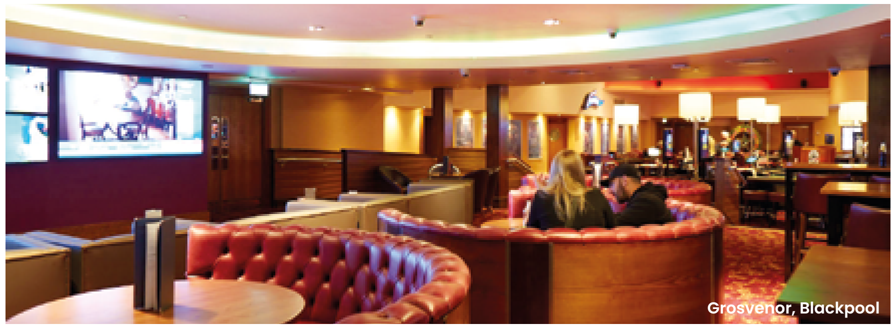
Customer behaviours

Customer behaviours are constantly changing but venues continue to play a huge role in differentiating our offer in the market. Since the pandemic, we have seen a lasting impact on some of our customers, particularly in older customer segments in our Mecca venues, but we still enjoy strong customer loyalty. We are using customer insights to understand how we can deliver exciting and distinctive experiences that are engaging, safe and represent value for money. We continue to develop new games and formats, build our digital capability and scale, and evolve the customer offer at our venues.

Economic pressures

Economic pressures are a key factor for the industry with higher costs of operation (employment costs, utilities, supplies). We are able to manage our input costs due to our large scale, and to allocate resources across the estate to better meet customer demand.

Venues


Grosvenor, Blackpool

Land-based casinos

In the UK there are currently 117 operating casinos. In total, 149 licences are in use, as some casino venues operate through more than one licence. There are an additional 28 licences held across UK operators which are not currently in use.

The UK casino market has strict regulatory requirements which limit the number and movement of casino licences in the UK, thereby creating high barriers to entry.

The UK casino market has been constrained by the number of gaming machines permitted per licence, with the maximum number limited to 20.

Globally, there is growing customer demand for gaming machines and the UK Gambling Act Review provides a once-in-a-generation opportunity to extend the appeal of casinos and to modernise our electronic offering, enabling the UK land-based casino sector to better meet the needs and expectations of customers.

For further details regarding the Gambling Act Review see page 11.

UK land-based bingo

The UK bingo market is heavily consolidated with the top three operators holding 63% of the 248 operating bingo venues.

The bingo market has been in decline for a number of years so there is a need to evolve and create more accessible, modern and lively venues with strong bingo prize boards, a compelling gaming machine offer, good value food and drink and live entertainment.

The mix of gaming machines is currently constrained by outdated legislation which will be improved subject to the Government implementing the Gambling Act Review.

Spanish land-based bingo

The Spanish bingo market is very fragmented with 323 bingo venues.

Bingo has declined in Spain in recent years against a backdrop of growth in slot arcades and sports betting.

With this decline in bingo, the stronger venues with more attractive prize boards attract bigger audiences, which in turn delivers higher prizes. The stronger bingo venues have also broadened their product range by including electronic roulette, bingo and other slot games, sports betting, good value food and drink and live entertainment.

Digital

The UK's digital gambling market is fast moving, competitive and subject to strict regulation, but remains structurally attractive with clear headroom for growth over the coming years.

UK digital bingo

Customers are looking for a safe, secure and intuitive gaming experience, with more chances to win and easy pay-outs when they do. Customers want personalisation and more variety, from promotions that cater for a wider range of budgets, to the games and features available. The experience needs to be increasingly meeting the needs and expectations of the customer in real-time.

UK digital casinos

Customers want exciting and entertaining experiences, as well as great-looking sites that offer the latest games and strong promotions. They prefer sites that provide tools to help them control their spend and reward loyalty. They are looking for opportunities to have fun, at times the opportunity to win big, with rapid payment of winnings.

International digital

Similar to the UK market, the Spanish digital market is very competitive and subject to strict regulation. The online bingo market is the smallest sector, with only a few well known brands of which Yo Bingo is the largest. The online casino and sports betting markets continue to grow quickly with a wide range of competing brands providing opportunities for newer entrants to compete effectively and to grow market share.

MARKET REVIEW

Gambling Act Review
A net positive impact of regulatory change

The drivers enabling the Group to better meet its customers' needs.

In April 2023, the UK Government published its White Paper outlining policy for the legislation and regulation of gambling.

The July 2024 election has led to delays to the proposed secondary legislation, but we expect the legislative process to recommence in the coming months.

Machine numbers in casinos

Allowing 1968 Act casinos to increase the number of their gaming machines up to 80.

Impact for Rank

Doubling of the number of gaming machines in the Grosvenor estate.

Benefit for the customer

Deliver a significantly improved customer experience. Customers will be able to play when they want without frustratingly long wait times during peak hours and have access to a broader, more engaging suite of games.

Delivered through secondary legislation

Sports betting in casinos

Allowing 1968 Act casinos to offer sports betting.

Impact for Rank

Enable all of Grosvenor venues to offer sports betting.

Benefit for the customer

Will enable casinos to better meet customer demand and broaden the appeal of visiting a UK casino.

Delivered through secondary legislation

Maximum online slot stakes

Apply a maximum staking limit for online slots play of £5, reduced to £2 for under 25s.

Impact for Rank

Adversely impact Group operating profit by circa £4m per annum.

Benefit for the customer

Help to budget expenditure more effectively.

Delivered through secondary legislation

Machines in bingo halls

Allowing a 2:1 ratio of Category B to Category C and D gaming machines in bingo halls, implemented on a device-type basis.

Impact for Rank

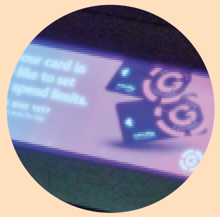
Increase in the number of Category B3 machines across the Mecca estate and reduce the number of ageing, high-energy-consuming, reel-based Category C gaming machines which are less favoured by our customers.

Benefit for the customer

Deliver a more modern and engaging machine offer with stronger safer gambling protection measures.

Delivered through secondary legislation

Cashless payments on gaming machines



Removing the prohibition on the use of debit cards for gaming, subject to the introduction of appropriate player protection measures.

Impact for Rank

Improves accessibility for customers, enables stronger customer monitoring and helps tighten security of operations.

Benefit for the customer

Meets the needs of today's consumer who do not expect to have to play with cash.

Delivered through secondary legislation

Statutory levy

Introduction of a statutory levy for research, prevention and treatment of problem gambling for all Gambling Commission operating licence holders. The levy will vary depending on the type of gambling licence held.

Impact for Rank

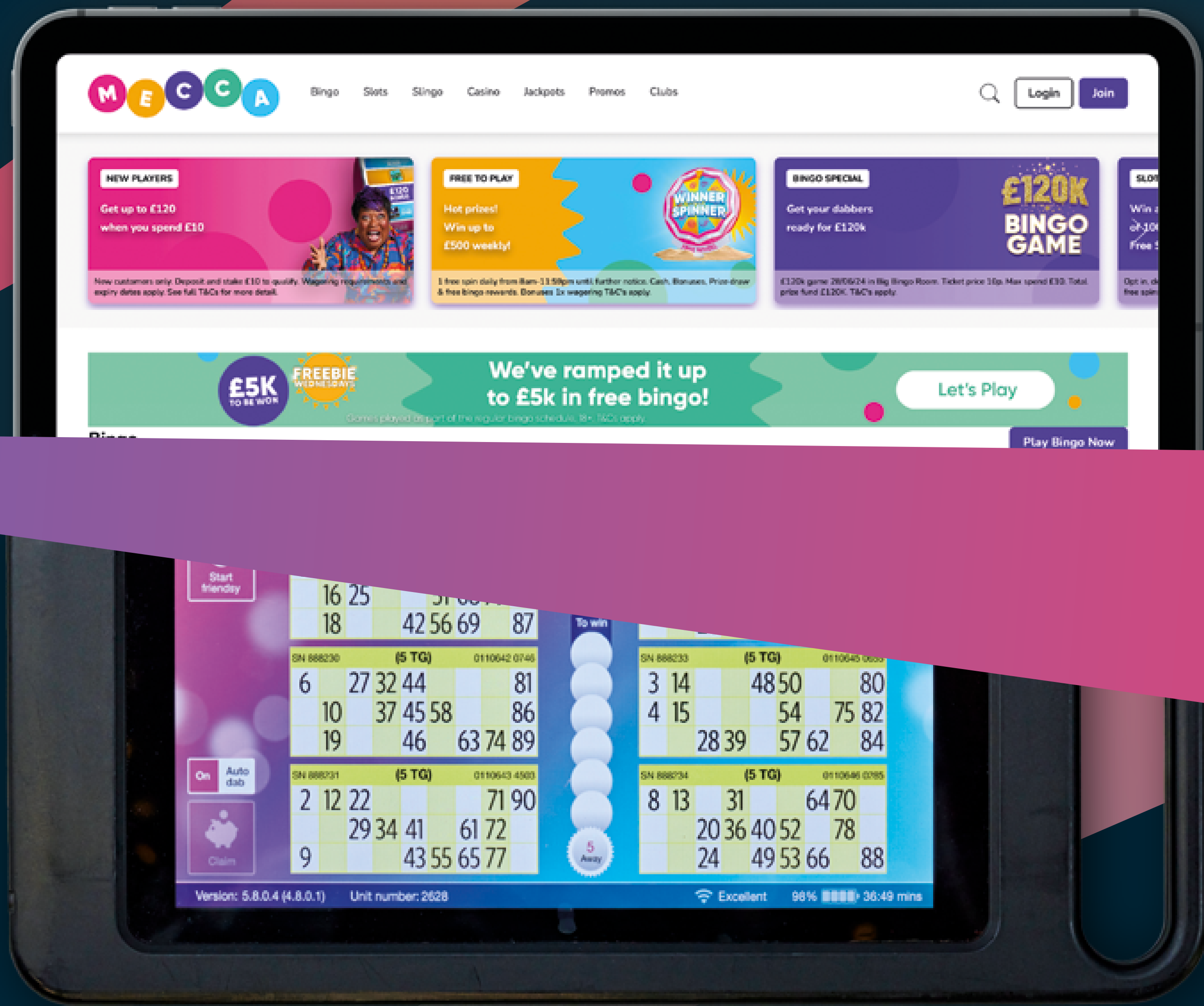
Result in incremental annual costs of circa £4m.

Benefit for the customer

Provides more guaranteed financial support for the treatment from, and prevention of, gambling-related harm.

Delivered through secondary legislation

Strategic Report



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John O'Reilly
Chief Executive

Enhancing the customer proposition across our brands and channels

Operational performance
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 net gaming revenue ('NGR') growth and strong increases in profitability.

At a Group level, underlying like-for-like ('LFL') NGR of £734.4m grew by 9% against the prior year.

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%.

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.

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.

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.

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.

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

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 venue openings, closures and FX[2]	**0.3**	10.5	-
Underlying Group	**734.7**	681.9	8%

Operating profit
£m

	2023/24	2022/23	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[4]	79%
Central costs	**(14.1)**	(13.1)	(8)%
Underlying[3] LFL[1] Group	**46.5**	20.1	131%
Impact of venue openings, closures and FX[2]	**(0.2)**	(1.6)	-
Underlying Group	**46.3**	18.5	150%

1. Results are presented on a LFL basis which removes the impact of venue openings, venue closures, foreign exchange movements and discontinued operations.
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.

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 £22.4m, 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 element 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.

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John O'Reilly
Chief Executive

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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.

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, and an employee NPS score of 39, up from 14 in the prior year.

> **"High standards of business conduct underpin everything we do at Rank."**

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 which will include 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

This year, we celebrated ten years of our partnership with Carers Trust, raising £323,114.44 for this deserving charity. It has been inspiring to see our colleagues participate in various fundraising initiatives, demonstrating our collective commitment to making a positive impact, and we look forward to continuing to work with Carers Trust. Beyond our Group-wide charity partnership, Rank continues to occupy a central role in the communities where we operate. As such, we want to support local need, whether that is providing spaces in our venues for groups to use as meeting places for events, to colleague fundraising for charities and local initiatives. This year, our colleagues have supported a wide range of causes close to their hearts and, through bake sales to sponsored runs, have raised over £58,000 in donations. Our ongoing community engagement reflects our dedication to supporting and enriching the lives of those around us.

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.

John O'Reilly
Chief Executive

Significant organic growth potential
Strong market drivers support Group initiatives

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Our strategy is focused on generating long-term sustainable shareholder value. We have made considerable progress which ensures significant opportunity in the next phase of the plan.

To ensure we deliver on our purpose, we have set out clear aspirational plans that form our strategic intent. For now, we are investing for growth to return Grosvenor to its 2019 revenue levels, maximise the cash generation from our bingo venues businesses, drive digital growth and deliver the opportunities presented by the Gambling Act Review. By improving talent and capability in critical areas and developing our proprietary technology platform, we will lay the foundations for international expansion, as well as improving our cross-channel proposition.

In the medium term we will balance investment and returns as we implement the outcomes of the Gambling Act Review, test international expansion concepts, and further scale our digital business. In the longer term, our target is to become highly cash generative, progressively building shareholder returns.

Grosvenor, Gloucester Road, London

Strategic pillar 1

Provide a seamless and tailored experience for customers across venues and online.

2023/24 progress

- Completed the build of a central engagement platform to house all of our customer data regardless of channel, thereby providing a more holistic view of the customer
- Single sign-up for new Mecca customers launched
- In-house developed Grosvenor app launched
- Mecca and Grosvenor venues online content improved
- Homepage personalisation launched for Mecca and Grosvenor
- Continued improvement of our live casino experience driving our credentials as the 'home of live casinos'
- Tailored cross-channel reward programmes launched for both Mecca and Grosvenor customers

Outlook for 2024/25

- Single membership system for Mecca customers
- New joint liquidity Mecca game, across venues and online
- Enracha brand to be standardised cross-channel
- In-house-developed Mecca app
- Ongoing technology development to support our single view of a customer
- Ongoing product development to drive distinctiveness through offering popular venue games online

Percentage of venue customers that play with us online

Grosvenor

5%

Change from previous year

0ppt

Mecca

10%

Change from previous year

+1ppts

Percentage of digital NGR from cross-channel customers

Grosvenor

30%

Change from previous year

2ppt

Mecca

20%

Change from previous year

0ppts

STRATEGY

Significant organic growth potential

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Strategic pillar 2

Drive digital growth powered by our proprietary technology and live play credentials.

2023/24 progress

- Proprietary technology platform fully migrated to the cloud providing greater scalability
- Platform modernisation underway to improve resilience and deliver efficiencies
- Single content management system successfully launched, providing brands with the ability to quickly respond to changing customer needs
- Sportsbook capabilities further developed in the year, principally focused on improving customer experience around key sports and providing better value to our customers
- Marketing investment increased in the year, with key sponsorship deals secured, including Mecca's sponsorship of ITV's popular daytime show, Loose Women
- YoBingo.es successfully launched live streamed bingo in the year

Outlook for 2024/25

- Through our Next Gen project we will deliver more tailored customer experiences, promotions and functionality
- Launch live streams and chat for sports through YoSports.es
- Develop our Spanish online bingo platform to further improve its resilience and ability to scale
- Complete the licensing process to launch Yo Bingo in Portugal

Digital NGR

UK
£194.6m
Change from previous year
+13%

International
£31.4m
Change from previous year
+5%

Digital customer numbers

UK
1,047k
Change from previous year
-9%

International
56k
Change from previous year
+17%

Strategic pillar 3

Continuously evolve our venues estate with engaging propositions that appeal to both existing and new customers.

2023/24 progress

- The refurbishment of our Leicester Grosvenor casino completed in July 2024, and works have started on the major refurbishment of our flagship Grosvenor Victoria casino in London
- Improved the curb appeal of a further 16 Mecca and six Grosvenor venues with external upgrades
- Planning for the implementation of the land-based reforms is complete with some works already commenced in some venues. Further works await clarity on the timing of the Gambling Act Review
- Further supported our gaming machine growth in Mecca with the refurbishment of a further 20 gaming machine areas
- Key product investment delivered. In Mecca we introduced 1,000 new Mecca Max tablets and 500 new gaming machines; in Grosvenor we introduced 120 new Aristocrat gaming machines and over 240 new electronic roulette terminals

Outlook for 2024/25

- Major refurbishment programmes at three Grosvenor venues, including The Victoria casino in London
- Upgrade of 200 gaming machines in Grosvenor
- Refurbishment of a further eight Mecca gaming machine areas
- External upgrades to an additional five Mecca venues
- Investments in new bingo display screens in a number of Mecca venues to support a more experiential gaming experience
- Additional 1,000 new gaming machines rolled out across the Mecca estate

	Venues LFL NGR*	Venues' strategic investment	Venues NPS
Grosvenor	£331.3m Change from previous year +9%	£14.0m Change from previous year +7%	71 Change from previous year +25%
Mecca	£138.6m Change from previous year +8%	£5.0m Change from previous year +35%	78 Change from previous year 0%
Enracha	£38.5m Change from previous year +7%	£1.0m Change from previous year +67%	56 Change from previous year +56%

Grosvenor, Leicester

* Following a review of the KPIs for each strategic pillar, the Group has concluded that venues NGR is a better KPI to measure performance against Strategic Pillar 3 and as a result customer numbers, which have been disclosed in previous years, shall no longer be disclosed here.

Significant organic growth potential

Strategic pillar 4

Be passionate about the development and wellbeing of our colleagues and the contribution we make to our communities.

2023/24 progress

- Launched a new Group-wide communication and engagement app, Connect, providing all colleagues with the opportunity to engage with content and colleagues across the Group
- Launched a new Group-wide learning platform providing colleagues with flexible and accessible learning content
- Delivered a programme aimed at our high-potential female leaders to better help them define their career paths
- Completed the installation of smart-sensing devices, PRISM, at our 40 highest energy-consuming sites in the UK so we can now capture data from every plugged-in asset
- Baselining of our Group-wide Scope 3 emissions started in the year; we expect to complete the exercise by end of calendar year 2024
- Launched Rank Planet, our environmental cultural change programme, supporting our net zero goals

Outlook for 2024/25

- Continue the development of our people systems ensuring we drive operational efficiencies through payroll optimisation
- Roll out a Group-wide volunteering policy aimed at offering volunteering opportunities to help our local communities and our charity partner, Carers Trust
- Baselining of Group-wide Scope 3 emissions to be completed with an approved reduction action plan

Employee NPS

+39

Change from previous year

+179%

Females in senior management

34%

Change from previous year

-1ppt

Carbon emissions tCO_2e

22,112

Change from previous year

-11%

Total charitable funds raised

£323k

Change from previous year

+14%

Strategic pillar 5

Build sustainable relationships with our customers by providing them with safe environments in which to play.

2023/24 progress

- Further development of 'Hawkeye', the Group's 24/7 live monitoring tool for online customers, providing more personalised and tailored customer interactions
- Grosvenor's Risk App was updated, now providing real-time notifications for colleagues to help provide better support for customers
- We continued our committment to ensuring our colleagues are provided with effective safer gambling training, with various safer gambling training courses delivered to both frontline and support office colleagues
- We completed the rollout of Playsafe across our Mecca estate providing Mecca, colleagues with greater visibility of customers machine play

Outlook for 2024/25

- Upon receiving clarification regarding the implementation of the Gambling Act Review, the Group will complete the delivery of the required changes, specifically regarding customer affordability, slots staking limits and marketing preferences
- Continue to develop Grosvenor's approach to safer gambling with more personalised customer journeys based on individual risk and affordability
- Continue our focus on delivering safer gambling interactions through great customer service

Safer gambling eNPS

+69

Change from previous year

+30%

Customer safer gambling feedback score

84%

Change from previous year

+6ppts

UK digital customers using safer gambling tools

31%

Change from previous year

+1ppts

Mecca, Luton

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Key performance indicators 2023/24
Consistent performance

Financial KPIs

Grosvenor, Luton

Underlying[1] net gaming revenue ('NGR')

Underlying NGR is an indicator of the Group's top-line growth. It is revenue retained from the amounts staked after paying out customer winnings and deducting customer incentives. Underlying NGR increased by 9% in the year with all business units in growth.

2023/24	**£734.4m**
2022/23	£671.4m
2021/22	£622.3m

Net debt

Net debt is calculated as total borrowings less cash and short-term deposits. Net debt decreased in the year due to improvements in cash generated from operations.

2023/24	**£132.5m**
2022/23	£174.9m
2021/22	£164.8m

Underlying[1] operating profit/(loss)

Underlying operating profit provides a picture of the underlying performance and is a key indicator of the Group's success in delivering top-line growth while controlling costs. Underlying operating profit increased 131% in the year with all business units in growth.

2023/24	**£46.5m**
2022/23	£20.1m
2021/22	£42.1m

Underlying[1,2] EPS

Underlying EPS is a key indicator of the Group's growth before allowing for separately disclosed items. Underlying EPS increased to 5.9p.

2023/24	**5.9p**
2022/23	1.1p
2021/22	4.0p

Stakeholder KPIs

Enracha, Don Pelayo

Customer net promoter score ('NPS')

NPS is a key indicator of customer loyalty by looking at their likelihood of recommending our offer. Customer NPS increased to 52 from 43 in the prior year.

2023/24	**+52**
2022/23	+43
2021/22[3]	+56

Dividend per share

Dividend per share is the sum of declared dividends issued by the Company for every ordinary share outstanding.

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.

2023/24	**0.85p**
2022/23	0p
2021/22	0p

Colleague net promoter score ('eNPS')

NPS is a key indicator of colleague engagement and loyalty towards the Group. Colleague NPS increased to 39 from 14 in the prior year.

2023/24	**+39**
2022/23	+14
2021/22	+7

1. 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 and discontinued operations, should they occur in the period. Collectively these items are referred to as separately disclosed items.
2. Before discontinued operations.
3. Excludes digital scores which were not available for 2021/22

INTERVIEW

Jon Martin
Chief Operating Officer

Using technology to deliver a seamless and personalised customer experience

Jon Martin, Rank's Chief Operating Officer, is responsible for the development and delievery of Rank's cross-channel customer experience for the Group's UK brands, Mecca and Grosvenor. Here Jon talks through why this is a key strategic priority for the Group and how it must orientate itself to meet the changing needs of its customers.

Jon, you are part of the team driving Rank's growth, specifically through enhancing the customer's cross-channel experience. Why is this important for Rank?
Historically, Rank has addressed its customer audiences via two distinct channels – venues and online. Due to channel-specific technology and team structures, customer relationships have typically been conducted independent of each other, regardless of whether a customer played with us in both environments. This single-channel approach to customer service limits our understanding and ability to meet their needs.

Customers expect a seamless experience whether engaging with the brand in a venue or online. To ensure we better meet their needs, we must deepen our understanding of their motivations and remove the barriers that prevent a seamless engagement with us.

Customers are looking for unique experiences and rewards, the ability to socialise more – especially in venues – an increased chance of winning and always the thrill of playing.

We must provide our customers with more reasons to choose our brands by widening the variety of games, engendering a sense of belonging and community, providing recognition and rewards for cross-channel play and ensuring the ease and convenience of participation to enhance brand trust and credibility.

This is not simply about converting single-channel users to multi-channel users but about delivering brilliant experiences across all touchpoints, whenever and wherever the customer chooses to play with us.

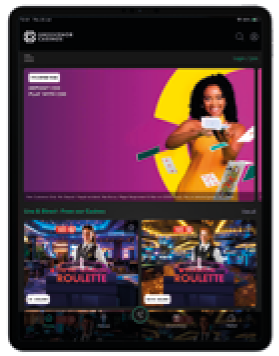
Rank is effectively reorienting towards an improved customer-centric model, enhancing both in-venue and digital experiences, to unlock significant value.

What gives you the confidence that Rank is well placed to deliver on this for both its customers and its shareholders?
There are a number of dynamics in our favour which I will break down into three areas:

High cross-channel play: We know that 57% of regular casino customers and 50% of regular bingo customers play both in venue and online. So, if you compare that with the fact that just 5% of our Grosvenor venues customer base and 9% of our Mecca venues customer base also play with us online, we have immediate headroom for organic growth.

Potential market: Grosvenor venues enjoy a 36% share of the UK land-based casino market, whilst Mecca has 22% of the UK land-based bingo market, yet we only enjoy a small single digit percentage of the overall online gambling market.

> "Customers expect a seamless experience whether engaging with the brand in a venue or online."



There are approximately 400,000 regular casino cross-channel customers and 800,000 regular bingo cross-channel customers in the UK, representing a large potential market for us to acquire.

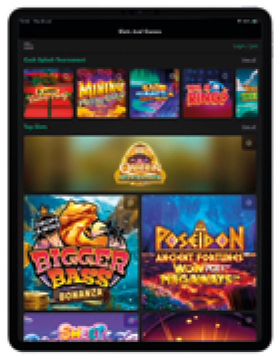
Spending behaviour: And in terms of assessing possible value to the brands, across both existing and new customers, we believe that cross-channel customers are worth more to our businesses than customers who only play with us through one channel.

So how is Rank evolving to meet the change in customer needs?
We are focusing on five key areas:
Integrated and seamless engagement: We are progressing towards integrated cross-channel engagement, moving from standalone channels to a unified customer experience.

Customer understanding: We have historically had anecdotal evidence of customer preferences due largely to data limitations resulting from separate accounts for venues and digital platforms. We are evolving towards a real-time 'single view' of the customer to improve personalised experiences.

Colleague engagement: To achieve this we need an internal emphasis on creating a unified mindset for delivering seamless experiences across both venues and digital platforms amongst our colleagues.

Technology development: To underpin these objectives, we have already made significant progress by acquiring proprietary digital gaming platforms, launching single wallets and developing single customer views. Our future improvements will focus on new mobile apps, single account and wallet systems, the integration of venue management systems, contactless technology and enhanced content management.



CONTINUED

INTERVIEW

Jon Martin
Chief Operating Officer

Data and insight: Previous customer tracking focused on individual channels in real-time. The development of our Central Engagement Platform ('CEP') is enabling us to capture real-time customer data across both venue and digital channels.

How will these translate into the customer experience?

There are many touchpoints in a customer journey, however we are currently focused on the following key priorities:

Single account

Customers expect their engagement with the brand to be consistent, irrespective of channel. Asking a customer to create separate accounts for different channels is inconvenient and a source of customer frustration.

Single wallet

Customers want to be able to readily move funds between their venues and online accounts. We currently have this provision for our Grosvenor customers and it will be an area of focus for Mecca in 2024/25.

Cross-product venue wallet

Once in venues, our customers should be able to enjoy the complete venues experience through their wallet, e.g. pay for chips at cash desk and then cash in their gaming machine winnings, all through one unified wallet.

Personalisation

Our customers want to be recognised once they interact with our brands and quickly access their favourite games. We also need to make sure we are providing relevant promotions linked to their preferences.

Brilliant venues website pages

Customers move between channels seamlessly today, including using the digital experience to plan their venue experience. We want to enable Mecca and Grosvenor customers to be able to plan their visit online when they visit on a particular day.

Do we have any early signs of success?

We do. In Grosvenor, we have 53k cross-channel customers (representing 21% of our digital base and 5% of our venues base). This cohort contributed £20.4m in 2023/24, up 13% on the prior year, and represents 10% of total UK digital revenue.

Likewise with Mecca, we have 58k cross-channel customers (representing 19% of our digital base and 9% of our venues base). They contributed £17.0m in 2023/24, up 18% on the prior year, and represented 9% of total UK digital revenue.

How far is Rank on this journey and what can we expect next?

It has been a busy few years and we have worked hard to put in place the right technological foundations. This investment has been a key enabler in delivering a seamless customer experience.

Clearly the acquisition of the proprietary technology platform, through the acquisition of Stride Gaming plc, was a key strategic move for the Group; the platform is now well established and entering its next phase as we further modernise under our 'Next Gen' project, helping to drive greater resilience and efficiencies. We have now successfully moved the platform to the cloud after being hosted on physical servers for many years. The cloud infrastructure provides the platform with much greater flexibility and scalability.

Historically, we had multiple content management systems ('CMS') delivering brand content to our customers. During the year we successfully migrated our key brands onto a single CMS. Operating a single CMS means customers can benefit from material site speed improvements, greater site stability and accelerated speed of product development.

Key delivery milestones

JUNE 2025
All microservices

APRIL 2025
Yo platform upgrade

DECEMBER 2024
Mecca app

APRIL 2024
Launch of live bingo (Spain)

MARCH 2024
Grosvenor app

Single CMS (Mecca and Grosvenor)

DECEMBER 2023
Spanish licence to Ceuta

NOVEMBER 2023
Cloud migration

OCTOBER 2023
Central Engagement Platform (CEP)

AUGUST 2023
Single CMS (Bella)

We have also started to improve the presentation of our venue experience on our brand websites, with virtual tours now available for all of our Mecca venues. Personalisation is a key element of successfully engaging with our cross-channel customers and this year we launched personalised online customer journeys for our Mecca and Grosvenor customers, prioritising the presentation of games they like both in-venue and online.

Having extended our gaming propositions from single to multi-channel and then towards driving cross-channel relationships over the past few years, we are firmly targeting truly seamless cross-channel experience.

It's clear that we need to further consolidate individual customer accounts that exist in both land-based and online brands. This will continue to streamline player data sets and enable us to better assess their real-time playing behaviours, allowing us to craft appropriate engagement activities. Our newly launched Central Engagement Platform ('CEP') is a key tool in this regard.

Operationally, we have started to remove silos and single-channel operations to support this – best exemplified when designing experiences rather than channels for our customers. This requires us to further standardise technologies and increase product integration along with a continued shift in internal mindset from cross-channel to seamless brand delivery.

Rank's digital transformation strategy is setting a robust foundation for a future where a seamless customer experience isn't just an aspiration but a reality. By integrating sophisticated technology with a deep understanding of customer needs and behaviours, Rank is not only responding to current trends but helping to shape the future of the gaming and entertainment industry.

The strategic enhancements in cross-channel engagement, along with a sharp focus on personalised customer experiences, signify Rank's commitment to excellence and innovation. This commitment is already showing promising results, delivering tangible benefits to customers and shareholders alike.

Grosvenor venues
An improved customer experience

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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 openings, club closures, foreign exchange movements and discontinued operations.
2. Before the impact of separately disclosed items.

Market dynamics

Grosvenor has the largest market share at 36%, the largest number of venues at 51 and the highest brand awareness in the UK

With the largest number of casino licences and the largest average footprint by venue, Grosvenor is best placed to benefit from legislative change

Customer profile

Broad and ethnically diverse customer base, with high retention rates amongst core customers and a large number of first-time visitors every year

Electronic gaming has been an increasingly attractive product vertical driving visits growth and spend per visit

Through increasing the gaming machine offer and making sports betting available in Grosvenor Casinos we will broaden the appeal of casinos

Strategic plan
Organic

Improve approach to risk management providing player protection without undue friction

Reposition customers at the heart of the business to improve experience

Personalise customer journeys with seamless interaction between digital and venues

Investment

Doubling the number of gaming machines by 2027/28 and introducing sports betting

Cost-effective refurbishments to bring to life a refreshed modern customer proposition

Relocating sub optimal venues to maximise benefit of the Gambling Act Review

A 'test and learn' approach to investment, providing a prudent approach to capital investment

Grosvenor, Gloucester Road, London

Grosvenor venues

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Strengthening our team

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. Further people changes throughout the business have helped to improve the focus on the quality of the 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 nine 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.

Grosvenor, Gloucester Road, London

Grosvenor, Luton

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 focused 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-19 pandemic.

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

Mecca venues
An attractive proposition

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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)	98%

1. Results are presented on a like-for-like ('LFL') basis which removes the impact of club openings, club closures, foreign exchange movements and discontinued operations.
2. Before the impact of separately disclosed items.

Market dynamics

The UK bingo market is heavily consolidated – the top three operators hold 63% of the UK bingo market

Mecca has 26% market share of bingo with 23% of the gaming machine market and 27% of customer visits

Against a tough gaming market landscape, land-based bingo has proven comparatively resilient, outperforming other land-based gambling

Land-based gaming machines have proved particularly resilient

Customer profile

Mecca's network of venues continues to have broad appeal across age and gender, ranging from those looking for experiential nights out to regular bingo enthusiasts, all looking for good value entertainment

Mecca's focus is on retaining its loyal, high-frequency customers, attracting a new generation through events, food and drink, as well as revitalised bingo and a modern and vibrant gaming machine experience

Strategic plan
Organic

Maintain portfolio of stronger venues

Focus on delivering a compelling bingo game

Continue to develop our food and beverage offer to meet changing customer needs

Investment

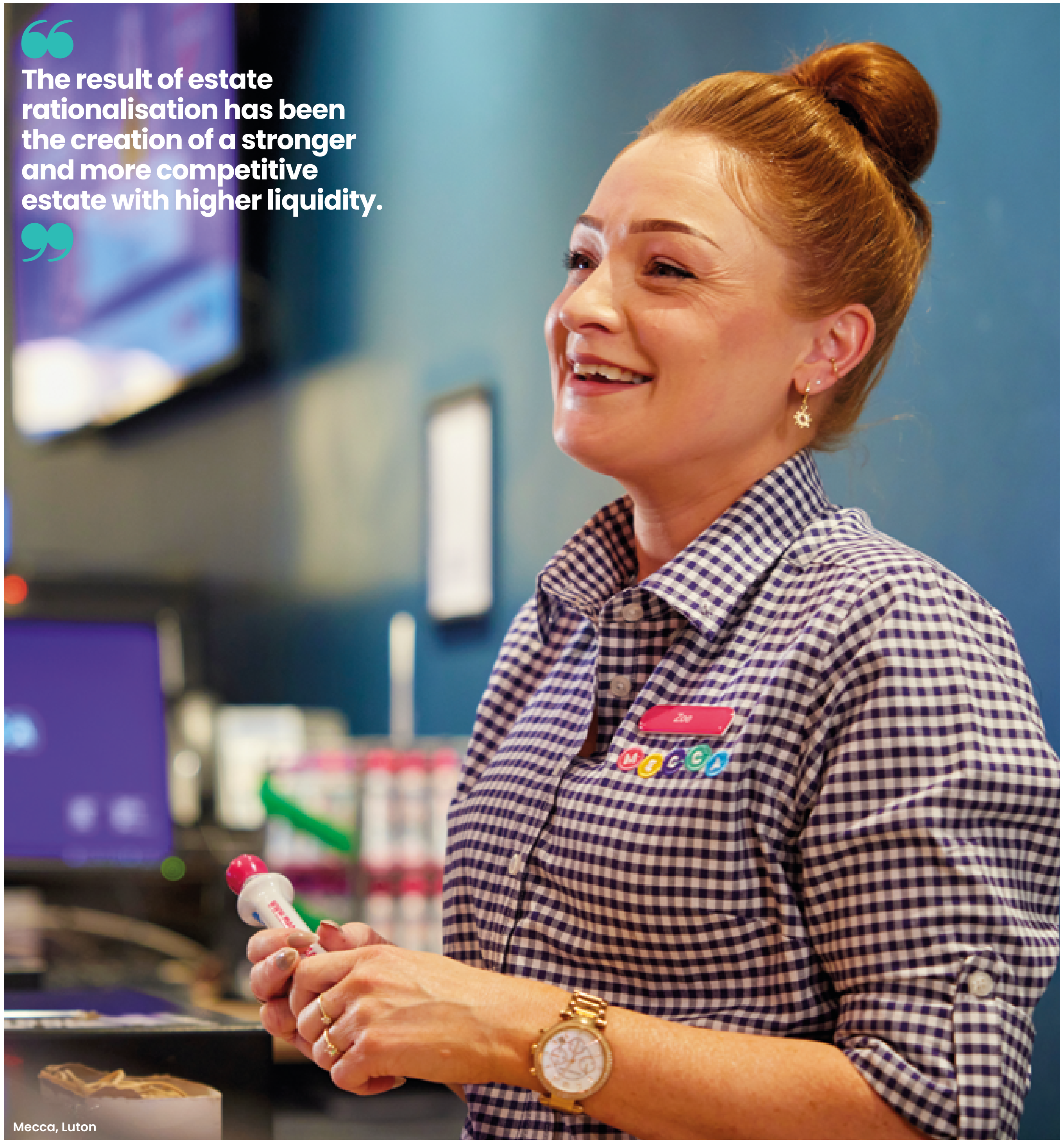
Continue with the gaming machine area refurbishments in key venues. Early results show strong gaming machine revenue growth and payback within two years

Continue with targeted investment in our external presentation to deliver visits and new member growth

A good value food and beverage offering is important to a younger, more occasional, customer and we are evolving our offer accordingly

Thrilling and more experiential delivery of the core bingo product using large screen technology

Trialling electronic payments for interval bingo games



Mecca, Luton

OPERATING REVIEW

Mecca venues

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Reinvigorating the brand

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.

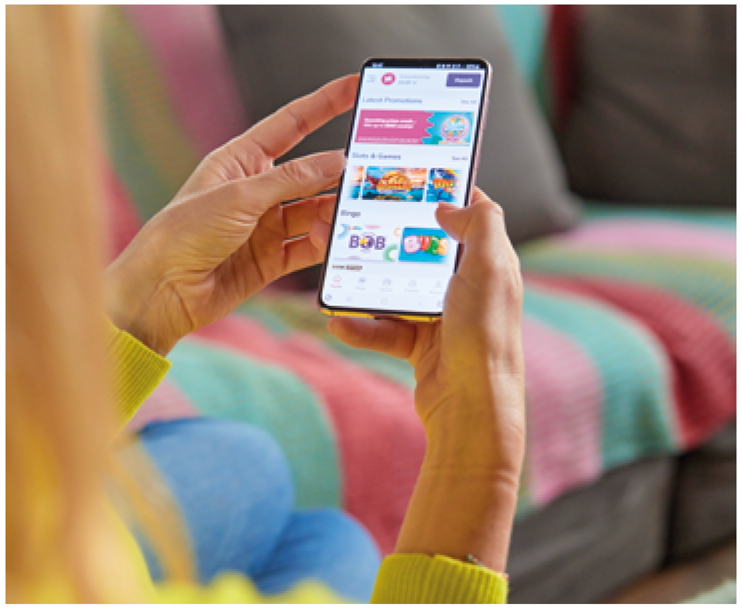
Mecca grew LFL NGR by 8% in the year. LFL visits grew 2% and the average customer spend per visit grew 6%. LFL active customers grew by 1%.

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.

Mecca, Luton

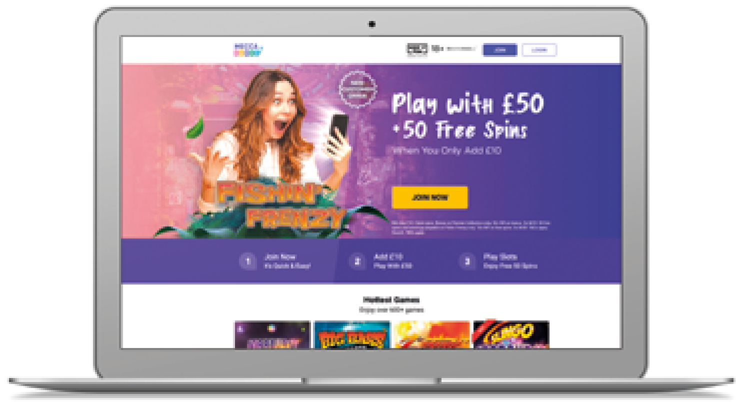


The interval bingo game grew LFL revenue 7% in the year, with food and beverage sales growing 6%.

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.

OPERATING REVIEW

Enracha venues
Growing market share

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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 foreign exchange movements.
2. Before the impact of separately disclosed items.

Market dynamics

- Enracha venues have performed well, delivering strong market share improvements
- Smaller competitors have been forced to close and bingo is concentrating in the most vibrant venues in the market
- Electronic gaming has not only been resilient, but it has driven good results, increasing its contribution to overall NGR

Customer profile

- Enracha has attracted a younger customer base over recent years, but the older cohort remains a core and valued customer segment
- Enracha has seen customers migrate from competitor venues, mitigating customer losses as a result of closure during the pandemic

Strategic plan
Organic

- Deliver better and bigger dedicated electronic gaming areas
- Ensure the bingo proposition remains relevant and engaging to attract new customers
- Continue to develop the food and drink offer to meet changing customer needs and further improve value for money
- Drive growth through a younger customer base with new high-energy bingo and broader entertainment concepts

"Customer visits grew 6% in the year, as the business continues to attract high attendances for its attractive bingo prize boards."

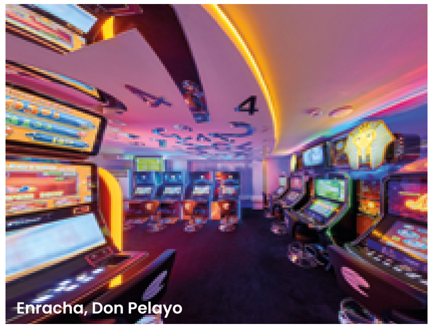
Enracha, Universal

OPERATING REVIEW

Enracha venues

Enracha, Universal


Enracha, Continental


Enracha, Don Pelayo

Quality products and service

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 and gaming machine revenues continued to grow, both up 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 rollout 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.

OPERATING REVIEW

Digital
Enabling growth through technology developments

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)%
Enracha/Yo	**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.

Market dynamics

UK

The UK is a large and attractive market at £6.5bn which is forecast to grow at 3% CAGR to 2028

Our 3% digital market share is behind our venues market leadership position of 35%

Our UK digital business has material headroom to grow through increasing its market share

Spain

Our Yo Bingo brand maintains 50% of the Spanish online bingo market

Our Yo Casino and Yo Sports brands hold much smaller market share positions (<3%)

Customer profile

UK

The average age of our Mecca customer base is 42 years and is 69% female. On average, Mecca customers visit our site every 2.5 days. Annual average revenue per Mecca customer is £214

The average age of our Grosvenor customer base is 39 years and is 70% male. On average, Grosvenor customers visit our site every 2.9 days. Annual average revenue per Grosvenor customer is £250

Spain

The average age of our Yo Bingo customer base is 42 years and is 58% female. On average, Yo Bingo customers visit our site every five days

The average age of our Yo Casino customer base is 37 years and is 77% male. On average, Yo Casino customers visit our site every 70 days

Strategic plan

Product

Product and customer improvements to be enabled via our proprietary technology platform

Develop the live streaming experience from our casinos

Increase supplier integration to expand our content offering

Be the first bingo operator in Portugal

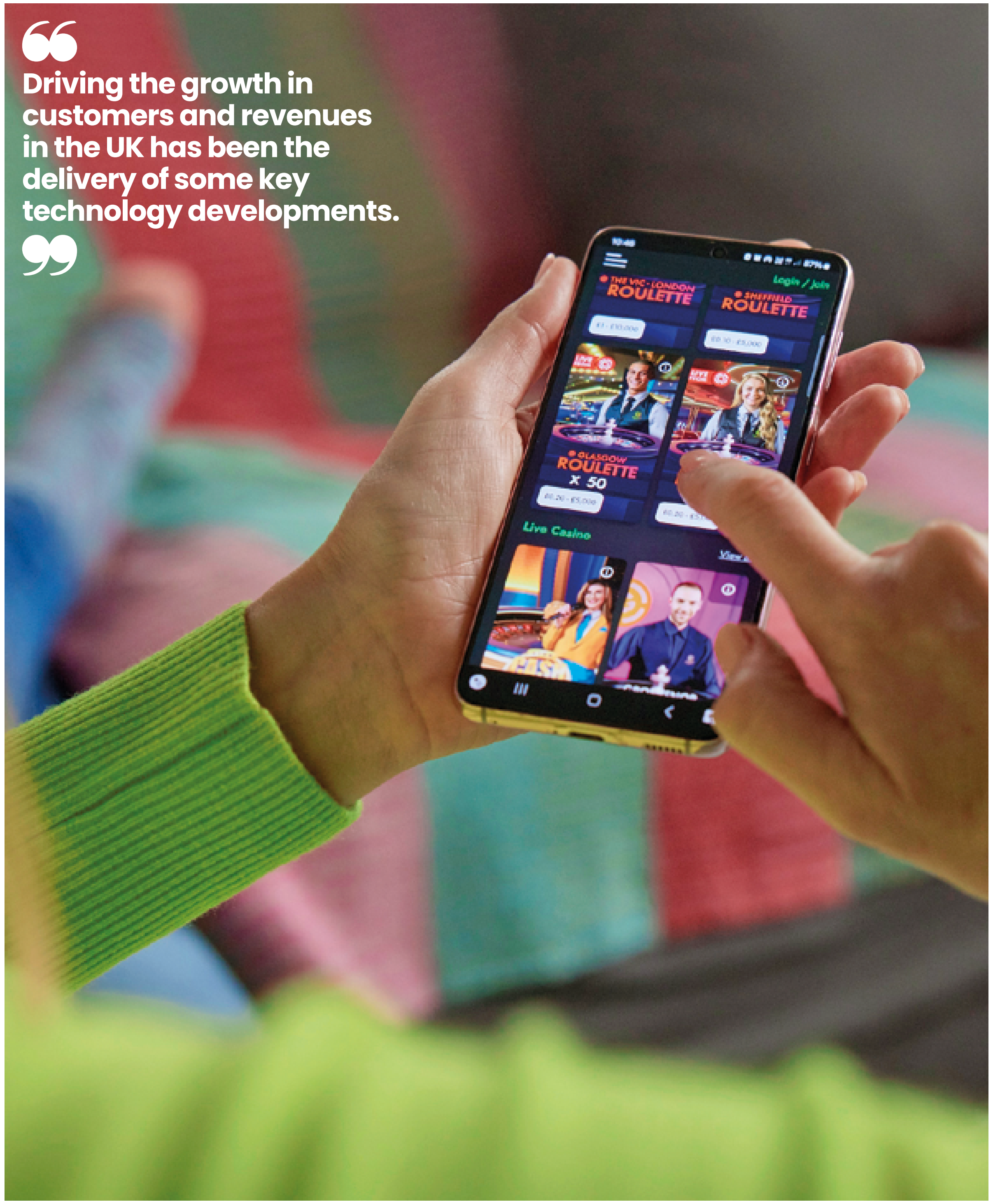
Seamless experience

Deliver a more seamless experience, as customers move between playing in venue and playing online

Marketing

Scale marketing investment, as we improve our product and customer experience, driving increased return

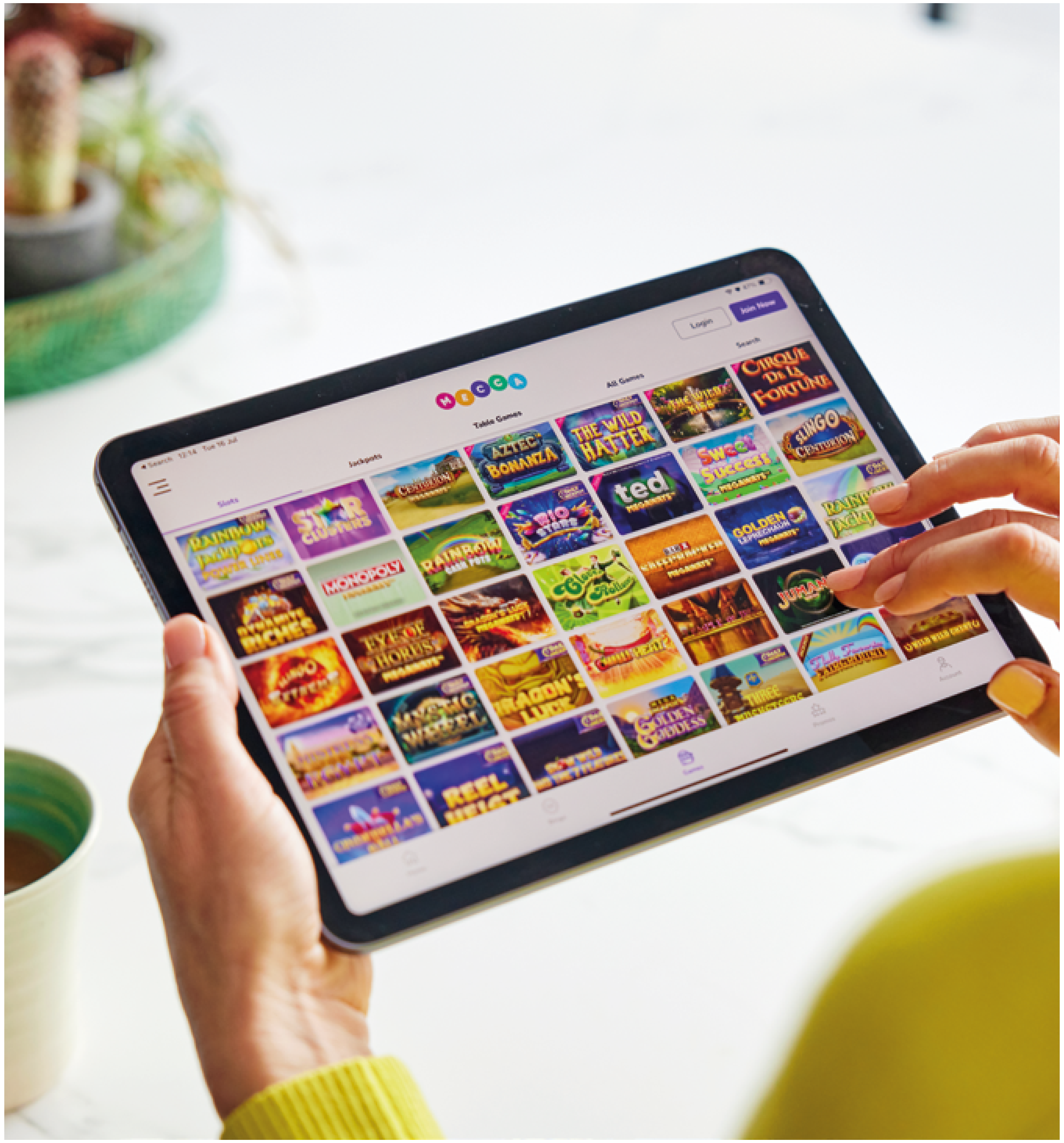
Continue our personalisation test and learn approach for key journeys and customer interactions



> **"Driving the growth in customers and revenues in the UK has been the delivery of some key technology developments."**

OPERATING REVIEW

Digital



Scaling business and improving proposition

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 midway 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 YoBingo 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 4.

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 opportunity presented at the recent Capital Markets Day.

SECTION 172 STATEMENT

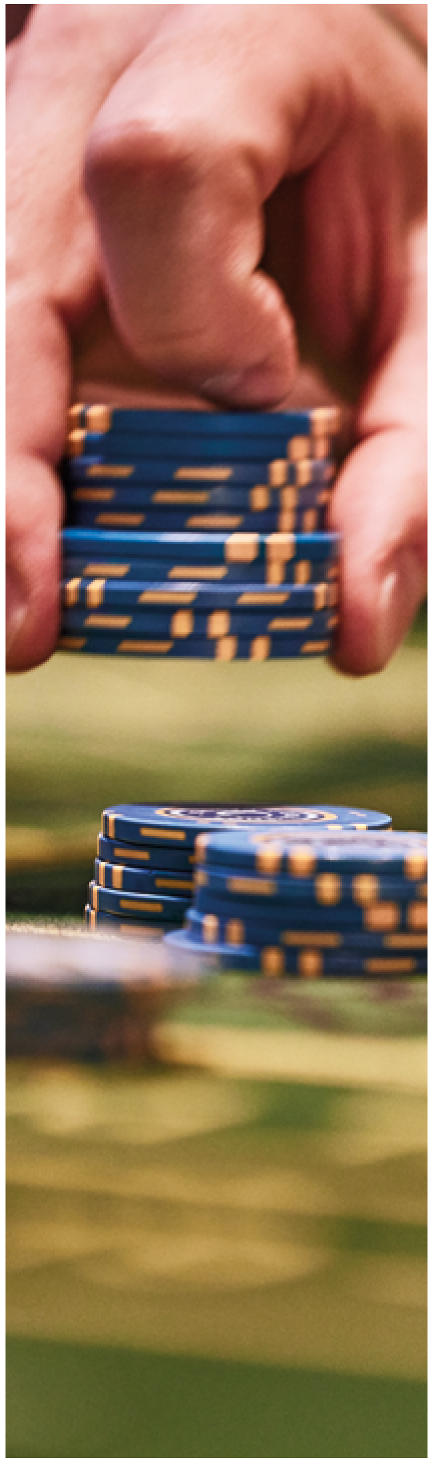
How we create long-term value
Promoting the success of the business

In accordance with Section 172(1) Companies Act 2006, the Company's Directors must act in a way that they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to the range of factors set out in section 172(1)(a) to (f) of the Companies Act, including the interests of stakeholders.

The role of the Board is to promote the long-term sustainable success of the Company, initiating long-term value for shareholders and positively contributing to wider society. Principal decisions of the Board during the year were taken to reflect macro-economic conditions and customer behaviour. In taking such decisions, it carefully considered stakeholders, the information it received through colleague and customer engagement, and how each such decision would impact on the success of the Group, with due regard to the other matters set out in section 172(1)(a) to (f) of the Companies Act 2006. This was particularly relevant in relation to its discussions and decision-making on (i) maintaining oversight of the implementation of the Group's strategy, (ii) management of costs and liquidity, and (iii) capital investments that are key to the longer-term success of the Group, each as described on pages 62 and 89.

The Board, with support of the Executive, performed its duties by ensuring matters reserved and discussed included:

- Review and consideration of the Group's strategy, particularly in view of uncertain macro-economic conditions including wage inflation. Please see pages 15 to 17 for more information.
- The focus and continued development to embed ESG across the business, placing ESG at the forefront of business-led decision-making. Please see pages 36 to 52 for more information.
- Assessing capital expenditure opportunities presented by the business against all stakeholder interest. Please see pages 30 to 31 for more information.
- Regular review of the Group's risk management processes and controls and ensuring the key risk areas for the business were considered, taking into account the macro-economic conditions. Please see pages 57 to 62 and 80 to 84 for more information.
- Consideration of stakeholder interests and engagements carried out through the year, which included impact of the wider economic conditions. Please see pages 13, 30 and 31 for more information.
- Being kept informed of the regulatory landscape impacting the Group, particularly relevant in respect of legislative changes announced by the UK Government's White Paper as the process moves to timing and implementation. Please see page 11 for more information.
- Being kept informed of colleague sentiment and culture through our Designated Non-Executive Director for workforce engagement, as well as regular employee opinion surveys. See more on page 75.



S172 factor	Relevant disclosure
The likely consequences of any decision in the long term.	Company purpose (Pages 70, 71)
	Our business model (Page 7)
	Our strategy (Pages 15 to 17)
	Engagement with regulators and legislators (Page 34)
The interests of the Company's employees.	Colleagues (Pages 33, 42)
	Inclusion and diversity (Pages 33, 42, 69, 76, 77)
	Colleague engagement (Page 75)
	Non-financial reporting (Page 64)
The need to foster the Company's relationships with suppliers, customers and others.	Customer engagement (Pages 33, 40, 41)
	Supplier engagement (Page 35)
	Engagement with regulators and legislators (Page 34)
	Responsible payment practices (Page 35)
	Anti-bribery and corruption (Pages 36, 59)
	Modern slavery (Pages 35, 61)
The impact of the Company's operations on the community and the environment.	Community engagement (Page 52)
	Approach to ESG & Safer Gambling (Pages 85 to 88)
	TCFD disclosures (Pages 44 to 51)
	Rank Cares (Pages 34, 52)
The desirability of the Company maintaining a reputation for high standards of business conduct.	Brands (Page 8)
	Culture and values (Page 66 to 67)
	Engagement with regulators and legislators (Page 34)
	Whistleblowing (Pages 33, 36, 82)
	Internal financial controls (Page 82)
The need to act fairly between members of the Company.	Shareholder engagement (Page 35)
	Annual General Meeting (Page 182)
	Rights attached to shares (Page 110)
	Voting rights (Page 110)

Please see pages 29 and 64 for our S172 statement and our statement on non-financial and sustainability information.

Case study
Developing the Group-wide Central Engagement Platform ('CEP') allows the business to make critical business decisions with data that it can trust

Principal decision:
Developing the Group-wide Central Engagement Platform ('CEP') allows the business to make critical business decisions with data that it can trust.

Context
Our new data platform delivers a secure, scalable and agile cloud-based, single trusted source of data. It delivers the right data to the right places at the right time to meet our customer and business needs.

Facilitating real-time data capabilities enables us to support personalised customer engagement and services, as well as providing greater accuracy in analytics, reporting, data science and AI. As such, it is a key foundation of future growth.

For more on CEP please see CEP in the Sustainability Report 2024.

Decision-making process
The decision to develop a new platform was made by the Executive Board and sponsored by the Chief Information and Chief Data Officers who had determined that the existing data architecture was not fit for purpose.

The process included:
- Financial and performance analysis of the existing data architecture. This was undertaken with support from Finance, Analytics and Insights and Customer Relationship Management (CRM) functions.
- Objective recommendations provided by a specialist third-party data consultancy. They proposed a structure for data architecture with the guiding tenets of:
  1. keeping the architecture solution simple to navigate, deploy and audit
  2. significantly reducing the number of third-party vendors, and
  3. identifying an agile and scalable solution that would grow with the company.
- The choice of Databricks (a database and data processing software provider) as a technology provider.
- Developing a roadmap of existing tools to be decommissioned. This was achieved and helped realise significant savings, so making the initial deployment of CEP cost neutral to the business.
- Launching the platform with the assistance of a team from Databricks to ensure that the solution was built correctly from the start.
- In parallel, implementing a data governance function with a focus on improving data quality, data definitions, governing system access and articulating how data is to be used.
- Close collaboration with CRM and Analytics & Insights teams to ensure that their detailed data needs were prioritised, thereby supporting customer engagement, reporting and analytics.

When reviewing the proposal to develop the Group CEP, the Board challenged the management team on a number of factors including but not limited to: software and cloud cost management, the reduction in the number of suppliers, the ability to provide real-time data when and where commercially justified and future-proofing the business with the flexibility to grow through the deployment of new initiatives such as Artificial Intelligence and the use of Natural Language Programming.

Key stakeholder considerations
The following key stakeholders were considered and formed part of the decision-making:

Our colleagues
The Executive Committee including the CEO, Chief People Officer, Chief Information Officer, Managing Directors of all businesses, Chief Financial Officer and Group General Counsel who represented the Data Protection Officer. Business leaders including the Director of Analytics and Insights, Marketing teams of all brands, Technology team leads, Customer Services, IT and the Information Security Team were also consulted and fed input into the project. Employees were able to gain new skills as part of the project and with future growth in harvesting data there will be further opportunities to recruit, upskill and develop internal capability.

Our customers
Our customer experience is expected to improve as a result of the data project with much-improved customer personalisation now possible.

Regulators and legislators
Ensuring the platform and service remained compliant with all legislation and regulations, especially the Information Commissioner's Officer, in line with GDPR and the Data Protection Act.

Suppliers
We carried out full due diligence, supplier evaluation and risk management and contract negotiations with Microsoft, Databricks, Bi-Procsi (Data Consultants) and Infogain (Databricks Engineers) to ensure project and business risks were mitigated and new suppliers properly onboarded.

Shareholders and investors
Management and the Board were mindful of how powerful the impact of "deep mining" can be on the long-term business value by helping provide richer and deeper customer insight/engagement and stronger brand positioning.

Key ESG considerations
Data is architected utilising a Data Lakehouse methodology. This approach to data management ensures that only the data that needs to be processed is processed and this has enabled the data team to reduce the cost of operating data by over a third.

Deploying Databricks's industry-leading technology has assisted Rank in retaining its valued employees as they continue to learn and increase their value to the business, staying ahead of trends in data management. Further, the increased focus on data use at Rank, coupled with the new technology, has made Rank a more attractive destination for data practitioners, who have historically been difficult to attract.

Actions and outcomes
The Board approved the platform development, and the changes were made with the following improvements:
- All operational reporting is delivered earlier than previously, thus enabling decisions to be made more promptly. Historically, data was occasionally unavailable to end users due to the instability of the previous data platforms.
- Over 420 data sets have been ingested into the new data platform, making them readily accessible for engineers and developers to access quickly.
- CEP receives data from 28 systems and the list is growing monthly to support the customer and business insight teams.
- Data quality rules have been implemented with end users reporting improvements in the timelines and quality of data they receive.
- Machine Learning Models (AI) have been migrated onto CEP, enabling them to take advantage of the richer, better-quality data.
- Over 50 management reports and dashboards are now built on CEP, leading to better quality management information.
- Regular monitoring and system alerts have been built to enable the data team to proactively engage with data providers to ensure data is always available and accurate.

SECTION 172 STATEMENT

Case study

In-housing of mobile app development in order to dramatically improve the customer experience

Context

Today, around 23% of digital customers use our apps. Industry standards are closer to 50 to 60% and we know on average these players are worth up to 1.5x more, engaging with the brand more often. The Group is targeting to have over 50% of digital customers engaged via apps by 2027.

The app is critical to our delivery of seamless experience to the customer for single-channel and cross-channel players. Our apps will evolve to better reflect our offering to consumers in venue, with a seamless experience allowing them to move between engaging in our venues and playing their favourite games online with Mecca or Grosvenor when they choose.

Taking greater control of our app experience is a key investment to drive accelerated growth across the group.

Decision-making process

Historically, app development was outsourced to an external supplier. This limited our control of the feature development roadmap and our bespoke requests took longer to go to market. We set out below the key decision-making processes behind this capital investment decision.

Commercial business case approval

The app strategy was updated and iterated based on feedback from stakeholders with the strategic objective of achieving material growth.

A formal business case detailing the mobile app strategy was shared with the executive committee and submitted through the Company Secretary to the appropriate authority groups for approval.

Final approvals were obtained from both the Rank Group Finance Committee and Board of Directors based on the strong financial returns expected.

Execution and design decision-making process:

Programme Planning

A programme governance was created to standardise governance processes, ensuring a clear, transparent management of the planning, timeline, design and execution across deliverables.

We hold monthly Executive Steering Committee meetings with the CEO, Group COO, CIO, CTO and CFO. The purpose of the meetings is to provide an update against the plan, budget, key delivery milestones, recruitment and resource status as well as business readiness to operate the mobile apps.

We engaged a third-party specialist to support optimising our delivery to the customer whilst future-proofing our technology design principles. This third-party teams' knowledge and expertise on mobile app technology, architecture and the consumer market helped Rank to rapidly develop our product roadmap on secure, scalable and future-proof technology.

A key part of the insourcing of proprietary development was the recruitment of 35 dedicated developer and supporting roles. The overall mobile app resource plan was approved as part of the formal business case, with the recruitment programme overseen by the Chief People Officer as a part of our workforce planning processes.

The architecture and coding framework selected, Flutter, was assessed by Rank technical teams alongside other available technology frameworks. The Flutter mobile app development code language was chosen due to the flexibility of the framework, providing efficient coding enabling faster development. Flutter also has cross-platform capability so can be developed once across the two app technology platforms (iOS and Android).

All product roadmap features go through a rigorous selection, prioritisation and design process.

Request for features into the roadmap planning come from various stakeholder groups, such as compliance, regulatory, commercial, marketing and product.

The product features are selected via a standard prioritisation methodology, which focuses on the reach, impact and return of investment. Compliance or regulatory requirements take development precedence. Design concepts are tested with Rank customer focus groups for each brand, and against sector and non-sector competitors to ensure an open, transparent process to achieve the best outcome for our customers.

Key stakeholder considerations

The following key stakeholders were considered and formed part of the decision-making:

Our colleagues

The Board and management were positive as to the opportunity presented, with colleagues invited to contribute to the design principles via our product planning processes. Regular design and prototype reviews were held throughout the scoping and delivery phases of the project, to obtain feedback and create awareness of the incoming release.

Our customers

Extensive research across our digital and venues customer base was conducted as part of the discovery and scoping phase of the project. As part of this research, we sought to understand which competitors and participants in other industries offer brilliant customer experiences.

Our communities

We were mindful of the positive impact recruitment would have in Cape Town, both for our existing team there and cementing the location as the Rank Group's "technology hub". This location has access to technology talent which is evolving as a geographically renowned centre of excellence, with other large multinationals such as BMW and Amazon choosing Cape Town as a development hub.

Regulators and legislators

The project, management and executive stakeholders were very focused on maintaining Rank's excellent compliance record and promoting a safer gambling strategy within our proprietary app portfolio. Our offering is regulated by the UK Gambling Commission ('UKGC'), with no express approval being required for the launch of the app. Our mobile offering must be compliant with Apple and Google store standards.

Shareholders and Investors

The Board approved this investment on the basis it created long-term shareholder value by materially improving our offering to the customer.

Suppliers

We worked positively and ethically with the suppliers whose contracts we were terminating and ensured all contractual terms were observed.

Key ESG considerations

Colleagues

Expanding our new office in Cape Town, recruiting 35 people to create a whole team of engineers, developers and support staff.

Customers

Engaged through surveys and customer testing panels to receive feedback and to shape the design principles of our apps.

Suppliers

Due notice with suppliers whose contracts were being terminated. The business ran a competitive tender exercise in which ESG aspects were considered in the awarding of the most attractive tender submission. This included the relative merits of insourcing or continuing with an outsourced model.

Actions and outcomes

The Board, and through its delegated authority to the Finance Committee, approved the agreement.

Impact of these actions on the long-term success of the Company

We recently launched our first proprietary app, Grosvenor casino, in June this year within 12 months of taking the decision to insource our development. The key benefits to the customer of this release were more of their favourite games, and a much-improved user experience, whilst adding more information on our venues for players. Early results show good player engagement and much improved player values in line with our internal expectations.

The app is critical to our delivery of seamless experience to the customer cross-channel. In time, our app offering will evolve to better reflect our offering to consumers in venue, with a seamless experience allowing them to move between engaging in our venues and playing their favourite games online with Mecca or Grosvenor.

Taking greater control over our app experience is a key investment to drive accelerated growth across the group.

SECTION 172 STATEMENT

Stakeholder engagement
Engaging with our varied audiences

In accordance with section 172 of the Companies Act 2006, the Board considered the duties of each director to consider the Company's key stakeholders and promote long-term success. We continue to develop our stakeholder engagement by proactively identifying and focusing on stakeholder needs.

The Chair ensured that the Board received the relevant information on issues affecting its key stakeholders for consideration at its meetings and recognises the importance of ensuring stakeholder views are factored in to the decision-making process.

While the majority of engagement with stakeholders takes place within the business divisions and is led by divisional management, the Board engages directly with certain stakeholders by way of the meetings it organises and attends (both online and physically). It also engages with stakeholders in writing by way of letters and electronic communications including email and website announcements. The Directors are also kept regularly apprised of all stakeholders' views through divisional reports to the Board, so that Directors are able to have regard to such views in their decision-making, as illustrated by reference to various stakeholders' interests in our Section 172(1) statement on page 29 and the case studies on pages 30 and 31.

We also engaged with key stakeholders by taking their views into account when updating the Remuneration Policy for 2024/25. See page 90 in the Remuneration Committee's Report for more. The Remuneration Policy will be voted on at the forthcoming AGM on 17 October 2024. Similarly, we engaged with investors in conducting the materiality assessment that shaped and informed our ESG strategy (see the Sustainability Report 2024, www.rank.com for more information). As explained in the Governance Report, on pages 66 to 109, the Board considers that it has complied with its duties under s172 of the Companies Act 2006 through its active engagement with stakeholders and continues to develop its stakeholder relationships.

Understanding and balancing the respective needs and expectations of our stakeholders over the past year has been as important as ever and we remain committed to doing so.

Grosvenor, Luton

SECTION 172 STATEMENT

Stakeholder engagement

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Customers

Ensuring our customers are at the heart of our decision-making is crucial to our strategy. Understanding their changing needs, preferences and behaviours helps us to ensure that our offering remains safe, fair, current and appealing.

Key areas of consideration

Player protection
Customer experience
Relevance of offering
Health, safety and wellbeing

How we engage

We host, serve and engage with our customers each and every day through our engagement in venues and our digital platforms. This includes discussing their overall experience, safer gambling, affordability and welfare. We also regularly engage with our customers through quantitative and qualitative research to seek their views, opinions and insights into how we can improve our products, services and user journeys. The Board and ESG-SG Committee receives updates on customer scoring and monitors developments accordingly.

For more please see Customers and Customer service in the Sustainability Report 2024.

2023/2024 highlights

- Continuous engagement with our venue guests, monitoring their customer experience, helping senior leadership teams, venue teams, ops & marketing teams with an immediate opportunity to rectify issues as well as the opportunity of seeing where measures are instantly working.
- Continuous brand-tracking study examining motivations, brand health and perceptions, competitive positions, strengths and weaknesses and campaign evaluation (our brands as well as our competitors).
- The set-up of Community Panels allowing us to recruit customers to provide agile and insightful feedback on a number of different topics, including cross-channel concepts.
- A food and beverage study examining the possibilities of growth among selected Mecca customer personas.
- Grosvenor customer segmentation exercise to allow marketing teams to better understand customer marketing needs and aid targeting of our comms.
- Poker segmentation and behavioural exercise to assist and improve the delivery of poker in our Grosvenor venues.
- Quantative and qualitative research looking at gaming machine customer life cycle analysis, generational analysis, new customer acquisition, value, motivations, brand association and competitor analysis, to better understand gaming machine play.
- Above-the-line campaign creative survey, reviewing creative concepts for an upcoming brand campaign.

Colleagues

Our people are the heart and soul of the business and a key enabler of its success. We depend on their passion and commitment to implement our strategy and ensure our customers are served in the best possible way.

Key areas of consideration

Opportunities for progression
Equality, diversity and inclusion
Fair pay and reward
Opportunities to share ideas and make a difference
Health, safety and wellbeing

How we engage

We seek an open dialogue culture and host forums throughout the year to enable the exchange of opinion between colleagues and the sharing of views with senior management and the Board. Other engagement methods include, but are not limited to, monthly Group and business unit Town Halls, frequent updates and corporate communications to share news and developments, employee opinion surveys, regular performance and development reviews and venue visits by Board members and senior management.

We also continue to offer a confidential whistleblowing hotline to all colleagues.

For more please see Colleagues in the Sustainability Report 2024.

2023/2024 highlights

- A new engagement app called Connect was implemented in May 2024.
- Regular communication Group-wide by way of the Connect app which continued to evolve during the year.
- Social media forums for Grosvenor and Mecca colleagues to express views and share news.
- Monthly Town Hall meetings with Q&A sessions available to colleagues in all jurisdictions to attend, and which included a regular rotation of updates from each of our businesses, of regulatory news, along with people and culture initiatives.
- Employee Voice meetings attended by elected representatives from the business, the Chief Executive and Chief People Officer.
- Conducted a full Employee Opinion Survey in October 2023 and a “pulse survey” in May 2024 and implemented action plans following a review of results. Follow-up sessions were held to improve visibility of changes coming out of the action plans.
- STARS values awards continued to recognise individuals and/or teams for demonstrating Rank’s values in their work, nominated by their peers.
- Continued to focus on our six ED&I colleague network groups: Wellbeing, Women, Racial Equality and Diversity, LGBT+, Families and general ED&I (incorporating religious celebrations).
- Introduced a range of activities and initiatives to make sure that our workplace is an enjoyable and supportive place to work, such as providing breakfasts and lunches and arranging social events.
- Open and enhanced regular dialogue with trade unions and local representatives.
- A programme of virtual and in-person colleague sessions held with the Designated Non-Executive Director for workforce engagement who kept the Board apprised of these engagements. These reports provided the Board with valuable insights from colleagues.
- Board Directors and Executives conducted site visits to engage first-hand with colleagues.

Communities

Community links are essential to Rank and its people, as well as to our customers. Our businesses are more likely to thrive when they are part of healthy and supportive communities, and we are committed to making a positive impact within these communities.

Key areas of consideration

Charitable initiatives
Positive community impact
Employment
Reputation

How we engage

The Board and ESG-SG Committee receives regular updates on community engagement and the implementation of the ESG-SG strategy. Beyond entertaining customers daily, we recognise that we play a pivotal role in the lives of our colleagues and the communities in which we operate. Our venues serve as community hubs where people spend their leisure time and engage and interact with other customers and our colleagues. The strength of our business is partly due to the long-term trust and relationships that exist between our colleagues and customers, who often have known each other for many years.

We engage with our local communities through volunteering, charity work and providing employment and work experience opportunities. We are particularly proud of our ten-year charity partnership with Carers Trust, which has seen us win the Corporate Community Engagement Award at the European Casino Awards for two consecutive years.

For more please see Community in the Sustainability Report 2024.

2023/2024 highlights

- During the 2023/24 financial year, we raised £323k for Carers Trust, a charity dedicated to improving support, services, and recognition for anyone caring for a family member or friend who is ill, frail, disabled, or has mental health or addiction problems. Rank has announced that we have raised £3.8m since the partnership began in 2014.
- We continued to award Rank Cares Grants, a grant programme for unpaid carers, through our charity partnership with Carers Trust:
  Carers Essentials Fund: funding for vital equipment such as washing machines, cookers, fridge freezers, or beds
  Carers Take Time Out Fund: funding to allow carers some respite time, and
  Carers Skills Fund: funding to enable carers to learn new skills to further support their work as carers.
- Promoted local job vacancies and worked with local job centres and colleges to ensure job seekers can find local employment, which has continued to be a successful recruitment method.
- Supported Carers Trust in raising awareness of the charity through internal and external campaigns, including Carers Week and Young Carers Action Day, where we donated a silent disco experience. Additionally, we engaged in year-round fundraising activities, such as having 20 colleagues complete the Three Peaks Challenge, raising over £31,500 for the charity.

We engage with the local community through volunteering, charity work and providing employment and work experience opportunities.

Regulators and legislators

Gambling in the UK is a highly regulated industry, and the customer proposition is largely framed by Government policy, legislation passed in Westminster and regulation set by the Gambling Commission in the form of Licence Conditions and Codes of Practice.

In Spain, the position is similar, with online gambling regulated at a federal level and the regulation for venues set by the autonomous communities. In this context it is important to ensure that both legislators and regulators understand the changing expectations of Rank's customers.

Key areas of consideration

Consumer fairness and player protection
Policy and the direction of future gambling reporting
Openness and transparency
Compliance with laws and regulations

How we engage

Establishing and developing strong relationships with legislators and regulators is a critical requirement in order to ensure the needs of our customers are understood and reflected in policy changes. Elected parliamentarians and government officials remain a core audience in the UK in light of the ongoing legislative reform process as part of the Gambling Act Review and, over the course of the year, we have continued to provide evidence and articulate the arguments in support of customer-centric reforms, underscored by our commitment to delivering safer gambling for our customers.

Alongside the rest of the regulated industry, we have also benefited from elevated levels of engagement with the UK Gambling Commission, overseen by its CEO, with frequent meetings to discuss consultations on proposed regulatory changes and other gambling policy considerations as well as compliance challenges.

In the UK, membership of our two principal trade bodies, the Betting & Gaming Council (BGC) and the Bingo Association (BA), has allowed us to elevate Rank's commercial narrative and the expectations of our customer-base within the wider UK gambling sector and to senior levels of government, notably within our sponsor department, DCMS.

Our engagement programme maximises the benefits of our Grosvenor and Mecca venues across the UK, allowing both parliamentarians, officials and regulators to understand first-hand the customer experience and to recognise the critical role of our colleagues in delivering an exciting, entertaining and safe experience.

For more please see Regulatory environment in the Sustainability Report 2024.

2023/2024 highlights

- Regular CEO to CEO meetings took place between Rank, other licensed operators and the UK Gambling Commission to improve understanding of, and requirements for, regulatory changes;
- Rank's director of Public Affairs appointed as one of ten founder members of the Gambling Commission's Industry Forum, formed in spring 2024 to foster improved engagement between the industry and regulator;
- Regular Chair to Chair meetings continued, alongside industry peers, to discuss industry issues and seek to shape overall agenda and strategic approach of the Commission;
- A programme of political engagement was undertaken, combining central government (DCMS, HMT, DBT) and a strengthened relationship with constituency MPs sharing the Rank story through our venues estate;
- Using set piece events such as the National Bingo Week, parliamentary conferences and through joint efforts with our trade bodies, we were able to meet with a wider parliamentary audience as part of our ongoing long-term political engagement programme;
- A series of DCMS-led and GC-led consultations were issued post publication of the Government's White Paper in spring 2023. Rank formally responded to all consultations and fully engaged in subsequent discussions around policy considerations;
- The ESG Committee received quarterly updates on the political and regulatory landscape.

We have ensured Rank remains a strong voice as we navigate the consultation process following the regulatory reforms.

Shareholders and investors

We adopt an open and transparent approach with our shareholders and analysts to communicate our performance and use their feedback to inform our strategy and decision-making.

Key areas of consideration

Strategy, performance and outlook
Leadership capability
Executive remuneration
Corporate governance
Environmental, Social and Governance (ESG) performance

How we engage

We adopt a proactive approach to investor relations, conducting a comprehensive programme of regular contact and consultation throughout the year. Our investor relations programme includes regular updates, meetings, roadshows and our Annual General Meeting. The other key manner in which we communicate with all shareholders is via our corporate website, www.rank.com, which has recently been refreshed.

2023/2024 highlights

- 34 meetings held with shareholders during the year, in addition to quarterly meetings held with the majority shareholder.
- The Board represented by the Chief Executive, Chief Financial Officer and Director of ESG and Investor Relations took part in a scheduled programme of major shareholder engagement to discuss interim and prelim results.
- Chief Executive and Chief Financial Officer scheduled engagements with major shareholders and analysts in December 2023.
- Chief Executive had regular updates with our major investors and analysts to discuss the implications of the White Paper for Rank.
- Our Remuneration Committee Chair wrote to our major shareholders and the proxy advisers in March 2024 concerning the proposed Remuneration Policy that was to be voted on at the AGM in 2024. This was followed up with virtual meetings which provided an opportunity for our major shareholders to raise any remuneration matters.
- Received votes from 99.96% of shareholders for the 2023 Annual General Meeting ('AGM').
- Ensured our shareholders had an opportunity to raise their questions ahead of the 2023 AGM, and which were responded to and published on our corporate website www.rank.com.

Suppliers

We have relationships with circa 134 suppliers, ranging from small businesses to large multinational companies. We aim to operate to the highest professional standards, treating our suppliers as key business partners and operating in a fair and reasonable manner, encouraging supply chain transparency and promoting fair working conditions.

Key areas of consideration

Robustness of our business
Long-term partnerships
Fair engagement and payment terms
Collaborative approach

How we engage

We have a dedicated procurement function which engages with our suppliers with the aim of optimising the way that we work with them. We build relationships regionally and locally to better understand the markets from where we source products and services. These relationships ensure Rank maintains and creates a strong relationship that is able to support Rank's long-term success.

For more please see Supply chain management in the Sustainability Report 2024.

2023/2024 highlights

- Continued to evolve our management of contract life cycles, benefiting our suppliers and internal efficiencies.
- Implemented a refreshed supplier relationship management framework to support improved ways of working whilst driving value creation for both Rank and its partners.
- Provided training to suppliers and contractors as appropriate when visiting our venues.
- Continued to build strong working relationships between Rank's regular suppliers and operators throughout the year.
- Considered supplier relationships as we commenced a review to qualify standards and expectations around our supplier conduct.
- Continued to work with our landlords on all leasing matters through the year, particularly as we sought to improve terms and a mutual benefit to our landlords through enhanced asset investment value and in turn providing the business with greater certainty of venue occupancy.
- The Group's 2024 Modern Slavery Statement was approved by the Board in August 2024. A copy of the statement is available on the corporate website www.rank.com.

SUSTAINABILITY

Managing social and environmental risks and opportunities

Our four key focus areas of sustainability reporting are Customers, Colleagues, Environment and Communities. These are underpinned by robust Environmental, Social and Governance ('ESG') practices and policies. For full disclosure on our approach to ESG, see our 2024 Sustainability Report (available on our website, www.rank.com).

Our reporting is aligned with international reporting frameworks, the Global Reporting Initiative ('GRI') and the Sustainability Accounting Standards Board ('SASB'). We have included in both the Annual and Sustainability Reports our full disclosure in line with the recommendations of the Task Force on Climate-related Financial Disclosures ('TCFD').

The Group is also aware of incoming regulatory standards resulting from its areas of operation. The International Sustainability Standards Board ('ISSB') and the EU's Corporate Sustainability Reporting Directive ('CSRD') have both been established with the objective of standardising sustainability reporting. While Rank is not required to report to either for 2023/24, we have already commenced our review of the underlying disclosure requirements of both the ISSB and CSRD in order to be well positioned to meet these future statutory requirements.

In line with the CSRD's requirement to apply a materiality-based assessment of the Group's obligation to disclose certain performance areas, we have conducted our first double materiality exercise, against the requirements of the European Sustainability Reporting Standards ('ESRS') (the framework for achieving compliance with the CSRD). The International Financial Reporting Standards ('IFRS') S1 and S2 (the standards established by the ISSB) builds upon existing reporting frameworks, including the TCFD and SASB, both of which the Group reports are already aligned.

In line with the Government's legally binding commitment to transition to a net zero economy by 2050, we are committed to reaching net zero emissions by 2050. We also set an interim target for all operations to reach net zero on Scope 1 and 2 emissions and selected Scope 3 emissions by 2035. We have continued to develop our Net Zero Pathway which provides the roadmap to achieving our targets and we plan to align these targets with the Science Based Targets initiative ('SBTi').

ESG management

We established four key areas of focus to support effective ESG management: Customers, Colleagues, Environment and Communities. This structure is underpinned by our understanding of the material ESG risks and opportunities to the business.

Our key performance indicators in each of the four areas support performance reporting. We believe that the long-term success of our business is dependent upon how we manage non-financial matters, and a figure is therefore linked to executive remuneration, sharpening our focus on ESG-related performance.

We have a robust ESG management framework. Overall responsibility for setting the Group's ESG strategy sits with our Board of Directors, supported by the oversight and expertise of the ESG and Safer Gambling Committee. Progress reports are provided to the Board by the Chair of the Committee, whilst the Group's Risk Committee keeps the Board apprised of any new or emerging ESG-related risks.

Our ESG Working Group ('ESG-WG'), with representatives from each area of the business, drives our ESG agenda and operationalises our strategy across the Group. The ESG-WG is led by our Director of IR, ESG and Treasury and reports into the ESG Steering Group ('ESG-SG') at Executive Committee level.

To provide purposeful direction on decarbonisation, our Net Zero Working Group ('NZ-WG'), supported by external consultants with environmental management expertise, is developing a strategy to reach net zero emissions in line with our targets.

Business ethics

Every employee at Rank is expected to comply with the highest standards of business ethics. Our guidelines for professional behaviour are enshrined in our Group policies, including but not limited to our Code of Conduct, Anti-Money Laundering ('AML'), Anti-Corruption and Bribery, Data Protection, Disciplinary Procedure, Grievance Procedure, Whistleblowing ("Speaking Up") and Health and Safety.

Our whistleblowing programme, Speaking Up, enables colleagues across all our locations to raise possible improprieties in confidence. The programme offers multilingual communication channels operated by an independent service provider and ensures the anonymity of the individual reporting a concern.

Supply chain management

Operating in a highly regulated industry and managing a varied supply chain over multiple jurisdictions requires an experienced and effective procurement function. Our team of category managers each focus on different areas of the Group's value chain, from digital gaming to food and beverage.

To support continuity of our service offering, we seek to engage high quality suppliers. We conduct market research to understand supplier performance and ensure we have a supply chain that is fit for purpose.

This year we developed a new Supplier Code of Conduct, launched in August 2024, which outlines the principles and expectations for all suppliers conducting business with Rank. Under the requirements of Scope 3 emissions reporting, Rank will be obligated to report on emissions not only produced by the business and the activities owned or controlled by us, but also those that are indirectly produced by our suppliers. We have included the expectation for suppliers to share environmental performance with Rank within our Supplier Code of Conduct.

Double materiality assessment

Purpose

We firmly believe in the principles of a double materiality assessment to support a deeper appreciation of our sustainability-related impacts, risks and opportunities. Double materiality requires consideration of the materiality of sustainability issues from both an impact materiality (inside-out) and financial materiality outside-in) perspective.

Conducting a double materiality assessment this year also prepares the business for alignment to the EU's Corporate Sustainability Reporting Directive ('CSRD'), which will impact our reporting due to our operations in Spain. We also have a clear understanding as to which disclosure topics of the European Sustainability Reporting Standards ('ESRS'), the framework for achieving compliance with the CSRD, the business will be required to disclose against.

By completing this exercise, we have enhanced our ability to manage sustainability risks, seize opportunities and either mitigate or maximise any negative or positive impacts, as well as positioning ourselves effectively to meet future regulatory requirements.

Approach

We established a robust process for the assessment. A clear methodology for identifying and assessing impacts, risks and opportunities was required, whilst input from the Executive Committee as well as subject matter experts from across the Group would be necessary to ensure that the assessment was accurate and complete.

Our sustainability consultants supported on the scoping and development of the process, and discussed the process with auditors to ensure the approach taken was effective.

The process was launched at Group level, whilst in Spain, the team concurrently began their business-unit level double materiality assessment.

Methodology

1. Provided description of material issue.
Informed by 2021 materiality assessment as well as globally recognised ESG frameworks and standards and industry knowledge.
2. Provided description of inside-out positive and negative impacts, whether actual or potential, and list of the metrics used to measure the actual impacts.
Aligned to the risks described in Group Risk Register.
3. Description of the outside-in positive and negative risks and opportunities, whether actual or potential, and list of the metrics used to measure the actual risks and opportunities.
Aligned to the risks described in Group Risk Register.
4. Provided description of any preventative or positive actions and/or mitigating measures in place.
5. Considered the impact materiality of the identified impacts and rated on the defined scoring system, considering scale, likelihood, and the preventative/mitigating measures in place, and the materiality over the short, medium and long terms, providing qualitative explanation for scoring.
6. Considered the financial materiality of the identified risks and opportunities and rated on the defined scoring system, considering the financial impact across six parameters (cash flows, development, performance, position, cost of capital and access to finance), the preventative/mitigating measures in place and the materiality over the short, medium and long terms, providing qualitative explanation for scoring.

Scoring system

The scoring system for financial and impact materiality was aligned to the Group Risk Register methodology, which scores risks as insignificant, minor, moderate, major or severe (this was changed to "significant" for this assessment to account for positive impact externally and internally).

For impact materiality, this meant scoring each impact on a scale of 1 to 5. For financial materiality, this meant scoring each risk or opportunity based upon its forecasted percentage impact on cash as a percentage of Earnings Before Interest and Tax ('EBIT').

The percentage ranges used were the same as those in the Risk Register.

Scoping and set up

- ESG Working Group established the parameters and objectives of the double materiality exercise, supported by our sustainability consultants.
- Double materiality workbook created, with reference to the Group Risk Register.

Workshop 1

- Double materiality workbook presented to Executive Committee and members of Senior Management to educate on process and objectives.
- Conducted a preliminary assessment of the chapters of the ESRS.

SME engagement

- Individual calls conducted with 21 subject matter experts ('SMEs') across the business to review the impacts, risks and opportunities identified relevant to their functions, as well as the corresponding preventative and mitigating measures in place.
- Scoring from SMEs on the impact and financial materiality of each impact, risk and opportunity was received.

Results consolidation

- SME responses consolidated.
- ESG Working Group reviewed the entire workbook and resolved any differences in scoring between SMEs, ahead of presentation in the second workshop.

Workshop 2

- Presented completed double materiality workbook to the Executive Committee and members of Senior Management for final deliberations.
- Findings determined the ESRS chapters selected to prepare for.

Reporting

- Communicated the process and results of our first double materiality assessment in our Sustainability Report.
- Workbook used to focus reporting and will be used by the business to monitor management of all our material issues.

Next steps

- Engage external stakeholders for input on double materiality assessment.
- Prepare for compliance with CSRD in future sustainability reporting.

Double materiality assessment

Results

We have a good understanding of the relevant issues to our business, having previously conducted a materiality assessment which involved input from internal and external stakeholders. The issues in the table below are and will continue to be managed by the business and inform our ESG strategy and reporting.

The purpose of the double materiality exercise was to understand, of these issues, which had the most significant impact and financial materiality.

To do so, consideration was given to all the existing processes, policies and management systems we have in place.

Those costs that are already accounted for within our business-as-usual outlook, and for which we foresee no related risks or opportunities arising across the short, medium or long term, are therefore not of significant financial materiality. Similarly, impacts the business has externally that are already well managed are not of significant impact materiality.

The table on page 39 therefore demonstrates which underlying impacts, risks and opportunities are most material over the short, medium and long term.

Safer gambling remains a priority issue for the business when we consider the external potential impact of problem gambling for our customers. However, the robust and well-established controls and procedures we have in place for promoting responsible play, identifying at-risk play and intervening when appropriate, means that the impact materiality of this risk is very low.

Similarly, existing controls to prevent underage play, to ensure we ethically market our products, and to protect the health and safety of customers, means that these issues are not significant in external impact or internal financial materiality.

Material issues across our focus areas

Customers
Safer gambling
Ethical marketing
Safeguarding minors and vulnerable customers
Customer privacy and data security
Customer service
Health and safety
Colleagues
Training and development
Equality, Diversity and Inclusion
Employee engagement and reward
Mental health and wellbeing
Environment
Emissions management and climate change adaptation
Environmental management
Communities
Community impact
Governance
Business ethics
Corporate governance
Executive remuneration
Financial performance
Regulatory compliance
Risk management
Supply chain management

We have robust customer privacy and data security measures in place. Nevertheless, the implications of a data breach and the risk of a cyber-attack are very significant, leading the potential financial impact to be rated highly for this issue.

Changes in customer behaviours could financially impact the business, but we also recognise that Rank's proposition to excite and entertain our customers is the biggest opportunity internally and impact externally.

ESRS disclosure activation

The double materiality exercise also supported confirmation of the material ESRS disclosures on which the business plans to report, in addition to the mandatory disclosures. Given the materiality of customer related-matters, we have activated ESRS S4 Customers and end-users topics and, given the materiality of compliance, ESRS G1 Business conduct.

To ensure that we are best placed to comply with the CSRD requirements (not currently applicable to Rank), we have begun an assessment of our existing disclosure against these chapters.

SUSTAINABILITY

Double materiality assessment

Key

Description of impact, risk or opportunity

- A **Actual:** An impact, risk or opportunity that has occurred during the reporting period
- P **Potential:** An impact, risk or opportunity that has not occurred during the reporting period

Impact or financial

- I-O **Inside-out:** An impact to the environment or society
- O-I **Outside-in:** A risk or opportunity for the business's finances

Materiality in the short term

- An opportunity or a positive impact (Longer bar = more significance)
- A risk or a negative impact (Longer bar = more significance)

Materiality trend

- **Stable:** Materiality stays the same across the medium and/or long term
- **Decreasing:** Materiality decreases across the medium and/or long term
- **Increasing:** Materiality increases across the medium and/or long term

Issue	Potential or Actual	Description of impact, risk or opportunity	Impact or financial	Materiality trend
Customers				
Customer privacy and data security	P	Loss of personal data could result in prosecutions, financial penalties and reputational damage.	O-I	Stable
Customer privacy and data security	P	Cyber-attacks can disrupt and cause considerable financial and reputational damage to the Group.	O-I	Stable
Customer service	A	Deliver exciting and entertaining experiences to our customers.	I-O	Stable
Customer service	A	High customer satisfaction results in higher NPS and positive reputational impact.	O-I	Stable
Customer privacy and data security	P	Time taken to overcome serious incidents/disasters and resume normal operations can impact operations, customers and reputation.	O-I	Decreasing
Safer gambling	P	Failure to adequately protect customers from gambling-related harm could lead to regulator enquiries and reputational damage.	O-I	Stable
Customer service	A	Changes in customer behaviour after pandemic, further exacerbated by cost of living challenges, results in declining visits to Mecca venues.	O-I	Increasing
Colleagues				
Training and development	P	Extensive training and development opportunities resulting in increased employee satisfaction and valued employment opportunities.	I-O	Stable
Employee engagement, management and reward	P	Poor employee value proposition resulting in poor employee satisfaction.	I-O	Decreasing
Employee engagement, management and reward	P	Failure to be an employer of choice could result in recruitment challenges and increased attrition.	O-I	Decreasing
Employee engagement, management and reward	A	Non-compliance with labour laws resulting in reputational damage.	O-I	Stable
Employee engagement, management and reward	P	Tight job market or lack of awareness of the Rank brand could result in recruitment challenges and increased attrition.	O-I	Stable
Training and development	P	Employees being able to develop their skills and experience results in better trained employees and improved performance.	O-I	Stable
Environment				
Emissions management and climate change adaptation	P	Failure to meet internal or external stakeholder climate-related expectations could impact reputation and relations.	O-I	Decreasing
Emissions management and climate change adaptation	A	The release of GHG emissions to the atmosphere as a result of Group's operations and across the entire value chain.	I-O	Decreasing
Communities				
Community impact	A	Creating positive outcomes for local communities through charitable initiatives and offering local employment opportunities.	I-O	Stable
Governance				
Regulatory compliance	P	Absence of regulatory/legislative change that fails to meet the needs of the consumers is risk to relevance of our proposition.	O-I	Increasing
Executive remuneration	A	Attractive remuneration package enables talent acquisition which drives business performance.	O-I	Stable
Financial performance	A	Loss of banking debt facilities and/or clearing facilities could result in the Group being unable to meet its obligations as they become due.	O-I	Stable
Financial performance	A	Continued cost and pricing pressures, together with changes to consumer behaviour, can impact trading performance.	O-I	Stable
Regulatory compliance	P	Failing to comply with existing regulatory, legislative codes of practice and licensing conditions could increase risk of financial penalties or regulatory action.	O-I	Stable
Financial performance	P	Risk of higher tax and duty cost as a result of new legislation, complexity of tax and duty regimes, government approach, and compliance and implementation.	O-I	Increasing

SUSTAINABILITY

Customers

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Providing an entertaining and exciting experience for all our customers is a central focus of our business. To achieve this, we want to offer our customers fun and entertainment, whilst ensuring that they play within their means.

Safer gambling considerations are therefore at the forefront of our consumer engagement and embedded into everything we do. We continue to develop our approach, utilising new technology and deepening employee awareness, to increase the sophistication of our methods of detecting at-risk play.

Key Performance Indicators

Overall Customer Net Promoter Score ('NPS')*

52

Customer feedback scores on safer gambling*

84%

Employee NPS on safer gambling

69

Percentage of UK Digital customers using safer gambling tools**

31%

* An average for last three months of the year and this Group score is a weighted average of all business units scored based on NGR % contributions.

** This is the total active customers that have used safer gambling tools during the year.

Safer gambling

Safer gambling is at the heart of everything we do at Rank; we cannot deliver on exciting and entertaining experiences without creating a safe environment for our customers. Foremost, it is important that we promote awareness for safer gambling amongst our customers and colleagues, featuring messaging in every venue, across every platform and in all communications. Secondly, we provide customers with safer gambling tools that they can use to control and have more awareness of their play. Despite equipping our customers with the knowledge and measures to have a safe experience, a small proportion of individuals will demonstrate at-risk behaviour. It is therefore critical that we are constantly monitoring for at-risk play.

Whether registering to play online or in venue, every new customer receives a safer gambling message that includes information about the tools available to all players. We have '360' safer gambling messaging in all UK land-based venues, including printed resources available for customers to read or take home, and digital touchpoints in our newly refurbished venues. There are safer gambling notifications on all machines across the Mecca and Grosvenor estate, and there is appropriate signage in the gaming machine areas. Safer gambling messaging can be found on all gaming machines, on posters in every toilet, and on leaflets at reception in our Spanish venues. Our standalone, dedicated safer gambling website in the UK, Keep It Fun, is a hub for advice and information on safer gambling tools available.

We empower customers to use safer gambling controls to monitor their own play. Deposit, loss and time limits can be set up by our UK customers to manage their spending or remind customers of how long they have been playing for online. We provide links to GamCare's self-assessment tool from our UK-dedicated safer gambling website, customers can use this online assessment tool to find out how much of an impact gambling is having in their life. Self-exclusion allows customers to take an enforced break from gambling, and can be done through our own self-exclusion schemes or national schemes.

We employ a plethora of measures to detect at-risk play. Data modelling in our UK business utilises information about customers to allow identification of individuals that may be at risk of problem gambling. Our Markers of Harm model evaluates demographic, transactional, and behavioural data, and known markers of harm, and the risk score generated for a customer determines the type of interaction they need to receive, whilst our affordability assessments utilise credit profiles to assess whether the level of play of a customer is likely to be beyond their means.

Our Hawkeye system monitors digital play in real-time 24/7 and is overlaid by the Markers of Harm model. In our Grosvenor venues, NEON, our casino management system, assists our teams in detecting at-risk play by tracking all players that are entering the venues. This year we completed the rollout of Playsafe, a machine management system for Category B3 machines in our Mecca venues, and we can also track customer spend through the Max electronic bingo tablets. Colleague training ensures they are equipped with the skills and understanding to recognise at-risk behaviours.

Mecca, Luton

Safeguarding minors and vulnerable customers

We have a firm responsibility to prevent underage play, and to protect our customers from harm. This reflects not only our requirement to comply with government regulation, but also our values as a socially responsible business. Under-18s are forbidden from entering our venues and from playing on our online platforms and we take action if there are unlawful attempts to enter our venues.

There are a number of factors which can result in customers being vulnerable, including, but not limited to, life events, changes to financial situation, struggles with addiction and medical issues. We also recognise that under-25s are potentially subject to a range of significant life changes that could make them more vulnerable than those in higher age brackets. There are a number of measures taken to safeguard vulnerable customers in the UK including setting the bar higher in our marketing by not targeting promotional messages nor the products themselves towards anyone under the age of 25, conducting local area risk assessments prior to opening a new venue, and using demographic, transactional and behavioural data and known markers of harm to assess customers. In the UK and Spain our teams receive training on how to take proportionate and appropriate action if a vulnerable customer is identified, including the Threat to Life process wherein colleagues contact the police to request a welfare check.

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Product safety and quality

In accordance with regulations in the UK, Rank must ensure that the equipment it uses meets the conditions of its operating licences, both venue-based and digital. All gambling equipment and software we obtain comes via companies licensed by the Gambling Commission. All providers of content must be B2B certified by the Gambling Commission and each individual game is certified and tested independently by the supplier. All gambling products installed in our Spanish venues are certified and in accordance with regional regulation, and each machine must have its individual homologation paper and fulfil the legal Return to Player ('RTP') rate. In Spain, the regulator must approve all games; testing of digital games is undertaken by a certification company authorised by the regulator, while we also conduct monthly internal monitoring of the RTP rate.

Monitoring the performance of our products is critical to delivering a seamless player experience for our customers and ensuring that our games are operating in accordance with regulatory requirements. Across our brands, online and in venue, we track performance of our equipment to alert us to any potential issues as quickly as possible. This allows us to take active steps to maintain performance levels.

Ethical marketing

Promoting our brands to consumers requires a careful balance of effective advertising and ensuring that we are only doing so responsibly. In both the UK and Spain we adhere strictly to the regulations governing the advertising of gambling products that stipulate all operators must ensure that promotional communications are restricted to the intended audience. Reflecting our values as a responsible operator, we go above the requirements in certain cases. In Grosvenor, all of our targeted offers are split according to customer value segment; this ensures that promotions are appropriate to each individual's level of play.

Safer gambling is a critical consideration in our advertising and we are committed to providing consistent and effective safer gambling messaging when we promote our products. In the UK, in compliance with BGC commitments, and in addition to the safer gambling messaging which must be included in all advertisements, we ensure that social media ads are only targeted at people over 25 years old, and we only show YouTube ads to people that have been age verified. Additionally, 20% of our "above the line" media expenditure in the UK is reserved for safer gambling messaging on campaigns. To keep our customers safe, we suppress any marketing communications to those customers who have self-excluded.

For the venues business in Spain, there is no obligation to display the "responsible gambling" message in our operating locations of Catalonia, Madrid and Andalusia, however, we always add the message to our advertisements. For the digital business in Spain, whilst we always display the responsible gambling message when required, the obligation to do so is dependent on the following: content and type of communication, communication channel, the targeted users/those potentially impacted and which company is responsible for the communication.

Customer service

Our customer service centre is critical to our ability to meet the needs of our customers. Foremost, the team provides customers with the support they require in a timely and friendly manner. The feedback received from customers is also important for taking learnings, implementing improvements and developing our offering, ensuring that our products and services remain relevant.

We engage in a variety of ways, from face-to-face interactions in venues to email and telephone contact. To facilitate ease of communication, there are a number of customer feedback channels in the UK and we have continued to adapt and improve our service capability, introducing different methods for customers to get in touch and utilising new technology solutions. This year we launched AI chatbots on all UK brand sites, improving responsiveness to customers.

Our aim is to effectively utilise the feedback we receive to implement improvements and efficiencies in the way we deliver our services to customers. Our quality and monitoring function in the UK assesses all customer contact and gives direct feedback to team members. We use a case management system to categorise complaints, which enables us to track patterns and identify any common or reoccurring issues that we need to address. Following an interaction, we send customers a survey via email, asking them how they rate the service, whether we resolved the issue and welcoming further comments.

Customer privacy and data security

We have mature processes in place to protect our customers' privacy and keep their data secure. Our priority is to ensure data is used in a fair and transparent manner and prevent breach or loss of data by understanding the risks presented by wrongful access, whether by our colleagues, customers, suppliers or third parties. A critical factor in maintaining data security is ensuring that employees are aware of both the related risks and the proper data handling procedures. To maintain the prevalence of data protection in colleagues' minds, we conduct training on data protection.

The protection measures we employ are dependent upon the level and type of security required. These include, but are not limited to, password management (complexity and frequency of change), multifactor authentication, firewalls, encryption, role-based access controls, end-point protection, intrusion detection/prevention and employee education. These measures are aligned with industry best practice.

Health and safety

Ensuring the physical health and safety (H&S) of our customers and colleagues is of paramount importance as we are operators of multiple physical gaming venues across the UK and Spain. We are dedicated to maintaining the highest standards in H&S throughout the Group. Our commitment includes continually enhancing and updating our processes to align with local government regulations and industry codes of practice.

In Spain, health and safety of venues is managed by an external provider, whilst in the UK it is managed by our in-house team; this year we have bolstered oversight of H&S with an additional regional health and safety manager. Audits are conducted of all venues for health and safety, food safety, and fire risk assessments and health and safety training is provided to colleagues.

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We prioritise creating positive working environments for our colleagues and this involves driving engagement, offering development opportunities and ensuring fair treatment and support for all.

We want to deliver value to our colleagues at every stage of their journey and therefore take a comprehensive view of the employee life cycle.

Key Performance Indicators

Employee Net Promoter Score ('eNPS')
39

Percentage of women in senior roles*
34%

Employee engagement score**
79%

Number of women in senior management
21

* Position at 30 June 2024.
** We will be using employee engagement score rather than eNPS as an indicator for colleague sentiment going forwards.

Training and development

We want our colleagues to feel engaged and enjoy being part of the Group. Enabling colleagues to develop new skills and broaden their knowledge is a crucial part of the employee experience, as it allows individuals not only to excel in their roles but to also advance their own career goals.

We have a range of learning tools and development opportunities available to colleagues and this year we launched a new learning platform Mind Tools (Love to learn) which offers tailored individual learning, education and development for colleagues, allowing individuals to create individual playlists of learning. We also rolled out our Mentoring@Rank programme across the business to provide exclusive internal mentoring opportunities that allow colleagues to network with, learn from, and support each other's development and growth.

Equality, Diversity and Inclusion

We are focused on building the right culture and behaviours throughout Rank, making them part of everything we do. To foster Equality, Diversity and Inclusion ('ED&I') in our business, work is ongoing to deliver against our four stated aims. We are continuously reviewing our progress against these aims as the business evolves, providing updates to the Nominations Committee and Board, as required. We are taking a global approach with an understanding there will be nuances by country, given cultural differences.

This year we launched our Family Friendly Policy in the UK, receiving very positive feedback from colleagues, with a planned global rollout in the coming year. We have made great progress in our efforts to close the gender pay gap. Our latest report shows that in 2023 the gender pay gap fell to 5.2% (median), which is lower than the UK average.

Engagement and reward

We are a globally diverse business with 7,600 colleagues spanning various roles in land-based venues, field-based positions, and offices across six countries. Therefore, having effective and consistent means of communication with our colleagues, and a robust listening strategy that enables colleagues to be heard, are important ways we measure engagement and sentiment. We utilise multiple engagement channels to make sure that every individual has the opportunity to feedback to the business on their experience, from global Town Halls to employee forums and surveys. In May 2024 we launched our new global engagement platform, Connect, improving our ability to provide timely, relevant and engaging updates and be a driver in further building a culture of two-way communication. Connecting with our venues' colleagues was a key motivation for launching this platform, as those employees that are not office-based lack the ready access to company information.

We continue to recognise our colleagues for their hard work and dedication. Our awards programme, STARS (Service, Teamwork, Ambition, Responsibility and Solutions), recognises individuals or teams nominated by their colleagues for exemplifying Rank's values in their work. We have also continued in rolling out our employee value proposition, Work. Win. Grow., with a focus on recognising the varied experiences our colleagues have across different parts of the business and crafting a bespoke offering that meets everyone's needs.

Mental health and wellbeing

Delivering a great employee experience includes safeguarding our colleagues' mental health and wellbeing. We want to provide a working environment that is both fun and supportive, and the Worklife and Wellbeing programme was launched for the express purpose of keeping colleagues engaged, motivated, happy and healthy at work. We have mental health first aiders in all our UK venues. Our Employee Assistance Programme ('EAP') provides colleagues access to affordable, quality medical care through our medical plans, and location-appropriate financial wellbeing support.

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In our last Sustainability Report we announced our Net Zero Pathway, committing to reaching net zero emissions by 2050. We also set an interim target for all operations to reach net zero on Scope 1 and 2 emissions and selected Scope 3 emissions by 2035.

This year, we have made significant progress delivering on our Net Zero Pathway through a wide range of workstreams. To establish an accurate baseline for our Scope 1 and 2 emissions, we completed energy data capture at asset level for the 40 venues with the highest energy consumption in the UK, as well as calculating Scope 1 and 2 emissions for the rest of our UK estate and for all venues in our Spanish portfolio. We also progressed the Scope 3 data assessment of our UK value chain and completed the Scope 3 baselining in Spain.

By data to make informed decarbonisation choices, we have begun implementing equipment upgrades and we have started creating behavioural change to reduce energy use. Through assessing and baselining our energy use, engaging and educating our colleagues, and investing in improvements to our estate, we are beginning to see positive results.

A full update on our progress on the Net Zero Pathway can be found in our Sustainability Report.

Key Performance Indicators

Absolute carbon emissions*

22,112 tCO_2e

2022

Created initial Net Zero Pathway

Commenced LED installation in venues

2023

Q4 Submitted CDP report

CDP DRIVING SUSTAINABLE ECONOMIES

Q4 Commenced data gathering through installation of PRISM technology at 40 venues in UK

2024

Q1 Reported on revised Net Zero Pathway based on initial data gathering

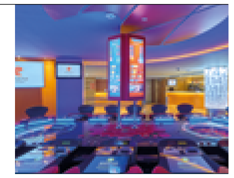
Q1 Launched Mindsett platform for 40 venues providing real-time energy usage data

Q1 Launched cultural engagement programme for Net Zero Pathway

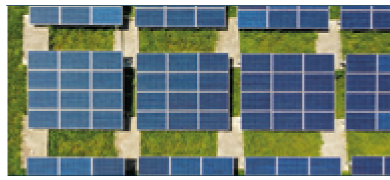
Q2 Signed power purchase agreement in the UK

Q2 Completed six months of baseline data gathering at 40 venues

Q4 Completed Scope 1, 2 and 3 data gathering for Spanish operations



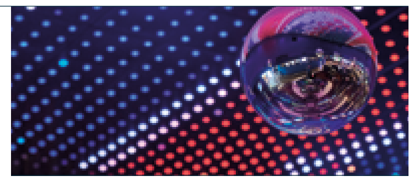
2025



Completion of Scope 3 data gathering for UK business

2035

Achieve net zero for Scope 1 and 2 and partial Scope 3 emissions



2050

Achieve net zero emissions

* This is calculated using Scope 2 market-based emissions.

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Task Force on Climate-related Financial Disclosures ('TCFD')

The following section outlines our climate-related financial disclosures covering all four pillars and 11 recommended disclosures set out by the Task Force on Climate-related Disclosures ('TCFD').

These are consistent with all of the TCFD recommendations pursuant to Listing Rule 9.8.6 (R) (8). Our disclosures also meet the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 amended sections 414C, 414CA, and 414CB of the Companies Act 2006 and requirements under UK Climate-related Financial Disclosures ('CFD').

Board oversight

For effective leadership on climate-related issues, there must be awareness and understanding of these matters from the very top of the organisation. Our Board of Directors are regularly kept apprised of climate-risk considerations, including progress against our net zero targets and ESG KPIs. Specifically, the ESG Steering Group, which assumes executive ownership and accountability for the sustainability strategy, provides updates to the Board; this year, this included progress on the Net Zero Pathway and the double materiality assessment, and updates on the legislative landscape for climate reporting.

Our CEO and CFO both have climate-related experience, sitting on the Risk Committee, which reviews climate risk, the ESG Steering Group, and the ESG & Safer Gambling Committee which approves budgets for ESG-related investment and expenditure.

The Board has clear oversight of climate-related matters through its committees. The ESG & Safer Gambling Committee in particular is responsible for overseeing the Group's approach to climate risk, defining strategies and proposed actions.

The terms of reference for the Committee are available on our website; their responsibilities regarding ESG includes climate-related matters. The Chair of the ESG & Safer Gambling Committee, Katie McAlister, a Non-Executive Director on Rank's Board of Directors, is responsible for oversight of all ESG matters including climate change. The ESG & Safer Gambling Committee met four times during the year, with climate-related matters raised at each meeting. The Audit Committee is aware of climate risk accounting considerations and the potential impact of climate change on the business.

In addition to receiving internal information, the Board is given updates by our external consultants. This year the ESG & Safer Gambling Committee received a presentation from our ESG specialists on the evolving ESG reporting landscape, including how TCFD reporting is being integrated into the new reporting requirements.

Assessment of climate risk

The Risk Committee considers current and future climate-related regulatory requirements and monitors them on an ongoing basis. Currently climate change, though an emerging risk, is considered a low physical risk to the company across all time horizons. This Group Risk Register is also informed by the risk registers held at business unit level from Mecca, Grosvenor, Rank Interactive and Rank International.

As part of the business's first double materiality assessment conducted this year, the business assessed the materiality of "Emissions management and climate change adaptation". Externally, the release of GHG emissions to the atmosphere, as a result of the Group's operations and across the value chain, was identified as having a material impact in the short-term. Nevertheless, this is mitigated by the development and implementation of our Net Zero Pathway, which should reduce the impact materiality of this issue over the medium to long term.

Internally, the climate-related expectations of our stakeholders were identified as having a material impact on the business financially. This is as a result of our commitment to spending £56.7m over the next twelve years on our Net Zero Pathway. However, this expenditure will reduce the financial materiality of the issue over the medium to long term as we reduce our carbon emissions footprint through the infrastructure, equipment and environmental management systems invested into in the short term.

The business has considered the trade-off in the cost of the Net Zero Pathway implementation against meeting stakeholder expectations by reducing our carbon footprint in the long term through decarbonisation.

Further climate-related risks were identified as having potential impact upon the business. However, the assessment concluded that these risks were of insignificant financial materiality over the short, medium and long term.

Climate risk in decision-making

Climate-related issues factor into the Board's decision-making processes. The implementation of the Net Zero Pathway has implications in terms of major plans of action, business plans and internal strategy, as it is a major workstream in the business which is relying on input from a cross-section of the Group, and meeting the expectations of external stakeholders.

A significant component of the annual budget is the continued investment into our real estate; during the course of the year this has included replacement of gas heating systems with new split air conditioning/heat pumps in two venues, replacement of boilers, installation of LED lighting and signing a power purchase agreement which represents over a third of our energy consumption in the UK based on the year just ended.

Further opportunities for energy use reduction are being explored and scoped, and this is occurring alongside the maintenance programmes to ensure that equipment is being replaced or upgraded at the most appropriate time.

Climate-related issues will continue to be a matter for Board consideration in reviewing and guiding performance objectives, as sustainability performance is linked to executive remuneration, including the Group's carbon intensity ratio.

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Management oversight
The approach taken to managing climate-related risks and opportunities is not static but reflects continuous monitoring and assessment of these issues, their potential impact upon the business, and the Group's impact on the environment.
The responsibility for both establishing the direction and implementation of our approach to climate-related risk and opportunities sits with our Executive and Management Teams. Our Director of IR, ESG and Treasury, reports directly to the CEO and the ESG & Safer Gambling Committee, and has led on the implementation of the Group's ESG strategy since 2021, including TCFD reporting, engaging our carbon consultants, and establishing the Net Zero Pathway and its associated capex requirements.

ESG Steering Group (ESG-SG)
The ESG-SG comprises members of the Executive Committee including the CEO. The ESG-SG plays a strategic role by setting out the ESG-related objectives for the Group, which includes climate-related matters. The ESG-SG meets as required, and all material matters, including those pertaining to climate, are fed through the ESG-SG and then up to the ESG & Safer Gambling Committee.

The ESG Working Group (ESG-WG)
The ESG-WG is led by our Director of IR, ESG and Treasury, and attended by our sustainability consultants. The ESG-WG is responsible for operationalising the ESG strategy as set by the ESG-SG.

The Net Zero Working Group (NZWG)
The NZWG, meanwhile, is focused solely on operationalising the Group's Net Zero Pathway, also chaired by our Director of IR, ESG and Treasury. The NZWG comprises a multi-discipline, cross-functional group of personnel including the Purchasing Director and Director of Property. The NZWG meets quarterly, and updates are shared on progress on all net zero workstreams, with data on energy use being provided by our third-party consultants.

The Managing Director in Spain holds ultimate responsibility for the net zero strategy for our land-based Enracha venues, supported by the Strategy and Transformation Lead in Spain on day-to-day operations. Aligning with the overarching Group Net Zero Pathway, the business is developing a country-specific strategy for our Spanish operations.

In the UK, the ESG Working Group and Net Zero Working Group are supported by external advisers, specifically relating to our climate-risk reporting and net zero workstreams. The consultants – Consultus, Cloudfm and Buchanan – each have unique but complementary skillsets. These skillsets satisfy the multitude of stakeholder requirements that drive operational, financial and commercial success.

In Spain, we have similarly engaged consultants to support on net zero workstreams: JustaEnergia and Valora. The business is informed by other corporate advisers. These include broking, legal and accounting professionals, with information delivered via webinars, publications, one-to-one training sessions, and ongoing internal discussions regarding energy utilisation.

Considerations from multiple segments of the business feed into our assessment of climate-related risks and opportunities, as these risks can impact the business in many different ways. For the Group's balance sheet, climate-related risk has the potential to impact financial performance and cost base. Regarding investor relations, it is material in the management of Rank's capital markets profile and awareness of emerging risks and requirements. For our Procurement Team, a key consideration is indirect emissions management within the downstream supply chain in order to meet net zero expectations; and the management of our land-based venues through efficiencies in portfolio management with decarbonisation of our property estate material in reducing our direct emissions.

Strategy
The NZWG is defining a comprehensive decarbonisation and investment strategy across the UK portfolio, and the development of a decarbonisation plan for Spain is also underway. These investments will support the Group's stated ambitions, and the upfront capex should positively impact the long-term opex requirement, with the introduction of more energy-efficient and cost-effective solutions. The inclusion of climate assessment criteria into the project approval process for all areas of the business further integrates climate-risk consideration into our operations.

As set out in our Net Zero Pathway (see page 43), Rank has committed to £56.7m[1] investment in climate-related and aligned initiatives over the next 12 years within the UK. (It is important to note that this will include expenditure that is a matter of course for maintenance, but that will contribute to the reduction of the business's carbon footprint.) The investment made each year is dependent on the initiatives we are able to complete. During the course of this year, £8.65m of the allocated budget was invested in net zero actions.

Rank takes into consideration the useful life of the organisation's assets or infrastructure and the fact that climate-related issues often manifest themselves over the medium and longer terms. This year, Rank's accounting team reassessed the climate-related matters that may impact the Group's financial statements.

YOY reduction in energy use in UK venues

11%

Cost saving due to reduction in energy use in UK venues

£1.4m

1. This was adjusted from £57m due to changes in anticipated prices for areas that we plan to invest in to reduce emissions.

Findings of assessment of climate-related matters on Group's financial statements

Area of assessment	Potential impact
Intangible assets, property, plant and equipment, leased assets	Climate-related risks may have a substantive financial or strategic impact of the Group's business, affecting the useful lives and residual values of intangible and tangible assets. It could be determined after assessment that useful lives may need to be reduced and depreciation and amortisation accelerated.
Impairment of assets	Impairment indicators will include any significant changes in the technological, market, economic or legal environment that negatively impact the Group. Our external consultants provide us with the risk-based cost of capital calculations which take into account climate risk. Increased awareness of the consequences of environmental change is triggering regulatory action, which is affecting stakeholders' perspectives.
Provisions	As the Group takes action to address the consequences of climate change, these actions may result in the recognition of new liabilities or, where the criteria for recognition are not met, new contingent liabilities may have to be disclosed.
Fair value measurement	The Group will ensure that fair value measurements appropriately consider the relevant climate-related risk factors. Our external consultants provide us with the risk-based cost of capital calculations which take into account climate risk. Climate change can have a tangible effect on assets and liabilities now and in the future (e.g. rising water levels, changing weather patterns, increased pollution levels etc).
Summary findings	The Group constantly monitors the latest government legislation in relation to climate-related matters. As of the year end, there is no legislation in place that will financially impact the Group. Should a change be required, key assumptions used in 'value in use' calculations and 'sensitivity to change' assumptions will be adjusted. Management has assessed that there is no material impact to the financial statements due to climate-related matters.

LED lighting refurbishment at Grosvenor, Luton

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Climate-related risks and opportunities

Climate-related risks are not anticipated to have a material financial impact on the business. However, such issues do mean an adjustment in the Group's strategy to accommodate greater recognition of climate risk, as well as how this is assessed, resourced and communicated to stakeholders.

The Board, Executive and working groups will continue to monitor all climate-related issues.

Transition risks

Transitioning the business to meet the requirements of a lower-carbon economy may entail extensive policy, legal, technology and market changes to address mitigation and adaptation requirements related to climate change.

Transition Risks

Risk description	Potential outcomes	Financial impact
Policy and Legislation		
That Rank is not able to respond to increasingly stringent regulation on reporting to the frequency or quality required, resulting in legal and/or reputational issues, which in turn drive compliance costs and potentially impact the cost of capital.	Monitoring potential legislative and regulatory changes. Reporting against the recommendations of the Task Force on Climate-related Financial Disclosures ('TCFD'). Reported to the CDP.	Across the short, medium and long term we consider this risk to be of insignificant financial materiality as we are reporting against internationally recognised frameworks, and we are currently developing our disclosure ready to meet new legislative requirements for sustainability reporting.
That nation states may introduce carbon emission levies, placing an additional fee upon energy consumption costs, which may increase Rank's operating costs.	Continue to monitor for potential carbon emissions levies.	We consider this risk to have insignificant financial materiality across the short, medium and long terms, as the implementation of our Net Zero Pathway will reduce our emissions.
Market		
Climate-induced changes to customer preferences for leisure, such as more players choosing to play online at home, rather than incur possible transportation emissions and continued utilisation of inefficient spaces.	Continue to monitor customer behaviours. Offer cross-channel platforms for customers.	We do not assess this risk as being highly likely, and therefore consider its financial materiality insignificant. Furthermore, our cross-channel offering means that if customers were increasingly moving online, we could adapt our experience to suit their expectations.
Reputational		
Failure to meet internal or external stakeholder climate-related expectations, thereby impacting relations. May result in being perceived a higher risk investment, increasing cost of capital with investors, financial institutions and insurers. May be reduced revenues due to challenges in attracting new talent and increased opex from employee turnover.	Development and implementation of our Net Zero Pathway. Interim target for 2035 to be net zero for Scope 1 and 2 and selected Scope 3, and then target for net zero for all emissions by 2050.	We have committed to spending £56.7m over the next 12 years to support our net zero ambitions. While this comprises a major financial impact in the short term on cash flows, this will decrease to a moderate financial impact over the medium to long term, as we reduce our emissions over time and aim to be net zero on Scope 1 and 2 and selected Scope 3 by 2035.

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Physical risks
Physical risks resulting from climate change can be event-driven (acute) or due to longer term shifts (chronic) in climate patterns.

Flood risk assessment
We once again completed a desktop assessment to review the perceived flood risk of our UK operations (both venue and office locations) and international operations (including all Enracha venues and the offices in Spain, Gibraltar, South Africa and Mauritius). This research utilised data from the UK Government, Scottish Environment Protection Agency ('SEPA'), and Natural Resources Wales, and ThinkHazard!, an online tool developed by the Global Facility for Disaster Reduction and Recovery ('GFDRR').

Of the 108 venues and offices in the UK, only 13 were identified as high risk for urban/surface water, river and/or coastal flooding. Of the 13 international venues and offices assessed, only one (an Enracha venue in Spain) was identified as being at risk of urban/surface water, river and/or coastal flooding. Currently, we believe there is little to no impact from the physical risk presented in Spain on our financial performance.

All our venues are insured in the event of flooding. While flooding would impact our performance as clubs would have to shut, given the low likelihood of this occurring, we considering this of insignificant financial materiality to the business. This is our current analysis on the physical risks posed by climate change – whilst the physical risk may change over time, we do not believe financial materiality will.

Physical Risks

Risk description	Potential outcomes	Financial impact
Acute		
Extreme weather events as a result of climate change could cause damage to our properties and vehicles which will incur increased capex and insurance costs. Impacts of supply chain disruption from increased severity of extreme weather events may impact opex and capex, or impact revenue if customer demands for online entertainment cannot be met.	Business continuity and crisis management plans in place.	Extreme weather events would impact our performance if a club were shut, and as a result, our cash flows. However, all our venues are insured, and we also consider this to be of low likelihood; it is therefore considered of insignificant financial materiality across the short, medium and long term.
Chronic		
Changes in average climate conditions, including rising sea levels, coastal flooding and increased average temperatures, could increase opex driven by increased use of climate control systems, as well as maintenance and insurance costs.	Continue to monitor flood risk at all Enracha, Grosvenor and Mecca venues. Clubs are insured in event of a flood.	Flooding would impact our performance and cash flows if a club were shut. However, all our venues are insured, and we also consider this to be of low likelihood; it is therefore considered of insignificant financial materiality across the short, medium and long term.

Flood risk assessment for UK and Spanish venues

UK venues & offices	Surface water	Rivers	Coastal
High risk	10.2%	1.9%	1.9%
Medium risk	13.0%	5.6%	4.6%
International venues & offices	Surface water	Rivers	Coastal
High risk	0%	7.7%	7.7%
Medium risk	7.7%	7.7%	7.7%

Please note: The risk ratings of 'high' and 'medium' used in this table were defined by the sources from which we gathered the flood risk data. See the double materiality section of this report for full details on how Rank has scored the materiality of risks.

Environment
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Scenario analysis

To evaluate the resiliency of the Group's strategies to climate-related risks and opportunities, we conducted an analysis on two different possible scenarios: the rise in global temperature is limited to less than two degrees, or the global temperature rises by more than two degrees.

The risks and opportunities to the Group under each scenario are presented below against short-, medium- and long-term time horizons.

<2°C scenario

Our less than 2°C scenario assumes that we act responsibly, improve the efficiency of our portfolio by working with our landlords, and reduce our GHG emissions. This may include the introduction of carbon pricing by national governments. We consider transition risks to pose the greater threat to our business under this scenario, with only a limited and manageable impact on our operations from physical risks. We considered the IEA's Net Zero Scenario in developing this scenario.

Risks
Short term (< 1 year)
Higher transition risks associated with moving to a low-carbon economy.
Compliance risk if we fail to meet regulatory requirements, including emissions reporting obligations.
Reputational risk with investors, customers and employees, if we do not adequately address climate change.
Increased cost of climate-related levies/increased pricing of greenhouse gas ('GHG') emissions.
Medium term (1-5 years)
Continued transition risks.
Continuing compliance risk if we fail to meet regulatory requirements, including emissions reporting obligations.
Increasing reputational risk with investors, customers and employees if we do not adequately address climate change.
Increased cost of climate-related levies/increased pricing of GHG emissions.
Changing customer behaviour.
Long term (> 5 years)
Less significant increase in physical risks. Continued isolated extreme weather events causing manageable direct business disruptions to office locations, and impacts to suppliers in our moderate supply chain.
Higher summer temperatures and rapid changes in temperature and humidity causing challenges for venue cooling and increases in energy costs across our venues and offices.

Opportunities
Define net zero strategy to meet increasing stakeholder expectations.
Potential to develop a zero-emissions online product, or facility that allows customers to offset.
As demand for more energy-efficient infrastructure and equipment increases in the market, so demand will increase, which is likely to reduce costs. This will enable investment that will ultimately reduce energy costs.

>2°C scenario

This scenario assumes global climate policy is less effective and unabated GHG emissions cause climate change above that envisaged by the Paris Agreement. Under this scenario, informed by the IEA's SDS scenario, we would expect physical risks to become much more apparent in the longer term, outweighing transitional risks.

Risks
Short term (< 1 year)
Slight increase in transition and physical risks in the short term.
Isolated and manageable business disruptions caused by extreme weather events, such as flooding or drought.
Insurance costs rise in step with increase in physical damage to properties.
Adhoc supply chain interruptions.
Medium term (1-5 years)
Increasing physical risks due to a failure to adequately transition to a low-carbon economy.
Increase in energy costs as traditional energy sources become more constrained, whilst under-investment into cleaner energy fails to bridge energy demand gap.
Flooding at certain high-risk venues due to increased sea level.
Long term (> 5 years)
Increased physical risks due to a failure to adequately transition to a low-carbon economy.
Increase in energy costs.
Flooding at certain high-risk venues due to increased sea level.

Opportunities
Identify higher-risk properties within the portfolio to either invest in or to consider exiting to stave off future reparation and increase in insurance costs.
Engage with supply chain to ensure availability of mission-critical supplies.

Conclusion

Following our assessment, we believe that the business is resilient under either scenario. Whilst we consider transition risks to be of greater threat to the business under the <2°C scenario, we believe that our ongoing efforts under our Net Zero Pathway mean we are mitigating risk in this area.

Environment
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Risk management

Each business unit also manages its own risk register, which feeds into the overarching Group register, therefore enabling a holistic view of risk for the company. The potential size and scope of identified climate-related risks is determined in the same manner as any risk on the risk register. We conduct an analysis which weighs "impact" against "likelihood".

Decisions to mitigate, transfer, accept, or control climate-related risks are made in the same manner as any risk on the risk register. As climate risk was considered not material to the business at present, it is not on the risk register currently. However, the Risks Committee and Board continue to monitor the materiality of climate risk.

The financial materiality of the identified climate-related risks has been assessed as part of the double materiality assessment we undertook. This process was aligned with our risk register to ensure that the methodologies were the same. Subject matter experts input upon the impact and financial materiality of each risk and opportunity, considering all the preventative and mitigating actions in place, and the likelihood and scale of each.

Financial materiality was considered against Operating Profit and classified as insignificant, minor, moderate, major or severe, and whether that impact was upon cash flows, development, performance, position, cost of capital, or access to finance.

Each risk was considered across the short-, medium- and long-term time horizons, which we define as the following: short, <1 year; medium, 1 to 5 years; and long, > 5 years (please note: we have updated the time horizons to reflect those which we used in the double materiality assessment, guided by the CSRD). The collated results of the double materiality assessment were presented to the Executive for consideration and approval.

Please see the double materiality assessment report on pages 37 to 39 for a complete understanding of the process.

Responsibility for mitigating, transferring, accepting or controlling climate-related risks sits with the NZWG and its Chair, Director of IR, ESG and Treasury. The judgements made are related to the ESG Steering Group and ESG & Safer Gambling Committee for oversight and approval.

The NZWG convenes frequently to assess progress against our net zero targets: net zero by 2050, and an interim net zero target for Scope 1 and 2 and selected Scope 3 for the Group by 2035. This is in line with national and international targets.

The company is exploring whether this timeframe can be brought forward through the ongoing Net Zero assessment, and the Net Zero Working Group is in the process of advancing its integration of risk and opportunity assessment. This includes adjustment of business strategy, policies, planning and governance systems with clear performance objectives.

Our real estate portfolio is the most material carbon hotspot within the Scope 1 and 2 value chain. Consequently, this has been designated the primary area of focus for the NZWG, through the application of technology within the top 40 most carbon-intensive sites (which comprise over 50% of the Group's carbon profile). Having collected six months' worth of data assessing energy use and efficiency of equipment, we have identified improvement opportunities and commenced a programme of investment into our venues.

We have undertaken a Scope 3 assessment process across the UK business, establishing a baseline for Scope 3 emissions data in the current year.

Our intention is to report our Scope 3 emissions (across the 11 categories that we have determined to be relevant to the Group considering the entire value chain) in the coming years in accordance with our commitment to have an SBTi-aligned plan.

For more details on the Scope 3 assessment, see our 2024 Sustainability Report.

To align with the Group net zero target, we are developing a specific net zero strategy for the Spanish portfolio, and have completed an energy assessment of the land-based venues.

The implementation of our Net Zero Pathway is being delivered through three interrelated workstreams: carbon reporting, transformation (PMO and designing investment plan) and cultural and behavioural change (see the Net Zero Pathway section for more details on initiatives completed and commenced to date).


LED lighting, Grosvenor, Luton

Metrics and targets

We have set two net zero targets in line with our decarbonisation ambitions.
We aim to be net zero by 2050, and intend on disclosing an SBTi-aligned plan for reaching Net Zero by 2050, or earlier if possible. To ensure we are progressing in step with our own expectations, as well as those of our stakeholders, we have set an interim net zero target for Scope 1 and 2 emission and specific Scope 3 elements in the Group for 2035.

Our targets are based around clear workstreams for decarbonisation of operations, as part of our Net Zero Pathway. Foremost, following an extensive energy assessment in our 40 highest energy-consuming venues in the UK, we established a clear baseline for energy use. This has informed a raft of initiatives that include building rationalisation, grid abatement, PPA supply and various other energy reduction measures including colleague engagement initiatives, the implementation of which has already begun.

By integrating climate considerations into the approval process for projects, we are using GHG emissions and carbon intensity metrics to support the assessment and qualification of investments. We have also conducted an energy assessment at all nine venues in Spain, and we are in the process of developing a decarbonisation plan for the Spanish portfolio.

Furthermore, we have commenced a Scope 3 emissions assessment, which will further inform the initiatives under our Net Zero Pathway.

For more details on our Net Zero Pathway, please see our 2024 Sustainability Report.

The metrics currently used by Rank to assess climate-related risks and opportunities in line with its strategy and risk management process are Scope 1 and 2 emissions and a limited range of Scope 3 impacts. These are published as part of the Group's obligations to report in line with Streamlined Energy & Carbon Reporting ('SECR'). A broader assessment is taking place over the next reporting period, in line with SBTi-based methodologies.

For purposes of ongoing comparison, it is required to express the GHG emissions using a carbon intensity metric. The intensity metric chosen is £m NGR. Rank's NGR for 2023/24 was £734.4m, with a carbon intensity ratio of 30.1 tCO_2e per £m NGR (for 2022/23 it was 36.6).

This year, we have used absolute carbon emissions as the key performance indicator for our environmental performance, and this is linked to executive remuneration.

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SECR report
Objectives of this report

The Rank Group Plc is a quoted company and is therefore required to report its global greenhouse gas (GHG) emissions through its annual reports. This report has been prepared to support Rank's compliance with the Directors' Report under Part 15 of the Companies Act 2006 (Strategic Report and Directors' Report), requiring the disclosure of energy use and GHG emissions.

Scope boundaries

The Rank Group Plc has used an operational control approach to define its GHG emissions boundary, as it has full authority to introduce and implement its operating policies at its operations. Rank is reporting at Group level and therefore must take into account not only its own energy and carbon information, but also the information of any subsidiaries included in the consolidation which are quoted companies, unquoted companies or LLPs.

The Group will therefore include the following entities within the overall emission calculated in this report: Grosvenor Casino Limited, Grosvenor Casinos (GC) Limited, Mecca Bingo Limited, Enracha (Spain). The mandatory reporting for The Rank Group Plc captures emissions from its global operations, which are UK and Spain, relating to activities from stationary combustion, i.e combustion of gas; mobile combustion, i.e. fuel used in transport for business purposes; fugitive emissions, i.e. refrigerants used in air conditioning, and the purchase of electricity by the Group for its own use, including for the purposes of transport.

In addition to reporting on the mandatory scope, The Rank Group Plc has chosen to also voluntarily report on emissions resulting from electricity transmission and distribution losses, air travel, rail travel, water and waste disposal. The Group has taken guidance from the UK Government Environmental Reporting Guidelines (March 2019), the GHG Reporting Protocol – Corporate Standard, and from the UK Government GHG Conversion Factors for Company Reporting document for calculating carbon emissions.

The information has been collected and reported in line with the methodology set out in the guidelines, and the emissions have been calculated using the 2022 UK Government GHG conversion factors. This report covers the reporting period July 2023 to June 2024, which is in line with the Group's financial reporting period.

Supporting materials

An emissions data file has been compiled according to a specification agreed with Rank that is in accordance with the reporting guidelines. The supporting data, as supplied by Rank and relevant third-party suppliers as applicable, is held in an evidence pack and supplementary databases. This supporting data is held by Consultus International Group and can be made available on request.

Quantification and reporting methodology

The Group has taken guidance from the UK Government Environmental Reporting Guidelines (March 2019), the GHG Reporting Protocol – Corporate Standard, and from the UK Government GHG Conversion Factors for Company Reporting document for calculating carbon emissions. Energy usage information (gas and electricity) has been obtained directly from bill validation.

For supplies where complete 12 month energy usage was unavailable, flat profile estimation techniques were used to complete the annual consumption. Transport mileage and/or fuel usage data was provided for company and employee owned/leased vehicles.

For business travel in employee-owned vehicles where the employee is reimbursed for the mileage travelled, there is limited information available. Therefore, conversion factors for an average vehicle with an unknown fuel type have been used. CO_2e emissions were calculated using the appropriate emission factors from the UK Government GHG conversion information with the exception of Spain electric which is from Carbon Footprint.

Overall Group Position kWh

Emission Source				
Energy Type	**2023/24 kWh**	**2022/23 kWh**	**% of 2023/2024 total**	**Change +/-**
Gas	56,223,131	58,804,557	47.2%	-4.4%
Electricity	54,378,618	60,963,974	48.9%	-10.8%
Business Travel	3,902,842	4,849,493	3.9%	-19.5%
Total	**114,504,591**	**124,618,024**	**100.0%**	**-8.1%**
Total using market-based Scope 2 emissions	**101,352,591**			

UK Group Position kWh

Emission Source				
Energy Type	**2023/24 kWh**	**2022/23 kWh**	**% of 2023/2024 total**	**Change +/-**
Gas	55,675,893	58,242,617	48.5%	-4.4%
Electricity	50,355,849	57,009,987	47.5%	-11.7%
Company Travel	3,902,842	4,849,493	4.0%	-19.5%
Total	**109,934,585**	**120,102,096**	**100.0%**	**-8.5%**

Spain Group Position kWh

Emission Source				
Energy Type	**2023/24 kWh**	**2022/23 kWh**	**% of 2023/2024 total**	**Change +/-**
Gas	547,238	561,940	12.4%	-2.6%
Electricity	4,022,769	3,953,987	87.6%	1.7%
Total	**4,570,007**	**4,515,927**	**100.0%**	**1.2%**

GHG Emissions Summary

Emission Source				
Energy Type	**2023/24 tCO_2e**	**2023/24 %**	**2022/23 tCO_2e**	**2022/23 %**
Gas (Scope 1)	10,290	41.4%	10,734	43.2%
Company Transport (Scope 1)	378	1.5%	142	0.6%
Employee Transport (Scope 3)	343	1.4%	599	2.4%
F-Gases (Scope 1)	620	2.5%	153	0.6%
Electricity Location Based (Scope 2)	11,086	44.6%	11,631	46.8%
Electricity Market Based (Scope 2)*	*7,704*	-	-	-
Transmission & Losses (Scope 3)	974	3.9%	1,078	4.3%
Air Travel (Scope 3)	892	3.6%	433	1.7%
Rail Travel (Scope 3)	47	0.2%	-	0.0%
Waste (Scope 3)	169	0.7%	82	0.3%
Water (Scope 3)	35	0.1%	-	0.0%
Total	**24,835**	**100%**	**24,852**	**100.0%**

*In the period covered by the report we purchased 13,152,000kWhs of renewable energy via a long-term Power Purchase Agreement, and this has been reflected in the calculations for the market-based emissions for Scope 2.

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Emission Source		
Energy Type	**2023/24**	**2022/23**
Scope 1 (mandatory)	11,288	11,029
Scope 2 (mandatory - location-based)	11,086	11,631
Scope 2 (market-based)	7,704	-
Scope 3 (mandatory)	343	599
Mandatory Total	22,717	23,259
Scope 3 (optional)	2,118	1,594
Total	**24,835**	**24,853**
Total using market-based Scope 2 emissions	**22,112**	**-**

Emission By Country

Emission Source			
Energy Type	**UK**	**Spain**	**Total**
Gas (Scope 1)	10,189	101	10,290
Company Transport (Scope 1)	378	-	378
Employee Transport (Scope 3)	343	-	343
F-Gases (Scope 1)	620	-	620
Electricity (Scope 2)	10,427	659	11,086
Transmission & Losses (Scope 3)	902	72	974
Air Travel (Scope 3)	892	-	892
Rail Travel (Scope 3)	47	-	47
Waste (Scope 3)	169	-	169
Water (Scope 3)	35	-	35
Total	**24,003**	**832**	**24,835**

Pillar	Recommendation	Location	Consistency statement 2023/24	Intention
Governance	a. Describe the Board's oversight of climate-related risks and opportunities.	Page 44	Consistent	Continue to keep the Board informed of climate-related risks.
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	Page 45	Consistent	Continue to communicate the progress of the Net Zero strategy development up to the Board.
Strategy	a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	Pages 46 to 47	Consistent	Continue to monitor relevant climate-related risks and opportunities over our defined time horizons.
	b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	Pages 45 to 48	Consistent	Continue to make informed decisions in investing in decarbonisation initiatives.
	c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Page 48	Consistent	Continue to monitor the resilience of our strategy under climate-related scenarios.
Risk management	a. Describe the organisation's processes for identifying and assessing climate-related risks.	Page 49	Consistent	Continue to monitor the financial materiality of climate-related risks through our double materiality process.
	b. Describe the organisation's processes for managing climate-related risks.	Page 49	Consistent	Continue to progress on our Net Zero Pathway.
	c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	Page 49	Consistent	To review our double materiality process which is informed by the risk register.
Metrics and targets	a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Page 49 to 51	Consistent	Continue to disclose positive economic and environmental impact metrics. We have included the YOY reduction in energy use in UK venues and the related cost savings for the business.
	b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas emissions and the related risks.	Page 50 to 51	Consistent	To complete the Scope 3 emissions assessment.
	c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Page 49	Consistent	Continue to progress the decarbonisation efforts that will enable us to have an SBTi-aligned net zero plan in the coming years. The process for alignment is up to two years based on current market knowledge, and we will provide an update in due course.

SUSTAINABILITY

Communities

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Rank Cares | CARERS TRUST

Beyond entertaining people, we recognise that we play a pivotal role in the communities in which we operate.

Our venues often serve as a social hub, and our Mecca venues, in particular, are a key place for interaction amongst our older cohort of customers. We want to give back to local communities and support colleagues in doing the same, and have therefore developed a community strategy. The three focus areas are Employment, Outreach and Charity Fundraising.

We were thrilled to win the Corporate Community Engagement Award for the second year running at the European Casino Awards.

Key Performance Indicator

Total charitable funds raised

£323k

Grosvenor, Luton

Mecca, Luton

Actively recruiting from local communities

An important avenue for supporting local people is by creating employment opportunities. The betting and gaming sector is an exciting industry to work in and we take pride in the job opportunities we offer. Being embedded in communities, we have close ties with job centres in many towns and cities across the country. We have continued to work with the Department for Work and Pensions ('DWP'), affiliated schemes and other bodies that specialise in ensuring there are work opportunities for all in local communities.

Enabling our colleagues to give back

Our colleagues are truly embedded in the communities in which we operate and welcome the opportunity to give back. They continue to volunteer for charities, organise fundraising initiatives and donate to causes important to their communities, and we are very proud of the work they have done over the course of the year. To enable colleagues to make a material difference to causes that matter to them we will be launching a new global Volunteering Policy. We are also in the process of developing a new community strategy that will further support colleagues in giving time for volunteering initiatives.

Group-wide partnership

We partnered with Carers Trust in 2014, establishing a UK-wide commitment to raise funds for the charity. The charity works to improve services, support and recognition for unpaid carers. Every year, our colleagues take part in a variety of events and challenges in order to fundraise for carers, and this year our colleagues have done everything from climbing mountains and hosting charity casino nights to shaving their hair and getting slimed. We also provide vital funding to carers through our Rank Cares Grants Programme. This year we celebrated the 10th anniversary of our partnership with the charity; over these last ten years we are very proud to have raised a total of £3,799,897 for Carers Trust, supporting 14,161 carers.

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CHIEF FINANCIAL OFFICER'S REVIEW

Richard Harris
Chief Financial Officer

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 in the prior year. The improvement in operating profit was due to improved NGR performance across the Group and significantly reduced impairment charges in the current period, compared to net impairment charges of £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 before interest and tax 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 YoBingo.

Further details regarding the SDIs can be found in note 4 to the financial statements.

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.

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.

Refer to note 1.1.5 of the financial statements for further details.

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 comprises £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)
Cash flows 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 17to 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 6 of the financial statements.

Earnings per share ('EPS')
Basic EPS increased to 2.7p from a loss of 20.5p1 in the prior period. Underlying EPS increased to 5.9p up from 1.1p in the prior period.

For further details refer to note 9 of the financial statements.

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 to 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.

Richard Harris
Chief Financial Officer

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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	1a, 1b
			Foreign exchange movements	
Underlying LFL operating profit / (loss)	Profit measure	Operating profit / (loss)	Separately disclosed items	3a, 3b
			Excludes contribution from any venue openings, closures, disposals, acquired businesses and discontinued operations	
			Foreign exchange movements	
			Central cost reallocation	
Underlying (loss) / earnings per share	Profit measure	Earnings / (loss) per share	Separately disclosed items	3a, 3b
Net free cash flow	Cash measure	Net cash generated from operating activities	Lease principal repayments	Refer to cash flow in CFO review
			Cash flow in relation to separately disclosed items	
			Cash capital expenditure	
			Net interest and tax payments	

Alternative Performance Measures

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 4.

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 following tables 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	202.9	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**	**202.6**	**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**

Alternative Performance Measures

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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)**

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**

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

Restated, refer to CFO review for further details.

Reconciliation 6

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

Restated, refer to CFO review for further details.

Improving our risk management approach

How we manage risk

Understanding, accepting and managing risk are fundamental to Rank's strategy and success. We have a Group enterprise-wide risk management framework and approach, which is integrated into our organisational management structure and responsibilities. The aim of this is to provide oversight and governance of the key risks we face, as well as monitoring upcoming and emerging risks and performing horizon scanning over the medium to long term.

Key or material risks are identified and monitored through risk registers at a Group level and within business units, ensuring both a top-down and bottom-up approach to risk management.

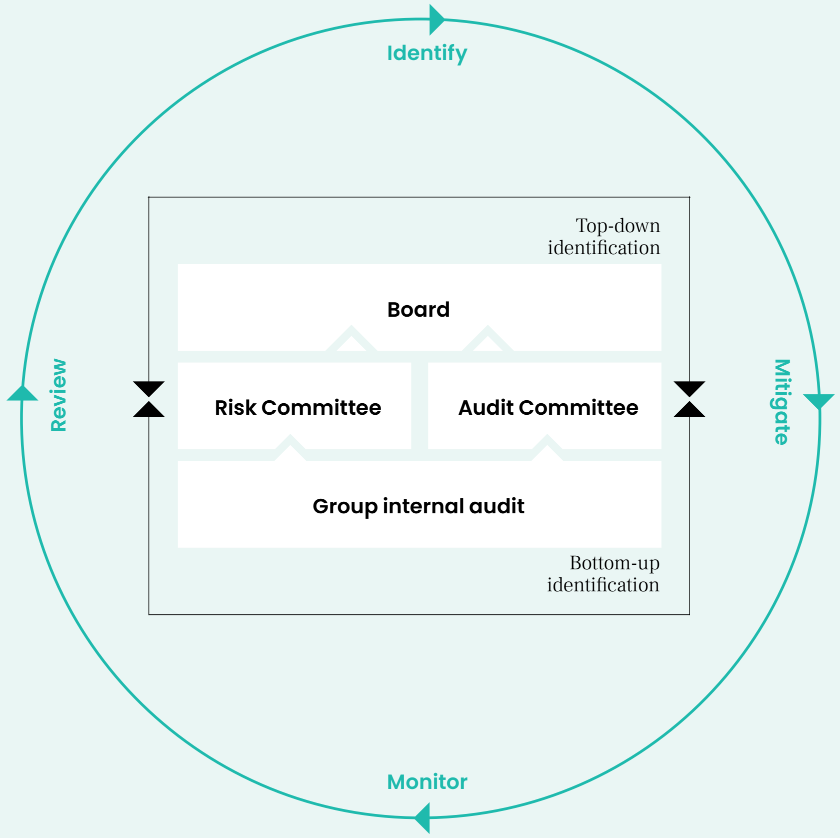
Over the past year we have continued to enhance our Group enterprise risk management framework and improve our ability to identify, mitigate, monitor and review key risks. For each principal risk identified, the Risk Committee assessed the likelihood and consequence, and confirmed a "risk owner" who is a member of the Executive Committee. The risk owner is responsible for defining and implementing mitigations which are reviewed for appropriateness and monitored regularly.

Risk appetite

Defining risk appetite is key in the process of embedding the risk management system into our organisational culture. Our risk appetite approach is to minimise our exposure to reputational, compliance and excessive financial risk, whilst accepting and encouraging more risk in pursuit of our purpose and ambition. As part of the establishment of risk appetite, the Board will consider and monitor the level of acceptable risk it is willing to take in each of the principal risk areas.

We recognise that our appetite for risk varies according to the activity undertaken, and that our acceptance of risk is subject always to ensuring that potential benefits and risks are fully understood before developments are authorised, and that sensible measures to mitigate risk are established.

Our risk management framework



Board

Role
The Board has overall responsibility for the risk management framework and for establishing risk appetite, as well as ensuring that the approach is embedded into the operations of the business.

Specific activities
Approves risk management framework and processes. Sets risk appetite. Reviews the Group's risk profile.

Risk Committee

Role
The Group Risk Committee is responsible for implementing the risk management framework and processes, assessing and managing risk and assisting the Board and Audit Committee in their oversight of risk and mitigation.

Specific activities
Reviews Group risk register. Carries out "deep dive" risk register reviews of specific business areas. Identifies and manages risks as they arise. Provides forum to ensure adequate and timely progress of risk-mitigation actions. Considers reports from compliance functions

Audit Committee

Role
The Audit Committee is responsible for assessing the ongoing effectiveness of the risk management framework and processes, and for undertaking an independent review of the mitigation plans for material risks.

Specific activities
Oversees risk management framework, controls and processes. Reviews action plans to manage significant risks. Reviews Group risk register.

Group internal audit

Role
Group internal audit helps to manage risk identification by conducting independent audits of the risks to the business and progress in mitigating action plans.

Specific activities
Develops a risk-based internal audit programme. Audits the risk processes across the organisation. Receives and provides assurance on the management of risk. Reports on the efficiency and effectiveness of internal controls.

Improving our risk management approach

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 implementing the risk framework, reviewing risk and risk mitigation on a monthly basis and acts as an escalation point for risk within the business. The CFO takes responsibility for reporting on risk to the Audit Committee and the Board.

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.

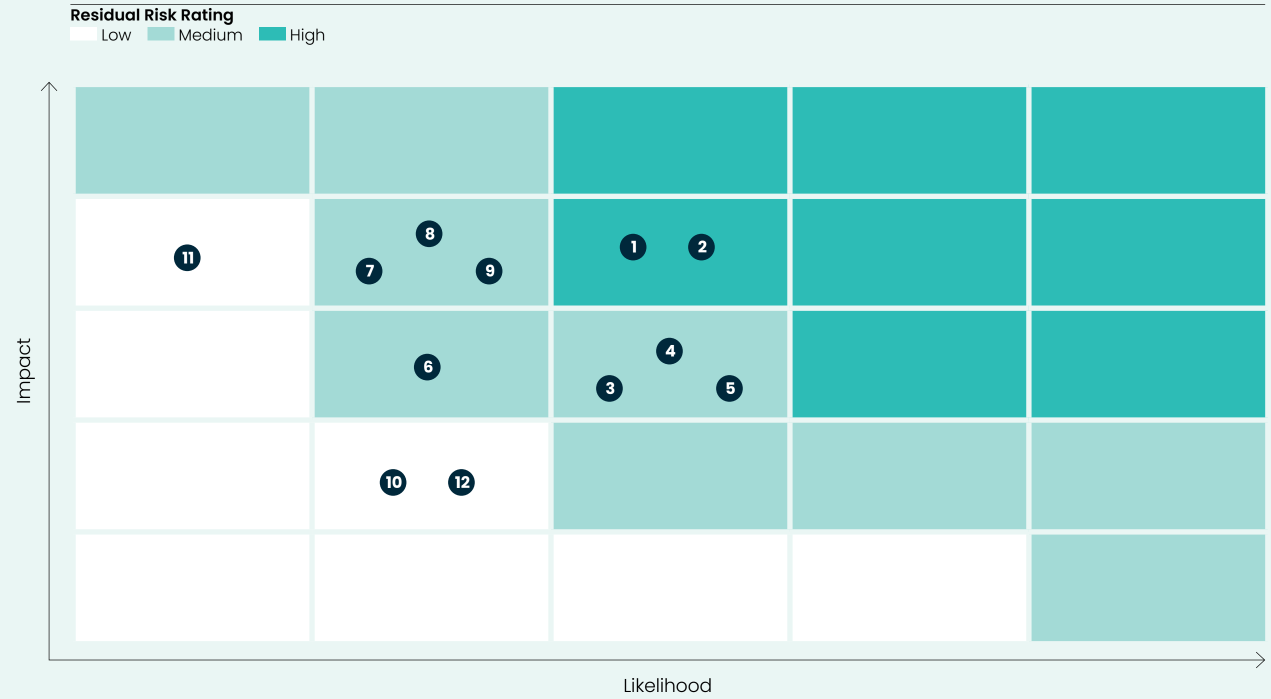
Changes to regulation in the gambling industry continue to be closely monitored in all our jurisdictions as further changes are anticipated. The election of the new Government has led to delays in the implementation of the Gambling Act Review which we expect to recommence in due course.

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 Directive ('CSRD').

Principal risks and uncertainties



Summary Residual Risk

Risk No	Risk Title	Residual Risk Rating	Risk Rating	Likelihood	Impact	Change
1	Uncertain trading environment	High	12	3	4	–
2	Compliance with gambling law and regulations	High	12	3	4	Moved from increasing to stable
3	Safe and sustainable gambling	Medium	9	3	3	–
4	People	Medium	9	3	3	–
5	Strategic programmes	Medium	9	3	3	–
6	Data protection and management	Medium	6	2	3	–
7	Cyber resilience	Medium	8	2	4	Moved to increasing from stable
8	Business continuity and disaster recovery	Medium	8	2	4	–
9	Dependency on third parties and supply chain	Medium	8	2	4	–
10	Taxation	Low	4	2	2	–
11	Liquidity and funding	Low	4	1	4	Residual risk rating moved to low and moved from stable to reducing
12	Health and safety	Low	4	2	2	Residual risk rating moved to low and moved from stable to reducing

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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 undertaking 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 continuing 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 biannual 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.

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Principal risk 4
People

Principal risk
Pivotal to the success of the organisation is a failure to attract or retain key individuals, which 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 engages with trade union bodies and maintains 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 biannual 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.

Improving our risk management approach

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 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
Audit Committee/Board.

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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 in their impact on the Group. However, the formation of the new Government could result in additional taxation that impacts the 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.
- Has 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.
- Ensures 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 biannual 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.

Compliance statements
Going concern statement

Assessment
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 as detailed in the operating review on pages 21 to 28, 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 12 months ending 31 August 2025 for the going concern period, and for the 3 years ending 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 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, reduction 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 3 years (January 2027).
- Term loan of £30m with bullet repayment in 2 years 9 months (October 2026) (this is after the going concern period).

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 at the test dates, being December 2024 and June 25, and have sufficient 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; refer to note 20 for covenants. 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.

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 and Company financial statements, and in preparing the consolidated and Company 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.

Compliance statements

Viability statement and non-financial information and sustainability statement

Viability statement

In accordance with provision 31 of the 2018 UK Corporate Governance Code, the Directors confirm that they have considered the current position of the Group and assessed its prospects and longer-term viability over the three-year period to August 2027. Although longer periods are used when making significant strategic decisions, three years has been used as it is considered the longest period of time over which suitable certainty for key assumptions in the current climate can be made and is supported by the Group's business plan.

Having undertaken their assessment and considered the overall circumstances of the Group, the Directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year period to August 2027.

In making this statement, the Directors have performed a robust assessment of the principal risks facing the Group which includes an assessment of both financial and non-financial risks that may threaten the business model, future performance, liquidity and solvency of the Group. The key assumptions made are that:

- The Group performs in line with the base case for 2024/25 used for the going concern assessment, and the strategic plan approved by the Board;
- The Group continues to have access to its existing banking facilities of Term Loan with renewal date of October 2026 and revolving credit facilities ('RCF'), having maturity date in January 2027. It is assumed that the Group are able to arrange new finance facilities with its banking group at a level required as existing facilities mature.

The Directors have also considered the potential outcome from the Government's review of the Gambling Act 2005, for which the White Paper was published on 27 April 2023; based on the information available and their understanding at the date of this statement, the White Paper is anticipated to have a net positive impact on the Group. Whilst it is uncertain the exact date of implementation given current government changes; it is assumed this will be in place from 2025/26 onwards.

Our approach to risk management and details of the principal risks facing Rank, together with the impact of each risk, the direction of travel and the actions taken to mitigate such risks, are set out on pages 57 to 62. The risks considered include (without limitation): uncertain trading environment and macroeconomic conditions, changes to regulation (including gambling laws and regulations), people, safer gambling, health and safety, tax, liquidity and funding and technology risks (including data and cybersecurity).

The Group's business plan is reviewed at least annually. It considers current trading trends, the impact of capital projects, existing debt facilities and compliance with covenants and expected changes to the regulatory and competitive environment, as well as expectations for consumer disposable income. In carrying out the assessment, the Directors have reviewed and challenged key assumptions within the Group's business plan. Details of the assumptions included in the assessment and the sensitivity analysis applied to the base case plan are set out on page 63.

Non-financial and sustainability information statement

We aim to comply with the Non-Financial Reporting Directive requirements from sections 414CA and 414CB of the UK Companies Act 2006. The table below sets out where relevant information is located in this Annual Report.

Reporting requirement	Some of our relevant policies	Where to find more in the Annual Report	Pages
Environmental matters		Environment and KPI	43-51
Employees	Health and safety policy	Colleagues and KPI	33, 42, 82
	Whistleblowing policy	Diversity & Inclusion	42, 76, 77
	Code of conduct	Equal opportunities	42, 77
		Customers	18, 33, 40, 41
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This Strategic Report was approved by the Board on 14 August 2024.

John O'Reilly
Chief Executive

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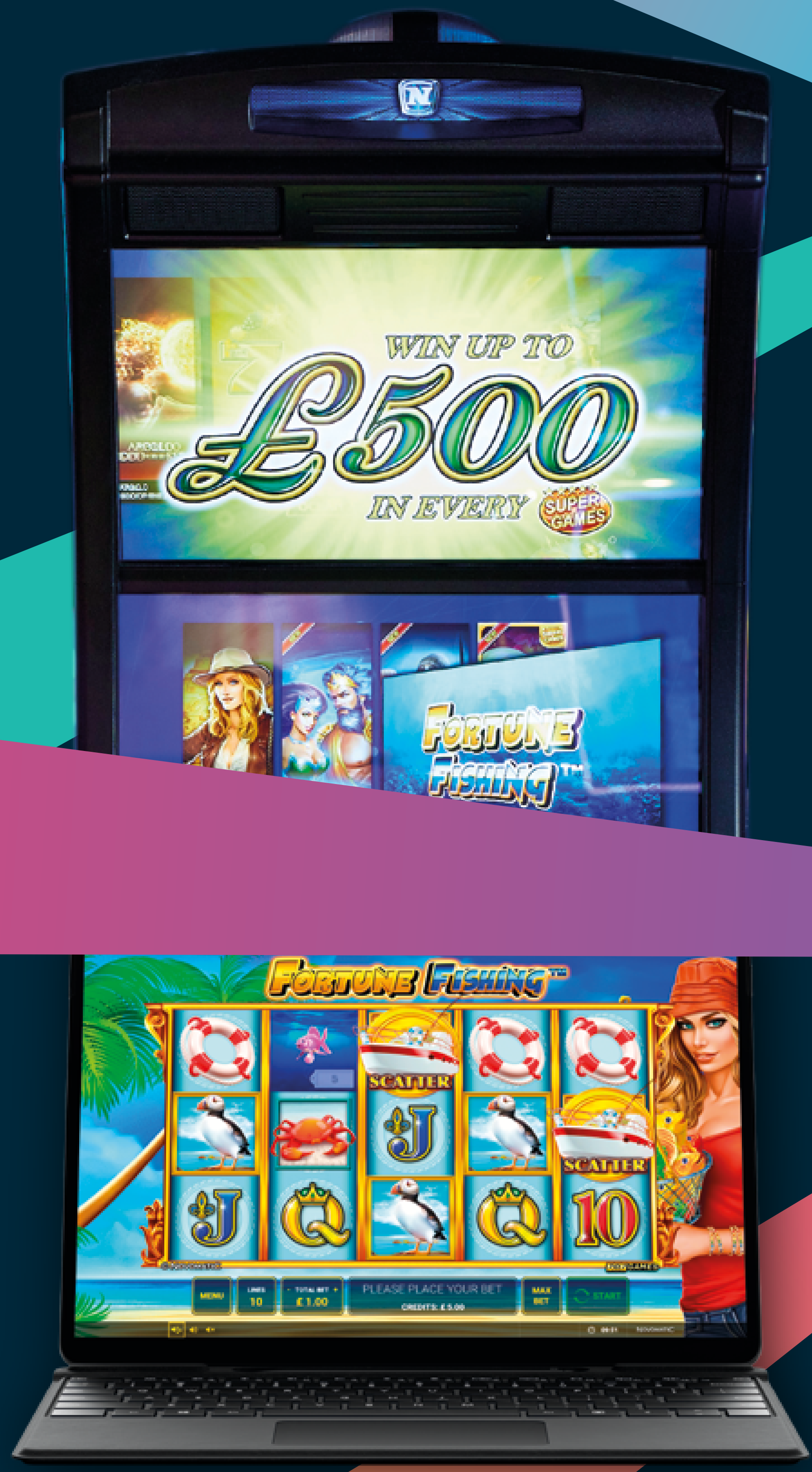
Governance



In this section:

Alex Thursby
Chair

The Board is steadfast in its commitment to strong corporate governance. We firmly believe that cultivating effective governance practices leads to stronger value creation. In parallel, this will reduce risk for all our stakeholders as the Group is committed to developing and deepening relationships with them.

Dear Shareholders,

On behalf of the Board, I am pleased to present this year's Directors' and Corporate Governance Report. The Board remains steadfast in its commitment to strong corporate governance. We firmly believe that cultivating effective governance practices leads to stronger value creation in the long term and manages risk for all our stakeholders. The Board has maintained its focus on high standards throughout the year, ensuring that our governance framework meets the needs of the business and is appropriately aligned with best practice, while remaining aware of the macroeconomic conditions, both in the UK and globally.

A key aspect of this is effective and proactive stakeholder relationship management. As Chair, I spend a significant amount of time communicating regularly with key stakeholders, be they senior executives (including the CEO and CFO), Committee chairs, regulators (including the Chair of the Gambling Commission), investors (including the majority shareholder) as well as industry groups (including all Chairs meeting of gambling businesses via the Betting & Gaming Council ('BGC')) on sector-wide issues.

In addition, myself and other Board members have completed visits to business venues during the year. This included Gibraltar and a number of visits to Mecca and Grosvenor clubs throughout the UK. These are key. It provides an opportunity to listen to a range of views and opinions and to offer my own. It helps to inform and drive debate, mitigate risk and refine strategy and importantly involves listening to diverse opinions and standpoints which can help fine-tune our own position.

Safer gambling remains our primary ESG focus area, and in light of gambling legislative reforms, we continue to focus strongly on promoting a safer gambling culture. Ongoing training and embedding new technology will assist us in enhancing safe gambling capabilities.

Strategic oversight, funding and business performance

During the year, the Strategic Plan presented to the Board was considered and approved. It reviewed and challenged the pace of growth proposed and the resourcing allocated against available investment.

In February 2024, the Group was able to complete £120m of refinancing and as part of this the Board carried out oversight and challenged the debt funding programme proposed in order to help deliver the best terms possible.

The Board regularly receives business updates from operations and this enables direct engagement with Managing Directors of the business and to gain deep understanding on over/under performance and steps being taken for the future. Short and medium-term performance plans are presented and discussed in detail. This enables the Board to understand the relevant business forecasts and to ensure the Group has the best opportunity to meet the financial forecasts made.

Capital Markets Day – engagement with investors

The Group held a Capital Markets Day on 30 November 2023. This focused on Rank's digital business. You can view and listen to the recording in the Investors section of our website.

The event allowed us to explain Rank's investment case and the attractive and sustained proposition to investors. This was based on cash maximisation in bingo, Grosvenor recovery and growth, digital growth and opportunities resulting from the Gambling Act Review. Our focus during the year has been investing for growth and the application of digital strategies is key to our progression as a Group.

The Group was pleased with attendance and participation at the event and hopes to engage with investors in the same manner in future. All future Capital Markets Days shall be accessible though our website and investors and analysts will be invited to attend.

Culture

Rank's culture encourages colleagues to take ownership of their roles and promotes collaborative working to create supportive work environments. Upholding the Group's core values of Service, Teamwork, Ambition, Responsibility and Solutions ('STARS') empowers employees to play an active role in driving company culture.

We understand the importance of the company's culture in shaping the Group's identity and the role of the Board in turn in overseeing the company's culture and reviewing its efforts in changing culture to help drive success.

During the year, the Board learned how the Group has a more deeply engrained culture centred on its core, and very well understood, values set, viz. "Service, Teamwork, Ambition, Responsibility and Solutions". The Board saw how management continued to emphasise and explain the importance of the Group's values and how they are well embedded and understood globally.

There is work to do at a Group level to underpin the values, notably around support services such as recruitment, onboarding, induction, ongoing training and development, succession, performance management, and how employees leave the Group. All this focus is within the Work. Win. Grow. employee value proposition and employee lifecycle ("find me, hire me, welcome me, grow me, say goodbye"). This has been a focus for 2024 and we will continue with this work in 2025 to embed it brand by brand. Beyond the values, each of the businesses has its own distinct culture and identity which we celebrate.

Overall, we have made significant investments in a number of areas, notably key talent hires at management level. We have invested in pay and benefits post-COVID, and a greater focus has been placed on colleague listening and engagement (including our listening and engagement strategy). Investment in training and development has been offered globally including the launch of a new e-learning platform to complement the existing development programmes on offer. We have expanded our global mentoring scheme and introduced our new development programme for senior women at Rank – Shine.

Management has most recently enabled greater collaboration, connection and engagement with its teams in the launch of the Connect app, a new engagement platform, and this has been a great addition. It is starting to transform how employees talk, listen and engage around Rank, bringing to life all the good work carried out.

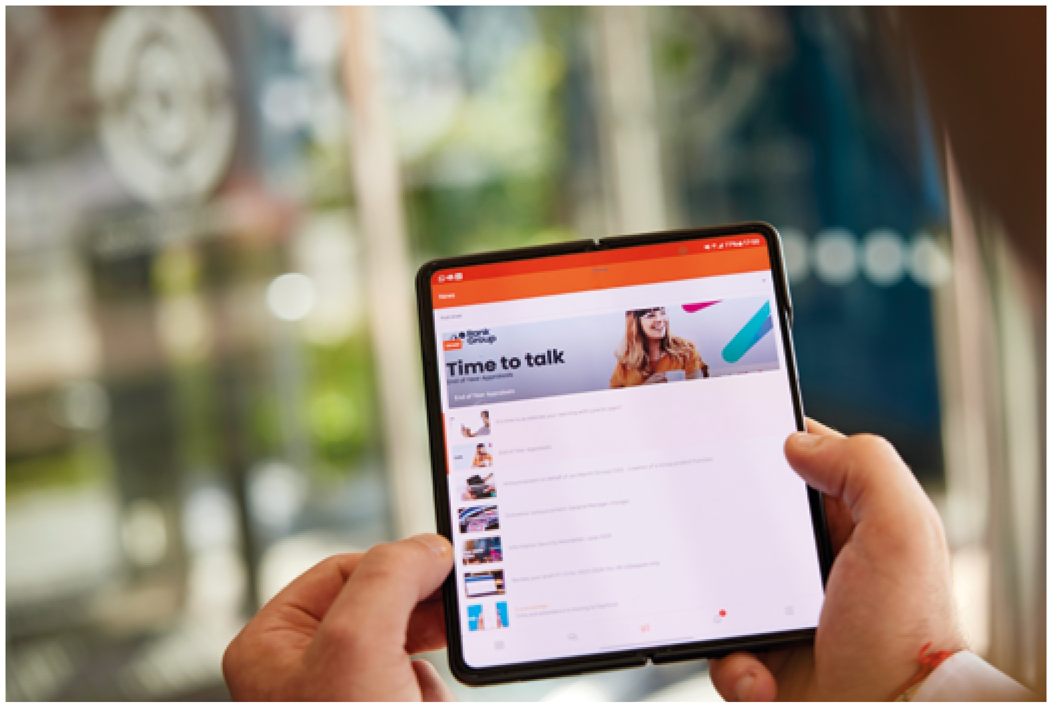
Grosvenor has launched its cultural change programme "From Like to Love" with good impact, and Mecca continues its strategic focus on service, standards and customer experience – with a key highlight being the launch of new uniforms in June 2024. A further focus for Grosvenor and Mecca in 2023/24 has been about improving retention of colleagues with investments being made to improve the hiring process, induction and onboarding, and mandatory training.

The main lens used to measure overall cultural health and engagement is through our Colleague Engagement Survey twice a year. Through actions by our teams and leaders, engagement has improved steadily – eNPS 39 (+12 Nov 23) and Engagement 7.9 (+0.3 Nov 23). The business uses "You Said, We Did" action planning both at a local and Group level against our cultural priorities and this continues to improve the Group's way of working and culture across Rank.

The work on improving and embedding positive culture and working practices is ongoing and focus continues on our cultural priorities within the Group People & Culture plan led by our CPO Hazel Boyle together with Lucinda Charles-Jones as the Designated Non-Executive Director for workforce engagement.

More information on how the Board monitors culture is set out on page 75.

More on workforce engagement can be found on page 75.



Risk and reward – the Board's approach to risk

The Board's appetite to risk was discussed during the year and work is ongoing to further refine and develop how it can best express this. The Board recognises the need to be entrepreneurial and that it needs to balance risk and reward appropriately. To this end it approves of management embracing new technology on a case-by-case basis after thorough risk mapping and evaluation (the use of AI is an example which is being trialled currently) and of expanding into new jurisdictions. Projects are approved with sensible key milestones, quantification of ROI and cash flow management, and due diligence is carried out on new suppliers, advisers and consultants. Key risks are mapped and mitigation steps are considered and developed in existing processes.

In terms of safer gambling, the Board takes its responsibilities seriously and it does not promote activities or behaviours which could jeopardise gambling licences or its good reputation with customers or regulators. For more on safer gambling see the Sustainability Report 2024.

The UK Corporate Governance Code published by the FRC in January 2024 and effective from 1 January 2025 in general has been reviewed by Company Secretarial and Group Internal Audit teams and reported on to the Board. A small number of changes have been identified and appropriate actions commenced to adhere with new principles and provisions. In this way corporate governance risks are being mitigated.

More information on Risk Management and how the Board monitors risk see page 57.

Board changes

Following Steven Esom's departure from the Board, the Nominations Committee considered the composition of the Board and the desired skills to complement the Board as a whole and undertook a recruitment process for an additional Independent Non-Executive Director to join the Board. This resulted in the appointment of Keith Laslop who joined the Board and the Audit Committee on 1 September 2023.

Another change during the year was the retirement of Chew Seong Aun as Executive Director and Group Chief Financial Officer of Guoco Group Limited. Mr Chew continues as the representative for the majority shareholder on the Board and his status as a non-independent Non-Executive Director remains unchanged.

For more information please see the Nominations Committee report available on page 76.

Board effectiveness and composition

During the year, the Board reviewed its effectiveness by way of an external facilitator, Lintstock Limited, to check and assess whether the Board was balanced in its composition, focus and approach and aligned with the Company's overall strategic goals. After a focus last year on the Board, the greater focus this year was on the effectiveness of the Board Committees. The process commenced with a questionnaire-led evaluation process focused across all Committees and the Board. This allowed an opportunity to review the effectiveness of the Board Committees in depth and has provided important insights for the Directors to consider during the year ahead. More details of the evaluation process and outcomes can be found on page 78.

One of the most striking aspects of the evaluation was the degree to which improvements have been demonstrated across a range of key areas. It was very encouraging that the most improved metric in the review was the relationship between NEDs and the CEO, particularly as this was identified as a priority in last year's evaluation.

The key themes in the evaluation were:

i Maintaining focus on strategy development, with a particular focus on Rank's vision and long-term growth initiatives.

ii Gaining greater customer insight, both by improving the access to external insight and through Board members visiting venues/sites, to better understand the business and support omni-channel execution.

iii Reviewing the Board's oversight of risk, improving the overall understanding of risk and considering whether the Board is sufficiently addressing risk appetite and mitigation.

iv Enhancing discussions and time allocation, reducing the focus on matters of operational management and short-term performance, and improving time management for agenda items.

Key findings

The review identified the strengths of the Board of Directors of Rank Group, including:

- The Board demonstrating a high level of confidence in its understanding of regulatory conditions and reforms relevant to the industry.
- The Board's composition being seen to have been strengthened with its most recent appointment, and its relationship and interaction with management was felt to have further improved over the past year.
- As in previous reviews, a strong Board emphasis on safer gambling.

The opportunities to increase effectiveness identified in the review included:

- **Facilitating greater focus on the key priorities for Rank where the Board can add the most value, through effective agenda-setting and time management.** During the year, following feedback from Board members and the use of meeting management tools, greater focus was being attained.
- **Further enhancing the Board's understanding of Rank's customers through a continuing programme of visits to venues and providing greater external insight into customer and industry trends.** During the year non-executive Board members visited venues and operations at Glasgow, Gibraltar, London, Maidenhead, Stoke, Leeds, Sheffield and Wakefield. Next year venue visits are planned for Leicester and Birmingham and others will be added in due course.
- **Maintaining a strong focus on strategy, further developing the Company's longer-term vision.** During the year the Board held a Strategy Day together with informal lunches and dinners with the executive management team during which strategy was discussed. The Board also has regular business and strategy updates from the MDs of the business Brands.

As part of the review, Lintstock provided an analysis of the Rank Board relative to the Lintstock Governance Index, which comprises around 40 core Board performance metrics from over 200 Board Reviews that Lintstock has recently facilitated. This helped the Directors to understand how the Rank Board compared with other organisations, putting the findings into context. The Board noted the degree to which improvements were demonstrated across a range of key areas with Rank's Board operating at or above the Lintstock Governance Index for most of the metrics cited.

We have agreed to review and take action on those few metrics which appeared to be below the benchmark (which included the Board's oversight of risk, expression of risk appetite and mitigation).

My focus will continue to be on maintaining strong Board leadership to drive further improvements where possible and developing succession plans to ensure that we are well-placed to continue the business recovery plan.

The year ahead

The Board recognises the ongoing need for good governance and has carried out a review of how the changes to the UK Corporate Governance Code 2024 affect it. I am confident that our framework remains strong and effective.

However, as we continue to focus on the strategic aims of the Group and look to build future assurance and success of the business, adaptability and resilience are key. This has been demonstrated by senior management in its response to the legislative and political changes and challenges it has faced over the last 12 months. I would like to take this opportunity, on behalf of the Board, to thank our senior leadership team and our colleagues for their continued drive and commitment, as well as my fellow Directors for their valued contribution.

We move forward with confidence in our strategic plans and in the knowledge that the Company is led by a highly competent and professional team. The Strategic Review is now well embedded as a process.

The new Remuneration policy (which is being presented for approval at the AGM) is intended to incentivise growth and performance and this will be enhanced by the cultural development programme which continues to progress. This has been overseen by the Nominations Committee with a key focus on culture of the Group being the customer and safer gambling.

The Board's own performance has improved and we operate above the benchmark for most boards with one or two areas to further develop (see page 78 for more). This shall be our focus for 2024/25.

We shall continue to work on and improve our relationships with regulators at multiple levels (myself and the CEO on regulatory and operational aspects), with other chairs and CEOs in the sector and with shareholders (the Capital Markets Day and individual meetings).

I welcome the valuable support of our shareholders and indeed all our stakeholders, as the business continues its recovery journey and takes advantage of the opportunities that lie ahead. With that in mind, I look forward to engaging with you further at this year's Annual General Meeting on Thursday 17 October 2024.

Alex Thursby
Chair

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Governance at a glance
About the Board

Skills of the Non-Executive Directors

	Alex Thursby	Karen Whitworth	Lucinda Charles-Jones	Chew Seong Aun	Katie McAlister	Keith Laslop
Customer-centric/hospitality	●	●	●	●	●	●
Environment, Sustainability and Governance	●	●	●	●	●	○
Financial (accounting and/or finance)	●	●	○	●	○	●
Gaming	○	○	○	○	○	●
Marketing	○	●	○	○	●	○
People	●	●	●	●	●	●
Real estate & property	●	●	○	○	●	○
Risk & Compliance	●	●	●	●	○	●
Strategy	●	●	●	●	●	●
Technology/digital	○	○	○	●	●	●

Committee membership

● Committee member ● Committee Chair

	Alex Thursby	John O'Reilly	Richard Harris	Karen Whitworth	Lucinda Charles-Jones	Chew Seong Aun	Katie McAlister	Keith Laslop
Audit Committee	○	○	○	Committee Chair	Committee member	○	Committee member	Committee member
Finance Committee	Committee Chair	Committee member	Committee member	○	○	○	○	○
Nominations Committee	Committee Chair	○	○	Committee member	Committee member	○	○	○
Remuneration Committee		○	○	Committee member	Committee Chair	○	Committee member	○
ESG & Safer Gambling Committee	Committee member	Committee member	○	Committee member	Committee member	○	Committee Chair	○

Board tenure

0-3 years	3
3-6 years	3
6-9 years	2

Board independence

	Indepen-dent	Appointed
Chair		
Alex Thursby[1]	Yes	Aug 2017
Executive		
John O'Reilly	No	May 2018
Richard Harris	No	May 2022
Non-Executive		
Katie McAlister	Yes	April 2021
Chew Seong Aun	No	Dec 2020
Lucinda Charles-Jones	Yes	June 2022
Keith Laslop[2]	Yes	Sept 2023
Karen Whitworth	Yes	Nov 2019

1. Alex Thursby was originally appointed to the Board on 1 August 2017 and became Non-Executive Chair with effect from 17 October 2019.
2. Keith Laslop was appointed to the Board and the Audit Committee on 1 September 2023.

Ethnic diversity and gender identity

Data on board diversity, skills and committee membership is collated and reviewed annually by the Board. This year this occurred at the meeting of 18 June 2024. Data on executive management diversity is checked and verified annually with Human Resources through data held by the Group. This is then reviewed and approved by the Chief People Officer before being ultimately approved by the Board in its review of the Annual Report and Accounts.

Ethnic diversity reporting as required under Listing Rule 9.8.6 (R) 10 as at 30 June 2024	Number of board members	% of board	Number of senior positions on the board (CEO, SID, CFO or Chair)	Number of executive management	% of executive management
White British or other white (including minority white groups)	6	75%	4	10	100%
Mixed/Multiple ethnic groups	1	12.5%			
Asian/Asian British	1	12.5%			
Black/African/Caribbean/Black British					
Other ethnic group, including Arab					
Not specified/prefer not to say					

Gender identity or sex reporting as required under Listing Rule 9.8.6 (R) 10 as at 30 June 2024	Number of board members	% of board	Number of senior positions on the board (CEO, SID, CFO or Chair)	Number of executive management	% of executive management
Men	5	62.5%	3	7	70%
Women	3	37.5%	1	3	30%
Other categories					
Not specified/prefer not to say					

2018 Code Compliance Statement

The Board remains committed to maintaining the highest standards of corporate governance across the Group, recognising that a strong governance framework is vital to underpin our strategic objectives. For the year under review, we have consistently applied the principles of good governance contained in the 2018 UK Corporate Governance Code (the '2018 Code') and are in full compliance with its provision. The Board notes that last year there was a minor omission of ethnic diversity data which did not translate into the final print copy. This has been corrected for this year's publication. Please see below.

During the year, the Board received updates on changes to the Code with the advent of the UK Corporate Governance Code 2024 which takes effect 1 January 2025 and the Group is working to comply with the same. The focus of ongoing work is the new Provision 29 which takes effect from 1 January 2026. The Board is reviewing and evaluating plans from Group Internal Audit on the reporting of the Group's risk management and internal control framework and annual review of its effectiveness. Following such review, an appropriate annual review process will be finalised, approved and reported on in the Annual Report and Accounts 2025. For more information see page 81. The Board also notes new Provision 38 which asks companies to include in the Annual Report from 1 January 2025 a description of its malus and clawback provisions.

The 2018 Code can be found on the Financial Reporting Council's website www.frc.org.uk.

	How we comply with the UK Corporate Governance Code 2018	More information on pages
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B	Purpose, strategy, values and culture	Inside cover to 9, 12 to 17, 36 to 52
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How we are governed

Board leadership, Company purpose and governance structure

The Rank Group Plc Board

The Board is ultimately responsible for the direction, management and performance of the Company. It meets formally on a regular basis, with additional ad hoc meetings scheduled in line with business needs. The Directors view their meetings as an important mechanism through which they discharge their duties, particularly under s.172 of the Companies Act 2006.

See pages 30 to 35 for more information.

Board Committees

Nominations Committee

- Recommends appointments to the Board.
- Oversees succession planning for Directors and the process for succession planning for the senior management team.
- Ensures that there is an appropriate mix of skills and experience on the Board.
- Promotes Equality, Diversity and Inclusion on the Board and across the Group.

Read more on pages 76 to 79.

Audit Committee

- Oversees the Group's financial reporting and monitors the independence of our internal and external audit.
- Responsible for internal controls and monitors risk management including the identification of emerging risks.
- Responsible for the relationship with the external auditor.

Read more on pages 80 to 84.

Remuneration Committee

- Responsible for establishing a Remuneration Policy and setting the remuneration for the Chair of the Board, Executive Directors and senior management.
- Oversees remuneration policies and practices across the Group.
- Responsible for the alignment of reward, incentives and culture, and approves bonus plans and long-term incentive plans for the Executive Directors and senior management.

Read more on pages 90 to 108.

ESG & Safer Gambling Committee

- Responsible for assisting the Company in the formulation and monitoring of its Environmental, Social and Governance strategy.
- Reflective of Rank's products and services, the Committee has a particular focus on the Company's safer gambling strategy and policy for the prevention of gambling-related harm in each of the jurisdictions and channels in which it operates.

Read more on pages 85 to 88.

Finance and Disclosure Committee

- Authorised by the Board to approve capital expenditure and make finance decisions for the Group up to authorised limits in accordance with the Group's delegation of authority.
- Acts as the Board's disclosure committee for the purposes of the Market Abuse Regulation.

Read more on page 89.

Executive Committee and Senior Management Committees

The Executive Committee manages the day-to-day operations of the Group's business within levels of authority delegated by the Board. It comprises the Chief Executive, Chief Financial Officer, Managing Directors for each of Grosvenor Venues, Mecca Venues and Rank International, Chief People Officer, Chief Information Officer, Group Transformation & Strategy Director, Director of Investor Relations & Communications and the Chief Operating Officer.

Two senior management committees, the Risk Committee and the Compliance Committee, report to the Audit Committee and support it in ensuring that the appropriate internal controls for risk management are implemented and monitored. A further committee, the ESG Steering Committee, comprising senior management from around the Group, reports to the ESG & Safer Gambling Committee.

For more information about the Company's approach to risk management, please see pages 57 to 62.

How we are governed

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Board purpose

The Board is responsible for the long-term success of the Company and provides leadership within a structure that ensures effective controls are in place to assess and manage risk. While the Board retains ultimate responsibility for the exercise of its powers and authorities, there is a formal framework of Committees of the Board to support it in discharging its duties, as set out on page 70. Each Committee operates under terms of reference approved by the Board, which are reviewed annually and can be found on the Company's corporate website, www.rank.com.

Division of responsibilities

Chair and Chief Executive

Rank has established a clear division between the respective responsibilities of the Non-Executive Chair and the Chief Executive.

The Chair

- Responsible for the leadership and effectiveness of the Board, including setting its agenda, overseeing corporate governance matters and undertaking the evaluation of the Board, its Committees and Directors.
- Ensures that the Board as a whole plays a full and constructive part in the development and determination of Rank's strategy.
- Oversees effective engagement with the Company's various stakeholders.
- Ensures a culture of openness and debate around the Board table.
- Sets and manages the Board's agenda in consultation with Executive Directors and the Company Secretary.
- Ensures that Directors receive accurate, timely and clear information and that they are fully informed of relevant matters, to promote effective and constructive debate and support sound decision-making.
- Ensures that adequate time is available for discussion of the principal risks, important matters and key decisions affecting the Company.

The Chief Executive

- Responsible for the day-to-day operation of the business, while being accountable to the Board for all aspects of the performance and management of the Group. This includes developing business strategies for Board approval and implementing them in a timely and effective manner while managing risk.
- Ensures effective communication with all stakeholders.
- Manages the Executive Committee and is responsible for leading and motivating a large workforce of people.
- Promotes the strategy, values, ambition and purpose of Rank and conducts the Company's affairs to the highest standards of integrity, probity and corporate governance.
- Takes responsibility for Group health and safety policies.
- Responsible for the ESG strategy and embedding a safer gambling culture across the Group.

Non-Executive Directors and Senior Independent Director

The Non-Executive Directors support the Chair and provide objective and constructive challenge to management. Among their other duties, they are required to oversee the delivery of the strategy within the risk appetite set by the Board, scrutinise the performance of management in meeting agreed goals and objectives, monitor the reporting of performance and ensure compliance with regulatory requirements. The Non-Executive Directors participate in meetings held by the Chair without the Executive Directors present.

The Senior Independent Director provides a sounding board for the Chair and serves as an intermediary for the Chief Executive and other Directors when necessary. She leads the process of evaluating the Chair's performance and is available to shareholders if they have any concerns that they have been unable to resolve through the normal channels.

In July 2024, the Board agreed to replace two of its four CEO and NED quarterly update meetings (for 2024/25) with informal dinners to deepen Board relationships. This is in addition to the Board dinners and venue visits in November 2024 and June 2025 that are planned.

Company Secretary

The Company Secretary makes sure that appropriate and timely information is provided to the Board and its Committees and is responsible for advising and supporting the Chair and the Board on all governance matters. All Directors have access to the Company Secretary and may take independent professional advice at the Company's expense in furtherance of their duties.

Conflicts of interest

The Group believes it has effective procedures in place to monitor and deal with any potential conflicts of interest and ensure that any related-party transactions involving Directors, or their connected parties, are conducted on an arm's length basis.

Directors are required to disclose any conflicts of interest immediately as and when they arise throughout the year. In addition, we undertake a formal process each year when all Directors confirm to the Board details of any other directorships that they hold. These are assessed by the Nominations Committee, and then the Board. No Director is counted as part of the quorum in respect of the authorisation of his or her own conflict.

Board re-election

In accordance with the Company's articles of association and the 2018 Code, all continuing Directors will stand for re-election at the 2024 Annual General Meeting.

Insurance cover

The Company has arranged insurance cover and indemnifies Directors in respect of legal action against them to the extent permitted by law. Neither the insurance nor the indemnity applies in situations where a Director has acted fraudulently or dishonestly.


Mecca, Luton

Our Board

Chair

Alex Thursby
Non-Executive Chair

Board independence	**Independent**
Age	**64**
Ethnicity/Nationality	**White/Australian**
Gender	**Male**
Appointment	**August 2017**

Key strengths:
- Broad financial and international experience, having worked across multiple product groups in the banking sector for many years.
- Extensive leadership experience, with a strong understanding of governance and investor relations.

Previous experience
Alex was a non-executive director at Barclays Bank Plc from 2018 to 2019. He was chief executive officer at National Bank of Abu Dhabi from 2013 to 2016 and a non-executive director at AMMB Holdings Berhad, a Bursa Malaysia listed company and part of the AM Bank Group, from 2008 to 2012. Alex was a member of the executive committee at Australia and New Zealand Banking Group (ANZ) for five years, including CEO of the International and Institutional Banking Division (Corporate and Investment bank). Prior to this, he was with Standard Chartered Bank for 21 years, where his roles included global head of wholesale banking, client relations and head of Northeast Asia.

Key external appointments and commitments
Alex is chair of the Board of Governors at Giggleswick School.

Committee membership
Finance Committee (Chair); Nominations Committee (Chair); and ESG & Safer Gambling Committee.

1. Alex was originally appointed to the Board on 1 August 2017 and became the Non-Executive Chair with effect from 17 October 2019.

Executive Directors

John O'Reilly
Chief Executive

Board independence	**Non-independent**
Age	**64**
Ethnicity/Nationality	**White/British**
Gender	**Male**
Appointment	**May 2018**

Key strengths
- Significant and extensive experience of the betting and gaming industry.
- Proven business leadership with a breadth of strategic, commercial and operational experience. Strong shareholder understanding.

Previous experience
John was a non-executive director at William Hill Plc from 2017 to 2018, non-executive director and chair at Grand Parade 2015 to 2016 and a non-executive director and chair of the remuneration committee at Telecity Group Plc from 2007 to 2016. He was a senior executive at Gala Coral Group from 2011 to 2015. Prior to this, at Ladbrokes he held several senior positions including managing director of remote betting and gaming, and subsequently, executive director from 2006 to 2010.

Key external appointments and commitments
John is a non-executive director and chair of the audit and risk committee at Weatherbys Limited and a trustee of the New Bridge Foundation, the prisoner befriending charity.

Committee membership
Finance Committee and ESG & Safer Gambling Committee.

Richard Harris
Chief Financial Officer

Board independence	**Non-independent**
Age	**41**
Ethnicity/Nationality	**White/British**
Gender	**Male**
Appointment	**May 2022**

Key strengths
- Has held CFO and senior finance roles in a number of consumer-facing organisations, developing a strong understanding of corporate finance, commercial finance, investor relations and financial reporting.
- Extensive operational experience, particularly in acquisitions, disposals and business improvement

Previous experience
Richard's previous roles include Chief Financial Officer at Foxtons Group Plc from 2019 to 2022, Group Financial Controller at Laird Plc from 2016 to 2019, and over 11 years at Marks and Spencer plc where he held a number of senior financial roles. He is a CIMA qualified management accountant.

Key external appointments and commitments
None.

Committee membership
Finance Committee.

Non- Executive Directors

Karen Whitworth
Senior Independent Director

Board independence	**Independent**
Age	**55**
Ethnicity/Nationality	**White/British**
Gender	**Female**
Appointment	**November 2019**

Key strengths
- Significant strategic, financial and leadership experience gained through a number of senior commercial, operational and governance roles.
- Extensive knowledge of consumer-facing, multi-site retail, and multi-channel businesses.

Previous experience
Karen has over 20 years of board-level experience in public and private organisations. She was previously a non-executive director and chair of the audit committee at Pets at Home Plc and was a supervisory board member and member of the audit committee at GS1 UK Limited from 2015 to 2018. Karen spent over 10 years at J Sainsbury's plc, latterly as director of non-food grocery and new business. Prior to joining Sainsbury's, she was finance director at online entertainment business BGS Holdings Limited and held a number of senior global roles at Intercontinental Hotels Group plc. Her early career was spent at Coopers & Lybrand (now PwC), where she qualified as a chartered accountant.

Key external appointments and commitments
Karen is senior independent director at Tritax Big Box REIT plc and chair of the audit committee and non-executive director for Tesco Plc, as well as an adviser to Grow up Farms Limited. She is also a director and Governor of Nuffield Health, a not-for-profit registered charity.

Committee membership
Audit Committee (Chair); Remuneration Committee, Nominations Committee; ESG & Safer Gambling Committee.

Lucinda Charles-Jones
Non-Executive Director

Board independence	**Independent**
Age	**58**
Ethnicity/Nationality	**White/British**
Gender	**Female**
Appointment	**June 2022**

Key strengths
- Extensive remuneration and people experience, both UK and internationally.
- Experience in strategic development of social and environmental aspects of corporate responsibility.

Previous experience
Lucinda has more than 25 years executive-level experience in human resources roles. She was Chief People & Corporate Responsibility of AXA UK and Ireland, part of the AXA SA Group, from 2015 to 2022 and group HR director for Towergate Partnership Co Ltd from 2011 to 2014. Prior to this, Lucinda was group global HR director for Hays Plc and has also previously held human resources roles at RAC PLC, consumer division and Vivendi SA.

Key external appointments and commitments
Lucinda is a non-executive director on the board of Virgin Money plc where she also chairs the remuneration committee and sits on the audit, risk and governance and nomination committees. She is also a non-executive board member for Business in the Community where she also chairs the remuneration committee and sits on the nomination committee.

Committee membership
Remuneration Committee (chair); ESG & Safer Gambling Committee; Audit Committee; Nominations Committee.

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Non- Executive Directors

Chew Seong Aun
Non-Executive Director

Board independence	**Non-Independent**
Age	**59**
Ethnicity/Nationality	**Asian/Malaysian**
Gender	**Male**
Appointment	**December 2020**

Key strengths
- A breadth of strategic and operational knowledge having worked across a number of companies in the Hong Leong Group.
- Extensive experience in finance and banking.

Previous experience
Seong Aun has over 30 years' experience in finance and banking and was with the Hong Leong Group for more than 18 years. Until 15 May 2024, he was: (i) the executive director and the group chief financial officer of Guoco Group Limited and (ii) the non-executive director of Lam Soon (Hong Kong) Limited. Both companies are listed in Hong Kong and are members of the Hong Leong Group. Prior to this he was the chief financial officer of Hong Leong Financial Group Berhad, an associated company of Guoco Group Limited listed in Malaysia from 2006 to 2020. In his earlier career, Seong Aun held various senior banking positions in the Middle East and Asia. He is an ICEAW qualified chartered accountant (FCA) and member of the Asian Institute of Chartered Bankers Malaysia.

Key external appointments and commitments
None.

Committee membership
None.

Katie McAlister
Non-Executive Director

Board independence	**Independent**
Age	**48**
Ethnicity/Nationality	**White/British**
Gender	**Female**
Appointment	**April 2021**

Key strengths
- Extensive digital and marketing experience, both UK and internationally.
- Responsible for several digital transformation and business change programmes and a strong interest in Environmental, Social and Governance ('ESG') initiatives.

Previous experience
Katie joined TUI in 1998 in the commercial area of TUI UK and Ireland with roles in trading, product, and destination services. She was chief marketing officer for TUI Northern Region (UK, Ireland and Nordic) until her more recent move to Cunard, belonging to the Carnival Plc group.

Key external appointments and commitments
Katie is President of Cunard, part of the Carnival plc group.

Committee membership
ESG & Safer Gambling Committee (Chair); Audit Committee; and Remuneration Committee.

Keith Laslop
Non-Executive Director

Board independence	**Independent**
Age	**52**
Ethnicity/Nationality	**Mixed/Canadian British**
Gender	**Male**
Appointment	**September 2023**

Key strengths
- Significant and extensive experience of the gaming industry.
- Formation of a new business and rapid business growth.
- Acquisitions and disposals.
- Qualified Chartered Accountant and Chartered Financial Analyst charterholder.

Previous experience
Keith brings a breadth of corporate financial experience from the gaming industry, having most recently been chief financial officer at Gamesys Group Plc (Gamesys). Keith co-founded Intertain Group in 2013, which following completion of five acquisitions, became one of the 200 largest public companies in the UK (as Gamesys) and was subsequently acquired by Bally's Corporation in 2021. He previously served as a Principal of a family office, the President of the world's largest distributed denial-of-service mitigation provider (Prolexic Technologies) and the CFO and Business Development Director at London-based video gaming software developer (Elixir Studios).

Key external appointments and commitments
None.

Committee membership
Audit Committee.

Company Secretary

Brian McLelland
Interim Company Secretary

Appointment	**May 2024**

Previous experience
Brian joined Rank in March 2024 and was appointed Interim Company Secretary in May 2024. He has over 25 years of company secretarial experience and is a qualified solicitor. He has held positions as Group Company Secretary at PayPoint Plc and Ferrexpo Plc and has been Deputy Company Secretary at Millennium Hotels.

Attendance at Board and Committee Meetings

	Board	Nominations	Audit	ESG & Safer Gambling	Finance & Disclosure	Remuneration
Alex Thursby	8/8	(Chair) 4/4	–	4/4	(Chair) 10/10	–
John O'Reilly	8/8	–	–	4/4	10/10	–
Richard Harris	8/8	–	–	–	10/10	–
Chew Seong Aun	8/8	–	–	–	–	–
Karen Whitworth	8/8	4/4	(Chair) 4/4	4/4	–	4/4
Keith Laslop[1]	7/8	–	3/4	–	–	–
Katie McAlister[2]	8/8	–	4/4	(Chair) 4/4	–	4/4
Lucinda Charles-Jones[3]	8/8	4/4	4/4	4/4	–	(Chair) 4/4

1. Keith Laslop was appointed to the Audit Committee in September 2023.
2. Katie McAlister was appointed Chair of the ESG & Safer Gambling Committee with effect 1 February 2022
3. Lucinda Charles-Jones was appointed Chair of the Remuneration Committee in January 2023.

In addition to the scheduled meetings, the Board held a further two meetings during the year to discuss performance. Board members also considered a number of key arising matters outside of these meetings as these arose.

Our Executive Committee

John O'Reilly
Chief Executive
John joined Rank in May 2018.

Richard Harris
Chief Financial Officer
Richard joined Rank in May 2022.

Hazel Boyle
Chief People Officer
Hazel joined Rank in September 2022.

Jon Martin
Chief Operating Officer
Jon joined Rank in January 2019.

Jonathan Plumb
Chief Information Officer
Jonathan joined Rank in October 2018.

For more information on our Executive Committee please visit our website.

Sarah Powell
Director of Investor Relations and ESG
Sarah joined Rank in January 2009.

Andy Crump
Mecca Venues Managing Director
Andy joined Rank in May 2022.

Mark Harper
Grosvenor Venues Managing Director
Mark joined Rank in August 2023.

Enric Monton
Rank International Managing Director
Enric joined Rank in May 2022.

Emma Morning
Group Transformation and Strategy Director
Emma joined Rank in October 2019.

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Our culture and workforce engagement

Adapting Rank's culture as a key enabler

Our colleagues sit firmly at the heart of the Company's strategy as a key enabler for the long-term sustainable success of the Group (for more information on Rank's strategy see pages 15 to 17). The Board receives regular updates from the Chief People Officer, as well as updates from the designated Non-Executive Director for Workforce Engagement. Through these updates, the Board is able to keep informed of prevailing trends enabling them to draw on a holistic view of what it's like to work at Rank. See more about colleague engagement on page 33.

During the year, the Board approved the 2024/25 People & Culture Plan ('Plan') which includes the transformation roadmap. The Plan also includes our continued commitment to Equality, Diversity and Inclusion and our Colleagues & Community agenda. A refreshed HR dashboard will keep the Board informed of the People & Culture progress against the approved actions.

The People & Culture team, through the Plan, has a clear purpose to help colleagues Work, Win and Grow at Rank. Over the next three to five years, this purpose will help the team deliver the Plan, focusing on five key areas:

1. Rollout of employee value proposition and become an employer of choice
2. Address our reward philosophy and strategy
3. Embed a communications and engagement strategy
4. Focus on management development and succession
5. Deliver business unit people transformation plans.

In support of our strategic KPIs, the Plan underpins how the team will ensure a clear view on what success looks like – one where we are able to attract and retain the best talent from around the world; we can develop and grow our colleagues from within; we continually engage, give and receive feedback; we are able to foster a unified culture of inclusivity and, as a responsible business, encourage diversity of thought and promote good health and wellbeing for all; and we create environments which enable all colleagues to do great work for our customers. With a strong relationship between the Chief People Officer and the designated Non-Executive Director for Workforce Engagement, together with her role as Remuneration Committee Chair, the Board welcomes the progress made in the year which will deliver a clear line of sight that will enhance the People & Culture Plan over the medium term as part of building success towards achieving the longer-term vision.

Workforce Engagement

Positioning ourselves as a desired employer is crucial in attracting and retaining the best talent. To ensure that the Group maintains strong relationships with our existing workforce, we provide listening forums for colleagues to share their opinions. By listening to ideas, hearing feedback, issues and concerns and feeding these thoughts back to leadership, we can then take action to ensure we continue to provide a great colleague experience.

One element of our listening strategy is a formalised programme of workforce engagement sessions. These are hosted by our Non-Executive Director for Workforce Engagement, Lucinda Charles-Jones, throughout the year.

The following is an interview that we conducted with an attendee in 2024 to understand the importance of these sessions for colleagues.

Engagement spotlight

Edward Wynn,
Learning and Organisation Development Business Partner

Having attended the workforce engagement session at the Sheffield office, how valuable do you feel these are to colleagues?

I think these sessions are incredibly important. Being able to speak directly to a member of the Board is a fantastic opportunity, because you know that this is being fed back to the rest of the leadership.

It was also helpful to get that exposure to a Non-Executive Director to understand what the Board do and their role in governance and overseeing and supporting the business. I think that really resonated with everyone in the session, because it not only showed that our leadership are not a remote body, but also made us more aware of the strategic direction of the Group, as well as our role in Rank's progress.

Do you think that an open and productive conversation was facilitated in the session?

Absolutely. Lucinda explained why she was there and the purpose of the workforce engagement sessions. She made it clear that the session was an opportunity for colleagues to share with the Board our experiences of working at Rank – the good and the not so good. Because of this, and the relaxed and informal tone that was set, it felt like a safe space to put forward and discuss our honest views. We were also invited to share what we would like the Board to consider in their decision-making.

It was helpful not only to air any concerns people had but also to share the real positives about the business and to learn about individuals' different roles. Key themes from the session identified the commitment of our people and the fact that we all really enjoy working alongside each other. I look forward to receiving in due course any responses from the Executive Committee and the Board to the key themes raised and hope I have the opportunity to partake in the next forum.

How effective is Rank's overall engagement strategy with colleagues from your perspective?

I personally feel very connected to the business – receiving updates from the business unit I work within, joining the Town Halls and having attended this session, there's a lot of opportunity to understand what is going on from a Group-wide perspective. I am also very encouraged by the launch of Connect (the new communications and engagement platform) because I know how effective it will be for communicating with our venues' colleagues.

Also, the encouragement and support that I have had during my time at Rank so far has empowered me to pursue opportunities to upskill, share my knowledge and contribute to making improvements where we see opportunities for them.

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Nominations Committee Report

"We have made good progress during the year with new leadership colleagues embedding quickly into the organisation and making early and meaningful contributions to growth and performance generally. The Committee continues to focus on succession planning and development with a particular emphasis on senior management, performance and our Equality, Diversity and Inclusion Strategy."

Alex Thursby,
Chair of the Nominations Committee

Committee membership and meeting attendance

For Committee membership and attendance please see Attendance at Board and Committee Meetings table on page 73.

Role and responsibilities

The Committee leads the process for appointments, ensures plans are in place for orderly succession to the Board, the Executive Committee and other senior management positions, and oversees the development of a diverse pipeline for succession. Its key responsibilities are to:

- Lead a rigorous and transparent procedure for Board appointments.
- Regularly review and refresh the Board's composition, taking into account the length of service of the Board as a whole, to ensure it remains effective and is able to operate in the best interests of shareholders.
- Ensure plans are in place for orderly succession to positions on the Board and Executive Committee and oversee succession planning for other senior management.
- Oversee the development of a diverse pipeline for succession.
- Work and liaise with other Board Committees as appropriate, including with the Remuneration Committee with respect to any remuneration package to be offered to new appointees to the Board.

The formal terms of reference of the Committee are available at www.rank.com or by written request to the Company Secretary who acts as secretary to the Committee. The terms of reference were reviewed by the Board on 14 August 2024.

Key activities during the year

- Reviewed succession plans for the Chair and Chief Executive.
- Reviewed talent and succession plans for senior management.
- Considered how to develop and enhance further the effectiveness of the Executive Committee and the benefits of interactions with the Board.
- Oversaw and reviewed the training provided to the Board collectively and to Board members individually to assess the appropriateness, quality and effectiveness of the training provided.
- Reviewed training and personal development plans for senior management including individual professional development programmes and complementary coaching.
- Reviewed and considered the Board and Board Committee effectiveness reviews, drawing up a plan of action to deliver against areas of focus.
- Reviewed the structure, size and composition of the Board and its Committees and the Executive.
- Kept under review the number of external appointments and significant commitments held by each Director of the Board to ensure that they are able to allocate sufficient commitment to their role.
- Considered proposals for the appointment, re-appointment, re-election or retirement of each Non-Executive Director (including the Chair) having given due regard to their performance and ability to continue to contribute to the Board and the Company's long-term sustainable success.
- Continued to monitor initiatives under the Equality, Diversity and Inclusion Strategy.
- Oversaw the development of a diverse pipeline for succession for the Board and senior management.


Mecca, Luton

Dear Shareholders,

I am pleased to present the Nominations Committee Report covering the work of the Committee during the 2023/24 financial year. Again, it was a busy year, with the addition of a new Board member and further strengthening and maturing of our Executive team who have delivered strong contributions in this financial year. We have continued to focus on the important areas of succession planning for our senior management and our Equality, Diversity and Inclusion Strategy.

Non-Executive Director induction and Board changes

All new Board members receive an induction following their appointment, which is led by the Company Secretary and comprises both a general and personalised programme. The general induction includes their duties and responsibilities as a director of a listed company, while the personalised induction is devised and tailored to each new director's background, experience and role. During the year, Keith Laslop was appointed (which was reported in the Annual Report 2023 when he joined the Board and the Audit committee on 1 September 2023).

Executive Committee changes

Mark Harper joined us in August 2023 as Managing Director Grosvenor. More information about Mark can be found on the corporate website, www.rank.com.

Composition

In 2023, in line with the requirements of the 2024 UK Corporate Governance Code and in light of director changes, we reviewed the Board's composition and skills matrix. I was delighted to appoint Keith Laslop on 1 September 2023 and he has enhanced the Board's capabilities on digital gaming and financial experience. In appointing Keith to the position, it was understood that his appointment would alter the composition of the Board for the purposes of the Hampton-Alexander Review (which maintains a target of 33% of women on boards).

Prior to Keith's appointment, the percentage of female directors stood at 42.9% (3/7 directors were female) but this dropped to 37.5% (3/8), albeit still ahead of the target of Hampton-Alexander, but not meeting the targets on board diversity as set out in the Listing Rules 9.8.6(R)(9)(a)(i). The Board was of the view that it should appoint the best candidate on merit regardless of sex as this was in the best interests of the company. It remains committed to appointing further female Non-Executive Directors on merit. It is noted that the Senior Independent Director and Chairs of the Audit, Remuneration and ESG-SG Committees are female.

The Board notes its current composition and that in its first report in 2017, the Parker Review made a series of recommendations and set a "One by 2021" target for all FTSE 100 boards to have at least one director from a minority ethnic background by December 2021. The Review also set a similar "One by 2024" target for all FTSE 250 boards. As of December 2020, Mr Chew, of Asian ethnicity, has been a Non-Executive Director.

Under the Parker Review in 2022, the Parker Review committee asked each FTSE 350 company to set its own target for its business for December 2027 for the percentage of its senior management team who identify as being from an ethnic minority (see page 69 for senior management statistics). The Review also strongly encouraged companies to describe in their annual reports the management development plans they have in place to help create a diverse and inclusive pipeline of talent (see page 70 for management development plans).

We reviewed the composition and chairship of the Board's Committees during the year and have concluded that they are operating satisfactorily and do not require enhancement.

Nominations Committee Report

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The Committee also considered the other significant commitments of our Non-Executive Directors and was satisfied that each Director has sufficient time to discharge their responsibilities effectively. Outside of the Board, we considered the composition of the Executive Committee during the year. I can confirm that the Committee is satisfied that the Board, its Committees and the Executive Committee are appropriately composed.

Learning, education and continuous development

We regularly consider training requirements for the Board with a view to enhancing knowledge and skillsets and to ensure appropriate account is taken of changing business circumstances.

Directors are invited to identify to the Company Secretary any additional information, skills and knowledge enhancements that they require. Following feedback from the Board evaluation in 2023 the Board commenced a programme of bespoke training for individual directors.

This has involved personal development with the support of an external leadership consultancy. Non-Executive Directors have been provided with tailored training on an individual basis by subject matter experts from Deloitte Academy on many different topics including aspects of audit committee work, remuneration committee trends and the role of the non-executive director.

The Board collectively received training on safer gambling, from an external third party, GamCare, ESG trends and the Corporate Governance Code changes during the year. The Board were also appraised of key legislative changes and developments that affected the Group such as the Gambling Act Review and ongoing legislative consultations.

For more information, please see Legislative Change, Industry associations and accreditations and Safer Gambling in the 2024 Sustainability Report which includes employee training on safe gambling including GamCare initiatives.

Succession planning

As part of our six-monthly talent reviews, we capture our succession plans for executives and senior managers ensuring we have plans in place to continue to develop a robust and diverse pipeline and the Board and Committee have reviewed these regularly during the year.

We made a conscious decision to up-weight the commercial and operational experience in our Grosvenor business with the appointment of Mark Harper in August 2023, and Samantha Collins joining us at the end of last year as the new Grosvenor Operations Director.

The Committee welcomed further notable examples of succession planning and diversity in action in the promotion of senior management, demonstrated by the appointment the Talent & Learning Director and a further senior female promotion of an individual to Head of IT Delivery, managing all technology change across Grosvenor and Mecca and our Corporate systems. Overall, we are pleased to see a 4% increase in female managers which reflects our continued commitment to building a diverse and inclusive workplace where everyone has equal opportunity and our promotion process is clear and transparent.

In reviewing this work during the year, we know we need continued focus on our gender balance in the current succession pipeline and continue to action where there will be opportunities to improve this. The current gender split in succession for the executive group is a ratio of 2:5 female/male. However, longer-term we now have a higher number of females in the senior management population (35% in May 2024, compared to 28% in Nov 2023), offering more likelihood of female succession in the future as part of our formal pipeline process.

The Committee also conducted its annual review of succession planning for the Chair and the Chief Executive and this was refreshed in January 2024.

Equality, inclusivity and diversity at all levels to help drive growth

We recognise that to be a successful Company and to achieve our strategic goals, Rank must be both inclusive and diverse. This must be reflected throughout the organisation, including on the Board. I am pleased to report that women comprise more than a third of our Directors and the Board meets the recommendations of the Parker Review. We have one director from an ethnic minority background and at least one senior board position, the Senior Independent Director, held by a woman. In addition to this, all of our Board Committee Chair positions are held by women.

	2024	2023	2022
Board			
Male	**5**	4	5
Female	**3**	3	3
Male %	**62.50**	57.17	62.50
Female %	**37.50**	42.86	37.50
Executive			
Male	**7**	7	9
Female	**3**	4	4
Male %	**70.00**	63.64	69.23
Female %	**30.00**	36.36	30.77
Senior management*			
Male	**40**	40	51
Female	**21**	23	19
Male %	**65.57**	63.49	72.86
Female %	**34.43**	36.51	27.14
Overall Group			
Male	**4075**	3862	3952
Female	**3494**	3384	3618
Male %	**53.84**	53.30	52.21
Female %	**46.16**	46.70	47.79

* Senior Management is calculated as the Exec plus the M1 & M3 direct reports to the Exec and the Subsidiary Directors irrespective of grade and reporting lines.

Our Board data remains unchanged since September 2023.

We have seen a decrease in gender balance in senior leadership roles following some movements by female leaders. Women in senior roles will continue to be a focus for us at Rank, and ensuring we have a diverse pipeline of talent to support our future strategy remains important to us. See the Sustainability Report for more on our pilot scheme, Shine.

The data for Executive members shows a lower percentage of female talent vs male (compared with 2023) given Mark Harper's appointment as Managing Director for Grosvenor.

For more please see Equality, Diversity and Inclusion in the Sustainability Report 2024.

Focus on Equality, Diversity and Inclusion ('ED&I') for the next six months

The business develops six-monthly plans for ED&I on a biannual basis and the focus and activities are as set out below.
Several events were held across the business during the past six months. Globally the Group celebrated diversity with Chinese New Year, Easter, Eid and Ugadi; promoted inclusion through mental health awareness events; and increased equality awareness for International Women's Day, among others.

Moving forward, our activities are to be more focused on creating and implementing lasting change throughout the business. This means more work on creating sustainable change, like continuing to enhance our policies, processes, recruitment practices and working environments.

For more please see Equality, Diversity and Inclusion in the Sustainability Report 2024.

Consulting with ED&I external partners to ensure activities are aligned with Performance and Culture Strategy

We are continuing our partnerships with our external ED&I partners since most of them are still in their infancy – around 12 months. We have a new Community Strategy, which we plan to launch later in the year. We have recently renewed our accreditation with 55/Redefined as an age-accredited employer for the third year, using their job boards to post roles that help bring over 50s into the workplace, and we will continue working with WiHTL (Women in Hospitality, Tourism and Leisure), Inclusion In and DWP over the next year.

Family-friendly policies

We have launched our Family-Friendly Policy in the UK, which has received extremely positive feedback from employees. A further rollout of this policy will occur globally by the end of June 2025, recognising the need to amend contracts and general terms and conditions in some countries.

As part of our commitment to creating inclusive workplaces, we are continuing to support colleagues who identify as trans and/or non-binary. In collaboration with Inclusion In, we are currently drafting a Trans Equality Policy. Our research phase has included valuable input from our LGBTQ+ network members and consultations with transgender colleagues across the Group.

We have also conducted an internal review of our people and culture policies to ensure compliance and inclusivity, including the use of inclusive language, for all our colleagues. This review has highlighted key policies that require updates or changes to enhance our inclusive culture. One such policy, our Carers Leave Policy, is in the final stages of review for introduction to the UK business. This project will continue over the next few months, with a further update expected in the summer of 2025.

For more information on our Board skills, experience and tenure, please see page 70.

Nominations Committee Report

Non-Executive Directors' evaluation

During the year, I held one-to-one meetings with all Non-Executive Directors to discuss their performance, drawing on the results of the external evaluation exercise and to identify whether they continue to contribute effectively to the Board and demonstrate commitment to their role. I also met with and evaluated the performance of the Chief Executive using feedback from the exercise. To evaluate my performance as Chair of the Board and of this Committee, the Senior Independent Director drew on this external evaluation exercise as well as feedback from separate discussions she held with the Non-Executive Directors, Executive Directors and the Company Secretary, and discussed the results with me.

Board effectiveness review

In 2022, Rank engaged Lintstock Limited ('Lintstock'), an independent advisory firm that specialises in Board reviews, to undertake a two-to-three-year externally facilitated evaluation process. For 2023/24, in June 2024 Lintstock conducted an interview-led evaluation process (see pages 67 to 68), with a key focus on Board Committees.

For 2023/24, we worked with Lintstock to support the Board effectiveness review, and to follow up on themes identified in the previous year.

As well as covering core aspects of governance such as information, composition and dynamics, the review considered people, strategy and risk areas relevant to the performance of Rank. The review had a particular focus on the following areas:
- The Board's dynamics and time allocation
- The effectiveness of the committee structure and inter-committee communication
- The Board's oversight of recent regulatory reforms.

Lintstock's findings were presented to the Board at the June meeting (see page 67) and an action plan was agreed, taking into account progress made against the findings of the previous year.

Outcomes from 2023/24 Board effectiveness review

I am pleased that the review identified some key strengths:
- The Board demonstrated a high level of confidence in its understanding of regulatory conditions and reforms relevant to the industry.
- The Board's composition was seen to have been strengthened with its most recent appointment, and its relationship and interaction with management was felt to have further improved over the past year.
- As in previous reviews, a strong Board emphasis on safer gambling was acknowledged.

For the forthcoming year the Board agreed areas of focus that would greatly enhance the current processes.

Other recommendations identified by Lintstock included ongoing focus on talent management in the business, further review of risk management, and additional refinements to Board dynamics and discussions.

As part of the review, Lintstock provided an analysis of the Rank Board relative to the Lintstock Governance Index, which comprises around 40 core Board performance metrics from over 200 Board Reviews that Lintstock has recently facilitated. This helped the Directors to understand how the Rank Board compares with other organisations, putting the findings into context.

The Board welcomed the effectiveness review process, and which identified the strengths of the Board and opportunities to further increase its impact.

We continue to believe that the Board provides an appropriate blend of executive and non-executive skills to meet the Group's needs.

For more information on our Board skills, experience and tenure, please see page 69.

Alex Thursby
Chair of the Nominations Committee

Nominations Committee evaluation

It is incumbent on the Board to ensure that a formal and rigorous review of the effectiveness of the Committee is conducted each year. During 2022/23, Rank's evaluation exercise focused at Board level, facilitated externally by Lintstock Limited (see previous page). As part of the process, the review commented on whether the Committee was operating effectively and it was concluded that this was the case. The review helped to shape the review in 2023/24.

The Committee's progress against last year's actions are set out opposite, and focus for 2023/24.

I look forward to meeting shareholders at the forthcoming Annual General Meeting, when I will be happy to answer any questions on this report.

Progress on 2023/24 agreed focus areas made during the year

Agreed action

To reflect and draw from the insights of the Board effectiveness review and ensure both the Board and senior management reflect the skills required to deliver the Company's strategic aims including focused training.

Progress made during 2023/24

The Board was strengthened by way of a further appointment (Keith Laslop) following a skills gap analysis exercise and an individual programme of training for the Non-Executives has been provided and is ongoing with the training provided now being evaluated for quality control.

We are also collaborating with leaders from across the business to build a simple framework of Leadership Expectations which define consistently what it means to be a successful leader at Rank.

For more please see Training and Development in the Sustainability Report 2024.

Agreed action

To continue to focus a robust succession plan with diverse talent pipeline into senior management roles.

Progress made during 2023/24

As part of the six-monthly Talent Reviews, management continues to assess the performance, potential and succession of the Executive Committee – with development and actions identified and reviewed.

With the appointment of key talent at senior management level, there is an improving picture of succession at 1-2 years with these identified successors having development plans in place to support progression.

We have also seen an improving gender balance from 27% to 34% of females in senior leadership.

For more please see Colleagues in the Sustainability Report 2024.

Agreed action

To provide development and support to senior management to ensure they have the right skills and display a growth mindset necessary to continue to build a high performing culture.

Progress made during 2023/24

A small cohort of Executive Coaches has been established to support senior leadership talent with bespoke 1-2-1 coaching and development. In addition, as an output of the Talent Reviews, there are six senior female leaders piloting 'Shine', a leadership development programme exclusively for female talent, that aims to build confidence and clarity about career possibilities.

For more please see Training and Development in the Sustainability Report 2024.

Following the outcomes of this year's Board effectiveness review and as part of the Committee's annual evaluation and consideration of matters for the forthcoming year, we agreed that our focus for the year ahead should be as follows:

Focus for 2024/25

Continuing the development work with the Executive Committee and senior management team to ensure we have a progressive pipeline of talent, with particular focus on succession for Executive Director roles and key senior managers.

Further embedding of our leadership framework across Rank including making further improvements to our performance and potential process.

Continuing to focus on gender equality at a senior level to encourage and promote more senior women or those who identify as women into positions of seniority, including the continuation of our global mentoring scheme and our continued rollout of our senior leadership programme Shine, which focuses on helping women build confidence and clarity into their career progression plans.

Audit Committee Report

“All members of the Committee are independent Non-Executive Directors and the Board believes that the Committee has the resources and expertise to fulfil its responsibilities and effective oversight required of the Group’s risk management, internal controls and financial reporting.”

Karen Whitworth,
Chair of the Audit Committee

Committee membership and meeting attendance

For Committee membership and attendance please see Attendance at Board and Committee Meetings table on page 73.

Role and responsibilities

The role of the Committee is primarily to support the Board in fulfilling its corporate governance obligations so far as they relate to the effectiveness of the Group’s risk management systems, internal control processes and financial reporting. Its key responsibilities include:

- Reviewing and challenging key accounting judgements, any policy changes and narrative disclosures within the financial statements.
- Reviewing assessments of going concern, longer term projects and the distributable reserves position prior to any declaration of dividend.
- Reviewing and assessing the effectiveness of internal control systems, including financial and operational controls, in addition to the framework for risk management.
- Performing a robust assessment of the Company’s management processes, including the identification and mitigation of principal and emerging risks.
- Reviewing the internal audit programme and any significant findings, as well as the effectiveness and independence of the Internal Audit function.
- Considers reports from the external auditor and management’s response to their recommendations. It assesses the quality of the external auditor, considers their appointment, terms of engagement and their remuneration. It monitors the independence of the auditor and the provision of non-audit services.

The formal terms of reference of the Committee are available at www.rank.com or by written request to the Company Secretary who acts as secretary to the Committee. The terms of reference were reviewed by the Board on 14 August 2024.

Key activities during the year

- Considered and assessed all accounting judgements made in the preparation of the financial statements. In the year, these judgements included asset impairment reviews, ongoing assessment of the Group’s property dilapidations provisions, the appropriate classification of adjusting items and the prior year restatement.
- Continued to assess and monitor the principal and emerging risks for the Group, particularly in light of the uncertain macroeconomic conditions.
- Assessed the Group’s plans to implement improvements to its financial control framework, which formally documents the Group’s financial control processes, risks and controls.
- Commission a third-party review of the Group’s risk management framework to ensure that processes were sufficiently robust.
- Considered reports relating to whistleblowing, compliance, money laundering, health and safety and data protection.
- Considered the increasing sophistication and complexity of cyber-attacks and the defences the Group has in place to mitigate the impact of these attacks.
- Considered the external quality assessment of the Group’s Internal Audit function and agreed actions with management.
- Assessed the liquidity arrangements for the Group including the refinancing process.
- Rank’s 30 June 2023 external audit was subject to the Financial Reporting Council’s (‘FRC’s’) audit quality inspections of auditors, as part of the FRC’s normal cycle of review. The Committee considered the FRC review which highlighted several key areas for improvement and approved management’s plan to deliver recommended improvements to enhance the quality and transparency of the Group’s financial reporting practices.
- The Committee considered management’s response to the FRC following its letter of 14 March 2024 concerning our Annual Report & Accounts 2023.
- Considered the impact of the Corporate Governance Code 2024 on future reporting and disclosure obligations, particularly the impact to the internal control attestations in 2026, sustainability assurance and an audit and assurance policy.
- Assessed disclosure requirements and assurance programme to support the Group’s reporting against the Task Force on Climate-related Financial Disclosures (‘TCFD’) and considered the impact of climate-related matters on the key financial judgements, concluding they had immaterial impact at 30 June 2024.
- Considered aspects of double materiality and Corporate Sustainability Reporting Directive (‘CSRD’) reporting requirements.
- Recommended to the Board the selection of a new audit engagement partner from EY, with the existing partner having reached the end of the allowed term.
- Reviewed and approved non-audit service fees performed by external auditors.

Dear Shareholders,

I am pleased to present the Audit Committee Report for the 2023/24 financial year. During the year, the Committee has continued to carry out a key role within the Group’s governance framework, supporting the Board in monitoring and reviewing the systems for risk management, internal control and financial reporting.

Key activities

During the year the Committee’s core duties remained largely unchanged and the regular focus on financial reporting, risk management and internal controls remained in place.

Key matters that formed committee discussions during the year included the key accounting judgements made in the preparation of the financial statements, the identification and management of Group’s principal and emerging risks, the Group’s liquidity requirements as part of the refinancing exercise, and the various regulatory and disclosure requirements that will impact the Group, particularly requirements in respect to Task Force on Climate-related Financial Disclosure (‘TCFD’) and Corporate Governance reform.

We received regular updates from the Risk Committee and considered and assessed the principal risks to the Group, both existing and emerging, particularly considering the ongoing macroeconomic conditions and certain geo-political risks. Following the assessment of the principal risks as reported last year, the Committee concluded the vast majority of risks remain unchanged.

We received a regular update on information security which set out the cyber-security threat landscape for the last six months and the actions that were taken to remain compliant with external annual audits from the likes of PCI DSS. The Committee considered the comprehensive audit undertaken and the additional enhanced security monitoring and security reporting opportunities identified.

Annual activities reported on and discussed included penetration testing, enhanced security scanning and new vulnerability management tools. Risks, impact and actions were reviewed and external audits and project support for the next six months were presented. Following review, the Committee concluded the risk profile overall remained unchanged and that systems and controls were operating effectively.

The performance of the business and associated risks again contributed to our work on the long-term prospects of the business. The Committee reviewed management’s assessment of the going concern assumption and the viability statement. The review included consideration of forecasted cash flows aligned to the Group’s strategic plan, downside scenarios and reverse stress test scenarios to ensure there was appropriate liquidity and covenant headroom.

For the purposes of the going concern assessment, a 12-month forecast period from the date of the approval of the financial statements was considered, including the results of the reverse stress test scenario. A longer period of three years was used for assessing viability, which is consistent with the Group’s strategic planning period. The Committee confirmed that preparing the financial statements on a going concern basis continues to be appropriate and recommended the approval of the viability statement as set on page 82.

The Committee reviewed managements’ impairment assessment, utilising the same financial forecasts as the going concern and viability statement, and is satisfied that the carrying value of assets is appropriate at 30 June 2024.

The Committee considered the presentation and disclosure of the separately disclosed items which were recognised in the period. The Committee reviewed the nature of these items, with reference to the Group’s accounting policy, and concluded the classification and disclosure of the items was appropriate and the policy had been consistently applied across financial years.

Audit Committee Report

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The Committee also assessed the financial controls framework, including management's plans to improve the Group's financial control processes, risks and mitigating controls. More information can be found below, under the Internal Controls section of this report.

The Committee assessed and approved the TCFD disclosures (see pages 44 to 51) that formed part of the Annual Report and Accounts 2024 and ensured there was appropriate oversight of climate-related considerations aligned with Group strategy and accounting processes.

In conjunction with the ESG and Safer Gambling Committee, there was a review of the outcomes and feedback received from various Gambling Commission assessments across the business during the year. The Committee was pleased to see the positive outcomes and management's response, which led to changes to policies and practices to protect customers.

During the year, the Committee received and discussed fraud and whistleblowing reports. We considered whether the appropriate processes and levels of accountability were in place to effectively manage the reports received.

Key judgements and financial reporting matters

The Committee assesses and challenges whether during the year suitable accounting policies have been adopted and whether management has made appropriate estimates and judgements. Key accounting judgements considered, conclusions reached and their financial impacts during the year under review are set out in the table opposite. We discussed with the external auditor the significant issues addressed by the Committee during the year and the areas of particular focus, as described in the independent auditor's report on page 113.

Key judgements and financial reporting matters 2023/24	Audit Committee review and conclusions
Impairment review	
For goodwill and indefinite-life assets, the Group performs an annual impairment review. In addition, the Group reviews assets that are subject to amortisation or depreciation for events or changes in circumstances that indicate that the carrying amount of an asset or cash-generating unit may not be recoverable. If an asset has previously been impaired, the Group considers whether there has been a change in circumstances or event that may indicate the impairment is no longer required. The Group considers each venue to be a cash-generating unit and the review covers approximately 115 individual cash-generating units ('CGU'), with goodwill and indefinite-life assets considered at a group of CGU level.	The Committee reviewed management's impairment review process including, where applicable, the cash flow projections aligned to the strategic plan, growth rates and discount rates used to derive a value in use ('VIU'), multiples used in VIU, the sensitivity to assumptions made, and used VIU for all CGUs consistent with the prior year. The Committee reviewed and agreed the value of impairment charges and reversals recognised in 2023/24 and reviewed the disclosures including the sensitivity disclosures of changes in key assumptions. Further details are disclosed in Note 13 on pages 145 to 150.
Treatment of separately disclosed items ('SDIs')	
The Group separately discloses certain costs and income that impair the visibility of the underlying performance and trends between periods. The separately disclosed items 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.	The Committee reviewed the presentation treatment of SDIs and agreed that the items listed in Note 4 are appropriate. The Committee noted that from a quality of earnings perspective, both accretive and dilutive impacts had been recorded in both the current and prior years.
Dilapidations Provisions	
Provisions for dilapidations are recognised where the Group has the obligation to make good its leased properties.	The Committee reviewed management's approach to accounting for dilapidations and the basis for the provisions made based on the trading environment and venue performance.
Compliance with laws and regulations	
The Group operates in an evolving regulatory environment with increasingly complex laws and regulations, particularly gambling-related regulations.	The Committee reviewed management's approach to complying with laws and regulations including assessing the potential financial impact, accounting and disclosure for any potential non-compliance.
Taxation	
The Group holds provisions for certain tax matters, in addition to the normal provisions for corporation tax. In assessing the appropriateness of indirect tax provisions, the Group must estimate the likely outcome of uncertain tax positions where judgement is subject to interpretation and remains to be agreed with the relevant authority.	At both the half and the full year, the Committee considered the Group's approach to tax provisioning, in order to satisfy itself how management came to its best estimate of the likely outcome. The Committee received and considered an update paper covering the Group's ongoing direct and indirect tax matters. This covered continuing operations where tax returns submitted have been, or are likely to be, challenged by the relevant tax authority. The Committee considered that management's best estimate of tax liabilities is appropriate.
FRC review of Annual Report & Accounts	
On 14 March 2024 the FRC wrote to the Group following its regular review of company Annual Report and Accounts. The FRC requested more information on the leases on Note 31 of the Annual Report and Accounts 2023. We were requested to explain why payments of £66.6m were made in relation to lease liabilities during the year when £43.6m was shown in the cash flow statement for lease principal payments. We were also asked to explain the difference between £19.1m as additions to the right to use assets in Note 12 and the £47.8m shown as additions to lease liabilities in Note 31. Rank was given 28 days to respond. Rank responded formally to the letter on 10 April 2024.	Prior to Rank's formal response the Committee reviewed the draft response and conclusions reached by management and approved the formal reply that followed. In summary, the Group explained that there were two compensating errors in the table of movements in lease liabilities during the year: £28.7m of dilapidation provisions were incorrectly included in lease liabilities additions of £47.8m, and an equal and opposite amount was also incorrectly included in lease liabilities payments of £66.6m. Removing the £28.7m from the lease liabilities additions and payments resulted in revised amounts of £19.1m and £37.9m respectively. There was a further difference between Note 31's revised lease liabilities payments of £37.9m and lease principal payments of £43.6m disclosed within cash flows from financing activities, in the statement of cash flow. Management noted the lease principal payments incorrectly included £4.6m of property-related VAT and £1.1 m of property service charges. It agreed this was not in line with the requirements of IFRS 16.50(a) nor with how they were treated in the 2022 Annual Report and Accounts. Cash flows from lease-related VAT and property service charges should have been disclosed within cash flows from operating activities (not financing activities) - removing these two items resulted in revised lease principal payments of £37.9m, in line with the revised position noted for Note 31. The misclassification impacted both operating and financing cash flows by £5.7m. Management noted the reported closing value of £58.5m for cash and short-term deposits at the end of the year was correct. The FRC subsequently confirmed on 22 April 2024 that they had concluded their review of Rank's ARA, in accordance with the FRC Corporate Reporting Review Operating Procedures. They had no further questions or comments. On 18 June 2024 the Committee further reviewed and analysed management's account of the causes of lease accounting errors and approved the future mitigation actions proposed. The restatement described above was identified following a review of the 2023 Annual Report by the 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.

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Going concern and viability statement

The Directors must determine that the business is a going concern for the period up to 31 August 2025 from the date of signing the accounts. Furthermore, the Directors are required to make a statement in the Annual Report as to the longer-term viability of the Group. This involves a detailed review of the Group's future cash flow projections, including the downside scenarios modelled in the viability statement.

The Committee reviewed management's assessment of the going concern assumption and the viability statement. The review included consideration of forecasted cash flows aligned to the Group's strategic plan, including downside scenarios and reverse stress test scenarios, to ensure there was appropriate liquidity and covenant headroom. Consideration was given to the maturity profile of the Group's clubbed bank facilities, and the Committee took time to understand and challenge, where necessary, significant judgements and assumptions in the modelling, the reverse stress test models and covenant and liquidity headroom.

The Committee also evaluated management's work in conducting a robust assessment of the Group's longer-term viability, affirmed the reasonableness of the assumptions and considered whether a viability period of three financial years remained most appropriate considering the debt maturity profile and the ability of the Group to refinance. The Directors were able to confirm that it was appropriate to prepare the financial statements on a going concern basis and recommended the approval of the viability statement to the Board. Further details can be found on page 82.

Fair, balanced and understandable

One of the key compliance requirements in relation to a group's annual report and accounts is that, taken as a whole, they are fair, balanced and understandable.

The coordination and review of Group-wide contributions to Rank's Annual Report and Accounts follows a well-established process, which is performed in parallel with the formal process undertaken by the external auditor. A summary of the process is as follows:

- A qualified and appropriately experienced senior management team lead the process, under the direction of the CFO. The team primarily comprises the Group Finance Director, Company Secretary, and the Director of Investor Relations and ESG.
- A comprehensive review and verification process assesses the factual content of the Annual Report and Accounts and ensures consistency across various sections.
- A common understanding exists across the senior management team which ensures consistency and overall balance of the report.
- A transparent process to ensure disclosure of all relevant information to the external auditor.
- A near-final draft of the report is reviewed by the Committee.
- Formal approval of the Annual Report and Accounts is given by a committee of the Board.

Taking this approach enabled the Committee to recommend to the Board, and then the Board itself, to confirm that the Company's 2024 Annual Report taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Internal control environment and risk management framework

The Board has overall responsibility for the risk management framework, as explained further on page 57. It delegates responsibility for reviewing the effectiveness of the Group's systems of internal control to the Committee. This covers all material controls including financial, operational and compliance controls and risk management systems. During the year, we received detailed reports from each of the three lines of defence so as to enable us to maintain oversight and discuss the risks and challenges to the Group. In particular, the Committee reviewed the following:

Enterprise risk management

We considered the manner in which the risk management framework has evolved and the overall appetite for risk. We reviewed the risk management methodology and confirmed that it continues to be appropriate. We also considered the Group risk register in respect of both current and emerging risks and challenged the Executive Directors on such risks and their mitigating actions. The Group's principal and emerging risks are set out on pages 58 to 62. During the period a review was undertaken by the Group's Internal Audit function of the Group's Enterprise Risk Management framework looking at the governance, risk methodology and the operation of the Risk Committee. Overall, the outcome of the review found that an effective framework was in place for the above areas with some areas of improvement. Additionally, as part of the preparation for the corporate code requirements, activity is underway to perform risk assurance mapping over the three lines of defence focusing on the Group's principal risks.

Legal and regulatory

Reflective of the regulatory environment in which Rank operates, we continued to examine the effectiveness of the Company's framework of compliance controls. This included internal audit reviews, reports on anti-money laundering from the Nominated Officer, updates on material regulatory matters from the Director of Compliance and Responsible Gambling, taking account of summarised reports from and guidance issued by regulators (including following compliance assessments), and reviews of progress made on areas requiring improvement. The Committee also discussed the status of material litigation and regulatory matters affecting the Company, including any financial impact and/or disclosure requirements.

Health and safety

We considered during the year ongoing health and safety projects for the venues' estate. We also received reports from the Group's Head of Health and Safety on relevant data and trends, monitoring programme outputs and any potential regulatory matters, including reports made under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR).

Information security, data privacy, cyber resilience and disaster recovery

We considered during the year progress made in respect of information security and data privacy controls. This included a review of the specific key risk indicators for these areas and updates on trends relating to data compliance further to the Group's monitoring programme. The Committee also received updates on the Group's approach to information security and disaster recovery respectively from the Director of IT Security and the Chief Information Officer. The updates provided an overview of the Company's critical systems, areas of key risk (and mitigation, as appropriate) and development roadmaps. The Committee also received reports from the Data Protection Officer on relevant data and trends, monitoring programme outputs, ongoing projects and any potential regulatory matters.

Code of conduct and whistleblowing

We reconfirmed the ongoing appropriateness of the Group-wide whistleblowing policy and procedure, which is operated by an external third-party provider, Safecall. The service provides a multilingual communication channel and enables employees and other stakeholders to report in confidence and, if they wish, anonymously, to Safecall, which then submits reports to the allocated appropriate individual within the business for investigation as necessary. Reports received during the year were kept strictly confidential and the concerns identified were referred to appropriate managers within the Group for investigation and resolution. We received an analysis of all reports submitted during the year. The Company's code of conduct is available on www.rank.com.

Financial Controls Framework

We reviewed the progress made in strengthening the Rank financial control environment, through the delivery of an effective Group Financial Control Framework, which will ensure Rank has appropriate controls over all aspects of the Group financial statements. Progress is well underway in this area and has focused first on the inherent high-risk areas identified by our internal and external auditors. This is a key step in being prepared for the expected Corporate Governance reform that will emerge in the coming years. Additionally, the Committee also reviewed supplementary balance sheet assurance measures put in place to further strengthen the control environment.

Audit Committee Report

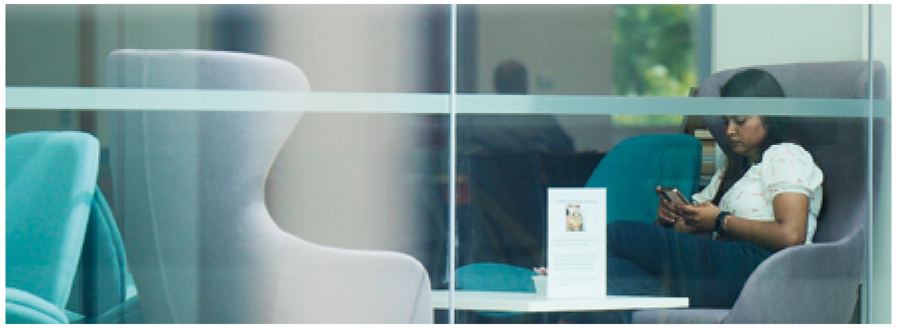
Internal audit

The Group's Internal Audit function forms the primary source of internal assurance to the Committee via the delivery of the internal audit plan, which is structured to align with the Group's strategic priorities and key risks and is developed by Internal Audit with input from management and the Committee. Its role is to provide independent, objective assurance and consulting services designed to add and protect value by improving the Group's operations. Internal Audit assists the Group in accomplishing its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The Internal Audit function is governed by its Group Internal Audit Charter ('GIAC'), which the Committee reviews annually to ensure it remains appropriate for the function and organisation, and that the function can discharge its responsibilities fully.

Each year, the Committee reviews and approves the internal audit plan. The plan is kept under review, depending on operational or other business requirements, with any changes being discussed and agreed with the Committee. The Director of Internal Audit submits reports on completed audits to each Committee meeting.

The findings are discussed by the Committee, together with any implications arising from such findings on the broader control environment. Recommendations arising from internal audit reviews are discussed and agreed with the relevant business area for implementation of appropriate corrective measures and the Committee monitors senior management's resolution of identified issues. During the year, a number of control improvements in venues were observed and the Committee challenged senior management to ensure certain key changes were made to the control environment.

The work undertaken by Internal Audit during the year included: a review of expenses and company credit card use and practice; an assessment of strategic



supplier governance and assurance of HR concerning joiners, movers and leavers. Several individual venue audits were also completed during the period, focusing on regulatory and licencing compliance, cash management and gaming controls. In addition to the above, the internal audit team also assisted with ad hoc controls improvement work that arose during the year.

During the last period an External Quality Assessment was performed over the Group's internal audit function. The outcome of that assessment was that the function is fit for purpose, and it is aligned to the requirements of the standards of the Institute Internal Audit. Recommendations raised from this review were tracked to completion during this period by the Committee.

External Auditor

Ernst & Young LLP ('EY') has been the Company's external auditor since 2010. Following an audit tender process conducted by the Committee in accordance with its regulatory requirements which concluded in June 2019 (the process for which was detailed in the 2019 Annual Report), EY's re-appointment as the auditor of the Group was approved by shareholders at the 2019 Annual General Meeting (and at each subsequent Annual General Meeting). There was a change of external audit partner in 2019 following completion of the 2018/19 external audit. There were no contractual or similar obligations restricting the Group's choice of external auditor. During 2024, the Chief Financial Officer and Audit Committee Chair, on behalf of the Audit Committee, reviewed a shortlist of candidates and interviewed potential audit partners from EY to assess the best replacement for Annie Graham, Audit engagement partner, who was retiring from auditing the Group. Three candidates were interviewed and the outcome of this process was that the Committee recommended to the Board that James Harris be appointed as audit engagement partner to take over from Annie Graham in August 2024.

EY is engaged to express an opinion on the financial statements. It reviews the data contained in the financial statements to the extent necessary to express its opinion. It discusses with management the reporting of operational results and the financial position of the Group and presents findings to the Committee. The Directors in office at the date of this report are not aware of any relevant information that has not been made available to EY and each Director has taken steps to be aware of all such information and to ensure it is available to EY. EY's audit report is published on pages 113 to 119.

In July 2023 the Financial Reporting Council ('FRC') published its annual review of audit quality and EY was rated as "good" or needing "limited improvements" in 80% of all inspections carried out by the FRC.

In order to assess the independence and effectiveness of the external auditor (including its objectivity, mindset and level of professional scepticism), the Committee carried out an assessment. This was facilitated by use of a questionnaire which posed questions in relation to different aspects of the external audit process, including the planning, execution and quality of the audit. Feedback was sought from members of the Committee and senior management of the business areas subject to the audit. The feedback was considered, discussed and summarised by management and reported to the Committee and Board. The Committee Chair also discussed the feedback with the external audit partner. Having conducted such review, and reviewed overall performance, we have concluded that EY has demonstrated appropriate qualifications and expertise throughout the period under review, and that the audit process was effective.

Non-audit services

The Committee oversees the nature and amount of any non-audit work undertaken by the external auditor to ensure that it remains independent. Consequently, we are required to approve in advance all non-audit services, with any non-audit services below such amount being within the delegated authority of the Chief Financial Officer (although in practice he would still notify these items to the Committee). When seeking external accountancy advice in relation to non-audit matters, the Group's policy is to invite competitive tenders where appropriate. It is also the Group's policy to balance the need to maintain audit independence with the desirability of taking advice from the leading firm in relation to the matter concerned and being efficient.

The total non-audit fees paid to EY during the period under review was £190,000 (2023: £nil) (including interim fees). Rank has used the services of other accounting firms for non-audit work during the period under review.

Committee evaluation

Audit Committee evaluation

During 2023/24, Rank's evaluation exercise focused at Board Committee level, facilitated externally by Lintstock Limited. As part of the process, the review commented on whether the Committee was operating effectively and concluded that this was the the case, having received an overall rating of high from the review.

There was said to have been a significant improvement in the quality of the papers received over the past year and it was felt that the Committee Chair and Chief Finance Officer had done well to highlight the key topics for attention and discussion in advance, so that the Committee focused on the correct issues. Accordingly, the Committee, in its broad role and remit, remains appropriate for the current needs of the business.

Focus for 2024/25 review

It was agreed that the Committee's focus for the year ahead should be to:

1. Induct the new audit partner from EY into the organisation.
2. Gain more exposure to the EY audit team.
3. Dedicate more time to reviewing narrative reporting and non-financial KPIs, including ESG.
4. Spend more time focusing on risk management.
5. Work with management to deliver the framework and activities to ensure compliance with the revised Corporate Code.

In concluding this report, I would like to recognise and thank the senior management and finance team, the internal audit team and our auditors, EY, for their commitment and valuable contributions over the past 12 months.

I look forward to meeting shareholders at the forthcoming Annual General Meeting when I will be happy to take questions on this report and our work during the year.

Karen Whitworth
Chair of the Audit Committee

Audit Committee Report

Summary of activities

Area of focus	Matters discussed	15 Aug 2023	22 Nov 2023	30 Jan 2024	18 Jun 2024
Financial reporting	Reviewed the integrity of all draft financial statements (including narrative).	●	○	●	○
	Reviewed accounting developments and their impacts and significant accounting issues.	●	○	●	○
	Reviewed and recommended approval of interim and preliminary results announcements.	●	○	●	○
	Reviewed Group accounting policies and reporting practices.	●	○	○	●
	Considered approval process for confirming and recommending to the Board that the 2024 Annual Report is fair, balanced and understandable.	●	○	○	○
	Reviewed and recommended approval of the 2024 Annual Report, as required by the Board.	●	○	○	○
	Reviewed appropriateness of accounting policies and going concern assumptions.	●	○	●	○
	Reviewed and recommended inclusion of the viability and going concern statements in the Annual Report.	●	○	○	○
	Reviewed TCFD disclosures and compliance with ESEF/XBRL requirements.	●	○	○	○
	Reviewed Director and officer expenses.	●	○	○	○
Internal audit	Monitored the effectiveness of the internal audit function.	●	●	●	●
	Reviewed major audit findings and approved remediation plans.	●	●	●	●
	Reviewed the 2023/24 annual audit plan.	○	○	●	●
	Reviewed the scope of audit coverage and approved planned work for 2024/25.	○	○	○	●
External audit	Considered the external auditor's reports and views.	●	●	●	●
	Reviewed the objectivity, independence and expertise of the external auditor.	●	○	○	○
	Considered the Auditor's Report on the 2022/23 annual results.	●	○	○	○
	Assessed the effectiveness of the 2022/23 external audit.	○	●	○	○
	Reviewed and approved the 2023/24 annual external audit plan and fee proposal.	○	○	●	○
	Considered the initial results of the 2023/24 external audit.	○	○	○	●
	Reviewed audit and non-audit fees incurred during 2023/24.	○	○	●	○
Risk and internal control	Reviewed risk management reports and Risk Committee updates.	●	●	●	●
	Reviewed and assessed the corporate risk register (including emerging risks).	○	●	○	●
	Reviewed and monitored developments in relation to health and safety, information security and data protection.	○	●	○	●
	Reviewed anti-money-laundering matters and matters relating to source of funds and enhanced due diligence.	○	●	○	●
	Reviewed the risk management framework across the Group and the internal governance structure (further detail on Rank's approach to the management of risk, its principal risks and uncertainties and the controls in place to mitigate them can be found on pages 80 to 87).	○	○	○	●
Governance and other	Received corporate governance updates.	○	○	●	●
	Considered and approved tax strategy and reviewed tax matters.	○	○	●	○
	Met privately with the Director of Internal Audit and the external auditors.	●	●	●	●
	Reviewed notifications made under the Group-wide whistleblowing policy and procedure, ensuring that appropriate actions were taken following investigation of notifications, and reviewed notifications made in relation to the code of conduct, acknowledging the ongoing need for a review of the same.	○	●	○	●
	Considered material litigation and regulatory matters.	●	○	●	○
	Reviewed the Committee's terms of reference and confirmed adherence during 2023/24.	●	○	○	○
	Reviewed feedback and recommendations following Committee evaluation.	○	○	○	●
	Reviewed internal financial controls.	●	○	○	○

ESG and Safer Gambling Committee Report

"The Committee is focused on embedding ESG and safer gambling across the business and supporting the long-term success and sustainability of Rank in the interests of all Rank's stakeholders."

Katie McAlister
Chair of the ESG & Safer Gambling Committee

Committee membership and meeting attendance

For Committee membership and attendance please see Attendance at Board and Committee Meetings table on page 70.

Role and responsibilities

The Committee is responsible for assisting the Company in the formulation and monitoring of its ESG strategy. The Committee also has a particular focus on the Company's approach to safer gambling. Its responsibilities include:

- Approving the Company's ESG and safer gambling strategy.
- Reviewing the Company's performance against the strategy, the effectiveness of the strategy and the governance in place to ensure successful delivery.
- Reviewing the effectiveness of Rank's systems for identifying and interacting with customers who are at risk of becoming problem gamblers.
- Reviewing the results of research projects.
- Reviewing how the strategy is received and regarded by the Company's stakeholders and other interested parties.
- Approving all ESG reporting.
- Approving the appointment of any external third party for assurance testing in relation to work undertaken in connection with the strategy.

The formal terms of reference of the Committee are available at www.rank.com or by written request to the Company Secretary who acts as secretary to the Committee. The terms of reference were reviewed by the Board on 14 August 2024.

Key activities during the year

- Monitored and challenged the business in respect of progress against measures published in the Sustainability Report 2023, which was approved in August 2023.
- Considered feedback from stakeholders of the Sustainability Report 2023.
- Oversaw the continued development and implementation of the governance structure in support of the strategy, including establishing key performance indicators to measure meaningful progress.
- Began a review of the impact of the double materiality assessment.
- Discussed and further developed management's approach to Task Force on Climate-related Disclosures ('TCFD') reporting framework.
- Considered the progress being made towards the Group's net zero target commitment to reach Scope 1, 2 and 3 greenhouse gas emissions in full by 2050.This included the use of external consultants Consultus for benchmarking against other comparators and comparable FTSE companies.
- Received updates on the Rank Planet initiative to drive a change in mindset and behaviours on environmental aspects.
- Received updates from the business on the Gambling Commission's assessments and considered any pertinent observations and recommendations.
- Oversaw the processes and controls for the approval of the 2023 assurance statements that were provided to the Gambling Commission.
- Reviewed and monitored delivery of safer gambling initiatives in each area of the business including the safer gambling roadmap.
- Considered the outcomes of the UK Government's publication of its White Paper on gambling legislative reforms as well as key regulatory changes for Spain.
- Discussed Rank's contribution to developments across the industry, including consultation responses, working with trade associations and discussions with Government's review of gambling legislation.
- Receiving deep dives from the MD's of each of the different business units on their respective ESGSG strategies, actions and progress against plans.
- Considered the cultures of the overall business and respective business units in assessing how culture is developing and driving growth in the business.

Dear Shareholders,

I am pleased to provide a summary of the work undertaken by the Committee over the past 12 months and present the evolution of our ESG strategy, progress against our objectives and detail on our plan to reach net zero by 2050.

The Group is committed to ensuring the sustainability of its operations and continues to build a more resilient and responsible business. How we identify and consider ESG risk and opportunity is critical to the success of our business and meeting our stakeholders' expectations for transparency and disclosure.

I was pleased with the good progress made during the year following the publication of our 2023 Sustainability Report in September 2023, alongside the 2023 Annual Report and Accounts. This provided the foundations to accelerate Rank's ESG strategy during 2023/24 and I am delighted to publish our 2024 Sustainability Report alongside this report and made available on Rank's website, www.rank.com.

Key activities

In 2022, the Committee determined that it would provide rigour, support and challenge to the business as it developed and implemented its new ESG strategy. During 2023/24, we continued to embed and strengthen our ESG focus into each of the business areas, drawing on the outcomes of the single materiality assessment (covering all ESG impacts to the organisation) carried out in 2022.

The business also began preparations for being compliant under the Corporate Sustainability Reporting Directive ('CSRD') of the European Union (given its operations in Spain and Malta) and this year has carried out double materiality assessment workshops (considering both the effects the Group has on the climate and the environment and the potential impacts of the same on its own financial performance).

It has been assisted by Buchanan Communications and EY in assessing, evidencing and reporting on such risks (leveraging the Group's corporate risk register) as it seeks to identify, prioritise and validate material issues that affect both risks and opportunities. The workshops will determine the CSRD disclosures applicable to the Group and will satisfy both EU regulations and impending UK legislation.

The Committee Chair liaises regularly with the Chair of the Remuneration Committee on related aspects, including equality, diversity and remuneration incentives for ESG, including safer gambling and compliance. All the members of the ESG-SG Committee are also members of the Remuneration Committee. Agendas from the ESG-SG Committee take into account work and oversight by other committees and vice versa to avoid any unnecessary overlap and collectively the Board assesses the terms of reference of each Committee.

The Committee is also presented with updates with regards to communities at each Committee meeting, where community work is presented and reviewed. Updates include an active drive to recruit from local communities and supporting colleagues with the ability to give back in charitable means to their local communities.

ESG and Safer Gambling Committee Report

During 2023/24, the Committee also began to report against eight baseline key performance indicators ('KPIs') across the four key ESG focus areas that underpin the strategy as follows:

1 Customer experience

Providing a safe, secure environment and personal experience, creating and maintaining good gambling behaviours and protecting vulnerable customers.

KPIs
Customer Net Promoter Scores
Customer responses to safer gambling questions
Employee responses to safer gambling questions
Percentage of UK digital customers using safer gambling tools.

2 Colleague experience

Creating a fair, inclusive and inspiring working environment which educates our people to enable and encourage positive gaming behaviours.

KPIs
Employee Net Promoter Score
Percentage of women in senior leadership team.

3 Environmental management

Ensuring that our operations minimise any negative impacts that Rank may have on the environment and reducing our carbon greenhouse gas emissions wherever possible.

KPIs
Total carbon emissions.

4 Community engagement

Providing an essential social outlet for customers, generating lasting community spirit, driving community action and developing a genuine social legacy.

KPIs
Total charitable contributions.

Each focus area primary KPIs are shown above.

ESG initiatives

The Committee received business updates during the year to assess how the Group's ESG objectives aligned with the corporate and strategic objectives, see pages 15 to 18 for more information on the Group's strategic intents. The Committee is comfortable that Rank is progressing its development of ESG initiatives in support of the corporate strategy, and that this will enable the business to be managed in a sustainable and responsible way. The Committee expects continued development in each of the business areas and to drive ESG considerations across all business decision-making.

Working with each of the business managing directors, the Committee has sought to further encourage ESG considerations across internal reporting. Such focus has embedded the necessity for each business area to ensure ESG alignment with the corporate strategic objectives and drive the effective delivery of the strategy and of initiatives that underpin it. Please see pages 21 to 28.

Customers, colleagues, environment and communities

During the year the business ensured that the set four focus areas (Customers, Colleagues, Environment and Communities) were measurable and challenged the business to determine the appropriate KPIs. Reporting progress against eight principle KPIs to the Committee provided a greater understanding of the Company's ability to track and evaluate progress and allowed Board-level oversight of performance against strategy, in line with global best practice.The KPIs continue to be reviewed and assessed for appropriateness and relevance. See page 18 for more as well as the Sustainability Report 2024 which can be found at www.rank.com.

In terms of developments in diversity and leadership, more can be seen on page 76.

See page 75 and 92 for more information on insights into Rank's culture and colleague engagement in the year. The charitable work in all of Rank's areas of business for its local communities, across all of Rank's jurisdictional locations was also positive to see, with strong partnerships, making important differences to Rank's local communities, see page 52 for more on this.

Net zero

The Committee oversaw executive management's carbon management work through the Net Zero Working Group ('NZWG') and the progress made to develop its reporting framework in line with the Task Force on Climate-related Financial Disclosures ('TCFD'). See page 44 to 51 for more information.

The Committee considered the recommendations made to set the business on a net zero pathway, which set out a measured approach, and the establishment of an interim greenhouse gas emissions reduction target to be achieved by 2035, alongside the longer-term target of achieving net zero by 2050.

Electrification of gas supplies was analysed in 2024 and a budget for this has been built into the plan for net zero by 2050.

Also during the year, eleven net zero site audits were undertaken and venue-specific environmental recommendations are being considered for budget purposes and for actioning. The remaining audits of the other 87 sites will occur in 2024/25. As part of this, work is ongoing to assess the feasibility of installing solar panels on the sites.

To assist in the development of the net zero plan there is ongoing recruitment of an environmental manager. The plan for net zero for Spain was being progressed with finalisation of the decarbonisation plan for Scope 1 and 2 greenhouse gas emissions and completion of a Scope 3 baseline exercise.

LED lighting was progressed across the Grosvenor estate and was completed in May 2024.The analysis of energy use data was assisted by Cloud FM, our third-party facilities management partner. The new technology will greatly assist in identifying and clarifying further opportunities for improved management of energy consumption. A new waste and water management agreement with Biffa had been entered into which included a target saving of 50%.

Additionally, work is being undertaken on monitoring of heating and air conditioning use through certain tools being made available to managers of business units to reduce manual override. Training on the same is being provided to help manage this usage in order to transition to more economic and efficient energy management.

The Group missed its emission reduction target in the year due to higher-than-expected employee travel and an adverse move in emission factors.

TCFD

The Committee has worked alongside the Audit Committee in determining the TCFD-aligned disclosures set out in this Annual Report, along with the Remuneration Committee to link sustainability performance to executive remuneration that further embeds the imperative of responsible operating practices into Rank's core culture.

Safer gambling initiatives

Safer gambling remains the Group's primary focus area and a core pillar of Rank's strategic objectives. The Committee has ensured the importance of safer gambling within Rank's wider ESG framework and we are comfortable that there is a strong focus on this area.

> "Rank's contributions to the Government's review have also extended to shaping responses from the Casino Chapter within the Betting and Gaming Council (BGC), the BGC itself and also the Bingo Association, both of which are important voices in respect of regulatory change."

Katie McAlister
Chair of the ESG & Safer Gambling Committee

ESG and Safer Gambling Committee Report

During the year, the Committee welcomed reports from the Managing Directors of each business area to provide updates on safer gambling initiatives. These initiatives take a "customer-first" approach to enhancing existing player protection measures, as the Group continues to evolve its user journeys and deliver targeted improvements for those players who need our support. The Committee has considered new initiatives presented by management as well as those introduced further to the Company's own monitoring work or as required by our regulators.

We have also considered changes resulting from new regulatory requirements and industry commitments.
The Committee received reports on the developments being made to strengthen a safer gambling culture throughout the Group and analysed the same. The work being undertaken is to ensure that the business continues to instil a consistent approach to the processes and behaviours our colleagues employ to achieve Rank's purpose and to deliver exciting and entertaining experiences within a safe environment. To best equip our colleagues with the skills and understanding to recognise players that are at risk of problem gambling, we have conducted extensive employee training. Every employee must complete mandatory safer gambling training on an annual basis, with progress and training completion rates monitored through our online training platform. Additional training is provided as required or according to a particular role's needs.

We have also engaged GamCare to provide bespoke safer gambling training on an ongoing basis to all customer-facing colleagues. In June, GamCare presented to the Board on progress to date and ongoing work to enhance the training being provided. This included Gamtest – GamCare's online self-assessment tool, developing awareness of indicators of potential harm and signposting and support to anyone affected by gambling-related harm. Support is provided through chatrooms, a helpline, a forum and various other resources which range from self-help tools to individual face-to-face meetings.

During the year, Grosvenor was assessed by GamCare against their Safer Gambling Standard. As a result, we are pleased to report that all our UK-facing businesses have achieved an Advanced Level 2 "Gold" safer gambling standard accreditation from GamCare, indicating that these businesses have adopted, or are in the process of adopting, a range of safer gambling measures that go beyond the social responsibility provisions of its gambling operating licence. It was also pleasing to see this year's successful regulatory compliance assessments, and management's positive response to these assessments with changes made in the year to policies and practices to better protect our customers.

The Committee noted that Grosvenor was changing its approach and thresholds for the customer relationship and for high level play. A risk app had been introduced to deliver a more efficient and intuitive process for risk management as this allowed for more informed and tailored interactions on the gambling floor. CRM technology is also being harnessed to improve the customer experience and to make the gambling experience safer. Investment is being made to improve front end customer interactions, to tailor messaging and to provide data to customers on their own player performance (play of product, events and time spent). This will build the personalisation offering through customer data and help the business manage customer risks more effectively using real-time data on a CRM tool which provides improved KPI dashboards to measure key metrics and trends.

Additionally, Hawkeye technology, which identifies players that are potentially at risk of problem online gambling behaviour, is being implemented to help management identify possible at-risk individuals. This will allow for sensitive and empathetic early intervention and tailored conversations to help mitigate risk. The Board visited our Sheffield office to review the Hawkeye technology earlier this year.

For more information please see page 40.

The business is also raising the safer gambling profile and features with customers through marketing campaigns focusing on safer gambling and self-help measures allowing them to take control to better manage their own risk profile.

The business was focused on the Gambling Act review changes in respect to new slot staking limits, affordability measures and the frictionless customer journey and improving direct marketing preference controls. The Committee received several updates on the same throughout the year on how this would impact the business and customers and was able to assess and challenge the management response to the opportunity and risk it presented.

Safer gambling horizon scanning and industry collaboration

The Committee regards safer gambling as a high priority topic of the Company's stakeholders and an important part of its work is to consider their views on the Company's approach. The Committee recognises that the Company cannot simply look at the initiatives it has in-train as a reaction to regulation, but must also proactively consider customer, regulator, colleague, shareholder, political and wider public sentiment in its plans. The Committee receives regular reports from the Director of Public Affairs to ensure that it remains up to date on external sentiment, influences, developments and political change. It challenges the business to ensure that it considers such views in all projects and initiatives across all workstreams.

During the year, the Director of Public Affairs presented regular updates to the Committee on Rank's ongoing contribution to the Government's review of gambling legislation in the UK. Following the long-awaited publication of the Government's White Paper on gambling legislative reforms in late April 2024, he kept the Committee informed of the consultation process as regulators consider the implementation of the legislative reforms (see the Chief Executive's summary for more information on page 13). The Committee will continue to consider stakeholder views and those of the industry and media during this next phase of consultation and any legislative developments.

Rank's contributions to the Government's review have also extended to shaping responses from the Casino Chapter within the Betting and Gaming Council ('BGC'), the BGC itself and also the Bingo Association, both of which are important voices in respect of regulatory change. We continue to have representation on the Bingo Association and BGC's committees and their working groups, including all those specific to land-based gaming. We recognise the importance of our contributions aligning with our industry peers and, where appropriate, we are working hard to ensure that Rank's proposals and arguments are in tune with our peers and operators.

Research, Prevention and Treatment (RPT)

Rank upheld its commitment to RPT (Research, Prevention and Treatment) contributions during the year, maintaining the rate of previous years. In accordance with Gambling Commission parameters, Rank funded the research team at the University of Liverpool; funded the YGAM educational programme for a fifth consecutive year; and made a direct payment towards GamCare for its ongoing work in treatment of gambling-related harm. Notwithstanding political change at the time of writing, the Committee is aware of the White Paper's planned policy reforms in terms of a statutory levy and will continue to monitor the impacts of any change in funding requirements.

Climate change, net zero planning and Task Force on Climate-related Financial Disclosures

There has been increasing interest from the investment community on how climate change will impact companies. We recognise that there are both internal and external expectations on us to establish a clear greenhouse gas emissions reduction strategy in line with international climate change targets and we are working with consultant partners in order to set Rank on a credible carbon net zero pathway. More detail on this is set out in the 2024 Sustainability Report.

The Committee is also cognisant of the new requirements under Listing Rule 9.8.6R, which the Group is required to adopt this year, to include a statement in this Annual Report setting out whether our climate-related financial disclosures are consistent with the recommendations of the TCFD. Our disclosures can be found on page 44 to 51. The Committee has worked alongside the Audit Committee to ensure the integrity of the Committee's climate-related risk process, as well as reviewing the recognition, measurement, presentation and disclosure of climate-related matters (including impact on the Group).

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ESG and Safer Gambling Committee Report

ESG & Safer Gambling Committee evaluation

It is incumbent on the Board, to ensure that a formal and rigorous review of the effectiveness of the Committee is conducted each year. This year, Rank's evaluation exercise focused at Board Committee level, facilitated externally by Lintstock Limited. As part of the process, commentary included whether the Committee was operating effectively. I am pleased to report the Committee was rated highly overall and that whilst work continues the Committee was seen to be in a good position on safer gambling, which was said to be the Group's key risk. Training for the Committee occurred which included a review of Hawkeye technology and engagement with GamCare, and the Committee was also updated on where the regulator was with regards to best practice and additional rules.

The Committee's progress against last year's actions and focus for the year ahead are set out below.

The Committee approved eight baseline KPIs across the four key priorities (as set out above) which underpin the strategy. Also approved were four KPIs for remuneration target measures – see the Remuneration Report for details on how this was implemented in the year on page 90.

Focus areas for 2023/24

There were no particular outcomes for the Committee evaluation and accordingly the Committee concluded the focus for the year should continue to keep management accountable for all areas of ESG and ensure Remuneration and Audit Committee KPIs aligned.

Progress made during 2023/24

The Committee continued to:

1. Maintain its focus on ESG reporting on the four focused areas of customer experience, colleague experience, environmental management and community engagement.
2. Evolve and measure management's delivery of ESG initiatives under the four KPIs.
3. Assess and monitor the development of the net zero plan.

Focus areas for 2024/25

1. Ongoing evolution around ESG planning, targeting, measurement and reporting was seen to be required with progress on refining KPIs and monitoring player protection KPIs being key priorities.
2. A broad review of current market practices and considerations on safer gambling is to be undertaken to assist on industry understanding.
3. The Committee is to be supported with additional training on environmental considerations in order to obtain a clearer focus.
4. Double materiality is to be considered and the Committee is to be supported to understand fully the implications for the Group.

Mecca, Luton

In conclusion

Rank recognises the importance of continuing to strengthen ESG across all Rank's operations and to ensure a sustainable and resilient business which operates in the interests of all our stakeholders. By working closely with our Board colleagues and all of Rank's Committees, the Committee is looking to thread ESG into all areas of the business. The increased clarity to measure progress through the KPI measures will be critical to aid the Committee in ensuring Rank remains aligned to its strategy and one that protects shareholder value, creates opportunities for growth and innovation and sets Rank's long-term success.

We remain committed to providing a safe gambling environment for customers to enjoy the services that we offer. We aim to work constructively with regulators, particularly in light of the White Paper, to ensure ongoing compliance with regulatory requirements and our alignment with our industry peers and continue to develop a collaborative approach to safer gambling matters such as improving the identification of vulnerable customers. As Rank continues to focus and strengthen its cultural values throughout the organisation this will ensure that safer gambling underpins all aspects of our decision-making.

On behalf of the Committee, I look forward to reporting on the further progress and continued development that will be made over the forthcoming year that will support our ESG strategy and agenda. I will be happy to an answer any questions on this report at the forthcoming Annual General Meeting.

Katie McAlister
Chair of the ESG & Safer Gambling Committee

Finance and Disclosure Committee Report

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"A key focus for the Committee has been the successful refinancing, alongside providing oversight for material projects, estate management and other financial approvals."

Alex Thursby
Chair of the Finance and Disclosure Committee

Committee membership and meeting attendance

For Committee membership and attendance please see Attendance at Board and Committee Meetings table on page 73.

Role and responsibilities

The Finance Committee is authorised by the Board to approve capital expenditure, make financing decisions and approve contractual commitments for the Group up to authorised limits. It also approves all of the Group's insurance cover and reviews Non-Executive Director fees. The Committee acts as the Board's Disclosure Committee for the purposes of the Market Abuse Regulation, which came into force on 3 July 2016 and considers the materiality of information and determines disclosure obligations on a timely basis of all such information to regulatory authorities including the London Stock Exchange.

The formal terms of reference of the Committee are available at www.rank.com or by written request to the Company Secretary who acts as secretary to the Committee. The terms of reference were reviewed by the Board on 14 August 2024.

Key activities during the year

- Approved regulatory news statements (on authority delegated from the Board).
- Reviewed matters relating to key contracts and spend proposals for projects such as gaming machine rental agreements and new contracts for the provision of alcoholic beverages and soft drinks.
- Reviewed and approved refurbishment plans for Grosvenor Casino in Leicester, alongside other refurbishment schemes.
- Reviewed and approved proposals for the Group's insurance renewals.
- Reviewed Non-Executive Director fees and, following careful consideration, recommended market-rate increases. See the Remuneration report on page 97 and 102 for more information.
- Reviewed the Committee's terms of reference.
- Provided oversight of subsidiary board composition, reviewed directorships and ensured compliance requirements for board composition were met locally.

Mecca Forge, Glasgow


Grosvenor, Leicester

Dear Shareholders,

During the year, the Committee continued to provide an important level of oversight for material contracts and business projects, estate management and other approvals in accordance with its delegated level of authority, considering all critical issues ahead of their presentation to the Board.

Estate management and capital investment

During the year under review, the Committee focused on supporting executive proposals relating to estate management including lease renewals as well as difficult but necessary decisions made on club and office closures, in line with the Group's strategic plan.

Capital investment and material contracts

The Committee discussed and considered key agreements and investment proposals, cognisant of the need to ensure alignment with the Group's strategic plans. Approved capital investments in the year and sought to leverage against investments already made, such as the proprietary digital platform, to drive growth.

Finance Committee evaluation

It is incumbent on the Board to ensure that a formal and rigorous review of the effectiveness of the Committee is conducted each year.

This year, Rank's evaluation exercise focused on the Board committee level, facilitated externally by Lintstock Limited (further details of which can be found on page 78). As part of the process a bespoke questionnaire focusing on the effectiveness of the Committee was produced and circulated. Individual responses received were analysed and collated and collectively provided evidence of whether the Committee was operating effectively. It was concluded the Committee is performing effectively, allows for early consideration and valued groundwork on matters ahead of Board discussions.

The Committee's progress against last year's actions are set out below.

Progress on 2022/23 agreed focus areas during the year

Agreed action

To continue to evaluate its role over the course of the year to ensure that its place within the Group's governance structure remains appropriate and effective.

Progress made during 2023/24

The Committee continues to enable early discussion of key business proposals and, as a result, was able to make informed recommendations to the Board for further discussion and decision-making. By taking this approach, the Committee demonstrated a proactive approach in handling business matters and ensured the Board had well-considered proposals.

Focus areas for 2024/25

Whilst there were no material changes identified for the Committee to focus on, it should continue to evaluate its role and relevance in the governance structure. The Committee shall also invite the Audit Committee Chair to attend disclosure-related meetings covering disclosure matters and quarterly reporting to the market. Accordingly, the Committee is renamed the Finance and Disclosure Committee.

Alex Thursby
Chair of the Finance and Disclosure Committee

Remuneration Committee Report

"The Committee's decision-making on remuneration outcomes has been shaped by the overall financial performance and the delivery of our Environmental, Social and Governance strategy over the financial year."

Lucinda Charles-Jones
Chair of the Remuneration Committee

Grosvenor, Luton

Committee membership and meeting attendance

For Committee membership and attendance please see Attendance at Board and Committee Meetings table on pages 73.

Role and responsibilities

The role of the Committee is primarily to assist the Board in setting the remuneration packages for the Company's Executive Directors and other Executive Committee members. Its key responsibilities are to:

- Set the Remuneration Policy.
- Ensure that the Remuneration Policy operates to align the interests of management with those of shareholders.
- Within the terms of the Remuneration Policy (as applicable) and in consultation with the Chair and/or Chief Executive as appropriate, determine the total individual remuneration package of each Executive Director and other Executive Committee members.
- Approve the design of, and determine targets for, any performance-related pay and share incentive schemes for approval by the Board and shareholders (as appropriate) and the total annual payments made under such schemes.
- Review pay and conditions across the Group and the alignment of incentives and rewards with culture.

The formal terms of reference of the Committee are available at www.rank.com or by written request to the Company Secretary, who acts as secretary to the Committee.

Key activities during the year

- Determined operation of the 2023/24 annual bonus and LTIP award.
- Confirmed the vesting of the LTIP award issued in 2021.
- Continued to keep the wider workforce remuneration arrangements under review.
- Embedded the four ESG KPI measures to continue alignment of ESG with remuneration.
- Reviewed, engaged with major shareholders, and finalised the Executive Remuneration policy for shareholder approval at the 2024 AGM.
- Performed a market review and appointed new Remuneration Committee advisors.

Dear Shareholders,

On behalf of the Board, I am pleased to present Rank's Remuneration Committee Report for the year ended 30 June 2024. The Report has been prepared in accordance with the large- and medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 (as amended) (the '2013 Regulations'). It comprises my annual statement, our proposed new Directors' Remuneration Policy ('Policy'), and our Annual Report on Remuneration (which is presented in line with the Policy). The Policy will be subject to a binding shareholder vote at the 2024 Annual General Meeting, while the Annual Report on Remuneration will be subject to an advisory vote.

Remuneration Policy review

Our Policy was last approved by shareholders at our 2021 AGM. Ahead of renewal this year, the Committee has performed a full review of the Policy to ensure that it remains fit for purpose, future looking and is appropriate to support our high-performance culture and continue to drive Rank's business strategy and growth over the next three years and beyond.

At our Capital Markets day in November 2023 we also set out to the market a clear business strategy with the specific strategic intent to provide an attractive investment opportunity that delivers sustainable long-term growth in both earnings and cash generation. Our ambition will be delivered through several key building blocks – Grosvenor recovery and growth; Digital growth; cash maximisation in bingo. These will all be underpinned by a focus on, and an investment in, Technology and Data, our commitment to Safer Gambling, and building on our People and Culture experience in support of bringing our purpose to life, which is to deliver exciting and entertaining experiences in safe, sustainable and rewarding environments.

Our policy review has been informed by our strategy with the Committee seeking to ensure that the new Policy and its implementation continues to support and incentivise the successful delivery of our key financial and non-financial success metrics. The final policy position was supplemented with the insights gathered from the consultation with our larger shareholders and engagement with the proxy advisory firms, and the Committee are appreciative of our shareholders and the proxy advisory firms engagement on the topic.

The findings of this work support the view that our current Policy remains largely appropriate and as such we are not proposing significant changes to the underlying remuneration framework at Rank. We did find that some modest changes to certain aspects of our framework are necessary, including how we implement the Policy in practice. Improvements to the framework and how we implement the Policy across Rank will enable us to:

- Simplify the current framework, recognising that it is overly complicated in places with overlap between elements;
- Rebuild trust and credibility in the framework, being mindful that we have invested significantly in senior talent in recent years and the incentive framework should be appropriate to motivate and retain this team; and
- Ensure continued emphasis on key short-term financial and targeted strategic objectives, delivery of which will lead to sustainable, long-term growth.

On the following pages, I have set out the proposed changes.

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1. Transfer a modest amount of incentive opportunity from the LTIP to the annual bonus (which is a policy change)

The intention of this change is threefold. It will allow the Committee to increase the focus on key short-term goals, delivery of which will lay the building blocks for Rank's long-term success; allow the Committee to set stretching, yet realistic, targets, to ensure continued pay for performance alignment; and provide greater line of sight to reward.

As a result, the Chief Executive Officer's maximum incentive opportunity will move from 150% annual bonus and 200% LTIP to 175% on each, while the Chief Financial Officer's maximum incentive opportunity will move from 120% annual bonus and 150% LTIP to 135% on each. The deferral framework will remain unchanged, with any bonus above a set threshold being deferred into shares for two years. As such, the proportion of bonus deferred into shares at maximum payout will increase.

2. Refine the LTIP performance metrics (which is a change in the implementation of the policy)

The review also highlighted that the current LTIP construct is overly complicated with multiple overlapping metrics. Rank's long-term focus is on delivering sustainable earnings growth, and the current LTIP metrics do not align with this in a manner which is simple and transparent. As such, the metrics will be revised to increase the focus on EPS performance, streamlining the metrics from five to two (EPS and TSR). This provides closer alignment with typical practice in our peers and the broader UK market, and will allow the Committee to prioritise setting, communicating and rewarding for delivery of clear targets. To provide additional comfort around removal of the strategic elements metrics, in reviewing vesting outcomes the Committee will determine whether there has been satisfactory strategic progress to justify the payout. While not a change in policy, this is an update to the implementation of the policy in order to better support delivery of Rank's business plan.

3. Additional headroom on incentive opportunity (for exceptional circumstances, and which is a policy change)

The Committee recognises that competition for talent in our sector is challenging with many companies offering higher incentive opportunities. With this in mind, the Committee felt that it was important to build in appropriate flexibility during this Policy review to ensure that it is future-proofed for the next three years.

To this end, the Policy provides for an additional incentive opportunity of 50% of salary (which can be used under either the annual bonus or LTIP), to be used in exceptional circumstances only. This may include, for example, recruitment, retention, or a fundamental change in the size and complexity of the business. I would emphasise that we are not proposing an increase in the current remuneration package for our existing executive directors. The Committee would provide full rationale for any use of the exceptional limit in the following year's DRR.

The Committee considers that the changes being proposed are necessary and appropriate to simplify, rebalance and future-proof the remuneration framework at Rank for the near term. Following consultation and engagement with shareholders and the proxy advisory firms, there is broad support for the proposals.

The revised policy, and associated changes to the LTIP plan rules to bring it into line with the Remuneration policy, are presented for shareholder approval in the upcoming AGM notices.

> "Inclusion of net gaming revenue in our annual bonus plan further aligns incentives with our short- and long-term strategy to deliver profitable growth."

Lucinda Charles-Jones
Chair of the Remuneration Committee

Grosvenor, Gloucester Road, London

2024/25 Annual Bonus

As set out above, and subject to approval of the new Policy, the maximum bonus opportunity for the Chief Executive Officer for 2024/25 will be 175% of salary, and 135% of salary for the Chief Financial Officer.

The metrics will remain unchanged from 2023/24, with 75% based on adjusted earnings before interest and tax, 10% based on net gaming revenue, and the remaining 15% based on a combination of quantitative ESG metrics. The Committee considers that this balance is appropriate to drive short-term delivery across our key financial and non-financial success factors.

Recognising the importance for our business and investors, a Safer Gambling underpin will continue to apply for the entirety of the annual bonus.

2024 Long Term Incentive Plan ('LTIP')

It is intended that a 2024 LTIP award will be made to Executive Directors at a maximum opportunity of 175% of salary for the Chief Executive Officer and 135% of salary for the Chief Financial Officer (subject to shareholder approval of the new Policy).

Awards will be subject to performance over three years against relative total shareholder return ('TSR') and underlying earnings per share ('EPS') metrics. Relative TSR will be weighted 40%, half each against a comparator peer group and the FTSE 250 index (excluding investment trusts), while underlying EPS will be weighted 60%. Further details can be found on page 108. It should be noted that the FY24/25 incentives targets (bonus and LTIP) do not account for the impact of the Gambling Act Review ('GAR') and will be reviewed should GAR come into force.

Overview of 2023/24

Business performance was much improved in 2023/24, with all business units delivering like-for-like revenue and operating profit growth. The Group's LFL underlying operating profit of £46.5m was in line with budget expectations, the market consensus at the start of the year and up significantly on the prior year. This improved profit position was driven by increased like-for-like revenue, which was up across the Group. Although energy costs were materially down year-on-year, this was more than offset by higher employment costs.

Within venues, Mecca returned to profitability for the first time in a number of years, driven by LFL growth and the rationalisation of the estate, which is now largely complete. The Grosvenor business delivered revenue growth and a significant improvement in operating profit. The Enracha business in Spain continues to deliver strong revenue and profit performance from its nine venues, the majority of which are in flagship locations.

In Digital, LFL revenue growth was at the upper end of the range indicated in the Capital Markets event in November and profit increased significantly. Both the UK and Spanish operations performed well and have strong revenue trajectories going into the new financial year.

As we further embed our approach to ESG, with our focus on colleague engagement, customer experience (specifically our Safer Gambling practices), and our environmental impact measured by CO_2 emissions reduction, we are pleased at the progress being made across the categories, although we do recognise the need for better environmental outcomes.

Overall, it has been a year of improvements, both in revenue growth which has fed through into improved profitability and free cash flow, which has also allowed the recommencement of a dividend payment, as well as against much of our ESG strategy. The performance shows good momentum against our business strategy, delivering satisfactorily relative to most targets, and generating positive impetus into the new financial year.

Remuneration Committee Report

Base Salary
The Committee reviewed Executive Director and Executive Committee pay during the year, as well as the overall increase for the wider workforce, being mindful of continuing general cost pressures, the ongoing impact of increases to the UK national minimum wage and other government pay changes and challenges experienced throughout the year, in particular around talent retention across the hospitality and leisure sectors in which we compete. The Committee determined to increase the salaries for both Executive Directors by 3%, which is below the general overall increases awarded to the wider workforce (of 4.5%). All increases were applied with effect from 1 April 2024.

2023/24 Annual Bonus Scheme
Considering both financial performance and good progress against our Environmental, Social and Governance ('ESG') key performance indicators (see pages 40 to 52), in particular both the employee engagement and safer gambling measures, the Committee proposed to pay a bonus equivalent to 65.6% of maximum opportunity to the Executive Directors.

This will result in a bonus of £542,841 to John O'Reilly and £300,002 to Richard Harris. The Committee agreed that the bonus payments were commensurate with the financial and non-financial performance contribution demonstrated through the year, and deemed fair and reasonable in the context of the overall business performance, and in relation to bonuses elsewhere in the Group, and the controls environment including Safer Gambling.

Further details of measures and outcomes are disclosed on pages 40 to 52 of this report.

2021 LTIP award
Based on performance over the three financial years from 2021/22 to 2023/24, the 2021 LTIP will lapse in full. Further details are provided on page 101.

Workforce engagement
As well as being Chair of this Committee, I am also the Non-Executive Director with designated responsibility for workforce engagement. This subject is covered in more detail on page 75 of this Report.

During the year I have run five separate workforce engagement sessions across Rank and met a broad range of colleagues. The sessions also enable colleagues to ask questions and give their feedback on remuneration in my capacity as Chair of the Remuneration Committee. Colleagues' feedback has been incorporated into the current engagement framework and the overarching "You said, We did" framework the teams use around Rank. I regularly talk with the Chief People Officer, Hazel Boyle, to discuss actions and outcomes. Feedback from NED Workforce Engagement Sessions has also been shared with the broader Board, allowing us to factor in the perspectives of colleagues during our discussions and decision-making processes. Additionally, these updates have been disseminated to respective managing directors.

The Chief Executive also responded to questions from colleagues in relation to executive remuneration and the approach being taken to wider Company pay as part of his regular Town Hall sessions.

While the Workforce Engagement sessions have a specific agenda, they form part of a wider workforce listening and engagement strategy which was formalised in 2023/24. The sessions, and other listening opportunities, show Rank's ongoing commitment to developing ways in which our colleagues can be heard, including on topics such as pay, benefits and incentives, and to help shape their rewards and the employee value proposition, namely Work. Win. Grow.

Looking ahead
As a result of the Remuneration Policy review which included engagement with shareholders and proxy agencies and which will be presented for shareholder approval at the forthcoming AGM, an important focus for the coming year will be the effective implementation of the policy changes.

As with our existing Remuneration Policy, the new policy is designed to be simple and transparent and to promote effective stewardship that is vital to the delivery of the Group's objectives in line with its purpose, which includes our drive to ensure that management is appropriately incentivised to achieve our strategic goals.

The Committee will continue to provide clarity on how pay and performance is reported at Rank and how decisions made by the Committee support the strategic direction of the Group. We remain mindful of investor views on remuneration and were encouraged at the interactions we had during the recent shareholder engagements.

I look forward to receiving your support at our 2024 Annual General Meeting, where I will be available to respond to any questions shareholders may have on this report or in relation to the Committee's activities during the year. Equally, if you would like to discuss any aspect of our Remuneration Policy at any time, please feel free to contact me through our Company Secretary, Brian McClelland.

L. Charles-Jones

Lucinda Charles-Jones
Chair of the Remuneration Committee

Remuneration at a glance

Key financial and strategic highlights

LFL Net gaming revenue
£734.4m

LFL Underlying Operating Profit
£46.5m

Underlying Earnings per share
5.9p

Employee engagement score increased to
+39

Safer gambling colleague NPS increased to
+69

Aligning incentives with strategy

Plan	Measures for FY24	Strategic Pillars
Bonus	Adjusted EBIT, NGR & ESG KPI's.	1, 2, 3, 4, 5
Long-term incentives	Earnings per share, Relative Total Shareholder Return and Strategic objectives (Digital NGR, Venues NGR, EBIT %).	1, 2, 3, 5

2024 Outcomes

Plan	Outcome
Bonus	65.6% of maximum.
Long-term incentives	0% vesting of the Chief Executive and Chief Financial Officer award.

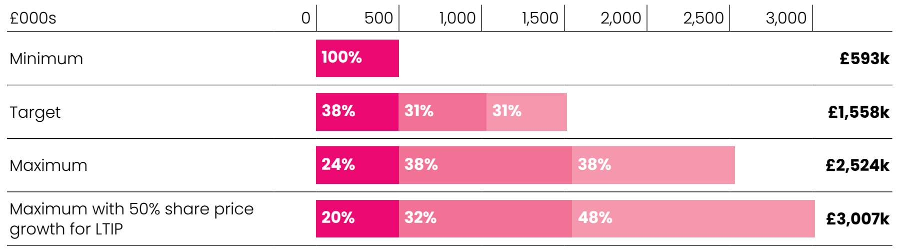
Aligning outcomes with the wider workforce

Plan	Executive Directors	Management	All employees
Salary	3% increase in salary for the Chief Executive. 3% increase in salary for the Chief Financial Officer.	The average increase in salary applied in 2023 across the Group was 3%.	The average increase in salary applied in 2023 across the Group was 4.5%.
Bonus	Bonus aligned to adjusted EBIT, NGR and ESG outcomes, with a safer gambling underpin.	Bonus aligned to adjusted EBIT, NGR and ESG outcomes, with a safer gambling underpin.	Adjusted EBIT and scorecard measures, including employee engagement and safer gambling.
LTIP	0% vesting based on the outcomes of the rTSR, EPS and strategic objectives targets.	0% vesting based on the outcomes of the for rTSR, EPS and strategic objectives targets for eligible senior leadership.	Not applicable.

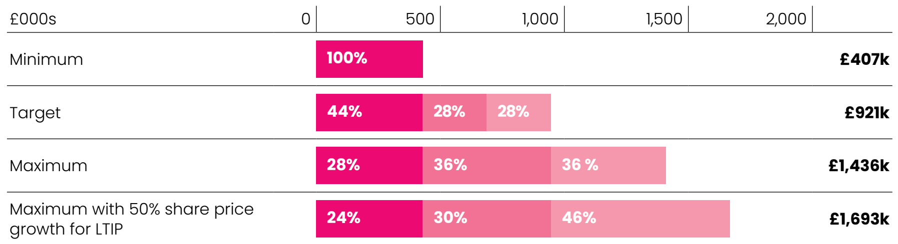
2024 Pay scenarios and outcome

● Fixed pay ● Annual bonus ● Long-term incentives

Chief Executive Officer



Chief Financial Officer



Minimum: Comprises the value of fixed pay of base salary, allowances and value of benefits.
Target: Minimum plus assumes half of the bonus is earned and the LTIP vests at 50%.
Maximum: Minimum plus assumes full bonus is earned and the LTIP vests in full.
Maximum with 50% share price growth: Maximum pay and the impact of an assumed 50% share price growth on the LTIP.

Remuneration Policy

Directors' Remuneration Policy

This report sets out the Directors' Remuneration Policy for Rank Group, which will be put forward to shareholders for their binding approval at the Company's Annual General Meeting on 17 October 2024 and will take effect on that date.

In determining the new Remuneration Policy, the Committee followed a robust process which included discussions on the content of the policy at Committee meetings during the year. The Committee considered input from management and our independent advisers while ensuring that conflicts of interest were suitably mitigated. The Committee also took into account best practice as well as guidance from consultation with larger shareholders and engagement with proxy advisory firms.

As set out in the Chair's statement earlier in this report, the overall structure of the new Policy remains unchanged, although the provisions relating to the former Recovery Incentive Scheme have been removed. The Committee has taken the opportunity to make some modest changes in certain areas to simplify, attain a more balanced focus between short- and long-term reward, and provide additional headroom should it be required in exceptional circumstances only.

Changes to the Remuneration Policy

The key changes between this Policy and that approved by shareholders at the 2021 AGM are as follows:

Rebalancing from LTIP to annual bonus

To increase the focus on key short-term goals, delivery of which will lay the building blocks for Rank's long-term success, an amount of incentive opportunity will be transferred from the LTIP to the annual bonus, with no increase in the overall incentive opportunity. As a result, the regular LTIP opportunity will be reduced from 200% of salary to 175% of salary for the Chief Executive and from 150% to 135% of salary for other Executive Directors, with an increase in the regular maximum annual bonus opportunity from 150% of salary to 175% of salary for the Chief Executive and from 120% of salary to 135% of salary for other Executive Directors.

Additional headroom on incentive opportunity

In addition, the Policy provides for an additional incentive opportunity of 50% of salary, which would be reserved for use by the Committee in exceptional circumstances only. It could be applied through either the annual bonus or the LTIP, or both, but the aggregate total is capped at 50% of salary. Relevant events could include recruitment, retention, or a fundamental change in the size and complexity of the business. In all cases, the Committee would provide full rationale for its use of the exceptional limit in the following DRR. As a result of this change, the maximum opportunity under this Policy will be 225% of salary for both the annual bonus and the LTIP in the case of the CEO and 185% of salary for other Executive Directors, although in each case subject to the overall variable pay cap of 400% of salary for the CEO and 320% of salary for other Executive Directors. No change other than that which has already been presented is proposed for the current incumbents.

Remuneration Policy table

The key components of Executive Directors' remuneration are summarised on page 93.

Base salary and benefits

BASE SALARY

Component and link to business strategy

To attract and retain skilled, high-calibre individuals to deliver the Group's strategy.

Operation

Base salaries are typically reviewed annually, with any change normally effective from 1 April. Any increases will generally take into account:

- The role's scope, responsibility and accountabilities;
- Market positioning, including pay levels at other gaming operators;
- General rates of increase across the Group; and
- The performance and effectiveness of the individual and the Group.

Performance metrics

Not applicable, although the individual's performance will be taken into account when determining the level of increase, if any.

Maximum opportunity

Salary increases (in percentage of salary terms) for Executive Directors will normally be within the range of those for the wider workforce. There is no maximum salary opportunity.

Where the Committee considers it necessary and appropriate, larger increases may be awarded in individual circumstances such as:

- A change in scope or responsibility;
- Alignment to market level.

For new Executive Director hires, the Committee has the flexibility to set the salary at a below-market level initially and to realign it over the following years as the individual gains experience in the role. In exceptional circumstances, the Committee may agree to pay above-market levels to secure or retain an individual who is considered by the Committee to possess significant and relevant experience which is critical to the delivery of the Group's strategy.

INSURED AND OTHER BENEFITS

Component and link to business strategy

Insured and other benefits are offered to Executive Directors as part of a competitive remuneration package.

Operation

Insured benefits include, but are not limited to, private healthcare insurance for Executive Directors and their spouse or civil partner and dependants, life assurance and permanent health insurance.

Other benefits comprise a cash car allowance and the fuel cost of all mileage (private and business). The amount of the cash car allowance is reviewed periodically by the Committee in the light of market conditions.

Other benefits, ordinarily in line with the provision to other employees, may be offered as appropriate and travel and related expenses may be reimbursed.

The Committee retains the discretion to offer relocation assistance in the form of an allowance or otherwise to support the movement of executive talent across the business. If provided, the Committee aims to ensure payments are not excessive and support business needs. As such, relocation assistance will be reviewed on a case-by-case basis taking into account factors such as the individual's circumstances and the geographies involved, meaning that there is no prescribed formula for calculating the level or structure of payments. Tax equalisation and appropriate tax advisory fees may be paid or reimbursed.

Executive Directors may participate in HMRC-approved all-employee schemes in accordance with the terms of the schemes and up to HMRC limits as in force from time to time.

Performance metrics

Not applicable.

Maximum opportunity

There is no maximum opportunity because the cost of the benefits provided may change in accordance with market conditions or in the event of the payment of relocation assistance.

It is anticipated that the provision of insured and other benefits will not form a significant part of the package in financial terms.

RETIREMENT PROVISIONS

Component and link to business strategy

Rewards sustained contribution and encourages retention of Executive Directors.

Operation

Executive Directors may receive an employer contribution to a defined contribution pension arrangement or an equivalent cash allowance (or a combination of contribution and cash allowance).

Performance metrics

Not applicable.

Maximum opportunity

For all Executive Director appointments, the maximum pension contribution (defined contribution or cash allowance, or combination thereof) will be aligned with the majority of the wider workforce as determined by the Committee (which is currently 3% of base salary, less the pensions lower earnings limit).

Annual bonus and performance shares

ANNUAL BONUS

Component and link to business strategy

Motivates the achievement of strategic, financial and personal performance. Rewards individual contribution to the success of the Group.

Operation

Rank operates an annual bonus scheme in which Executive Directors participate.

The bonus rewards performance against key financial, operational and individual objectives, as well as strategic priorities.

Any bonus earned by the Chief Executive above 100% of base salary, and 80% of base salary for other Executive Directors, will normally be deferred into shares under the Rank Group 2020 Deferred Bonus Plan ('DBP') for a period of two years.

DBP awards may include the right to receive an additional number of shares determined by reference to dividends with record dates arising during the holding period. The number of shares may be calculated assuming the reinvestment of dividends into shares on such basis as the Committee determines.

Recovery provisions and Committee discretion apply as set out in the table on page 96.

Performance metrics

Metrics and targets are determined by the Remuneration Committee to reflect priorities for the year.

The bonus will be based at least 50% on the achievement of financial performance targets.

Performance below threshold will result in zero payment. Up to 25% of the maximum opportunity may be payable for achieving a threshold level of performance, and 50% of the maximum opportunity will be payable for achieving a target level of performance.

Maximum opportunity

Regular maximum opportunity of 175% of salary for the Chief Executive and 135% of salary for other Executive Directors.

Exceptional maximum opportunity of 225% of salary for the Chief Executive and 185% of salary for the other Executive Directors. Exceptional circumstances may include, for example, recruitment, retention or a fundamental change in the size and complexity of the business.

In all cases, the combined annual bonus and LTIP maximum opportunities in respect of any year may not exceed 400% of salary for the Chief Executive and 320% of salary for other Executive Directors.

Performance shares

LONG-TERM INCENTIVE PLAN

Component and link to business strategy

The long-term incentive plan is intended to align the interests of the Executive Directors and shareholders through the creation of shareholder value over the long term.

Operation

Awards are normally granted annually.

Vesting takes place following the assessment of the applicable performance conditions, dependent on the extent to which those conditions have been achieved, usually measured over a period of three financial years.

Executive Directors are normally required to retain vested LTIP shares, net of tax, for a further period of two years.

Recovery provisions and Committee discretion apply, as set out in the table below.

LTIP awards may include the right to receive an additional number of shares determined by reference to dividends with record dates arising during the holding period. The number of shares may be calculated assuming the reinvestment of dividends into shares on such basis as the Committee determines.

Performance metrics

Based on measures (which may be financial, share price based or strategic) which are appropriate within the context of the Company strategy and external environment over the relevant performance period.

Prior to granting awards, the Committee will review the performance conditions and may opt to vary the metrics and weightings to ensure measures and targets remain aligned with its objectives. The Committee would seek to consult as appropriate with its larger shareholders regarding any material changes.

At least 50% of an award will be subject to financial targets and/or relative TSR.

For achievement at threshold levels of performance, up to 25% of maximum under each element may vest.

Maximum opportunity

Regular maximum opportunity in respect of a financial year of 175% of salary for the Chief Executive and 135% of salary for other Executive Directors.

Exceptional maximum opportunity in respect of a financial year of 225% of salary for the Chief Executive and 185% of salary for the other Executive Directors. Exceptional circumstances may include for example recruitment, retention or a fundamental change in the size and complexity of the business.

In all cases, the combined annual bonus and LTIP maximum opportunities in respect of any year may not exceed 400% of salary for the Chief Executive and 320% of salary for other Executive Directors.

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In-employment shareholding requirement

The Committee retains discretion to vary the application of the shareholding requirements in appropriate circumstances, such as for compassionate or other exceptional reasons.

IN-EMPLOYMENT SHAREHOLDING REQUIREMENT

Component and link to business strategy

To create greater alignment between Executive Directors and shareholders.

Operation

Executive Directors are required to build a shareholding of 200% of base salary within five years of appointment, subject to there being sufficient free float. Unvested deferred bonus award shares and vested but unexercised deferred bonus and LTIP awards may be included on a net-of-tax basis.

Performance metrics

Not applicable.

Maximum opportunity

Not applicable.

POST-EMPLOYMENT SHAREHOLDING REQUIREMENT

Component and link to business strategy

To ensure continued alignment of the long-term interests of Executive Directors and shareholders post-cessation.

Operation

Executive Directors are normally required to maintain a shareholding equivalent to the in-employment shareholding requirement immediately prior to departure (or the actual share- and award-holding on departure, if lower) for two years post-cessation. Shares subject to unvested deferred bonus awards and vested but unexercised deferred bonus awards, LTIP awards may be included on a net-of-tax basis.

The requirement will normally apply to shares vesting under deferred bonus and LTIP awards made from 11 November 2020.

There are appropriate arrangements in place to ensure enforceability.

Performance metrics

Not applicable.

Maximum opportunity

Not applicable.

Setting performance measures and targets

The Committee considers it imperative that performance conditions applying to incentive arrangements are appropriately aligned with the relevant objectives of the Company, and support the Company's purpose, culture, values and risk profile. The Committee reviews measures and targets each year to ensure that they remain relevant and stretching.

Further details of the performance measures are set out in the Annual Report on Remuneration.

Measures chosen under the annual bonus reflect the key drivers of business performance, with targets set with reference to internal and external context. This approach seeks to ensure that the threshold and stretch targets are appropriately challenging.

LTIP measures are aligned with the delivery of long-term strategic priorities and returns to shareholders, with target-setting following a similar approach to that used for the annual bonus.

The Committee retains the ability to adjust incentive outcomes where it considers that the extent of vesting would otherwise be inappropriate, taking into account such factors as it considers relevant (including, but not limited to, the overall financial and non-financial performance of participants or the Group) or where the formulaic outcome is not appropriate in the context of circumstances that were unexpected or unforeseen when the targets were set.

If the Committee determines that annual bonus or LTIP performance conditions and/or targets are no longer appropriate (e.g. as a result of a material acquisition or divestment or a material change in gaming regulation or taxation which was unforeseen at the time the measures and targets were set), the Committee will have the ability to adjust appropriately the measures and/or targets and alter weightings, provided that the revised conditions are not materially less challenging than the original conditions. Any use of the above discretion would, where relevant, be explained in the annual report on remuneration and may, as appropriate, be the subject of consultation with the Company's larger shareholders.

Committee discretion in operation of variable pay schemes

The Committee operates under the powers it has been delegated by the Board. In addition, it complies with rules that are either subject to shareholder approval (the LTIP) or approval from the Board (the annual bonus scheme). These rules provide the Committee with certain discretions which serve to ensure that the implementation of the Policy is fair, both to the individual Executive Director and to shareholders. The Committee also has discretion to set components of remuneration within a range, from time to time. The extent of such discretion is set out in the relevant rules, the maximum opportunity or the performance metrics section of the Policy. To ensure the efficient administration of the variable incentive plans outlined above, the Committee will apply certain operational discretions.

These include, but are not limited to, the following:

- Selecting the participants in the plans;
- Determining the timing of grants of awards and/or payments;
- Determining the quantum of awards and/or payments (within the limits set out in the Policy);
- Determining the choice of (and adjustment of) performance measures and targets for each incentive plan in accordance with the Policy and the rules of each plan;
- Determining the extent of vesting based on the assessment of performance and discretion relating to measurement of performance in certain events such as a change of control or reconstruction;
- Determining if awards need to be cash-settled in exceptional circumstances, such as for tax or regulatory reasons or where there is insufficient free float or where the amount required to be withheld for tax purposes is to be cash-settled;
- Whether malus and clawback shall be applied to any award in the relevant circumstances and, if so, the extent to which they shall be applied;
- Making appropriate adjustments required in certain circumstances, for instance for changes in capital structure;
- Determining "good leaver" status for incentive plan purposes and applying the appropriate treatment; and
- Undertaking the annual review of weighting of performance measures and setting targets for the annual bonus plan and LTIP award, where applicable, from year to year.

Recovery provisions

Recovery and withholding provisions apply:

- For the annual bonus, up to the end of the second financial year following the year in respect of which the annual bonus was granted
- For LTIP awards, up to the third anniversary of their vesting.

Relevant events for these purposes may include are a material misstatement, an act of gross misconduct, any calculation in connection with an award or in the assessment of performance targets or other conditions relating to awards being based on error or inaccurate or misleading information, a material loss to the Group or a material deterioration in Group profits which is inconsistent with the performance of the gaming industry, material damage to the business or its reputation, failure in risk management or corporate failure.

Remuneration Policy

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Committee's approach to setting pay, performance measures and targets

The Committee intends that the base salary and total remuneration of Executive Directors should be competitive against other companies of a broadly similar size. Remuneration is benchmarked against rewards available for equivalent roles in suitable comparator companies, with the aim of paying neither significantly above nor below market levels for each element of remuneration at target performance levels.

The Committee also considers general pay and the employment conditions of all employees within the Group and is sensitive to these, to prevailing market and economic conditions and to governance trends when assessing the level of salaries and remuneration packages of Executive Directors.

Legacy arrangements

The Committee may approve payments to satisfy commitments agreed prior to the approval of this Policy. This includes previous incentive awards that are currently outstanding. The Committee may also approve payments outside of the Policy in order to satisfy legacy arrangements made to an employee prior to (and not in contemplation of) promotion to the Board.

All historic awards that were granted but remain outstanding are eligible to vest, based on their original award terms.

Differences in the Policy for Executive Directors relative to the broader employee population

The Policy in place for the Executive Directors is informed by the structure operated for the broader employee population. Pay levels and components vary by organisational level but the broad themes and philosophy remain consistent across the Group:

- Salaries are reviewed annually with regard to the same factors as those set out in the Policy table for Executive Directors;
- Members of the Executive Committee participate in an annual bonus plan aligned with that offered to the Executive Directors. Other members of senior management participate in the same plan, dependent on performance of the Group and/or performance of business division, according to their role and level;
- Members of the senior management team can be considered for awards under the LTIP. These are intended to encourage share ownership in the Company and align the management team with the strategic business plan; and
- Eligibility for and provision of benefits and allowances varies by level and local market practice. It is standard for senior management to receive a company car allowance.

Remuneration for new appointments

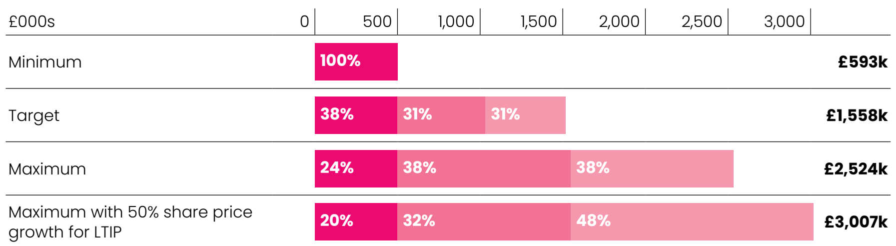
In determining remuneration arrangements for new Executive Directors, the overall structure of the package would normally be aligned with that set out in the Policy above. Circumstances in which the Committee may make payments or awards which are outside the terms of that Policy include if:

- an interim appointment is made to fill an Executive Director role on a short-term basis;
- exceptional circumstances require that the Chair or a Non-Executive Director takes on an executive function on a short-term basis; and
- an Executive Director is recruited at a time in the year when it would be inappropriate to provide an annual or LTIP award for that year as there would not be sufficient time to assess performance, in which case, subject to the overall limit on variable remuneration set out below, the quantum in respect of months employed during the year may be transferred to the following year so that reward is provided on a fair and appropriate basis.

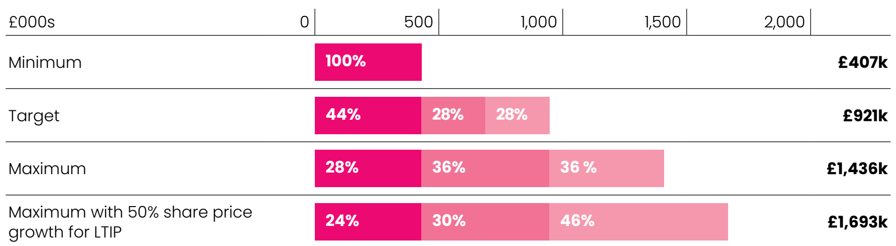
2024 Scenario Chart

● Fixed pay ● Annual bonus ● Long-term incentives

Chief Executive Officer



Chief Financial Officer



Minimum: Comprises the value of fixed pay of base salary, allowances and value of benefits.
Target: Minimum plus assumes half of the bonus is earned and the LTIP vests at 50%.
Maximum: Minimum plus assumes full bonus is earned and the LTIP vests in full.

Base salary and benefits will be set in accordance with the Policy and relocation assistance may be provided for both internal and external appointments, if necessary. Incentive opportunities will be aligned with those set out in the Policy table, with the Committee retaining discretion to use the exceptional headroom where considered necessary to do so.

The Committee may also make an additional award of cash or shares on the appointment of a new Executive Director in order to compensate for the forfeiture of remuneration from a previous employment or engagement. Such awards would normally be made to the extent practicable on a like-for-like basis, including the form of award, performance conditions, and the length of any performance and/or vesting period remaining. The Committee will continue to have regard to the best interests of both the Company and its shareholders and is conscious of the need to pay no more than is necessary, particularly when determining buy-out arrangements.

New Non-Executive Directors will be appointed with the same remuneration elements as the existing Non-Executive Directors. It is not intended that variable pay or day rates be offered.

Approach to termination payments/leavers

The Group does not believe in reward for failure. The circumstances of an Executive Director's termination (including the Director's performance) and an individual's duty to mitigate losses are taken into account in every case. Rank's policy is to stop or reduce compensatory payments to former Executive Directors to the extent that they receive remuneration from other employment during the compensation period.

Compensatory payments are limited to an amount equal to base salary, cash car allowance, and pension contributions (or cash allowance) payable under applicable notice provisions (which shall not in any event be more than an amount equal to twelve months of such payments). In addition, the Company may pay reasonable outplacement and legal fees where considered appropriate and may provide a leaving gift and/or leaving event for an Executive Director (including payment of any tax thereon) where the Committee feels it is appropriate to do so, up to a maximum cost of £1,000. The Company may also pay any statutory entitlements or settle or compromise claims in connection with a termination of employment, where considered in the best interests of the Company. In appropriate circumstances, the Committee may agree that certain benefits (such as healthcare insurance) may be continued for a reasonable period following termination of employment.

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Annual bonus awards will normally lapse in their entirety in the event an individual is no longer employed or serving their notice period at the time of payout. For certain good leaver reasons, a bonus may become payable at the discretion of the Committee. Where the bonus is payable, the Committee retains discretion as to whether it is all payable in cash or whether part of it is deferred either in cash or as deferred bonus awards.

Deferred bonus awards held by leavers will ordinarily be forfeited, except where the participant is a 'good leaver' (due to death, ill-health, injury, disability, redundancy, business transfer or other reasons at the discretion of the Committee) in which case the deferred bonus awards ordinarily vest on the normal timetable. The Committee can permit early vesting at its discretion.

As governed by the plan rules, LTIP awards held by leavers will ordinarily be forfeited, except where the participant is a 'good leaver' (due to death, ill health, injury, redundancy, retirement with the agreement of the Committee, business transfer or other reasons at the discretion of the Committee), in which case their LTIP award will ordinarily vest on the normal timetable.

The extent to which an LTIP award will vest in these situations will depend upon two factors: (i) the extent to which the performance conditions (if any) have, in the opinion of the Committee, been satisfied over the original performance measurement period; and (ii) pro-rating of the award to reflect the proportion of the normal vesting period spent in service.

The Committee can decide to pro-rate an LTIP award to a lesser extent (including as to nil) if it regards it as appropriate to do so in the circumstances. The Committee has discretion to vest a good leaver's awards early in appropriate circumstances, and to assess performance accordingly.

In addition, awards/shares will ordinarily be forfeited during the two-year holding period for the LTIP awards if the Executive Director (i) was determined to be in breach of their service agreement or (ii) is engaged by a competitor in an executive capacity, unless the Committee exercised its discretion to allow the Executive Director to retain the award/shares.

Change of control

In the event of a change of control, awards under the LTIP will vest to the extent determined by the Committee by: (i) applying any performance condition; and (ii) pro-rating of the award to reflect the proportion of the normal vesting period that has elapsed. The Committee can decide to pro-rate an LTIP award to a lesser extent (including as to nil) if it regards it as appropriate to do so in the circumstances.

Policy for Executive Directors' service agreements

It is the Group's policy that Executive Directors have rolling service agreements with the following key terms.

Remuneration
Base salary.
Pension.
Cash car allowance.
Private health insurance for Director and their spouse or civil partner and dependants.
Life assurance.
Permanent health insurance.
Participation in annual bonus plan, subject to plan rules.
Participation in other incentive plans, subject to plan rules.
25 days' paid annual leave, increasing to 30 days with length of service.
Notice period
Six months' notice from both the Company and the Director. The Committee retains discretion to set a notice period of up to 12 months.
Termination payment
Payment in lieu of notice equal to: – Six months' base salary – Cash car allowance – Pension supplement.
All of the above would be paid in monthly instalments, subject to an obligation on the part of the Director to mitigate his/her loss such that payments would either reduce, or cease completely, in the event that the Director gained new employment.
Restrictive covenants
During employment and for six months after leaving.

Copies of the Executive Directors' service contracts are available for inspection at the Company's registered office. Service agreements outline the components of remuneration paid to the individual Executive Director but do not prescribe how remuneration levels may be adjusted from year to year.

Length of service (as of 30 June 2024) for Executive Directors who served on the Board during the year, together with the date of their respective service agreements, is as follows:

Position	Name	Date of contract/ Commencement date	Length of Board service
Chief Executive	John O'Reilly	30 April 2018/7 May 2018	6 years 2 months
Chief Financial Officer	Richard Harris	20 December 2021/1 May 2022	2 yeas 2 months

Policy for Non-Executive Directors (including Chair)

Component	Purpose and link to business strategy	Mechanics operation and performance framework	Maximum
Fees	To attract and retain skilled, high-calibre individuals to approve and challenge the Group's strategy.	Fees are reviewed in the first quarter of each calendar year to reflect appropriate market conditions. Fee increases, if applicable, are effective from 1 April (unless otherwise agreed). The base fee includes membership of all Board Committees. Supplementary fees are paid for Chairing a Board Committee and holding the office of Senior Independent Director. In appropriate circumstances, other fees may be payable, for example where there has been significant additional time commitment or individuals have taken on further responsibilities. Non-Executive Directors are not eligible for pension scheme membership, bonus, or incentive arrangements. Travel and other reasonable expenses (including any associated taxes) incurred in the course of performing their duties are reimbursed to Non-Executive Directors.	Aggregate annual fees limited to £750,000 by the Company's Articles of Association. Current fee levels are set out in the annual report on remuneration.

All Non-Executive Directors have letters of engagement setting out their duties and the time commitment expected. They are appointed for an initial period of three years, after which the appointment is renewable by mutual consent at intervals of not more than three years. Non-Executive Directors' appointments are terminable without compensation.

The Chair's appointment is terminable on three months' notice.

In accordance with the Corporate Governance Code, all Directors offer themselves for annual re-election by shareholders. The date of appointment of each Non-Executive Director who served during the year is set out in the table below.

Non-Executive Director	Original date of appointment to Board	Date of letter of engagement	Total length of service
Lucinda Charles-Jones	22 June 2022	22 June 2022	2 years
Chew Seong Aun	10 December 2020	9 December 2020	3 years 6 months
Keith Laslop[1]	1 September 2023	16 August 2023	9 months
Katie McAlister	28 April 2021	26 April 2021	3 years 2 months
Alex Thursby[2]	1 August 2017	21 August 2019	6 years 11 months
Karen Whitworth	4 November 2019	4 November 2019	4 years 7 months

1. Keith Laslop joined the Board and has a letter of engagement dated 16 August 2023 which is effective from 1 September 2023.
2. Alex Thursby has a letter of engagement dated 21 August 2019, which is effective from 17 October 2019 and replaced his original non-executive letter of engagement dated 21 June 2017.

Shareholder engagement

In designing the Policy, the Chair wrote to the Company's larger shareholders, ISS, Glass Lewis and the Investment Association and the Committee took shareholders' feedback into account when finalising the Policy. The Committee informs shareholders in advance of any material changes to the way that the Policy is implemented and will offer a meeting to discuss these details, as appropriate and/or required.

Statement of consideration of employment conditions elsewhere in the Group

As described in the Policy on page 94, the overarching themes of the Policy in place for Executive Directors are broadly consistent with those applied to the wider employee population. The Committee is informed of pay and conditions in the wider employee population and takes this into account when setting senior executive pay.

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Annual Report on Remuneration

The Directors' Remuneration Report has been prepared on behalf of the Board by the Committee, under the chair-ship of Lucinda Charles-Jones.

The Committee has applied the principles of good governance set out in the FRC's 2018 UK Corporate Governance Code and, in preparing this report, has complied with the requirements of the 2013, 2018 and 2019 Regulations. The Company's external auditor is required to report to shareholders on the audited information contained in this report and to state whether, in its opinion, it has been prepared in accordance with the 2013 Regulations.

Base salary (Audited)

The Committee reviewed the Executive Director base salaries during the year under review, and the Committee determined to increase the salaries for both John O'Reilly and Richard Harris by 3% with effect from 1 April 2024, below the general overall increases awarded to the wider workforce (4.5%).

	30 June 2024	1 April 2024	1 April 2023	% change
John O'Reilly	£551,668	£551, 668	£535,600	3%
Richard Harris	£381,100	£381,100	£370,000	3%

Taxable benefits (Audited)

Taxable benefits comprise car allowance, fuel benefit (other than for Richard Harris), and private medical insurance. In addition, life insurance and long-term disability are provided.

Other than insurance policy premium inflation, no changes were made to benefits during the year.

Pension (Audited)

John O'Reilly's payments in lieu of pension was reduced from 10% of salary (less the lower earnings limit) (such 10% having been agreed under his service agreement when he joined Rank) to the rate currently available to the majority of the UK employees (currently 3% less the lower earnings limit) with effect from 1 January 2023.

Richard Harris's payments in lieu of pension was agreed at the rate currently available to the majority of the UK employees (currently 3% less the lower earnings limit) when he joined the Company in May 2022.

Executive Directors' single remuneration figure (Audited)

The table below presents a single remuneration figure for each Executive Director determined in accordance with the 2013 Regulations for the years ended 30 June 2024 and 30 June 2023 in respect of performance during the years ended on those dates.

	Fixed pay (£)				Performance pay (£)				2023/24 total remuneration (£)
2023/24	Salary/fees	Benefits[1]	Pension	Total fixed	Cash bonus	Deferred bonus	LTIP award vesting	Total variable	Salary/fees
John O'Reilly	**539,617**	**25,311**	**16,001**	**580,929**	**542,841**	**nil**	**25,999[2]**	**568,840**	**1,149,769**
Richard Harris	**372,775**	**14,526**	**10,996**	**398,297**	**300,002**	**nil**	**nil**	**300,002**	**698,299**

1. Taxable benefits comprise car allowance, fuel benefit (other than for Richard Harris), private medical insurance. As life insurance and long-term disability are not taxable benefits they have been removed from the calculations.
2. Vesting relates to the third and final tranche of the 2018 Block award.

				Fixed pay (£)				Performance pay (£)	2022/23 total remuneration (£)
2022/23	Salary/fees	Benefits[1]	Pension	Total fixed	Cash bonus	Deferred bonus	LTIP award vesting	Total variable	
John O'Reilly	520,150	31,337	33,224	584,711	35,777	0	0	35,777	620,488
Richard Harris	357,250	18,069	10,530	385,849	19,772	0	0	19,772	405,621

1. Taxable benefits comprise car allowance, fuel benefit (other than for Richard Harris), and life, long-term disability and private medical insurances.

Annual Report on Remuneration

Annual bonus plan (Audited)

The maximum annual bonus opportunity for the Executive Directors in 2023/24 was 150% and 120% for the CEO and CFO respectively. Target bonus was 50% of the maximum opportunity. The 2023/24 annual bonus was based on adjusted Group earnings before interest and tax (adj. EBIT), net gaming revenue and an Environmental, Social and Governance ('ESG') measure.

The table below shows the outcome for each measure:

		Performance targets				
Measure	Weighting	Threshold	Target	Maximum	Actual performance[1]	Bonus outcome[2] (% of Max)
Adj. EBIT	75%	£41.9m	£46.5m	£51.2m	£48.4m	52.5%
Net gaming revenue	10%	£722.6m	£ 760.6m	£798.6m	£743.7m	2%
ESG measures	15%	Performance ranges and Committee assessment[3]			74% of maximum	11.1%
Total						**65.6%**

1. These outcomes reflect the results as measured using an internal 53-week reporting calendar. The results shown elsewhere in the Annual Report & Accounts are on a reported basis.
2. Bonus payout determined on a straight-line basis between threshold to target; and target to maximum.
3. The 15% of the maximum bonus opportunity was based on specific Environmental, Social and Governance ('ESG') targets. As the Company's approach to ESG evolves, for 2023/24 quantitative targets were set. The Committee determined that a bonus equivalent to 74% of the maximum bonus for the ESG measure was only payable considering the improvement across three of the four ESG key performance indicators:
   - A +25 points increase in the employee engagement net promoter score ('NPS') to +39 (range +15 to +20)
   - A +16 points increase in the employee NPS score on Rank's approach to Safer Gambling to +69 (+53 to +58)
   - A 7% increase in the high-level outcome from the customer survey response on questions related to Rank's approach to Safer Gambling at 83% (70% to 86%)
   - A below threshold performance against the delivery of the environmental carbon emissions plan (range 4,474 to 4,971 tCO2e)

Full details of our approach to ESG can be found on pages 36 to 52.

Performance against the measures above would result in a bonus for the Executive Directors as follows:

	Maximum opportunity (% of salary)	Maximum opportunity (£)	% of maximum payable	Total bonus
John O'Reilly	150%	£827,502	65.6%	£542,841
Richard Harris	120%	£457,320	65.6%	£300,002

An underpin is in place whereby the Committee are able to down-weight the size of any bonus award, including to zero, for weaknesses in control systems including Safer Gambling practices, lack of progress against key initiatives in the year or as a consequence of enforcement actions.

Prior to approving the 2023/24 bonus outcome, the Committee discussed whether or not the outcome was deemed fair and reasonable in the context of the Company's overall business performance, relativity to bonuses across the Group; and the controls environment assessment, including Safer Gambling, over the year. Following discussion, it was satisfied that the bonus was appropriate.

Long-term incentives and outcomes (Audited)

There are currently two different long-term incentive schemes in place for the Executive Directors and other senior management, namely the legacy four-year block award granted in 2017/18 and awards granted annually under the 2020 long-term incentive plan.

2017/18 LTIP (block award)

As reported last year, a single LTIP award was granted on 28 June 2018 to John O'Reilly based on performance over a four-year period ending 30 June 2021. The award covered four years of annual grants. The performance of the award was assessed as at 30 June 2021. Full details of the performance assessment and vesting outcome can be found on pages 91 and 92 of our 2021 Annual Report and Accounts. The award vested in three equal tranches starting 1 October 2021. The third and final tranche of 32,418 shares vested on 1 October 2023.

2021 LTIP award

The tables below summarise performance against the targets of the 2021 LTIP which was awarded on 23 September 2021, and the outcome for the Chief Executive:

		Performance targets			
Measure	Weighting	Threshold	Maximum	Outcome	% of award vesting
Relative Total Shareholder Return[1]	40%	Median	Outperform median by 25%	Below median	0%
Earnings per share	30%	13.5p	23.1p	Below threshold	0%
Strategic measures	30%				0%
Group EBIT Margin %	10%	14%	18%	Below threshold	0%
Venues net gaming revenue £m	10%	£620m	£662m	Below threshold	0%
Digital net gaming revenue £m	10%	£225m	£338m	Below threshold	0%
Vesting based on performance					0%
Share price underpin		240p		91.6p[2]	
Total					**0%**

1. The Relative TSR is measured against a comparator group of six companies (888, Flutter Entertainment, Entain (formerly known as GVC), Betsson, Kindred and Playtech).
2. Based on an average adjusted close price over a three-month period ending on the last day of the performance period.

Other than the performance detailed in the above table, as the share price underpin was not achieved, the award will lapse in full.

	Number of shares awarded	% vesting	Number of shares vesting
John O'Reilly	582,072	0%	0

2023/24 LTIP granted during the year (annual award)

The 2023 LTIP award was granted on 27 September 2023 to John O'Reilly and Richard Harris and will vest based on performance over a three-year period ending on 30 June 2026. The performance measures and targets for such award were set by the Committee in August 2022, prior to the grant.

Director	John O'Reilly (Chief Executive)	Richard Harris (Chief Financial Officer)
Plan	2020 LTIP	2020 LTIP
Date of grant	27 September 2023	27 September 2023
Face value at grant (% of salary)	200%	150%
Face value at grant (£)	£1,071,200	£555,600
Share price at grant	86.60p	86.60p
Number of shares comprised in award	1,220,045	632,118
Performance period	1 July 2023 to 30 June 2026	1 July 2023 to 30 June 2026
Earliest vest date	27 September 2025	27 September 2025

Vesting of the award is conditional based on the following performance measures:
- 40% of the award vests by reference to relative total shareholder return ('rTSR'), measured equally against i) a sector specific comparator group consisting of six companies: 888, Flutter Entertainment, Entain, Betsson, Kindred and Playtech, and ii) companies constituting the FTSE 250 Index (excluding Investment Trusts).
- 30% vests by reference to underlying earnings per share growth.
- 30% vests by reference to strategic measures.

Straight-line vesting applies for all metrics between threshold and stretch. The level of vesting agreed by the Committee will take into consideration any current or impending safer gambling sanction and Rank's suitability to operate.

The strategic targets are deemed commercially sensitive and will be disclosed at the time of vesting.

	Weighting	Threshold target	Stretch target	Threshold vesting (% of max)
TSR	40%	Median	Outperform median by 25%	10%
Underlying EPS	30%	7.3p	10.9p	7.5%
Strategic Measures	10%		Group adj. EBIT Margin (%)	2.5%
	10%		Digital NGR (£m)	2.5%
	10%		Venues NGR (£m)	2.5%
Total	**100%**			**25%**

Replacement award to Richard Harris at recruitment

Richard Harris was appointed to the Board as Chief Financial Officer on 1 May 2022. His remuneration package was approved by the Committee and set in line with the Policy. It included an award over 186,636 shares on 6 May 2022, to replace awards granted by his previous employer which were forfeited on joining the Company. Such award was granted outside the Company's LTIP but, save as expressly stated otherwise in the deed of grant for such award, is subject to the rules of the LTIP. It was made in accordance with the exemption contained in Rule 9.4.2(2) of the UK Listing Rules and the Policy.

Vesting is subject to continued employment (but not subject to any performance conditions) and was in two equal tranches, with the vesting date for each such tranche being 13 May 2023 and 16 March 2024 respectively.

Richard Harris's second and final tranche of 93,318 shares vested on 16 March 2024, with a value of £62,339.

As a result of the shareholding requirement, Richard was not permitted to sell shares that arose as a result of the vesting of his recruitment award except for the purpose of settling income tax and trading fees.

Non-Executive Directors' single remuneration figure

The table below presents a single remuneration figure for each Non-Executive Director determined in accordance with the 2013 Regulations for the years ended 30 June 2024 and 30 June 2023 in respect of performance during the years ended on those dates.

	2023/24 fees	2022/23 fees
Chew Seong Aun[1]	**nil**	nil
Lucinda Charles-Jones[2]	**61,000**	53,750
Steven Esom[3]	**nil**	28,750
Keith Laslop[4]	**39,000**	0
Katie McAlister	**61,000**	53,500
Alex Thursby	**175,000**	160,000
Karen Whitworth	**67,000**	61,500

1. Chew Seong Aun does not receive any payment for his role as a Non-Executive Director.
2. Lucinda Charles-Jones was appointed to the Board on 22 June 2022 and appointed as Chair of Remuneration Committee on 1 January 2023.
3. Steven Esom stepped down from the Board on 31 December 2022.
4. Keith Laslop joined the Board on 1 September 2023.

Non-Executive Directors are entitled to receive fees and reasonable expenses only. Details of fees received are provided on page 108.

These amounts are within the maximum annual aggregate amount of £750,000 currently permitted by the Company's Articles of Association.

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Historic Chief Executive pay, and total shareholder return chart (unaudited)

The tables below show former and current Chief Executive total remuneration over the last ten years and their achieved annual variable and long-term incentive pay awards as a percentage of the plan maximum. As with the single remuneration figure table above, the first table includes full vesting of the 2017/18 LTIP in 2020/21 (notwithstanding that it is only accessible to the Chief Executive in accordance with a three-year vesting schedule), please see footnotes to the table for further information.

The same approach has been taken in the second table below in respect of the former chief executive and the vesting of the 2014/15 LTIP:

John O'Reilly (from 7 May 2018)		Single figure of total remuneration[1]	Annual cash bonus: actual payout vs. maximum opportunity	LTIP vesting rates against maximum opportunity
2023/24	(12 months)	£1,149,769	65.6%	0%
2022/23	(12 months)	£620,488	4.5%	0%
2021/22	(12 months)	£584,760	0%	0%
2020/21	(12 months)	£743,329	0%	6.1%
2019/20	(12 months)	£552,238	0%	n/a
2018/19	(12 months)	£580,328	0%	n/a

1. Along with the other Executive and Non-Executive Directors, John O'Reilly volunteered a 20% reduction in salary with effect from 1 April 2020 until 15 August 2020. His contracted salary continued to be used for the purposes of insured benefits.

Henry Birch (from 6 May 2014 until 7 May 2018)		Single figure of total remuneration[1]	Annual cash bonus: actual payout vs. maximum opportunity	LTIP vesting rates against maximum opportunity
2017/18	(10 months)	£487,006	0.00%	n/a
2016/17	(12 months)	£2,054,662	63.15%	37.50%
2015/16	(12 months)	£932,639	80.00%	n/a
2014/15	(12 months)	£916,010	87.20%	n/a
2013/14	(2 months)	£81,850	0.00%	n/a

Ian Burke (until 16 May 2014)		Single figure of total remuneration[1]	Annual cash bonus: actual payout vs. maximum opportunity	LTIP vesting rates against maximum opportunity
2013/14	(10.5 months)	£663,804	0.00%	0.00%

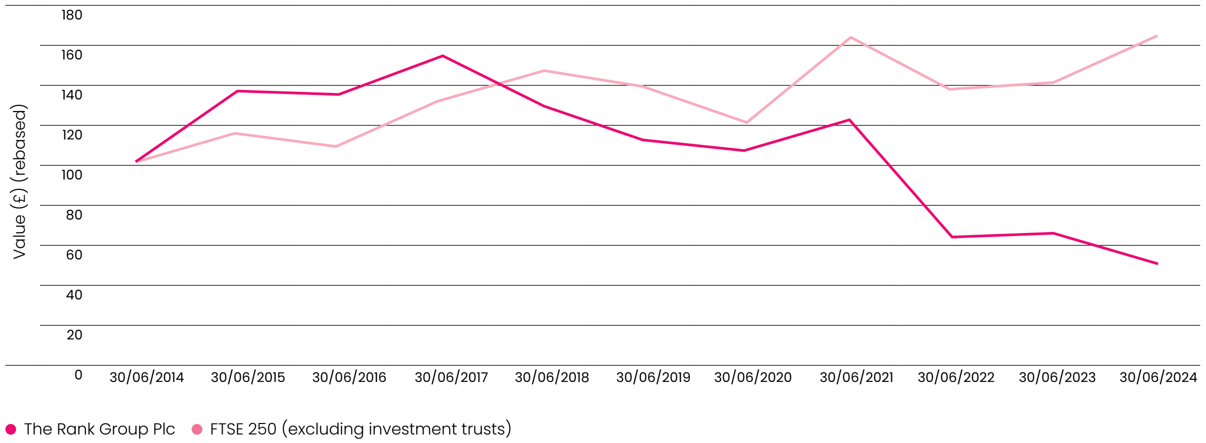
1. This included an exceptional discretionary bonus equal to 100% of base salary to reward exceptional efforts of the then Chief Executive in creating additional sustainable long-term shareholder value via the transformation of the Company's balance sheet, that was paid by three equal instalments in September 2012, April 2013 and December 2013.

Total shareholder return

This graph shows the value, by 30 June 2024, of £100 invested in The Rank Group Plc on 30 June 2014, compared with the value of £100 invested in the FTSE 250 excluding Investment Trusts on the same date. This index has been chosen to align with how we assess 50% of our TSR performance under the LTIP, the other 50% being against a sector peer group, as described in the section above '2023/24 LTIP granted during the year (annual award)'.

Total shareholder return

(Source: Datastream)



This graph shows the value, by 30 June 2023, of £100 invested in The Rank Group Plc on 30 June 2013, compared with the value of £100 invested in the FTSE 250 excluding Investment Trusts on the same date.

Leaving arrangements (Audited)

No payments in lieu of notice or for loss of office were made in the year.

Executive Director external appointments (Unaudited)

John O'Reilly is a non-executive director of Weatherbys Limited and a member of the board of trustees of the prisoner befriending charity New Bridge Foundation.

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Share ownership guidelines and Directors' interests in shares (Audited)

Increased share ownership guidelines of 200% of salary for all Executive Directors were approved at the 2018 General Meeting, subject to there being sufficient free float. Executive Directors have five years to build up shareholdings.

Shareholdings of Directors of the Company and its subsidiaries are not considered to be in public hands for the purposes of determining the sufficiency of the percentage of shares in public hands (the 'free float') in the context of qualification for a listing on the UK premium market. Up until December 2021, the free float requirement was 25% and, in view of the low level of the Company's free float following the completion of Guoco Group Limited's general offer for Rank in July 2011, the shareholding guidelines for Executive Directors were suspended.

The suspension was lifted on 2 March 2015 when free float was comfortably in excess of 25% but the guidelines were re-suspended on 22 June 2016. Following amendment to the UK Listing Rules on 3 December 2021 so as to reduce the free float requirement level to 10%, the Committee determined to lift the suspension and re-apply the share ownership guidelines with effect from 1 July 2022 .

Directors' shareholdings and details of unvested share awards as at 30 June 2023 and 30 June 2024 are set out in the table below. All awards were made as conditional awards:

	Ordinary shares as at 30 June 2023	**Ordinary shares as at 30 June 2024**	Unvested share awards subject to performance conditions as at 30 June 2023	Unvested share awards subject to continued employment only as at 30 June 2023	**Unvested share awards subject to performance conditions as at 30 June 2024**	**Unvested share awards subject to continued employment only as at 30 June 2024**
Keith Laslop[1]	0	**22,000**	n/a	n/a	**n/a**	**n/a**
Lucinda Charles-Jones	20,000	**20,000**	n/a	n/a	**n/a**	**n/a**
Chew Seong Aun	0	**0**	n/a	n/a	**n/a**	**n/a**
Katie McAlister	0	**0**	n/a	n/a	**n/a**	**n/a**
Alex Thursby	68,000	**68,000**	n/a	n/a	**n/a**	**n/a**
Karen Whitworth	20,000	**20,000**	n/a	n/a	**n/a**	**n/a**
Richard Harris	124,459	**173,918**	700,026	93,318	**1,332,144**	**0**
John O'Reilly	336,677	**369,095**	2,659,707	32,418	**3,163,830**	**0**

1. Keith Laslop joined the Board 1 September 2023.

John O'Reilly and Richard Harris are subject to shareholding guidelines of 200% of salary in shares held. As of 30 June 2024, based on an average share price of 78.45p for the three months prior to the 30 June 2024, John O'Reilly holds shares equivalent to 50% of salary, primarily derived through personal investment, and Richard Harris holds shares equivalent to 36% of salary obtained during his two years of service. Until holding requirements are met awards vesting will not be able to be sold and will therefore increase their holdings. The Committee will continue to monitor the holdings so that Executive Directors increase their holdings as appropriate.

Annual Report on Remuneration

Dilution limits (Unaudited)

The Deferred Bonus Plan ('DBP') and Long Term Incentive Plan ('LTIP'), being the Company's only equity-based incentive plans at present, incorporate the current Investment Association guidelines on headroom which provide that overall dilution under all plans should not exceed 10% over a ten-year period in relation to the Company's issued share capital, with a further limitation of 5% in any ten-year period for executive plans. The award made to Richard Harris on 6 May 2022 was granted outside of the Company's LTIP (as allowed for in Rule 9.4.2(2) of the UK Listing Rules) and will be satisfied by market-purchased shares.

The Committee monitors the position and prior to the making of any award considers the effect of potential vesting of awards to ensure that the Company remains within these limits. Any awards which are required to be satisfied by market-purchased shares are excluded from the calculations. No Treasury shares were held or utilised in the year ended 30 June 2024 .

The current level of dilution, based on the maximum number of shares that could vest as at 30 June 2024 and on the basis that no shares under the Company's current equity-based incentive plans are currently required to be satisfied by market-purchased shares (it being noted that the Committee has not yet made a decision in regards to this although the current expectation is that awards would be satisfied with market-purchased shares) is set out below:

	Total awards under discretionary schemes as at 30 June 2024	Percentage of issued share capital as at 30 June 2024
Maximum number of shares needed to satisfy existing unvested awards as at 30 June 2024	**10,909,850**	**2.3%**
Total number of shares issued in respect of awards granted after 30 June 2014	**nil**	**0%**
Total	**10,909,850**	**2.3%**

Relative importance of spend on pay (Unaudited)

The table below shows the expenditure and percentage change in overall spend on employee remuneration and distributions paid to shareholders through the dividend paid and share buybacks in the year (and previous year).

	2023/24	2022/23	Percentage change
Overall expenditure on pay	**£246.6m**	£221.6m	11%
Dividend paid in the year	**nil**	nil	n/a
Share buyback	**nil**	nil	n/a

Statement of change in pay of all Directors compared with other employees (Unaudited)

The table below sets out the percentage change in each Director's base salary/fee, benefits and annual bonus amounts for the year ended 30 June 2024 versus previous year, alongside the average change in gross earnings for all UK employees across the Group.

Please see footnotes to the table for further information:

Directors	Year[1]	Salary[2]	Benefits[2]	Bonus
Chief Executive[3]	2023/24 vs 2022/23	3.7%	-19.2%	0%
	2022/23 vs 2021/22	3.3%	0.2%	n/a
	2021/22 vs 2020/21	3.5%	4.2%	n/a
	2020/21 vs 2019/20	2.4%	-1.8%	n/a
	2019/20 vs 2018/19	-5.0%	-3.8%	n/a
Chief Financial Officer[4]	2023/24 vs 2022/23	4.4%	-19.6%	0%
	2022/23 vs 2021/22	52.8%	20.7%	53.7%
	2021/22 vs 2020/21	-21.4%	-31.0%	n/a
	2020/21 vs 2019/20	4.4%	11.9%	n/a
	2019/20 vs 2018/19	470.0 %	496.6%	n/a
Lucinda Charles-Jones[5]	2023/24 vs 2022/23	13%	n/a	n/a
	2022/23 vs 2021/22	3,893%	n/a	n/a
	2021/22 vs 2020/21	n/a	n/a	n/a
Katie McAlister[6]	2023/24 vs 2022/23	14%	n/a	n/a
	2022/23 vs 2021/22	4.0%	n/a	n/a
	2021/22 vs 2020/21	477.5%	n/a	n/a
	2020/21 vs 2019/20	n/a	n/a	n/a
	2019/20 vs 2018/19	n/a	n/a	n/a
Alex Thursby[6]	2023/24 vs 2022/23	9%	n/a	n/a
	2022/23 vs 2021/22	0%	n/a	n/a
	2021/22 vs 2020/21	2.8%	n/a	n/a
	2020/21 vs 2019/20	27.2%	n/a	n/a
	2019/20 vs 2018/19	107.8%	n/a	n/a
Karen Whitworth[6]	2023/24 vs 2022/23	9%	n/a	n/a
	2022/23 vs 2021/22	2.3%	n/a	n/a
	2021/22 vs 2020/21	4.7%	n/a	n/a
	2020/21 vs 2019/20	61.7%	n/a	n/a
	2019/20 vs 2018/19	n/a	n/a	n/a
Chew Seong Aun[7]	2023/24 vs 2022/23	n/a	n/a	n/a
	2022/23 vs 2021/22	n/a	n/a	n/a
	2021/22 vs 2020/21	n/a	n/a	n/a
	2020/21 vs 2019/20	n/a	n/a	n/a
	2019/20 vs 2018/19	n/a	n/a	n/a
Average employees[8]	2023/24 vs 2022/23	7%	5.5 %	40.6%
	2022/23 vs 2021/22	9.7%	9.6%	491%
	2021/22 vs 2020/21	8.6%	9.3%	-44.0%
	2020/21 vs 2019/20	7.4%	-7.7%	1.6%

1. Excludes any Non-Executive Directors appointed during 2023/24.
2. The Executive and Non-Executive Directors volunteered a 20% reduction in salary with effect from 1 April 2020 until 15 August 2020. The table above reflects such voluntary reduction. Contracted salaries continued to be used for the purposes of insured benefits. The CEO benefits reflect a voluntary reduction in pension allowance from January 2023.
3. The figures for the Chief Executive Officer show a year-on-year decline in benefits due to a reduction in contractual pension allowance to align with the wider workforce effective January 2023. In addition, for this year's report we have adjusted the calculation of benefits to align with the single figure table which reflects taxable benefits.
4. The figures for the Chief Financial Officer show a year-on-year decline in benefits due to a change for this year's report where we have adjusted the calculation of benefits to align with the single figure table which reflects taxable benefits.
5. Lucinda Charles-Jones was appointed as Chair of the Remuneration Committee on 1 January 2023. The year-on-year uplift is as a result of having a full year with Remuneration Committee Chair fees versus the prior year with only part of the year with Remuneration Committee Chair fees, as well as uplifted NED fees.
6. The year-on-year uplifts reflect the fee changes that came into effect in 1 July 2023 relative to no increases for several years.
7. Chew Seong Aun does not receive any fees in respect of his role on the Board.
8. Calculated on basis of all UK employees, including the Chief Executive, which was determined to provide the most meaningful comparison, as no employees are employed by The Rank Group Plc. For 2018/19, individual compensation elements are not readily available to compare separately as previously disclosed on page 123 of the 2020 Annual Report and Accounts.

Annual Report on Remuneration

CEO pay ratio (Unaudited)

The Committee considered the appropriate calculation approaches for the CEO pay ratio as set out in the 2013 Regulations. Consistent with the approach taken since 2021, for this year it has chosen Option C, as it believes this to be the most appropriate due to the challenges of calculating full-time-equivalent pay for UK employees. Option C enables the Company to use data other than, or in addition to, gender pay gap information to identify the three UK employees as the best equivalents of the 25th, 50th and 75th percentiles. Having identified these colleagues based on pay and benefits as at 5 April 2023, the total remuneration is calculated on a similar basis as the Chief Executive single total figure of remuneration. This requires:

- Starting with colleague pay that was calculated based on actual base pay, benefits, allowances, bonus and long-term incentives for the 12 monthly and 13 four-weekly payrolls within the full financial year. Earnings for part-time colleagues are annualised on a full-time-equivalent basis to allow equal comparisons;
- Adding in the employer pension contribution;
- Future years' ratios will be disclosed building incrementally to show the ratios over a ten-year period; and
- To ensure the data accurately reflects individuals at each quartile, the single figure values for individuals immediately above and below the identified employee at each quartile were also reviewed.

The table below shows the ratio of Chief Executive pay in 2023/24, using the single total figure remuneration as disclosed on page 100 to the comparable, indicative, full-time-equivalent total reward of those colleagues whose pay is ranked at the 25th, 50th and 75th percentiles in our UK workforce.

Year		25th percentile ratio	50th percentile ratio	75th percentile ratio
2024 figures	(Option C)	47.1	46.1	36.1
2023 figures	(Option C)	28:1	26:1	21:1
2022 figures	(Option C)	30:1	28:1	23:1
2021 figures[1]	(Option C)	39:1	38:1	30:1

	2023/24 Salary	2023/24 Total pay and benefits
CEO	£539,617	£1,149,769
25th percentile	£23,795	£24,223
50th percentile	£24,960	£25,401
75th percentile	£30,992	£31,921

1. The 2013 Regulations require the full value of the 2017/18 LTIP Block award to be included in the 2021 figures. The 2021, 2022 and 2023 figures have been restated to include the actual value of the first, second and third tranche of the 2017/18 block LTIP at vesting.

The change in ratios is indicative of the payment of bonus and share plan vesting for the FY24 performance year, and as part of the CEO's remuneration package, as a result of the improved performance.

Gender pay gap (Unaudited)

The Committee reviewed and approved Rank's Gender Pay Gap Report, which can be found at www.rank.com. The report, in line with regulations provides gender pay gap calculations as of 5 April 2023.

The published results show across all UK-based employees, our median Gender Pay Gap for April 2023 is 5.2%. This is a decrease of 6.4% year-on-year. Our mean Gender Pay Gap also reduced, from 23.5% to 12.9%. Most of our colleagues work across our venues and are paid on fixed hourly rates based on their location and role. Due to our venues playing a part in the nighttime economy, there is often a greater emphasis on incentive plans, premiums for working unsociable hours, overtime hours, and higher pay rates to offset these demands. We observe that our venues that operate later into the evening have a higher proportion of male employees. This prevalence influences the gender pay level differences. Accepting that much of our working environment operates during later nighttime hours, we are pleased to see that we are tracking in the right direction.

Our median Gender Bonus Gap analysis for April 2023 was 16.0%. The mean Gender Bonus Gap decreased to 31.8%, a change of 30%. While we report on the proportion of colleagues receiving a bonus as a percentage of total employees, not all colleagues are eligible to receive a bonus. When we look at the total group of colleagues who were actually eligible to receive a bonus, a slightly larger proportion of females than males ended up receiving a bonus (Females 31%, Males 29%).

The Committee and Management remain committed to doing everything that it can to reduce any gender pay and bonus gaps and address the balance of men and women employed in roles across the various job levels within the Group.

Committee activity during the year (Unaudited)

- Matters discussed by the Committee during the year include the following:
- Analysis of shareholder voting at the 2023 Annual General Meeting and annual remuneration report;
- Approach to the 2024 Policy Review and engagement with a significant proportion of shareholders on the proposed changes;
- April 2024 fixed pay review;
- 2022/23 and 2023/24 annual bonus outcomes;
- 2024/25 annual bonus plan structure (including ESG);
- 2024/25 LTIP grant performance measures and targets;
- 2017/18 block award, Recovery Incentive Scheme and 2021/22 LTIP grant performance;
- Review and approval of remuneration of the Chair, Executive Directors, Executive Committee and other senior management;
- Alignment of the Executive Directors remuneration with the wider force;
- Corporate governance and regulatory matters;
- Executive Director shareholding guidelines and the Company's free float position;
- Review and approval of the annual remuneration report 2023;
- Review and approval of the Company's Gender Pay Gap Report 2023; and
- Reviewing the Committee's effectiveness.

Annual Report on Remuneration

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Advisers to the Committee (Unaudited)

The Committee has access to external information and research on market data and trends from independent consultants. The Committee was advised by the UK Executive Compensation practice of Alvarez & Marsal ('A&M') until the August 2023 Committee meeting, after which Deloitte were appointed from August 2023 as external remuneration advisers to the Committee. Both A&M and Deloitte are signatories to the Remuneration Consultants' Code of Conduct, which requires their advice to be impartial, and they have confirmed their compliance with the Code to the Committee.

During the year, the Committee requested A&M and Deloitte respectively to advise on all aspects of remuneration practice, including but not limited to the provision of benchmarking data, guidance on forthcoming changes to and application of remuneration related regulations and insight on market practices. A&M fees totalled £28,915, and Deloitte fees totalled £108,950 for services provided to the Committee during the year (fees are based on hours spent). A&M and Deloitte did not provide any services other than advice in relation to remuneration practice to the Group during the period under review and thereafter the Committee is satisfied that the advice provided was independent.

Committee evaluation (Unaudited)

It is incumbent on the Board to ensure that a formal and rigorous review of the effectiveness of the Committee is conducted each year. The Committee's progress against last year's actions are set out below. During 2023/24, Rank's evaluation exercise was focused at Board level, facilitated externally by Lintstock Limited. As part of the process, the review commented on whether the Committee was operating effectively. It was concluded that the Committee was operating effectively.

Progress on focus areas during the year

Agreed actions	Progress made during 2023/24
1 Finalise the Executive Remuneration policy renewal ahead of shareholder approval at the 2024 AGM.	During the year, with support from our external advisers, we drafted our proposed policy renewal. We then engaged with our larger shareholders and proxy agencies on the proposed Remuneration Policy renewal, offering opportunities to have one-to-one discussions on the proposed changes, before finalising our position.
2 Continue to embed ESG metrics in reward.	We continue to monitor the impact of the four ESG targets specified in the Executive Director reward and have concluded to continue using them for another year, subject to a review in the coming year on the ongoing approach to ESG targets.
3 Continue to review market benchmarking and practice.	In partnership with our newly appointed external advisers (appointed during the financial year), we performed a comprehensive market practice and benchmarking exercise to inform our new Remuneration Policy.

Focus for 2024/25

Following the outcomes of this year's Board effectiveness review and as part of the Committee's annual evaluation exercise and consideration of matters for the forthcoming year, we agreed that our focus for the year ahead should be to:

1. Engage with our major shareholders ahead of the Remuneration Policy renewal in 2024.
2. Continue to embed ESG metrics and assess ESG targets for the wider Executive Committee.
3. Continue to consider external insights on remuneration trends and best practices.

Statement of shareholder voting (Unaudited)

The table below shows the outcome of the vote on the 2022/23 Directors' Remuneration Report at the October 2023 Annual General Meeting. Votes are shown both including and excluding the Company's majority shareholder:

October 2023 – Annual Report on Directors' Remuneration:

	No. of votes 'For' and 'Discretionary'	% of votes cast	No. of votes 'Against'	% of votes cast	Total no. of votes cast	% of total shareholders eligible to vote	No. of votes 'Withheld'[1]
Including majority shareholder	434,215,346	99.96	169,954	0.04	434,385,300	92.73	52,989
Excluding majority shareholder[2]	165,190,240	99.90	169,954	0.10	165,360,194	82.93	52,989

1. A vote 'withheld' is not a vote in law.
2. Total ordinary shares in issue at the date of the meeting were 468,429,541. Total ordinary shares held by shareholders excluding the controlling shareholder at the date of the meeting were 199,404,435.

Implementation of policy in 2023/24 (Unaudited)

Salaries and Benefits

Salaries will be reviewed during the year at the same time as the wider workforce, with the expectation that any changes agreed by the Committee will be effective 1 April 2025. Current base salaries are as follows:

- John O'Reilly – £551,668
- Richard Harris – £381,100

There are no planned changes to any benefits or allowances.

Pension policy

Following the reduction in allowance for John O'Reilly effective from 1 January 2023, there will be no change to current pension arrangements, with both Executive Directors receiving allowances in lieu of pension contributions:

- John O'Reilly – 3% of contracted salary (less lower earnings limit)
- Richard Harris – 3% of contracted salary (less lower earnings limit)

Annual Report on Remuneration

Annual bonus

Subject to shareholder approval of the revised Policy, the maximum bonus potential for John O'Reilly will be 175% of salary, and 135% of salary for Richard Harris. 85% of the maximum bonus opportunity will remain based on financial measures, split between the following performance measures:

- 75% based on adjusted Earnings Before Interest and Tax
- 10% based on net gaming revenue

The remaining 15% of bonus opportunity will be based on a quantitative assessment against Environmental, Social and Governance ('ESG') targets, including:

- Improvement in our colleague engagement score;
- An improvement in colleague net promoter score on Safer Gambling measures;
- A reduction in our carbon intensity metric; and
- Customer engagement with Safer Gambling measures.

This is in addition to the continued assessment of a robust control environment including Safer Gambling practices which could impact the size of any bonus award based upon weaknesses in control systems, lack of progress against key initiatives in the year or as a consequence of enforcement action for example by the Gambling Commission.

Disclosure of the financial targets is considered commercially sensitive and therefore will be disclosed retrospectively in next year's report.

Any bonus payable in excess of 100% of salary for John O'Reilly and 80% of salary for Richard Harris will be deferred into shares under the deferred bonus plan for two years. The remainder will be payable in cash.

Long-term incentives

It is anticipated that an annual award will be made to Executive Directors in 2024/25. 40% of the award will vest by reference to relative total shareholder return (with 20% by reference to performance against an industry peer group and 20% by reference to performance against companies comprising the FTSE 250 (excluding investment trusts)), and 60% of the award will vest by reference to underlying earnings per share. Subject to shareholder approval of the revised Policy, it is intended that John O'Reilly will receive an award at 175% of salary and that Richard Harris will receive an award at 135% of salary, with such awards to be made within six weeks of the date of this report.

The performance conditions will be based on performance in the 2026/27 financial year. The award will vest, subject to meeting the performance targets and continued employment, on the third anniversary of grant. Vesting will take into consideration any current or impending safer gambling sanction and Rank's suitability to operate.

The strategic targets are deemed commercially sensitive and will be disclosed at the time of vesting.

	Weighting	Threshold target	Stretch target	Threshold vesting (% of max)
TSR1	40%	Median	Outperform median by 25%	10%
Underlying EPS	60%	9.7p	12.2p	15%
Total	**100%**			**25%**

1. Vesting of TSR measures will be subject to relative performance of both a gaming comparator group and FTSE 250 (excluding investment trusts), equally weighted.

Alignment with the wider workforce

In applying the Remuneration Policy for 2023/24, the Committee considers and where possible, aligns practices across the Group:

	Executive Directors	All employees
Salary	A 3% increase in salary for the Chief Executive and the Chief Financial Officer.	The average increase in salary across the Group was 4.5%, including an average increase of 3% for Management and Leadership .
Pension	A pension allowance equal to 3% of salary (minus the lower earnings limit).	Outside of statutory pension provisions, a company contribution of between 3% and 10% is offered based on seniority and location.
Bonus	Bonus aligned to adj. EBIT, NGR and ESG outcomes.	Award levels vary by seniority. For 2024/25, leadership bonuses globally align with the structure applied to the Executive Directors. Below leadership we operate a number of different bonus and incentive plans based on the contribution expected by the employee.
LTIP	2025 LTIP award subject to rTSR, EPS and strategic objectives. Two-year holding requirement post vesting.	We apply the same performance conditions to awards offered to senior leadership roles across the Group, however, award levels vary by seniority with no two-year holding requirement post vesting.

Non-Executive Director fees

Non-Executive Director annual base and additional fees effective 1 July 2024 comprise:

	Fee
Board Chair	£180,250
Base Non-Executive annual fee	£53,560
Audit Committee Chair	£9,270
Remuneration Committee Chair	£9,270
ESG and Safer Gambling Committee Chair	£9,270
Senior Independent Director	£6,180

Following a review, the fees were increased by 3% from their prior level with effect from 1 July 2024.

Director's Report

The Directors present their report together with the audited consolidated financial statements for the year ended 30 June 2024.

The Companies Act 2006 ('CA 2006'), the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, the Companies (Disclosure of Auditor Remuneration and Liability Limitation Agreements) Regulations 2008, the Financial Reporting Council's UK Corporate Governance Code (July 2018), the Financial Conduct Authority's ('FCA') Listing Rules ('LR') and the FCA's Disclosure Rules and Transparency Rules ('DTR') contain mandatory disclosure requirements in relation to this Annual Report in respect of the year ended 30 June 2024.

The Directors' Report should be read in conjunction with the Strategic Report.

Strategic Report disclosures – Information that the Board considers to be of strategic importance which would otherwise need to be disclosed in the Directors' Report has been included in the Strategic Report as permitted by section 414C(11) of the CA 2006.

References to where that information can be found are provided in the index below.

Information required in the Directors' Report which has been disclosed within the Strategic Report	Location in Strategic Report	Page number
Business description	Our business	Inside cover, 3 and 6 to 9
Business objectives, strategies and likely future developments	Our strategy	13 to 17
Corporate responsibility: employees and community (including hiring, continuing employment and training, career development and promotion of disabled persons)	Our approach to ESG	15 to 17
Diversity	Colleagues	42
Dividends	Chief Executive's statement	13
Stakeholder engagement	Stakeholder engagement	32 to 35
Going concern and viability statement	Compliance statements	63 to 64
Greenhouse gas emissions	Environment	43
Particulars of important events affecting the Company and its subsidiary undertakings occurring after the year end	Chief Executive's statement	13
Principal risks and uncertainties	Risk management	57 to 62
Profits	CFO's review	53
Research and development	Our strategy	6, and 15 to 17
	Customers and customer insights	40 to 41
	Stakeholder engagement	32 to 35

Disclosures required under LR 9.8.4 R

For the purposes of LR 9.8.4C R, details of the existence of the controlling shareholder relationship agreement, required to be disclosed in accordance with LR 9.8.4 R, can be found on page 110. There are no other disclosures required under this Listing Rule.

Directors

The Directors who served during the period under review are:

Name	Position	Notes
Lucinda Charles-Jones	Non-Executive Director	
Chew Seong Aun	Non-Executive Director	
Keith Laslop	Non-Executive Director	Appointed to the Board 1 September 2023
Richard Harris	Chief Financial Officer	
Katie McAlister	Non-Executive Director	
John O'Reilly	Chief Executive	
Alex Thursby	Chair	
Karen Whitworth	Senior Independent Director	

Incorporation and registered office

The Rank Group Plc is incorporated in England and Wales under company registration number 03140769. Its registered office is at TOR, Saint-Cloud Way, Maidenhead SL6 8BN.

Stock market listing

The ordinary shares of the Company have been listed on the Official List and traded on the main market of the London Stock Exchange for listed securities since 7 October 1996 (Share Code: RNK and ISIN: GB00B1L5QH97). As of 29 July 2024, they are classified as equity shares in commercial companies (Combined Listing Category) following changes to the listing categories announced by the Financial Conduct Authority in accordance with Consultation paper CP23/10 published in May 2023. Prior to this they were premium listed. The share registrar is Equiniti Limited.

Share capital

The Company's authorised share capital as at 30 June 2024 was £180m (£180m as at 30 June 2023), divided into 1,296,000,000 ordinary shares of 13 8/9p each. The ordinary shares are listed on the London Stock Exchange and can be held in certificated or uncertificated form. There were 468,429,541 shares in issue at the period end (468,429,541 as at 30 June 2024), which were held by 8,885 registered shareholders (9,296 as at 30 June 2023). Details of movements in issued share capital can be found in Note 24 of the Financial Statements.

Range	Total no. of registered shareholders	% of holders	Total no. of shares	% of issued share capital
1 – 1,000	7,708	86.75	1,338,075	0.29
1,001 – 5,000	864	9.73	1,755,351	0.37
5,001 – 10,000	94	1.06	657,830	0.14
10,001 – 100,000	137	1.54	4,493,196	0.96
100,001 – 1,000,000	55	0.62	19,414,848	4.14
1,000,001 and above	27	0.30	440,770,241	94.10
Totals	**8,885**	**100.00**	**468,429,541**	**100.00**

Director's Report

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Significant shareholders

GuoLine Capital Assets Limited ('GuoLine'), the ultimate parent company of Guoco Group Limited ('Guoco'), has a controlling interest in Rank consequent upon the general offer made by its Hong Kong-listed subsidiary company, Guoco, via its wholly-owned subsidiary, Rank Assets Limited (then known as All Global Investments Limited), and which completed on 15 July 2011. GuoLine became the ultimate parent company of Guoco (in place of Hong Leong Company (Malaysia) Berhad ('Hong Leong'), which was previously its parent company) on 16 April 2021 as a result of an internal restructure of the majority shareholder (the 'Restructure'). GuoLine is based in Jersey and, together with its subsidiaries, is engaged in the businesses of banking and financial services, manufacturing and distribution, property development and investments and hospitality and leisure.

As at 30 June 2024 and as at the date of this report, GuoLine's interest is held as follows:

- 56.15% – Rank Assets Limited, a wholly-owned subsidiary of Guoco;
- 4.09% – GuoLine (Singapore) Pte Ltd, a wholly-owned subsidiary of GuoLine.

On 10 November 2014, Rank entered into an agreement with Hong Leong and Guoco in accordance with the requirements of LR 9.2.2A R(2)(a) (the 'Relationship Agreement'). Further to the Restructure, Hong Leong, Guoco and Rank agreed to novate the Relationship Agreement such that with effect from 16 April 2021, the parties to the Relationship Agreement are Rank, Guoco and GuoLine. As at 30 June 2024 the terms of the Relationship Agreement remain unchanged.

During the period under review Rank has complied with the independence provisions included in the Relationship Agreement. So far as Rank is aware, the independence provisions included in the Relationship Agreement have been complied with during the period under review by Hong Leong, GuoLine, Guoco and associates. So far as Rank is aware, the procurement obligations included in the Relationship Agreement have been complied with during the period under review by the Hong Leong, GuoLine, Guoco and associates.

Interests of 3% or more

As at 30 June 2024 and 31 July 2024 the following interests of 3% or more of the total voting rights attached to ordinary shares have been disclosed in response to Section 793 of the Companies Act 2006 ('CA 2006') notices issued by the Company.

	As at 30 June 2024		**As at 31 July 2024**	
Shareholder	% held	Voting rights	**% held**	**Voting rights**
GuoLine Capital Assets Limited	60.25	282,225,106	**60.25**	**282,225,106**
Lombard Odier Investment Managers	7.60	35,585,538	**7.95**	**37,242,323**
Aberforth Partners	7.49	35,108,551	**7.53**	**35,275,421**
abrdn	3.34	15,658,554	**3.19**	**14,928,966**

Substantial shareholdings

Under the FCA's Listing Rule 6.1.14 3R, shares held by persons who have an interest in 5% or more of a listed company's share capital are not regarded as being in public hands (the 'free float'). Under this rule, the shares held by GuoLine, Lombard Odier Investment Managers and Aberforth Partners are not regarded as being in public hands. The Company's free float position (according to responses to Section 793 notices) as at 30 June 2024 was 24.18% (26% as at 30 June 2023).

Employee Benefit Trust

As at 30 June 2024, Rank's Employee Benefit Trust, The Rank Group Plc EBT, (the 'Trust') held 41,955 ordinary shares in the Company for allocation under the Company's share schemes. Any voting or other similar decisions in relation to the shares held by the Trust would be taken by the Trustees, who may take account of any recommendations of the Company. The Trustees have waived their right to receive dividends of the shares held in the Company.

Rights and restrictions attaching to shares

Voting rights

Each ordinary share carries the right to one vote at general meetings of the Company.

Meeting rights

Registered holders of ordinary shares are entitled to attend and speak at general meetings and to appoint proxies.

Information rights

Holders of ordinary shares are entitled to receive the Company's Annual Report and Financial Statements.

Share transfer restrictions

There are no specific restrictions on the transfer of shares contained in the Company's Articles of Association.

The Company is not aware of any agreements between the holders of Rank shares that may result in restrictions on the transfer of shares or that may result in restrictions on voting rights.

Variation of rights

Subject to applicable legislation, the rights attached to Rank's ordinary shares may be varied with the written consent of the holders of at least three-quarters in nominal value of those shares, or by a special resolution passed at a general meeting of the ordinary shareholders.

Directors' powers in relation to shares

Allotment and issue of shares

Subject to the provisions of the CA 2006, and subject to any resolution passed by the Company pursuant to the CA 2006 and other shareholder rights, shares in Rank may be issued with such rights and restrictions as the Company may by ordinary resolution decide. If there is no such resolution or so far as the Company does not make specific provision, they may be issued as Rank's Board may decide. Subject to the Company's Articles of Association, the CA 2006 and other shareholder rights, unissued shares are at the disposal of the Board.

The Company currently has no shareholder authority to allot and grant rights over any proportion of the Company's unissued share capital, nor does it have shareholders' authority to allot and grant rights over ordinary shares without first making a pro rata offer to all existing ordinary shareholders. Neither of these authorities is required for the purpose of allotting shares pursuant to employee share schemes.

Market purchases of own shares

The Company currently has no shareholder authority to make market purchases of its own shares. As the Board has no present intention of making a market share purchase of its own shares, this shareholder approval will not be sought at the forthcoming Annual General Meeting.

Directors' other powers

Subject to legislation, the Directors may exercise all the powers permitted by the Company's Memorandum and Articles of Association. A copy of these can be obtained by writing to the Company Secretary, or from Companies House.

Change of control

The Company's principal term loan and credit facility agreements contain provisions that, on a change of control of Rank, immediate repayment can be demanded of all advances and any accrued interest.

The provisions of the Company's share schemes and incentive plans may cause options and awards granted to employees to vest in the event of a takeover.

A change of control may also affect licences to operate, as specified in the provisions of the Gambling Act 2005, Gibraltar Gambling Act 2005 and the Spanish Gaming Act 2011.

Political donations

No political donations were made during the period under review.

It has been Rank's long-standing practice not to make cash payments to political parties and the Board intends that this will remain the case. However, the CA 2006 is very broadly drafted and could catch activities such as funding seminars and other functions to which politicians are invited, supporting certain bodies involved in policy review and law reform and matching employees' donations to certain charities. Accordingly, as in previous years, the Directors will be seeking shareholders' authority for political donations and political expenditure at the forthcoming Annual General Meeting in case any of Rank's activities are inadvertently caught by the legislation.

Disclosure of information to auditor

Each of the Directors of the Company at the date of this report confirms that:

- so far as the Director is aware, there is no information needed by the Company's auditor in connection with preparing their report of which the Company's auditor is unaware; and
- he/she has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any information needed by the Company's auditor in connection with preparing their report and to establish that the Company's auditor is aware of that information.

By order of the Board

B McLelland

Brian McLelland
Company Secretary
14 August 2024

Directors' Responsibilities

Annual Report and Financial Statements

The Directors are responsible for preparing the Annual Report (including the Directors' Report, the Strategic Report, the Directors' Remuneration Report and the Corporate Governance Statement) and the Financial Statements of the Group and the Company, in accordance with applicable United Kingdom law and regulations.

Company law requires the Directors to prepare Group and Company financial statements for each financial year. Under that law, the Directors have elected to prepare Group and Company financial statements in accordance with UK-adopted International Accounting Standards and in accordance with the Companies Act 2006 ('CA 2006'). Under company law the Directors must not approve the Group and Company financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period.

In preparing the Group and Company financial statements, the Directors are required to:

- Select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Make judgements and accounting estimates that are reasonable and prudent;
- Provide additional disclosures when compliance with the specific requirements in UK-adopted International Accounting Standards is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Company's financial position and final performance;
- State whether the Group and Company financial statements have been prepared in accordance with CA 2006 and UK-adopted International Accounting Standards, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the Financial Statements on the going concern basis unless it is appropriate to presume that the Group and Company will not continue in business.

Accounting records

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy, at any time, the financial position of the Group and the Company and ensure that the Group and Company financial statements comply with the Companies Act 2006.

Safeguarding assets

The Directors are also accountable for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Corporate website

The maintenance and integrity of Rank's corporate website, www.rank.com, on which this Annual Report and Financial Statements are published, is the Board's responsibility. We would draw attention to the fact that legislation in the United Kingdom on the preparation and publication of financial statements may differ from that in other jurisdictions.

Statement of Directors' responsibilities

The Annual Report and Financial Statements are the responsibility of, and have been approved by, the Directors.

Each of the Directors named on pages 72 to 73 confirms that to the best of his/her knowledge:

- The Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's performance, business model and strategy;
- The Group and Company Financial Statements, prepared in accordance with UK-adopted International Accounting Standards and in accordance with the Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and profit of the Company and the undertakings included in the consolidation taken as a whole; and
- The Strategic Report includes a review of the development and performance of the business and the position of the Group and Company and the undertakings included in the consolidation taken as a whole, together with a description of the risks and uncertainties that they face.

On behalf of the Board

John O'Reilly
Chief Executive

Richard Harris
Chief Financial Officer
14 August 2024

Financial Statements

In this section:

Independent Auditor's Report to the members of the Rank Group Plc

Opinion

In our opinion:

- The Rank Group Plc's group financial statements and Parent company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2024 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK adopted international accounting standards as applied in accordance with section 408 of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of The Rank Group Plc (the 'Parent company') and its subsidiaries (the 'group') for the year ended 30 June 2024 which comprise:

Group	Parent company
Consolidated balance sheet as at 30 June 2024	Balance sheet as at 30 June 2024
Consolidated income statement for the year then ended	Statement of changes in equity for the year then ended
Consolidated statement of comprehensive income for the year then ended	Statement of cash flows for the year then ended
Consolidated statement of changes in equity for the year then ended	Related notes 1 to 34 to the financial statements, including material accounting policy information
Consolidated statement of cash flows for the year then ended	
Related notes 1 to 34 to the financial statements, including material accounting policy information	

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with section 408 of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the group and parent in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting the audit.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group and parent company's ability to continue to adopt the going concern basis of accounting included:

- In conjunction with our walkthrough of the Group's financial statement close process, we confirmed our understanding of Rank's going concern assessment process as well as the review controls in place in relation to the going concern model and management's Board memoranda;
- We have obtained an understanding of management's rationale for the use of the going concern basis of accounting. To challenge the completeness of the assessment, we have independently identified factors that may indicate events or conditions that may cast doubt over the entity's ability to continue as a going concern;
- We have performed the following procedures;

Managements' assessment and assumptions

- We confirmed our understanding of Rank's going concern assessment process, including how principal and emerging risks were considered;
- We obtained the cash flow forecast models prepared by management to 31 August 2025 used by the Board in its assessment, checking their arithmetical accuracy and agreed the forecasts to the Board approved budgets;
- We evaluated the appropriateness of the duration of the going concern assessment period to 31 August 2025 and considered the existence of any significant events or conditions beyond this period based on our enquiries of management, Group's five year plan and knowledge arising from other areas of the audit.
- We obtained the cash flow, covenant forecasts and sensitivities for the going concern period prepared by management to 31 August 2025 used by the Board in its assessment and tested for arithmetical accuracy of the models and agreed the forecasts to the Board approved budgets. We assessed the reasonableness of the cashflow forecast by analysis of management's historical forecasting accuracy and understanding how anticipated growth would be delivered.
- We evaluated the key assumptions used by management in preparing the modelling and corroborated those to evidence from external sources where available, and considered contrary evidence by considering industry data and forecasts and analyst expectations.
- We stress tested the model by performing independent severe but plausible scenario and noted no liquidity or covenant breaches within going concern period.
- The audit procedures performed in evaluating the director's assessment were performed by the Group audit team, however, we considered the financial and non-financial information communicated to us from our component teams as sources of potential contrary indicators which may cast doubt over the Going Concern assessment.
- We considered whether the Group's forecasts in the going concern assessment were consistent with other forecasts used by the Group in its accounting estimates, including non-current asset impairment and deferred tax asset recognition.

Refinancing and bank covenant compliance

- We reviewed the refinancing and checked that the terms attached to the new loan agreements were correctly factored into the going concern models.
- We obtained all the group's existing borrowing facility agreements and performed a detailed examination of all agreements, to assess their continued availability to the Group throughout the going concern period and to ensure completeness of covenants identified by management. We engaged our internal debt specialist in understanding the covenant compliance relating to the agreements in place.
- We assessed the accuracy of management's covenant forecast model on the base case, verifying inputs to board approved forecasts and facility agreement terms.
- We evaluated the compliance of the Group with debt covenants in the forecast period by reperforming calculations of the covenant tests. We further assessed the impact of the downside risk scenarios on covenant compliance and applied sensitivity analysis;

Stress testing and evaluation of management's plans for future actions

- We considered management's downside scenarios of the Group's cash flow forecast models and their impact on forecast liquidity and forecast covenant compliance. Specifically, we considered whether the downside risks were reasonably possible, but not unrealistic and further considered whether the adverse effects could arise individually and collectively.
- We considered the reverse stress test to understand what it would take to breach available liquidity and exhaust covenant headroom.
- We considered the likelihood of management's ability to execute feasible mitigating actions available to respond to the downside risk scenarios based on our understanding of the Group and the sector, including considering whether those mitigating actions were controllable by management.

Disclosures

- We considered whether management's disclosures in the financial statements sufficiently and appropriately reflect the going concern assessment including key judgements made and outcomes underpinning Group's ability to continue as a going concern for the period up to the 31 August 2025.

Independent Auditor's Report to the members of the Rank Group Plc

Our key observations

- The directors' assessment forecasts that the Group will maintain sufficient liquidity and covenant compliance throughout the going concern assessment period. Management's assessment was supported by a downside scenarios with severe but plausible declines in revenue and increased costs. Management's assessment was also supported by a reverse stress test (extreme scenario) with a more severe decline in revenue which was concluded to be implausible.
- The downside scenarios assumed material decrease in forecasted revenue offset by mitigating actions within managements control. Management considers such scenarios to be remote, however, in such unlikely event management consider that the impact can be mitigated by further cash and cost saving measures which are within their control, during the going concern period.
- We note that management has performed an assessment to consider whether any events outside of the going concern period beyond 31 August 2025 need to be considered in the context of management's conclusion. No such matters were noted. The maturity of the revolving credit facilities at the end of October 2026 is more than one year from the end of the going concern period (31 August 2025) does not constitute a significant event or condition that may cast doubt over the entity's ability to continue as a going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period to 31 August 2025.

In relation to the Group and Parent company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

Overview of our audit approach

Audit scope	– We performed an audit of the complete financial information of four components and audit procedures on specific balances for a further eighteen components. – The components where we performed full or specific audit procedures accounted for 99% of Revenue, 93% of Absolute Profit before tax and 99% of Total assets.
Key audit matters	– Impairment and impairment reversal of tangible and intangible assets – Compliance with laws and regulations – Revenue recognition including the risk of management override
Materiality	– Overall group materiality of £3.6m which represents 0.5% of revenue. – Parent Company is determined to be £5.0m which is 1% of equity.

An overview of the scope of the parent company and group audits

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each company within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the group and effectiveness of group-wide controls, changes in the business environment, the potential impact of climate change and other factors such as recent Internal audit results when assessing the level of work to be performed at each company.

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, of the forty-six reporting components of the Group, we selected twenty-two components covering entities within United Kingdom, Malta, Spain, Ceuta, Gibraltar and Mauritius, which represent the principal business units within the Group.

Of the twenty-two components selected, we performed an audit of the complete financial information of four components ("full scope components") which were selected based on their size or risk characteristics. For the remaining eighteen components ("specific scope components"), we performed audit procedures on specific accounts within that component that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile.

The reporting components where we performed audit procedures accounted for 99% (2023: 99%) of the Group's Revenue, 93% (2023: 99%) of the Group's absolute profit before tax and 99% (2023: 90%) of the Group's Total assets. For the current year, the full scope components contributed 88% (2023: 85%) of the Group's Revenue, 54% (2023: 74%) of the Group's absolute profit before tax and 77% (2023: 65%) of the Group's Total assets.

The specific scope component contributed 11% (2023: 14%) of the Group's Revenue, 39% (2023: 25%) of the Group's absolute profit before tax and 22% (2023: 25%) of the Group's Total assets.

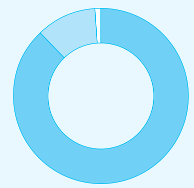
The audit scope of these components may not have included testing of all significant accounts of the component but will have contributed to the coverage of significant accounts tested for the Group.

The Primary team perform specified procedures over certain aspects of cash and overhead expenses, for seven components, this includes independent confirmation of cash and vouching expenses to invoice and analytical reviews. For three of these components the Primary Team also performed specified procedures over certain aspects of revenue, as described in the Risk section above.

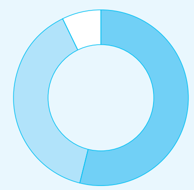
Of the remaining twenty-four components that together represent 1% of the Group's Revenue, none are individually greater than 0.5% of the Group's Revenue. For these components, we performed other procedures, including analytical review, testing of consolidation journals, intercompany eliminations and foreign currency to respond to any potential risks of material misstatement to the Group financial statements.

The charts below illustrate the coverage obtained from the work performed by our audit teams.

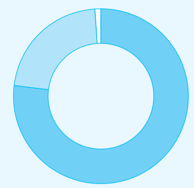
Revenue	
Full scope components	88%
Specific scope components	11%
Other procedures	1%



Absolute profit before tax	
Full scope components	54%
Specific scope components	39%
Other procedures	7%



Total assets	
Full scope components	77%
Specific scope components	22%
Other procedures	1%



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Changes from the prior year

The number of full scope entities has declined from five in the prior year to four in the current year due to the reassessment of the nature of each of the components and alignment with segment reporting. This results in combining two full scope components to a single reporting component during the year. Further, three components which were designated as specific scope in the prior year were designated as review scope in the current year due to lower levels of activity within these components in the current year.

Involvement with component teams

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the primary audit engagement team, or by component auditors from other EY global network firms operating under our instruction. For the four full scope components and seven specific scope components, audit procedures were performed directly by the primary audit team in both the UK and Mauritius. For the ten specific scope components, where the work was performed by component auditors, we determined the appropriate level of involvement to enable us to determine that sufficient audit evidence had been obtained as a basis for our opinion on the Group as a whole.

The Group audit team continued to follow a programme of planned visits that has been designed to ensure that the Senior Statutory Auditor visits and a senior team member visits one of the two Countries with specific scope components each year. During the current year's audit cycle, visits were undertaken by the primary audit team to Spain (a location responsible for nine specific scope components). These visits involved direct testing on relevant Group risk areas including revenue and compliance matters and meeting with local management. The primary team interacted regularly with the component teams where appropriate during various stages of the audit, reviewed relevant working papers and were responsible for the scope and direction of the audit process. This, together with the additional procedures performed at Group level, gave us appropriate evidence for our opinion on the Group financial statements.

Climate change

Stakeholders are increasingly interested in how climate change will impact Group. The Group has determined that there is no material impact to the financial statements due to climate-related matters. These are explained on pages 45 in the required Task Force On Climate Related Financial Disclosures. They have also explained their climate commitments on pages 48. All of these disclosures form part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the Group's/ company's business and any consequential material impact on its financial statements.

As explained in Note 1, the basis of preparation, consideration of climate change impact on the judgements in the accounts is not considered to have a material impact at this time. Governmental and societal responses to climate change risks are still developing, and are interdependent upon each other, and consequently financial statements cannot capture all possible future outcomes as these are not yet known. The degree of certainty of these changes may also mean that they cannot always be reliably taken into account when determining asset and liability valuations and the timing of future cash flows under the requirements of UK-adopted International Accounting Standards ('IFRS').

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating management's assessment of the impact of climate risk and the cost of energy being appropriately reflected in asset values and associated disclosures where values are determined through modelling future cash flows, being the impairment tests of tangible, intangible assets, and the investment in subsidiaries of the parent company, deferred tax asset recognition and related disclosures.

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and viability and associated disclosures.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

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Risk	Our response to the risk	Key observations communicated to the Audit Committee
Impairment and impairment reversal of tangible assets, intangible assets, and the investment in subsidiaries of the parent company, could be materially misstated. Group consolidated: Impairment charge of £28.8m (2023:£118.9m) and impairment reversal of £21.2m (2023: £6.6m) Parent company: Impairment reversal (£101.2m), (2023 Impairment charge: £182.6m). Refer to the Audit Committee Report (page 81); Accounting policies (page 134); and Note 13 of the Consolidated Financial Statements (page 152) At 30 June 2024 the carrying value of tangible and intangible assets was £623m (2023: £618.4m), £410.5m (2022: £411.4m) of which relate to indefinite life intangible assets (primarily casino and other gaming licences) and goodwill. This is an area of focus due to the significance of the carrying value of the assets being assessed and the level of management judgement required in the assumptions impacting the impairment assessment.	The below procedures were performed by the Primary team for all components. We gained an understanding of the controls through a walkthrough of the process management has in place to assess impairment and reversal of impairment We validated that, the methodology of the impairment exercise continues to be consistent with the requirements of IAS 36 Impairment of Assets, including appropriate identification of cash generating units for value in use calculations. Below we summarise the procedures performed in relation to the key assumptions for the tangible (including Right of Use Assets) and intangible assets impairment review. – We analysed managements' long term forecasts underlying the impairment review against past and current performance and future economic forecasts, as well as macro-economic pressures in the territories the Group operates and corroborated them to budgets approved by the Board. – We reperformed calculations in the models to check mathematical accuracy. – Critically challenged management's ability to forecast accurately through comparing actual performance against forecast performance and corroborating the reasons for deviations. – Ensured cash flow forecasts used in the impairment analysis agreed to the final board approved forecasts and that they were consistent with forecasts used on the going concern base case assessment – We performed sensitivity analysis on earnings multiples and weekly Net Gaming Revenue ('NGR') for all cash generating units (CGUs) and growth rates applied to cash flows for certain CGUs to determine the parameters that - should they arise - may give a different conclusion as to the carrying values of assets assessed. The sensitivities performed were based on reasonable possible changes to key assumptions determined by management being revenue growth, short-term growth rates, discount rate, EBITDA multiple and long-term growth rates. We have corroborated that the assumptions applied are reasonable by comparing to external data such as economic and industry forecasts. We re-performed the models to ensure that they were correctly calculated. – We have assessed assumed future costs to third party projections on inflation, cost of energy and wages. – For partially impaired assets we considered the sensitivity of changes in forecasts against current and budgeted trading and the sensitivity of either further impairments or impairment reversals and where material, ensured that the impact of this consideration was adequately disclosed in the sensitivities. – Assessed the headroom on the recoverable amount between the calculated value in use and carrying value of the CGUs to ensure disclosures of the impact of reasonably possible changes in assumptions and the impact on the carrying value of assets was adequate. – For the right-of-use assets, we tested that the assets had been appropriately allocated to the correct cash generating unit and that a value in use calculation was performed in line with IAS 36. Additionally, we validated that material changes to the right-of-use asset in the period were appropriate. – We reviewed and challenged the appropriateness of disclosures in the Annual Report and Accounts by comparing the disclosures against the requirements under International Financial Reporting Standards. In addition, we worked with our EY internal valuation specialists to: – Independently validate and corroborate the discount rates applied by management to supporting evidence and benchmarked the discount rates to industry averages/trends. Investment in subsidiaries of the parent company: – We reviewed the arithmetical accuracy of managements calculations of value in use of the investments to the carrying value of the parent company investment subsidiaries and the resulting impairment. – Agreed consistency in the forecasts used in the assessment of carrying value of the parent company investments, to the cash flow used in the underlying Cash Generating Units. – We reviewed and challenged the appropriateness of disclosures in the Annual Report and Accounts by comparing the disclosures against the requirements under International Financial Reporting Standards.	Based on our audit procedures we have concluded the impairment charge of £28.8m and the impairment reversal of £21.2m was recognised appropriately. We highlighted that a reasonably possible change in certain key assumptions, including short term growth rates, change in discount rate, changes in costs, long term growth and the earnings multiples that are used to determine the terminal value for certain CGUs, could lead to further impairment charges. We have concluded appropriate disclosures have been included in the financial statements as required under the accounting standards. **Investment in subsidiaries of the parent company** Based on our audit procedures we have concluded the impairment reversal of £101.2m was recognised appropriately. We have concluded appropriate disclosures have been included in the financial statements as required under the accounting standards.

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Risk	Our response to the risk	Key observations communicated to the Audit Committee
Compliance with laws and regulations Refer to the Audit Committee Report (page 81); Accounting policies (page 126); and Note 32 of the Consolidated Financial Statements (page 180) The legal and licensing framework for gaming remains an area of focus for the Gambling Commissions in the UK and Spain. The evolving environment, with territory specific regulations, makes compliance an increasingly complex area with the potential for fines and or licence withdrawal for non-compliance. Operators are further required to meet anti-money laundering obligations. Judgement is applied in estimating amounts payable to regulatory authorities, or customers, in certain jurisdictions. This gives rise to a risk over the accuracy of accruals, provisions and disclosure of contingent liabilities and the related income statement effect.	We understood the Group's process and related controls over the identification and mitigation of regulatory and legal risks and the related accounting and disclosure. – We read regulatory correspondence and enquiries made through the year, management's response thereto and their assessment of potential exposure as at 30 June 2024. – We inquired of management and the Group's internal legal counsel regarding any instances of material breaches in regulatory or licence compliance that needed to be disclosed or required potential provisions to be recorded. – For matters open in previous years, we have inquired management for progress and obtained supporting documents. – Reviewed litigation reports and correspondence with regulator and tested the Group's legal expenses in coordination with the discussions with management and Group's legal advisers. – Discussed with management its interpretation and application of relevant laws and regulations as well as analysis of the risks in respect of the Group's operations in unregulated markets – Tested management's procedures over anti-money laundering regulations and enhanced due diligence procedures, for a sample of players for both venues and digital in the UK and Spain: –obtained and read know your customer ('KYC') documentation to ensure that it was in line with the requirements of the Group's policies. –where any changes to limits had been granted in the year, for a sample of customers we obtained the account transaction history and procedures and verified that these were in line with the relevant policies and laws and regulations. – We analysed the list of Self-excluded users for the year to verify that the number of days of exclusion requested by the user has passed before access was granted to the user. – For any provisions and contingent liabilities recognised, we have obtained supporting calculation and challenged the appropriateness of assumptions and estimates applied. We have performed this with reference to previous or ongoing inquiries with the Group or its competitors. – Assessed appropriateness of disclosures in the Annual Report and Accounts by comparing the disclosures against the requirements under International Financial Reporting Standards. In addition, we worked with our EY specialists to: – Assist us in understanding the risks in respect of gaming duties in jurisdictions where the appropriate tax treatment is uncertain.	Based on our audit procedures performed, we concluded that management have appropriately assessed and accounted for the financial implications for non-compliance with laws and regulations and that disclosures in the financial statements are appropriate.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Revenue recognition including the risk of management override £734.7 (2023: £681.9) Refer to the Audit Committee Report (page 81); Accounting policies (page 131); and Note 2 of the Consolidated Financial Statements (page 139) Our assessment is that the majority of revenue transactions, for both the venues and digital businesses, are non-complex, with no judgement applied over the amount recorded. We consider there is a potential for management override to achieve revenue targets via topside manual journal entries posted to revenue.	Our procedures were designed to test our assessment that revenue should be correlated closely to cash banked (for the Retail business), and to customer balances and cash (for the Digital business), and to identify the manual adjustments that are made to revenue for further testing. We updated our understanding of the revenue processes and tested certain key financial and IT controls over the recognition and measurement of revenue the areas most susceptible to management override. For revenue in each full and specific scope audit location: – We performed walkthroughs of significant classes of revenue transactions to understand significant processes and identify and assess the design effectiveness of key controls. – For 99% of revenue we used data analytics tools to perform a correlation analysis to identify those revenue journals for which the corresponding entry was not to cash (for Retail) and cash or customer balances (for Digital). These identified entries included VAT, customer incentives, bingo duty and jackpot provisions and we obtained corroborating evidence for such entries. – For a sample of twenty-six material customer incentives, we obtained evidence that the expense was correctly netted off against revenue. – We verified the recognition and measurement of revenue by tracing a sample of transactions, selected at random throughout the year, to cash banked to verify the accuracy of reported revenue. – For venues, we attended and re-performed cash counts at a sample of twenty-five casino and bingo venues, selected using a risk-based approach and also included a random sample, at year end to verify the appropriate cut-off of revenue. – For the Spanish venues, we attended and re-performed cash counts at a sample of seven venues, selected using a risk-based approach and also included a random sample, at year end to verify the appropriate cut-off of revenue. Digital segment specific procedures: – We applied data analytics tools to reperform the monthly reconciliation between revenue, cash and customer balances. For each brand, using test accounts in the live gaming environment, we tested the interface between gaming servers, data warehouse and the accounting system.	Based on our audit procedures we concluded that revenue, and adjustments to revenue, are appropriately recognised and recorded.

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Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures. We determined materiality for the Group to be £3.6 million (2023: £3.5 million), which is 0.5% (2023: 0.5%) of revenue. We believe that revenue provides us with an appropriate measure given the volatility of the Group's profitability from ongoing recovery to a level representative of the scale of the business post Covid-19 pandemic and negative impact of cost-of-living crisis and inflationary pressures in the markets the Group operates.

We determined materiality for the Parent Company to be £5.0 million (2023: £7.7 million), which is 1% (2023: 1%) of equity. The Parent Company is a non-trading entity and as such, equity is the most relevant measure to the stakeholders of the entity.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 50% (2023: 50% of our planning materiality, namely £1.8m (2023: £1.8m). We have set performance materiality at this percentage to take into account the inherently high-risk nature of the industry in which the Group operates and the level of prior year audit differences. We have also taken into consideration changes within the Group and the impact this could have on the operations of the Group.

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was £0.4m to £1.1m (2023: £0.4m to £1.1m).

Reporting Threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.2m (2023: £0.2m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other Information

The other information comprises the information included in the annual report set out on pages 1 to 112, including the five-year review and the shareholder information set out on page 181 to 182, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

– the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
– the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

– adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
– the parent company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
– certain disclosures of directors' remuneration specified by law are not made; or
– we have not received all the information and explanations we require for our audit.

Corporate Governance Statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the group and company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

– Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 82;
– Directors' explanation as to its assessment of the company's prospects, the period this assessment covers and why the period is appropriate set out on page 82;
– Director's statement on whether it has a reasonable expectation that the group will be able to continue in operation and meets its liabilities set out on page 82;
– Directors' statement on fair, balanced and understandable set out on page 82;
– Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 82;
– The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 82; and;
– The section describing the work of the audit committee set out on page 81.

Responsibility of Directors

As explained more fully in the directors' responsibilities statement set out on page 111 , the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

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Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are the Companies Act 2006, the UK Gambling Commission, Gambling Act 2005, Money Laundering regulations, The Alderney Gambling Control Commission, The Spanish Gaming Act and License Conditions & The Code of Practice 2008. In addition, we concluded that there are certain significant laws and regulations which may have an effect on the determination of the amounts and disclosures in the financial statements being the Listing Rules of the UK Listing Authority, and those laws and regulations relating to data protection, employment law and tax legislation.
- We understood how The Rank Group Plc is complying with those frameworks by making enquiries of management, internal audit, those responsible for legal and compliance procedures and the company secretary. We corroborated our enquiries through our review of board minutes, papers provided to the Audit Committee, correspondence received from regulatory bodies and information relating to the Group's anti-money laundering procedures as part of our walkthrough procedures.
- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur by meeting with management within various parts of the business to understand where they considered there was susceptibility to fraud. We also considered performance targets and their influence on management to manage earnings or influence the perceptions of analysts. We considered the programmes and controls that the Group has established to address the risk identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where this risk was considered to be higher, we performed audit procedures to address each identified fraud risk.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved audit procedures in respect of 'Compliance with laws and regulations' (as described above) as well review of board minutes to identify non-compliance with such laws and regulations; review of reporting to the Audit Committee on compliance with regulations; enquiries with the Groups general counsel, group management and Internal audit; testing of manual journals and review of correspondence from Regulatory authorities.
- As the gaming industry is highly regulated, we have obtained an understanding of the regulations and the potential impact on the Group and in assessing the control environment we have considered the compliance of the Group to these regulations as part of our audit procedures, which included a review of any significant correspondence received from the regulator.
- Our overseas teams specifically reported on their procedures and findings in relation to compliance with the applicable laws and regulations. These findings were discussed with the team and supporting workpapers reviewed for a sample of locations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters we are required to address

- Following a competitive tender process, we were reappointed by the Company at its Annual General Meeting on 17th October 2019 to audit the financial statements for the year ending 30 June 2020 and subsequent financial periods.
- The period of total uninterrupted engagement including previous renewals and reappointments is fifteen years, covering the years ending 31 December 2010 to 30 June 2024.
- The audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Annie Graham
(Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Glasgow
14 August 2024

Group income statement

for the year ended 30 June 2024

	Note	Year ended 30 June 2024 Underlying £m	Year ended 30 June 2024 Separately disclosed items (note 4) £m	Year ended 30 June 2024 Total £m	Year ended 30 June 2023 (restated) Underlying £m	Year ended 30 June 2023 (restated) Separately disclosed items (note 4) £m	Year ended 30 June 2023 (restated) Total £m
Continuing operations							
Revenue	2	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	2	–	–	–	–	3.7	3.7
Other operating costs		(270.2)	(9.3)	(279.5)	(254.4)	(20.3)	(274.7)
Group operating profit (loss)	2,3	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	5	(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	(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	9	5.9p	(3.2)p	2.7p	1.1p	(21.6)p	(20.5)p
– diluted	9	5.9p	(3.2)p	2.7p	1.1p	(21.6)p	(20.5)p
Earnings (loss) per share – continuing operations							
– basic	9	5.9p	(3.3)p	2.6p	1.1p	(21.7)p	(20.6)p
– diluted	9	5.9p	(3.3)p	2.6p	1.1p	(21.7)p	(20.6)p
Earnings per share – discontinued operations							
– basic	9	–	0.1p	0.1p	–	0.1p	0.1p
– diluted	9	–	0.1p	0.1p	–	0.1p	0.1p

Details of dividends paid and payable to equity shareholders are disclosed in note 8.

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Group statement of comprehensive income/(loss)

for the year ended 30 June 2024

	Note	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)
Items that will not be reclassified to profit or loss:			
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)

The tax effect of items of comprehensive income is disclosed in note 6.

Balance sheets

at 30 June 2024

		Group			Company	
	Note	**As at 30 June 2024 £m**	As at 30 June 2023 (restated) £m	As at 1 July 2022 (restated) £m	**As at 30 June 2024 £m**	As at 30 June 2023 £m
Assets						
Non-current assets						
Intangible assets	10	446.4	456.8	493.6	–	–
Property, plant and equipment	11	112.5	97.5	113.1	–	–
Right-of-use assets	12	64.1	64.1	101.6	–	–
Investments in subsidiaries	14	–	–	–	1,050.4	949.2
Deferred tax assets	22	8.3	8.1	1.8	3.4	–
Other receivables	16	5.2	5.4	6.3	–	–
		636.5	631.9	716.4	1,053.8	949.2
Current assets						
Inventories	15	2.0	2.2	2.3	–	–
Other receivables	16	19.1	29.1	34.2	–	–
Assets classified as held for sale	17	0.3	–	–	–	–
Income tax receivable	19	8.5	15.0	8.2	–	8.3
Cash and short-term deposits	26	66.1	58.0	91.4	–	–
		96.0	104.3	136.1	–	8.3
Total assets		732.5	736.2	852.5	1,053.8	957.5
Liabilities						
Current liabilities						
Trade and other payables	18	(149.0)	(128.3)	(130.8)	(0.3)	(0.7)
Lease liabilities	20	(32.6)	(42.2)	(40.4)	–	–
Income tax payable	19	(4.2)	(5.7)	(4.2)	–	–
Financial liabilities						
Financial guarantees	20	–	–	–	(2.7)	(1.6)
Loans and borrowings	20	(14.8)	(63.7)	(33.9)	(446.9)	(416.5)
Provisions	23	(3.6)	(7.3)	(6.9)	–	–
		(204.2)	(247.2)	(216.2)	(449.9)	(418.8)
Net current liabilities		(108.2)	(142.9)	(80.1)	(449.9)	(410.5)

Balance sheets

at 30 June 2024

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	Note	Group			Company	
		As at 30 June 2024 £m	As at 30 June 2023 (restated) £m	As at 1 July 2022 (restated) £m	**As at 30 June 2024 £m**	As at 30 June 2023 £m
Non-current liabilities						
Lease liabilities	20	**(120.8)**	(126.8)	(141.3)	**–**	–
Financial liabilities						
– loans and borrowings	20	**(29.1)**	–	(44.1)	**–**	–
Deferred tax liabilities	22	**(2.8)**	(1.5)	(20.5)	–	–
Provisions	23	**(33.2)**	(31.7)	(5.6)	**(0.3)**	(0.2)
Retirement benefit obligations	30	**(3.4)**	(3.4)	(3.6)	–	–
		(189.3)	(163.4)	(215.1)	**(0.3)**	(0.2)
Total liabilities		**(393.5)**	(410.6)	(431.3)	**(450.2)**	(419.0)
Net assets		**339.0**	325.6	421.2	**603.6**	538.5
Capital and reserves attributable to the Company's equity shareholders						
Share capital	24	**65.0**	65.0	65.0	**65.0**	65.0
Share premium	24	**155.7**	155.7	155.7	**155.7**	155.7
Capital redemption reserve		**33.4**	33.4	33.4	**33.4**	33.4
Exchange translation reserve		**13.9**	14.0	14.6	**–**	–
Retained earnings		**71.0**	57.2	152.6	**349.5**	284.4
Total equity before non-controlling interest		**339.0**	325.3	421.3	**603.6**	538.5
Non-controlling interest	14	**–**	0.3	(0.1)	**–**	–
Total shareholders' equity		**339.0**	325.6	421.2	**603.6**	538.5

Note - see page 129 for prior period restatement note

The profit for the year ended 30 June 2024 for the Company was £65.1m (year ended 30 June 2023: loss of £202.2m).

These financial statements were approved by the Board on 14 August 2024 and signed on its behalf by:

John O'Reilly
Chief Executive

Richard Harris
Chief Financial Officer

Statements of changes in equity
Group

for the year ended 30 June 2024

Group	Share capital £m	Share premium £m	Capital redemption reserve £m	Exchange translation reserve £m	Retained earnings (loss) £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 (as 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 if 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**

Company

for the year ended 30 June 2024

Company	Share capital £m	Share premium £m	Capital redemption reserve £m	Exchange translation reserve £m	Retained earnings (losses) £m	Reserves attributable to the Company's equity shareholders £m	Non-controlling interest £m	Total equity £m
At 1 July 2022	65.0	155.7	33.4	–	486.6	740.7	–	740.7
Loss and total comprehensive expense for the year	–	–	–	–	(202.2)	(202.2)	–	(202.2)
At 30 June 2023	65.0	155.7	33.4	–	284.4	538.5	–	538.5
Profit and total comprehensive expense for the year	–	–	–	–	65.1	65.1	–	65.1
Transactions with owners:								
Debt in respect of employee share schemes including tax	–	–	–	–	–	–	–	–
At 30 June 2024	**65.0**	**155.7**	**33.4**	**–**	**349.5**	**603.6**	**–**	**603.6**

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Statements of cash flow

for the year ended 30 June 2024

		Group		Company	
	Note	**Year ended 30 June 2024 £m**	Year ended 30 June 2023 (restated) £m	**Year ended 30 June 2024 £m**	Year ended 30 June 2023 £m
Cash flows from operating activities					
Cash generated from operations	25	**118.9**	72.0	**(0.3)**	21.3
Interest received		**0.6**	0.3	**0.3**	–
Interest paid		**(4.4)**	(4.9)	**–**	(33.7)
Arrangement fee paid		**(4.3)**	–	**–**	–
Tax received (paid)		**2.4**	(3.2)	**–**	12.4
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)	**–**	–
Payment on 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		**56.5**	91.3	**–**	–
Cash and short-term deposits at end of year	26	**62.4**	56.5	**–**	–

Notes to the financial statements

1 General information 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. Information on the Group's structure, including its subsidiaries, is provided in note 14.

Summary of significant accounting policies

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

1.1 Basis of preparation

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

1.1.1 Statement of compliance

The consolidated and company 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.

1.1.2 Going concern

In adopting the going concern basis and for preparing the financial information, the Directors have considered the circumstances impacting the Group during the year as detailed in the operating review on pages 21 to 28, 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 12 months ending 31 August 2025 for the going concern period.

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 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 overhead, reduction 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 three years (January 2027).
- Term loan of £30.0m with bullet repayment in 2 years, 9 months (October 2026) (this is after the going concern period).

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 at the test dates, being December 2024 and June 2025, and have sufficient 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; refer to note 20 for covenants.

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.

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 and Company financial statements, and in preparing the consolidated and Company 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.

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1.1.3 Accounting estimates and judgements

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgements

The following are the critical accounting judgements, apart from those involving estimates (which are dealt with separately below) that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated and Company financial statements.

(a) Separately disclosed items ('SDIs')

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 SDIs 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 deprecaition ;
- Discontinued operations;
- Significant, material proceeds from tax appeals; and
- Tax impact of all the above.

For further detail of those items included as SDIs, refer to note 4.

(b) Climate change

The Group continues to consider the impact of climate change in the consolidated and company 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.

(c) 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.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Estimated impairment or subsequent reversal of previously recognised impairment for non-financial assets

Details of the Group's accounting policy in relation to impairments and impairment reversals are disclosed in note 1.14.

The application of the policy requires the use of accounting estimates in determining the recoverable amount of cash-generating units to which the goodwill, intangible assets, right-of-use assets and property, plant and equipment are associated. The recoverable amount is the higher of the fair value less costs of disposal and value in use. Estimates of fair value less costs of disposal are performed internally by experienced senior management supported by knowledge of similar transactions and advice from external experts or, if applicable, offers received. Value in use is calculated using estimated cash flow projections from strategic plans and financial budgets, discounted by selecting an appropriate rate for each cash-generating unit.

The impairment testing of goodwill and non-current assets included additional sensitivity analysis in the disclosures. The key judgement is the level of trading in the venues, overall macroeconomic conditions and its impact on estimated future cash flows. Further details of the assumptions, estimates and sensitivity are disclosed in note 13.

The Company also tests annually the carrying value of its investments in subsidiaries. The application of this policy requires the use of estimates and judgements in determining the recoverable amount of the subsidiary undertakings. The recoverable amount is determined by applying an estimated valuation multiple to budgeted future earnings and deducting estimated costs of disposal (fair value less costs of disposal) and/or by using discounted cash flows (value in use), along with consideration of the underlying net assets and market capitalisation and is disclosed in note 13.

(b) Dilapidation 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.

Notes to the financial statements

(c) Determination of the fair values of intangible assets
The Group estimates the fair value of acquired intangible assets arising from business combinations by selecting and applying appropriate valuation methods. These include the relief from royalty and multi-period excess earnings valuation methods, both of which require significant estimates to be made. Examples include estimating expected cash flows and identifying appropriate royalty and discount rates. The fair value of each acquired intangible asset is amortised over the respective assets estimated useful life. The Group uses projected financial information together with comparable industry information as well as applying its own experience and knowledge of the industry in making such judgements and estimates. Where a third party is involved to determine the fair value of the acquired intangible assets, the key assumptions reviewed by the Group include cash flow projections, terminal growth rates and discount rates as well as a sensitivity analysis.

(d) Income taxes
The Group is subject to income taxes in numerous jurisdictions and as such requires judgements to be made as well as best estimates and assumptions.

Judgement must be applied in assessing the likely outcome of certain tax matters whose final outcome may not be determined for a number of years. These judgements are reassessed in each period until the outcome is finally determined through resolution with a tax authority and/or through a legal process. Differences arising from changes in judgement or from final resolution may be material and will be charged or credited to the Group income statement in the relevant period.

Within the Group's net income tax receivable of £4.3m (30 June 2023: £9.3m receivable) are amounts of £0.1m payable (30 June 2023: £0.3m) that relate to uncertain tax positions. The Group evaluates uncertain items, where the tax judgement is subject to interpretation and remains to be agreed with the relevant tax authority. Provisions for uncertain items are made using an estimation of the most likely tax expected to be paid, based on a qualitative assessment of all relevant information. In assessing the appropriate provision for uncertain items, the Group considers progress made in discussions with tax authorities, expert advice on the likely outcome and recent developments in case law. Further details of income tax are disclosed in note 19.

1.1.4 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 (IFRS17)
- 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 IAS12)

(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:
- Classification of Liabilities as Current or Non Current and Non-current Liabilities with Covenants (amendment to IAS1)
- Lease liability in a sale and leaseback (Amendments to IFRS16)
- Disclosures: Supplier Finance Arrangements - Amendments to IAS7 and IFRS 7
- Lack of exchangeability - amendments to IAS21
- Classification and measurement of Financial Instruments - Amendments to IFRS9 and IFRS7
- Presentation and Disclosure in Financial Statements IFRS18
- Subsidiary without Public Accountability: Disclosures IFRS19
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS10 and IAS28

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.

1.1.5 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 IAS1 '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 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 £2.2m, 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.

Due to the working capital movement 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. 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:

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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 period	(95.3)	(0.5)	(95.8)
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

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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 payables	(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

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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 period	58.5	(2.0)	56.5

1.2 Consolidation

The consolidated financial statements comprise the financial statements of the parent and its subsidiaries as at 30 June 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has (a) power over the investee, (b) exposure, or rights, to variable returns from the investee, and (c) ability to use its power to affect those returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

If the Group loses control of a subsidiary, it derecognises the related assets (including goodwill), liabilities and other components of equity, while any resultant gain or loss is recognised in the Group income statement.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies as applied to subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Group has no material associates.

1.3 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at the acquisition date and represents the aggregate fair value of assets transferred and liabilities incurred.

Amounts payable in respect of deferred or contingent consideration are recognised at fair value at the acquisition date and included in consideration transferred. The subsequent unwind of any discount is recognised as an SDI in finance cost in the Group income statement. Other contingent consideration that either is within the scope of IFRS 9 or within the scope of other standards is remeasured at fair value at each reporting date and changes in fair value are recognised as an SDI in the Group income statement. Changes in the fair value of contingent consideration recognised as a financial liability that qualify as measurement period adjustments (being 12 months from the acquisition date) are adjusted retrospectively, with corresponding adjustments against goodwill. Material changes that do not qualify as measurement period adjustments are recognised as an SDI in the Group income statement.

When the Group acquires a business, it assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the acquisition date fair value of the consideration transferred over the fair value of the net identifiable amounts of the assets acquired and the liabilities assumed in exchange for the business combination. Identifiable intangible assets are recognised separately from goodwill.

If the aggregate of the acquisition date fair value of the consideration transferred is lower than the fair value of the assets, liabilities and contingent liabilities in the business acquired, the difference is recognised through the Group income statement.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Acquisition costs incurred are expensed as an SDI.

1.4 Revenue recognition

Revenue consists of the fair value of sales of goods and services net of sales taxes, rebates and discounts.

The fair value of free bets, promotions and customer bonuses ('customer incentives') are also deducted from appropriate revenue streams.

(a) Gaming win – Casino

Revenue for casinos includes gaming win before deduction of gaming-related duties. Although disclosed as revenue, gaming win – casino is accounted for and meets the definition of a gain under IFRS 9 'Financial Instruments'. Gaming revenue includes gains and losses arising where customers play against the house. Due to the nature of the transaction, the amount of the payment the Group may be obliged to pay to the customer is uncertain. The financial instrument is therefore a derivative and is initially recognised at fair value and subsequently remeasured to fair value with changes in fair value recorded in the Group income statement. The initial fair value is generally the amount staked by the customer and includes adjustment for customer incentives, such as free bets, promotions and customer bonuses, where applicable. The instrument is subsequently remeasured when the result of the transaction is known and the amount payable is confirmed. This movement may be a gain or a loss. Gains and losses are offset on the basis that they arise from similar transactions. Such gains and losses are recorded in revenue.

(b) Gaming win – Slots and other digital products

Revenue for bingo is net of customer contribution to prizes but gross of company contributed prizes. It is net of any sales taxes but before deduction of gaming-related duties. Revenue for poker represents the rake received. Revenue for other digital products, including interactive games, represents gaming win before deduction of gaming-related duties. The Group's income earned from the above items is recognised when control of the goods or services are transferred to the customer and is within the scope of IFRS 15.

(c) Food, beverage and others

Revenue from food, beverage and other sales is recognised at the point of sale when control of the goods or services are transferred to the customer and is within the scope of IFRS 15.

Notes to the financial statements

1.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the senior management team (the composition of which is disclosed on page 70 and at www.rank.com), which makes strategic and operational decisions.

The Group reports five segments: Digital, Grosvenor venues, Mecca venues, Enracha venues and Central costs.

UK digital, Enracha digital, YoBingo and Stride is a single operating segment which is known as Digital. Grosvenor venues cover all UK casinos. Mecca venues covers all UK bingo halls. Enracha venues covers all Spanish-facing venues.

1.6 Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal of an asset as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment, right-of-use assets and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the balance sheets.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the Group income statement.

1.7 Foreign currency translation

The consolidated and company financial statements are presented in UK sterling ('the presentation currency'), which is also the Company's functional currency. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

(a) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Group income statement in finance costs or income.

(b) Group companies

The results and financial position of all the Group companies (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each balance sheet presented are translated at the closing rate on the balance sheet date. The closing euro rate against UK sterling was 1.18 (30 June 2023: 1.16);

(ii) income and expenses for each income statement are translated at average exchange rates unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rates prevailing on the dates of the transactions. The average euro rate against UK sterling was 1.16 (year ended 30 June 2023: 1.21); and

(iii) all resulting exchange differences are recognised as a separate component of equity.

When a foreign operation is sold, such exchange differences are recognised in the Group income statement, as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

1.8 Financial assets

Financial assets within the scope of IFRS 9 are classified as financial assets at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ('OCI'), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ('SPPI')' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

For purposes of subsequent measurement, financial assets are classified in two categories:
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss.

(a) Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the Group income statement when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The Group elected to classify its non-listed equity investments under this category.

(b) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Financial assets at fair value through profit or loss are carried in the Balance sheet at fair value with net changes in fair value recognised in the Group income statement.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's Balance sheet) when:
- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party.

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1.9 Financial liabilities

Financial liabilities within the scope of IFRS 9 are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group and company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

The subsequent measurement of financial liabilities depends on their classification, as described below:

(a) Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in the Group income statement. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

(b) Financial liabilities at amortised cost (loans and borrowings)
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate ('EIR') method. Gains and losses are recognised in the Group income statement when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Group income statement.

(c) Financial guarantee contracts (Company only)
Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are initially measured at fair value by applying the estimated probability of default to the cash outflow should default occur and subsequently amortising over the expected length of the guarantee, to the extent that the guarantee is not expected to be called. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date or the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Group income statement.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

1.10 Leases

The Group leases various properties and equipment. Rental contracts are made for various fixed periods. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Group income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities, where applicable, include the net present value of the following lease payments:
- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or a rate;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Variable lease payments that are not based on an index or a rate are not part of the lease liability, but they are recognised in the Group income statement when the event or condition that triggers those payments occurs.

The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets, where applicable, are measured at cost comprising the following:
- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received; and
- Any initial direct costs.

The depreciation period for the right-of-use asset is from the lease commencement date to the earlier of the end of the lease term or the end of the useful life of the asset, as follows:
- Land and buildings up to 99 years; and
- Fleet and machines up to 5 years.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the Group income statement. Short-term leases are leases with a lease term of 12 months or less. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the Group as a lessee.

Where appropriate the Group will sub-let properties which are vacant in order to derive lease income, which is shown net of lease costs.

1.11 Provisions, contingent liabilities and regulatory matters

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the best estimate of the expenditures required to settle the obligation. If the effect of the time value of money is material, provisions are discounted using a pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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Contingent liabilities are possible obligations and present obligations that are not probable or not reliably measurable. Contingent liabilities are disclosed but not accounted. However, disclosure is not required if payment is remote. The Group's policy is to engage collaboratively with regulators and address any concerns raised as soon as possible. The Group takes legal advice, as appropriate, as to the manner in which it should respond to matters raised and the potential outcome. However, for the majority of these matters, the Board is unable to quantify reliably the likelihood, timing and outflow of funds that may result, if any. For material matters where an outflow of funds is probable and can be measured reliably based on the latest information available at the reporting date, amounts have been recognised in the consolidated and company financial statements within Provisions.

1.12 Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and impairment. Such cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated on assets using the straight-line method to allocate their cost less residual values over their estimated useful lives, as follows:
- Freehold and leasehold property....................... 50 years or lease term if less
- Refurbishment of property .... 5 to 20 years or lease term
- Fixtures, fittings, plant and machinery .... 3 to 20 years

Land is not depreciated.

Residual values and useful lives are reviewed at each balance sheet date, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Group income statement.

Pre-opening costs are expensed to the Group income statement as incurred.

Assets under construction included in property, plant and equipment are amounts relating to expenditure for assets in the course of construction.

1.13 Intangible assets

(a) Goodwill

Goodwill represents the excess of the fair value of the consideration transferred over the fair value of the Group's share of the net identifiable assets less the liabilities assumed at the date of acquisition. Goodwill on acquisitions is included in intangible assets. Goodwill is tested annually for impairment and is allocated to the relevant cash-generating unit or group of cash-generating units for the purpose of impairment testing. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows, that are largely independent of the cash inflows from other assets or groups of assets. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

(b) Casino and other gaming licences and concessions

The Group capitalises acquired casino and other gaming licences and concessions. Management believes that casino and other gaming licences have indefinite lives as there is no foreseeable limit to the period over which the licences are expected to generate net cash inflows and each licence holds a value outside the property in which it resides. Each licence is reviewed annually for impairment.

(c) Software and development

Costs that are directly associated with the production and development of identifiable and unique software products controlled by the Group, and that are expected to generate economic benefits exceeding costs beyond one year, are recognised as intangible assets for both externally purchased and internally developed software. Direct costs include specific employee costs for software development.

Software acquired as part of a business combination is recognised at fair value at the date of acquisition.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

(d) Brands

Represents the fair value of brands and trademark assets acquired in business combinations at the acquisition date.

(e) Customer relationships

Represents the fair value of customer relations acquired in business combinations at the acquisition date.

Amortisation is recognised on a straight-line basis over the estimated useful life of intangible assets unless such lives are indefinite. The estimated useful lives are as follows:
- Casino and other gaming licences .... Indefinite
- Software and developments .... 3 to 5 years
- Brands .... 10 years
- Customer relationships.................................... 4 years

1.14 Impairment or subsequent reversal of previously recognised impairment for non-financial assets

Assets that have an indefinite useful life are not subject to depreciation or amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable or where they indicate a previously recognised impairment may no longer be required. In instances where there is an indicator of impairment on right-of-use assets, any lease with an expiry of 1-2 years are extended to next 4 years as a management judgement to determine a more appropriate fair value.

An impairment loss is recognised as the amount by which an asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating units). The expected cash flows generated by the assets are discounted using appropriate discount rates that reflect the time value of money and risks associated with the groups of assets.

If an impairment loss is recognised, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense in the Group income statement immediately.

Any impairment is allocated pro-rata across all assets in a cash-generating unit unless there is an indication that a class of asset should be impaired in the first instance or a fair market value exists for one or more assets. Once an asset has been written down to its fair value less costs of disposal then any remaining impairment is allocated equally amongst all other assets.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. Reversals are allocated pro-rata across all assets in the cash-generating unit unless there is an indication that a class of asset should be reversed in the first instance or a fair market value exists for one or more assets. A reversal of an impairment loss is recognised in the Group income statement immediately.

An impairment loss recognised for goodwill is never reversed in subsequent periods.

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1.15 Employee benefit costs

(a) Pension obligations

The Group operates a defined contribution plan under which the Group pays fixed contributions to a separate entity. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

The Group also has an unfunded pension commitment relating to three former Executives of the Group. The amount recognised in the balance sheet in respect of the commitment is the present value of the obligation at the balance sheet date, together with adjustment for actuarial gains or losses. The Group recognises actuarial gains and losses immediately in the Group statement of other comprehensive income. The interest cost arising on the commitment is recognised in net finance costs.

(b) Share-based compensation

The Group operates share-based payment schemes for employees of its subsidiaries whereby the Company makes awards of its own shares to employees of its subsidiaries, and as such recognises an increase in the cost of investment in its subsidiaries equivalent to the equity-settled share-based payment charge recognised in its subsidiaries' financial statements, with the corresponding credit being recognised directly in equity.

The cost of equity-settled transactions with employees for awards is measured by reference to the fair value at the date on which they are granted. The fair value is determined by using an appropriate pricing model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that service conditions are also satisfied.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognised is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. All cancellations of equity-settled transaction awards are treated equally, regardless of whether the entity or the employee cancels the award.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

(c) Bonus plans

The Group recognises a liability in respect of the best estimate of bonuses payable where contractually obliged to do so or where a past practice has created a constructive obligation.

1.16 Cash and short-term deposits

Cash comprises cash in hand and balances with banks and on-demand deposits. Short-term deposits are short term, highly liquid investments that are readily convertible to known amounts of cash. They include short-term deposits originally purchased with maturities of three months or less.

1.17 Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of inventory is determined on a 'first-in, first-out' basis.

The cost of finished goods comprises goods purchased for resale.

Net realisable value is the estimated selling price in the ordinary course of business. When necessary, provision is made for obsolete and slow-moving inventories.

1.18 Taxation

(a) Current tax

Current tax assets and liabilities for the current and prior periods are measured as the amount expected to be paid or to be recovered from the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date.

Current tax relating to items recognised directly in equity is recognised in equity and not the income statement.

Management evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation at each reporting date and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if deferred tax arises from the initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current taxation assets against current taxation liabilities and it is the intention to settle these on a net basis.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
For receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

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1.19 Share capital

Ordinary shares are classified as equity.

1.20 Dividends

Dividends proposed by the Board of Directors and unpaid at the period end are not recognised in the financial statements until they have been approved by shareholders at the Annual General Meeting. Interim dividends are recognised when paid.

1.21 Investments

Investments in subsidiaries are held at cost less accumulated impairment.

1.22 Separately disclosed items

The Group separately discloses those items which are required to give a full understanding of the Group's financial performance and aid comparability of the Group's result between periods. Such items are considered by the Directors to require separate disclosure due to their size or nature in relation to the Group.

1.23 Jackpot accrual

A jackpot liability is recognised where there is a present obligation as a result of a past event, which can be reliably estimated and settlement is deemed probable. This includes player contributions to current and future jackpots.

1.24 Chief Operating Decision Maker

The Chief Decision Maker (CDM) plays a pivotal role in overseeing of the company's financial reporting and ensuring adherence to accounting standards. The CDM's responsibilities include:

- Ensuring Rank financial information reflects the true financial position of the company which facilitates sound decision making and promoting long-term stability,
- Ensures Rank has full compliance with relevant accounting standards,
- Upholding the transparency in our financial reporting,
- Maintains vigilance around the risks associated with non-compliance, taking steps to mitigate these risks.
- Leverages accurate and compliant financial reports, to make informed strategic decision that impact the company's growth, risk management and resource allocation.

Notes to the financial statements

2 Segmental reporting

(a) Segment information – operating segments

	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
Other operating income	–	–	–	–	–	–
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
Other segment items – continuing operations						
Capital expenditure	(10.3)	(19.0)	(14.1)	(2.3)	(1.0)	(46.7)
Depreciation and amortisation	(14.6)	(25.9)	(4.3)	(1.5)	(1.4)	(47.7)
Separately disclosed items from continuing operations						
Impairment charges	–	(18.8)	(10.0)	–	–	(28.8)
Impairment reversals	–	12.9	4.7	3.6	–	21.2
Closure of venues	–	(0.2)	0.7	(0.1)	(0.6)	(0.2)
Amortisation of acquired intangible assets	(6.6)	–	–	–	–	(6.6)
Property related provisions	–	(1.1)	(0.8)	–	–	(1.9)
Divestment on Multibrands and PG	(0.6)	–	–	–	–	(0.6)

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	Year ended 30 June 2023 (restated)					
	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)
Other segment items – continuing operations						
Capital expenditure	(10.6)	(19.5)	(12.5)	(1.2)	(0.3)	(44.1)
Depreciation and amortisation	(14.3)	(28.8)	(10.9)	(1.5)	(2.5)	(58.0)
Separately disclosed items from continuing operations						
Impairment charges	–	(53.3)	(61.5)	(4.1)	–	(118.9)
Impairment reversals	–	6.6	–	–	–	6.6
Property-related provisions	–	(1.4)	(0.5)	–	–	(1.9)
Amortisation of acquired intangible assets	(8.6)	–	–	–	–	(8.6)
Closure of venues	–	(3.0)	(4.6)	(0.1)	–	(7.7)
Integration costs	(0.1)	–	–	–	–	(0.1)
Business transformation costs	(0.4)	(0.6)	(0.5)	–	(0.5)	(2.0)
Disposal provision lease	–	–	–	–	3.7	3.7

The Group reports segmental information on the basis by which the chief operating decision-makers utilise internal reporting within the business.

Assets and liabilities have not been segmented as this information is not provided to the chief operating decision-makers on a regular basis.

Capital expenditure comprises cash expenditure on property, plant and equipment and other intangible assets.

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(b) Geographical information

The Group operates in three main geographical areas (UK, Continental Europe and Rest of World).

(i) Revenue from customers by geographical area based on location of customer

	Year ended 30 June 2024 £m	Year ended 30 June 2023 £m
UK	**664.8**	616.0
Continental Europe	**66.1**	60.5
Rest of World	**3.8**	5.4
Total revenue	**734.7**	681.9

(ii) Non-current assets by geographical area based on location of assets

	As at 30 June 2024 £m	As at 30 June 2023 £m
UK	**556.2**	562.0
Continental Europe	**66.8**	69.9
Total non-current assets	**623.0**	631.9

With the exception of the UK, no individual country contributed more than 15% of consolidated sales or assets.

(c) Total revenue and profit from operations

	Revenue		Profit	
	Year ended 30 June 2024 £m	Year ended 30 June 2023 £m	**Year ended 30 June 2024 £m**	Year ended 30 June 2023 £m
From continuing operations	**734.7**	681.9	**12.0**	(96.1)
From discontinued operations	**–**	–	**0.2**	0.3
	734.7	681.9	**12.2**	(95.8)

(d) Total revenue by income stream

	Year ended 30 June 2024 £m	Year ended 30 June 2023 £m
Revenue recognised under IFRS 9		
Gaming win – Casino	**599.4**	552.1
Revenue recognised under IFRS 15		
Gaming win – Bingo	**64.4**	61.8
Gaming win – Poker	**23.8**	18.9
Gaming win – Rummy	**3.4**	5.4
Food and beverage	**39.8**	39.1
Other	**3.9**	4.6
Total revenue recognised under IFRS 15	**135.3**	129.8
Total revenue	**734.7**	681.9

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(e) Total cost analysis by segment

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 £m	Grosvenor Venues £m	Mecca Venues £m	Enracha Venues £m	Central Costs £m	Total £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 £m	Grosvenor Venues £m	Mecca Venues £m	Enracha Venues £m	Central Costs £m	Total £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

The Group reports segmental information on the basis by which the chief operating decision-makers utilise internal reporting within the business.

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3 Profit for the year – analysis by nature

The following items have been charged in arriving at the profit (loss) for the year before financing and taxation from continuing operations:

	Year ended 30 June 2024 £m	Year ended 30 June 2023 £m
Employee benefit expense	**225.7**	206.9
Cost of inventories recognised as expense	**22.1**	21.4
Amortisation of intangibles	**15.0**	15.7
Depreciation		
owned assets (including £17.2m (year ended 30 June 2023: £21.8m) within cost of sales)	**18.6**	23.8
right-of-use assets (including £12.9m (year ended 30 June 2023: £16.8m) within cost of sales)	**14.1**	19.0
– Amortisation and depreciation within SDI	**8.3**	10.5
Separately disclosed items – operating costs (see note 4)	**16.9**	128.9
Auditors' remuneration for audit services	**1.9**	1.7

In the year, the Group's auditors, Ernst & Young LLP, including its network firms, earned the following fees:

	Year ended 30 June 2024 £m	Year ended 30 June 2023 £m
Audit services		
Fees payable to the Company's auditor for the parent company and consolidated financial statements	**1.7**	1.7
Other services		
– other services - non audit	**0.2**	–
	1.9	1.7

£35,000 (year ended 30 June 2023: £35,000) of the audit fees related to the parent company.

It is the Group's policy to balance the need to maintain auditor independence with the benefit of taking advice from the leading firm in the area concerned and the desirability of being efficient.

4 Separately disclosed items (SDIs)

	Note	**Year ended 30 June 2024 £m**	Year ended 30 June 2023 £m
Continuing operations			
Impairment charges	10, 11, 12, 13	**(28.8)**	(118.9)
Impairment reversals	10, 11, 12, 13	**21.2**	6.6
Closure of venues		**(0.2)**	(7.7)
Amortisation of acquired intangible assets		**(6.6)**	(8.6)
Property-related provisions		**(1.9)**	(1.9)
Loss on disposal of subsidiaries		**(0.6)**	–
Integration costs		**–**	(0.1)
Business transformation costs		**–**	(2.0)
Disposal provision lease		**–**	3.7
Separately disclosed items[1]		**(16.9)**	(128.9)
Interest		**(1.1)**	(0.6)
Taxation	6	**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[1]		**(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 venues 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. (see note 13 for further details).

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

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 costs 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, YoBingo and Rialto.

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. At that time 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 prior 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.

Loss on disposal of subsidiaries
During the year the Group disposed of its subsidiary of Passion Gaming and incurred a loss of £0.5m, see note 34 for further details.

In addition, the multibrand business is in the process of divestment and £0.1m related to legal fees incurred to date.

Taxation
The tax impact of 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, see note 23.

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5 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 income on short-term bank deposits	**0.4**	0.7
Total finance income	**0.7**	0.8
Other financial losses	**(0.1)**	(0.5)
Total net financing charge before SDIs	**(12.8)**	(12.3)
SDI – interest	**(1.1)**	(0.6)
Total net financing charge	**(13.9)**	(12.9)

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

6 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 SDI	**–**	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
Restatement of deferred tax due to rate change	**–**	5.7
Deferred tax on SDI	**2.8**	25.1
Amounts under provided in previous period	**(1.1)**	–
Total deferred tax (charge) credit (note 22)	**(1.1)**	25.1
Tax (charge) credit in the income statement	**(3.5)**	27.2

Notes to the financial statements

The tax on the Group's profit before taxation differs from the standard rate of UK corporation tax in the period of 25.00% (year ended 30 June 2023: 20.50%). The differences are explained below:

	Year ended 30 June 2024 £m	Year ended 30 June 2023 (restated) £m
Profit (loss) before taxation on continuing operations	15.5	(123.3)
Tax (charge) credit calculated at 25.00% on profit (loss) before taxation (year ended 30 June 2023: 20.5%)	(3.9)	25.3
Effects of:		
Expenses not deductible for tax purposes	(1.8)	(2.4)
Difference in overseas tax rates	1.4	(2.0)
Restatement of deferred tax due to rate change	–	5.7
Adjustments relating to prior periods	(0.8)	0.1
Deferred tax not recognised	(0.2)	(1.7)
Overseas tax credit	1.9	2.2
Withholding tax suffered	(0.1)	–
Tax (charge) credit in the income statement	**(3.5)**	**27.2**

Tax on SDIs

The taxation impacts of SDIs are disclosed below:

	Year ended 30 June 2024			Year ended 30 June 2023		
	Current income tax £m	Deferred tax £m	Total £m	Current income tax £m	Deferred tax £m	Total £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 SDI	**–**	**2.8**	**2.8**	2.6	25.1	27.7

Tax effect of items within other comprehensive income

	Year ended 30 June 2024 £m	Year ended 30 June 2023 £m
Current income tax charge on exchange movements offset in reserves	(0.2)	–
Total tax charge on items within other comprehensive income	**(0.2)**	–

Factors affecting future taxation

UK corporation tax is calculated at 25.00% (year ended 30 June 2023: 20.5%) 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.

7 Results attributable to the Parent Company

The Company has elected to take the exemption under Section 408 of the Companies Act 2006 not to present the parent company income statement. The profit for the year ended 30 June 2024 for the Company was £65.1m (year ended 30 June 2023: loss of £202.2m).

8 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.

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9 Earnings (loss) per share

(a) Basic earnings (loss) per share

	Year ended 30 June 2024			Year ended 30 June 2023 (restated)		
	Underlying	SDI	Total	Underlying	SDI	Total
Profit (loss) attributable to equity shareholders						
Continuing operations	£27.5m	£(15.2)m	£12.3m	£5.3m	£(101.8)m	£(96.5)m
Discontinued operations	–	£0.2m	£0.2m	–	£0.3m	£0.3m
Total	£27.5m	£(15.0)m	£12.5m	£5.3m	£(101.5)m	£(96.2)m
Weighted average number of ordinary shares in issue	468.4m	468.4m	468.4m	468.4m	468.4m	468.4m
Basic earnings (loss) per share						
Continuing operations	5.9p	(3.3)p	2.6p	1.1p	(21.7)p	(20.6)p
Discontinued operations	-	0.1p	0.1p	–	0.1p	0.1p
Total	5.9p	(3.2)p	2.7p	1.1p	(21.6)p	(20.5)p

(b) Diluted earnings/(loss) per share

Diluted earnings/(loss) per share is calculated by adjusting the weighted average number of ordinary shares in issue to assume conversion of all dilutive potential ordinary shares.

	Year ended 30 June 2024			Year ended 30 June 2023 (restated)		
	Underlying	SDI	Total	Underlying	SDI	Total
Weighted average number of ordinary shares in issue	468.4m	468.4m	468.4m	468.4m	468.4m	468.4m
Number of shares used for fully diluted earnings per share	468.4m	468.4m	468.4m	468.4m	468.4m	468.4m
Diluted earnings (loss) per share						
Continuing operations	5.9p	(3.3)p	2.6p	1.1p	(21.7)p	(20.6)p
Discontinued operations	-	0.1p	0.1p	–	0.1p	0.1p
Total	5.9p	(3.2)p	2.7p	1.1p	(21.6)p	(20.5)p

Notes to the financial statements

10 Intangible assets

Group	Note	Goodwill £m	Casino and other gaming licences and concessions £m	Software and development £m	Brands and customer relationships £m	Total £m
Cost						
At 1 July 2022		220.3	277.9	140.7	22.7	661.6
Additions		–	–	12.9	0.2	13.1
Disposals		–	–	(0.7)	(3.0)	(3.7)
Reallocation		–	–	4.0	–	4.0
Exchange adjustments		–	0.1	–	–	0.1
At 30 June 2023		220.3	278.0	156.9	19.9	675.1
Additions		**–**	**–**	**16.0**	**0.1**	**16.1**
Disposals		**–**	**(0.1)**	**–**	**(1.0)**	**(1.1)**
Exchange adjustments		**–**	**(0.6)**	**(0.2)**	**(0.2)**	**(1.0)**
Reallocation between categories*		**–**	**–**	**(0.3)**	**–**	**(0.3)**
Assets held for sale	17	**–**	**–**	**(0.3)**	**–**	**(0.3)**
At 30 June 2024		**220.3**	**277.3**	**172.1**	**18.8**	**688.5**
Aggregate amortisation and impairment						
At 1 July 2022		–	59.1	91.4	17.5	168.0
Charge for the year		–	0.1	20.7	3.5	24.3
Disposals		–	–	(0.7)	(3.0)	(3.7)
Impairment charges		–	27.7	–	–	27.7
Reallocation*		–	–	2.1	–	2.1
Exchange adjustments		–	(0.1)	–	–	(0.1)
At 30 June 2023		–	86.8	113.5	18.0	218.3
Charge for the year		**–**	**–**	**20.5**	**1.1**	**21.6**
Disposals		**–**	**–**	**–**	**(1.0)**	**(1.0)**
Impairment charges		**–**	**11.1**	**–**	**–**	**11.1**
Impairment reversals		**–**	**(9.2)**	**–**	**–**	**(9.2)**
Reallocation*		**–**	**0.5**	**1.0**	**–**	**1.5**
Exchange adjustments		**–**	**(0.4)**	**–**	**(0.2)**	**(0.6)**
Business disposed		**–**	**–**	**0.4**	**–**	**0.4**
At 30 June 2024		**–**	**88.8**	**135.4**	**17.9**	**242.1**
Net book value at 30 June 2023		220.3	191.2	43.4	1.9	456.8
Net book value at 30 June 2024		**220.3**	**188.5**	**36.7**	**0.9**	**446.4**

* Management identified £1.5m of net book value which should be reclassified from property, plant and equipment (£1.4m) and right of use assets (£0.1m) to intangible assets. These have been reflected in the reallocation line in the note above.

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Amortisation charge for the year of £21.6m (30 June 2023: £24.3m) comprises of £6.6m (30 June 2023: £8.6m) recognised in respect of SDI relating to continuing operations and £15.0m (30 June 2023: £15.8m) in respect of operating profit before SDI.

Net impairment charges for the year of £1.9m (30 June 2023: £27.7m) have been recognised in respect of SDI relating to continuing operations, comprising of an impairment charge of £11.1m (30 June 2023: £27.7m) and impairment reversals of £9.2m (30 June 2023: £nil).

Software includes internally-generated computer software and development technology with a net book value of £4.0m (30 June 2023: £3.3m). Included in software and development are assets in the course of construction of £2.9m (30 June 2023: £1.2m).

Brands and customer relationships are fair value adjustments that arose on acquisition.

Intangible assets have been reviewed for impairment as set out in note 13.

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11 Property, plant and equipment

Group	Note	Land and buildings £m	Fixtures, fittings, plant and machinery £m	Leasehold Improvements	Total £m
Cost					
At 1 July 2022		36.1	482.8	74.2	593.1
Additions		–	29.4	30.3	59.7
Disposals		(1.4)	(14.3)	(4.3)	(20.0)
Reallocation*		0.8	(4.8)	–	(4.0)
Exchange adjustments		–	(0.2)	–	(0.2)
At 30 June 2023		35.5	492.9	100.2	628.6
Additions		**0.2**	**35.1**	**1.4**	**36.7**
Disposals		**–**	**(0.1)**	**(1.0)**	**(1.1)**
Reallocation		**–**	**0.3**	**–**	**0.3**
Exchange adjustments		**(0.2)**	**(0.9)**	**–**	**(1.1)**
At 30 June 2024		**35.5**	**527.3**	**100.6**	**663.4**
Accumulated depreciation and impairment					
At 1 July 2022		12.7	405.9	61.4	480.0
Charge for the year		0.3	21.6	3.8	25.7
Disposals		(1.4)	(14.1)	(4.3)	(19.8)
Impairment charges		4.2	23.2	24.2	51.6
Impairment reversals		–	(3.8)	(0.5)	(4.3)
Reallocation*		–	(2.1)	–	(2.1)
At 30 June 2023		15.8	430.7	84.6	531.1
Charge for the year		**0.3**	**16.8**	**3.2**	**20.3**
Disposals		**–**	**–**	**(1.0)**	**(1.0)**
Impairment charges		**–**	**6.8**	**0.6**	**7.4**
Impairment reversals		**–**	**(3.3)**	**(1.6)**	**(4.9)**
Reallocation		**–**	**(0.9)**	**(0.5)**	**(1.4)**
Exchange adjustment		**–**	**(0.6)**	**–**	**(0.6)**
At 30 June 2024		**16.1**	**449.5**	**85.3**	**550.9**
Net book value at 30 June 2023		19.7	62.2	15.6	97.5
Net book value at 30 June 2024		**19.4**	**77.8**	**15.3**	**112.5**

* Management identified £1.5m of net book value which should be reclassified from property, plant and equipment (£1.4m) and right of use assets (£0.1m) to intangible assets. These have been reflected in the reallocation line in the note above.

Net impairment charges for the year of £2.5m (30 June 2023: £47.3m) have been recognised in respect of SDI relating to continuing operations, comprising of an impairment charge of £7.4m (30 June 2023: £51.6m) and impairment reversals of £4.9m (30 June 2023: £4.3m).

Included in property, plant and equipment are assets in the course of construction of £19.9m (30 June 2023: £7.1m).

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12 Right-of-use assets

Group	Right-of-use land and buildings £m	Right-of-use fleet and machines £m	Total £m
Cost			
At 1 July 2022	216.3	5.0	221.3
Additions	19.1	–	19.1
Disposals	(1.2)	–	(1.2)
Exchange adjustments	(0.2)	(0.1)	(0.3)
At 30 June 2023	234.0	4.9	238.9
Additions	**15.7**	**2.3**	**18.0**
Disposals	**(6.1)**	**–**	**(6.1)**
Exchange adjustments	**(0.1)**	**–**	**(0.1)**
At 30 June 2024	**243.5**	**7.2**	**250.7**
Accumulated depreciation and impairment			
At 1 July 2022	115.7	4.0	119.7
Charge for the year	18.1	0.9	19.0
Disposals	(1.2)	–	(1.2)
Impairment charges	39.6	–	39.6
Impairment reversals	(2.3)	–	(2.3)
At 30 June 2023	169.9	4.9	174.8
Charge for the year	**13.5**	**0.6**	**14.1**
Disposals	**(5.4)**	**–**	**(5.4)**
Impairment charges	**10.3**	**–**	**10.3**
Impairment reversals	**(7.1)**	**–**	**(7.1)**
Reallocation	**(0.1)**	**–**	**(0.1)**
At 30 June 2024	**181.1**	**5.5**	**186.6**
Net book value at 30 June 2023	64.1	–	64.1
Net book value at 30 June 2024	**62.4**	**1.7**	**64.1**

* Management identified £1.5m of net book value which should be reclassified from property, plant and equipment (£1.4m) and right of use assets (£0.1m) to intangible assets. These have been reflected in the reallocation line in the note above.

Net impairment charges for the year of £3.2m (30 June 2023: £37.3m) have been recognised in respect of SDI relating to continuing operations, comprising of an impairment charge of £10.3m (30 June 2023: £39.6m) and impairment reversals of £7.1m (30 June 2023: £2.3m).

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13 Impairment reviews

Group

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 asset's or CGU's 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.

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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 venues	**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%

Expenses are assessed separately by category. Assumptions include an extrapolation of recent cost inflation trends, known inflation trends such as national living wage and an expectation that costs will be incurred in line with agreed contractual rates.

Where a CGU does not have goodwill or indefinite life intangible assets, the CGU is only assessed for impairment where an indicator of impairment to the associated definite life intangible, right-of-use assets and/or property, plant and equipment is identified.

The approach to determine recoverable amounts for a CGU without goodwill or indefinite life intangibles is the same as that described above and is determined based on the higher of fair value less costs of disposal and value in use.

As a result of the procedures outlined above, the following impairment charges and impairment reversal have been recognised during the year and disclosed within SDIs in the Group income statement.

	Property, plant and equipment £m	Right-of-use asset £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 venues[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**
Net impairment charge	(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.

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Apart from Enracha venues, which performed well in the year, several Mecca venues and Grosvenor venues have indicators of impairment. This was primarily due to lower than expected customer visits; poor win margin; lower spend impacting revenues and highter running costs at these locations.

During the current year, the Group also recognised a reversal of previously impaired assets of £21.2m relating to Grosvenor venues, Mecca venues and one Enracha venue. The reversal were driven by better than anticipated performance and improved outlook in the identified venues.

Sensitivity of impairment review

The calculation of value in use is most sensitive to the following assumptions:

- revenue growth
- discount rates
- growth rates used to extrapolate cash flow beyond the forecast period

Revenue growth

The Group prepared cash flow projections derived from the most recent budget for the year ending 30 June 2025 and the Group's medium-term strategic plan to 30 June 2028, which applied a growth rate reflecting management's strategy for a period of three (3) years based on past performance and expectations of future changes in the market and Group's operating model.

Discount rates

Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

Growth rate estimates

Medium-term growth rates applied to the value-in-use calculations of each CGU reflect management's strategy for a period of three (3) years. Terminal values were determined using a long-term growth assumption for each CGU noted in the table above.

The Group assessed the impact of climate change in the impairment review and considers that the most significant impacts would be in relation to the cost of energy to the Group for which best estimates have been factored into future forecasts. 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 the key assumptions used in value in use calculations and sensitivity to changes in assumptions should a change be required.

The Group has carried out sensitivity analysis on the reasonable possible changes in key assumptions in the impairment tests for (a) each CGU or group of CGUs to which goodwill has been allocated and (b) its venue CGUs (including indefinite life intangible assets).

For Grosvenor venues and Mecca venues and Enracha venues, the following sensitivities would result in changes to the recognised impairments. No reasonable possible changes in assumptions will result in an impairment and therefore no sensitivity analysis has been disclosed for Digital CGUs.

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Grosvenor Venues CGUs

Key Assumption	Reasonable Possible Change	Impact on impairment	£m	Number of impaired clubs
Revenue Growth	10% decrease in revenue – London	Increase	(2.8)	-
	10% increase in revenue - London	Decrease	3.4	(1)
	10% decrease in revenue - All	Increase	(3.5)	2
	10% increase in revenue – All	Decrease	2.7	(1)
Pre-tax discount rates	1% increase in discount rates	Increase	(2.1)	1
	1% decrease in discount rates	Decrease	1.9	-
Earnings multiples	10% decrease in earnings multiples	Increase	(2.7)	2
	10% increase in earnings multiples	Decrease	2.0	-
Long-term growth rates	1% decrease in long-term growth rates	Increase	(0.6)	1
	1% increase in long-term growth rates	Decrease	0.6	-

Mecca Clubs CGUs

Key Assumption	Reasonable Possible Change	Impact on impairment	£m	Number of impaired clubs
Revenue Growth	10% decrease in revenue	Increase	(0.7)	2
	10% increase in revenue	Decrease	0.2	(2)
Pre-tax discount rates	1% increase in discount rates	Increase	(0.2)	-
	1% decrease in discount rates	Decrease	0.2	(2)
Long-term growth rates	1% decrease in long–term growth rates	Increase	(0.1)	-
	1% increase in long–term growth rates	Decrease	0.2	(1)

Enracha Venues CGUs

Key Assumption	Reasonable Possible Change	Impact on impairment	£m	Number of impaired clubs
Revenue Growth	10% decrease in revenue	Increase	(0.6)	1
	10% increase in revenue	Decrease	-	-
Pre-tax discount rates	1% increase in discount rates	Increase	(0.4)	1
	1% decrease in discount rates	Decrease	-	-
Earnings multiples	10% decrease in earnings multiples	Increase	-	1
	10% increase in earnings multiples	Decrease	-	-
Long-term growth rates	1% decrease in long–term growth rates	Increase	(0.1)	1
	1% increase in long–term growth rates	Decrease	-	-

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14 Investments

(a) Group investments

On 26 June 2024, The Group completed its disposal of Passion Gaming, refer to note 34 for details.

(b) Company investments

Company – investment in subsidiaries	**As at 30 June 2024 £m**	As at 30 June 2023 £m
Cost		
At start of year	**1,452.3**	1,452.3
At end of year	**1,452.3**	1,452.3
Provision for impairment		
At start of year	**503.1**	320.5
Impairment charge	**–**	182.6
Impairment reversal	**(101.2)**	–
At end of year	**401.9**	503.1
Net book value at start of year	**949.2**	1,131.8
Net book value at end of year	**1,050.4**	949.2

Company

The Company also tests annually the carrying value of its investments in subsidiaries, being its investments in Rank Nemo (Twenty-Five) Limited, a holding company for all companies within the Group with the exception of Rank Group Finance plc which acts as the Group's financing company.

Consistent with the prior year, the recoverable amount was calculated by reference to value in use. The value in use of the Company's investment in Rank Group Finance Limited is estimated based on the net assets of the company which principally consist of amortised cost receivables less external debt and so is considered to approximate value in use.

The calculation of value in use for Rank Nemo (Twenty-Five) Limited is based upon estimates of future cash flows from the Group's CGUs and derived from the Group's strategic plan for the following three years and, where required, adjustments for long-term provisions and lease liabilities. There is no other external debt in this company and in subsidiaries. The key assumptions underlying the forecasts are those described above with regards to the impairment testing of the Group's CGUs.

As a result of the procedures outlined above, a reversal of impairment per the table below has been booked.

	Investment in Rank Nemo (Twenty-Five) Limited	Investment in Rank Group Finance Plc	**Total**
Impairment charges	67.4	33.8	**101.2**

This reflects the improved performance in the year and long term strategic outlook of the Group. Rank Nemo (Twenty-Five) benefits from a portfolio approach to the CGU's, where under performing CGU's are offset by better performing CGU's within the Group. In turn RGF benefits due to better recoverability prospects on intra group receivables.

The carrying value of the investment is dependant on the future forecasts of the group being achieved and remains sensitive to impairment based on reasonable possible changes in the underlying assumptions as follows.

Sensitivity of impairment review

The calculation of value in use for Rank Nemo (Twenty-Five) Limited is most sensitive to the following assumptions like revenue growth, discount rates and growth rates used to extrapolate the cashflows of CGUs beyond the forecast period.

Key Assumption	Reasonable Possible Change	Impact on impairment	£m
Revenue Growth	10% decrease in revenue - Grosvenor	Increase	(66.1)
	10% decrease in revenue - Mecca	Increase	(2.6)
	10% decrease in revenue - Enracha	Increase	(8.5)
	10% decrease in revenue - Yo Bingo	Increase	(6.3)
	10% decrease in revenue - UK Digital	Increase	(21.3)
	10% increase in revenue - Grosvenor	Decrease	66.1
	10% increase in revenue - Mecca	Decrease	2.6
	10% increase in revenue - Enracha	Decrease	8.5
	10% increase in revenue - Yo Bingo	Decrease	6.3
	10% increase in revenue - UK digital	Decrease	21.3
Pre-tax discount rates	1% decrease in discount rates - Grosvenor	Decrease	37.1
	1% decrease in discount rates - Mecca	Decrease	2.8
	1% decrease in discount rates - Enracha	Decrease	10.5
	1% decrease in discount rates - Yo Bingo	Decrease	5.0
	1% decrease in discount rates - UK Digital	Decrease	19.3
	1% increase in discount rates - Grosvenor	Increase	(33.1)
	1% increase in discount rates - Mecca	Increase	(2.4)
	1% increase in discount rates - Enracha	Increase	(8.5)
	1% increase in discount rates - Yo Bingo	Increase	(4.4)
	1% increase in discount rates - UK Digital	Increase	(16.9)
Long-term growth rates	1% decrease in long-term growth rates - Grosvenor	Increase	(10.1)
	1% decrease in long-term growth rates - Mecca	Increase	(2.5)
	1% decrease in long-term growth rates - Enracha	Increase	(5.0)
	1% decrease in long-term growth rates - Yo Bingo	Increase	(3.3)
	1% decrease in long-term growth rates - UK Digital	Increase	(16.1)
	1% increase in long-term growth rates - Grosvenor	Decrease	11.3
	1% increase in long-term growth rates - Mecca	Decrease	2.8
	1% increase in long-term growth rates - Enracha	Decrease	5.9
	1% increase in long-term growth rates - Yo Bingo	Decrease	3.6
	1% increase in long-term growth rates - UK Digital	Decrease	17.4

The Company calculates a recoverable amount of its subsidiaries based upon the Board approved strategic plans and business models and, where required, adjustments for long-term provisions and net intercompany positions are made.

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The Company owns directly or indirectly 100% (unless otherwise noted) of the ordinary share capital and voting rights of the following companies:

Name	Country of incorporation	Principal activities	Registered office address
Daub Alderney Limited[10]	Alderney	Dormant	Inchalla, Le Val, Alderney GY9 3UL
QSB Gaming Limited	Alderney	Intermediary holding company	La Corvee House, La Corvee, Alderney, GY9 3TQ
Rank Digital Gaming (Alderney) Limited[10, 11]	Alderney	Dormant	La Corvee House, La Corvee, Alderney, GY9 3TQ
8Ball Games Limited[9]	England and Wales	Marketing services	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Grosvenor Casinos (GC) Limited	England and Wales	Casinos	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Grosvenor Casinos Limited	England and Wales	Casinos	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Linkco Limited[9]	England and Wales	Processing of credit transfers	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Luda Bingo Limited	England and Wales	Dormant	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Mecca Bingo Limited	England and Wales	Social and Bingo clubs	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Rank (U.K.) Holdings Limited	England and Wales	Dormant	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Rank Casino Holdings Limited[9]	England and Wales	Intermediary holding company	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Rank Digital Holdings Limited[9]	England and Wales	Intermediary holding company	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Rank Digital Limited	England and Wales	Support services to interactive gaming	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Rank Group Finance Plc[1]	England and Wales	Funding operations for the Group	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Rank Group Gaming Division Limited[9]	England and Wales	Intermediary holding company and property services	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Rank Group Holdings Limited	England and Wales	Dormant	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Rank Leisure Holdings Limited	England and Wales	Intermediary holding company and corporate activities	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Rank Leisure Limited[9]	England and Wales	Adult gaming centres in Mecca and Grosvenor Casinos venues	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Rank Leisure Machine Services Limited	England and Wales	Dormant	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Rank Nemo (Twenty-Five) Limited[1]	England and Wales	Intermediary holding company	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Rank Overseas Holdings	England and Wales	Intermediary holding company	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
RO Nominees Limited	England and Wales	Dormant	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Spacebar Media Limited[9]	England and Wales	Development and maintenance of online gaming software	Unit 450 Highgate Studios 53-79 Highgate Road, Kentish Town, London, NW5 1TL
Stride Together Limited[9]	England and Wales	Support services to interactive gaming	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
The Gaming Group Limited[9]	England and Wales	Casinos	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
The Rank Organisation Limited	England and Wales	Dormant	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Think Beyond Media Limited[9]	England and Wales	Marketing services	Unit 441/2 Highgate Studios 53-79 Highgate Road, Kentish Town, London, NW5 1TL
Rank Interactive Limited (formerly known as Aspers Online Limited)	England and Wales	Interactive gaming	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Upperline Marketing Limited[6, 9]	England and Wales	Support services to interactive gaming	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
MRC Developments Limited	England and Wales	Dormant	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Rank Speciality Catering Limited[5]	England and Wales	Dormant	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Associated Leisure France Properties SCI[4]	France	Dormant	Zi Sud, 12 Rue des Petits Champs, 35400, St Malo, France
Associated Leisure France SARL[4]	France	Dormant	4 Rue Joseph Monier, 92859 Rueil Malmaison, Cades, France
Rank Digital Services (Gibraltar) Limited	Gibraltar	Marketing and property services	Second Floor, Icom House, 1/5 Irish Town, Gibraltar
Rank Interactive (Gibraltar) Limited[8]	Gibraltar	Interactive gaming	Second Floor, Icom House, 1/5 Irish Town, Gibraltar
Netboost Media Limited	Israel	Dormant	5 Ha'Chilazon Street, Ramat Gan, Israel
S.T.R. Financials Limited[3]	Israel	Dormant	58 Harakevet St. Electra City Tower Tel-Aviv 6777016 Israel
Stride Gaming Limited[9]	Jersey	Intermediary holding company	12 Castle Street, St. Helier Jersey JE2 3RT
Bingosoft Plc[7]	Malta	Dormant	Vault 14, Level 2, Valletta Waterfront, Floriana, FRN 1914, Malta
Rank Interactive Services (Mauritius) Limited (formerly known as SRG Services Limited)[12]	Mauritius	Shared services support	Suite 112 Grand Bay Business Park, Grand Bay 1305-02, Republic of Mauritius
Stride Investment	Mauritius	Intermediary holding company	c/o Mauri Experta Ltd., Office 2, Level 4, Iconebene, Lot B441, Rue de L'Institut, Ebene, Republic of Mauritius

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Shifttech (Pty) Limited	South Africa	Development and maintenance of online gaming software	Unit 10, 10 Pepper Street, Cape Town, Western Cape 8001, South Africa
Conticin SL	Spain	Operator of parking for social and bingo clubs	Calle Balmes Nº 268-270 1st Floor, 08006, Barcelona, Spain
Gotfor SA	Spain	Social and bingo clubs	Carrer del Papa Pius XI, 114, 08208 Sabadell, Barcelona, Spain
Rank Cataluña SA	Spain	Social and bingo clubs	Calle Balmes Nº 268-270 1st Floor, 08006, Barcelona, Spain
Rank Centro SA	Spain	Social and bingo clubs	Calle Espoz y mina Nº 8, 1st centro, 28012, Madrid, Spain
Rank Digital España SA[13]	Spain	Dormant	Calle Balmes Nº 268-270 1st Floor, 08006, Barcelona, Spain
Rank Holding España SA	Spain	Intermediary holding company	Calle Balmes Nº 268-270 1st Floor, 08006, Barcelona, Spain
Rank Stadium Andalucia SL	Spain	Arcade and sports betting	Calle Balmes Nº 268-270 1st Floor, 08006, Barcelona, Spain
Top Rank Andalucia SA	Spain	Social and bingo clubs	Conde Robledo 1, 14008, Cordoba, Spain
Verdiales SL	Spain	Social and bingo clubs	Sala Andalucía, Ronda, Capuchinos 19, 41008, Sevilla, Spain
Rank America Inc.[5]	U.S.A.	Dormant	The Corporation Trust Company, 1209 Orange Street, Wilmington, DE 19801, USA
Rank Digital Ceuta S.A	Spain	Interactive Gaming	PEPE SERON, 3 EN – 51001, Ceuta.

1. Directly held by the Company.
2. Stride Gaming Spain plc was dissolved on 24 May 2024.
3. Year end 31 August.
4. Year end 31 October.
5. Year end 31 December.
6. Principal activities are carried out in Malta through its Malta branch.
7. Business transferred to Rank Digital Ceuta SA in late 2023 and now dormant.
8. Principal activity changed from Dormant to Interactive Gaming with effect from 1 July 2022.
9. Rank Group plc has issued a parental guarantee exempting the company from the requirements of the Companies Act 2006 related to the audit of individual accounts by virtue of s479A of the Act.
10. Transfer of business activities to Rank Interactive (Gibraltar) Limited took place on 1 July 2022.
11. Principal activity changed from Interactive Gaming to Dormant with effect from 1 July 2022.
12. Rank Precision Industries Limited was dissolved 17 October 2023.
13. Rank Digital España SA transferred its digital business to Bingosoft and became Dormant on 2 November 2021.
14. Daub Alderney is Dormant, all services now transferred out on 19 March 2024.
15. Rank Digital Ceuta S.A. year end 30 June, incorporated 18 October 2023.
16. Mindful Media Limited is now in members voluntary liquidation as at 6 June 2024.
17. Passion Gaming Private Ltd was divested on 26 June 2024.

The principal activities are carried out in the country of incorporation as indicated above unless otherwise noted.

All subsidiary undertakings have a 30 June year end unless otherwise indicated.

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(c) Non-controlling interest (NCI)
Set out below is the summarised financial information for the subsidiary that has non-controlling interests. The amounts disclosed for each subsidiary are before intercompany eliminations.

Non-controlling interest in the prior year, related to 49% of the net assets of Passion Gaming Private Limited which was valued using the proportionate share method per IFRS 3. The Group completed its disposal of Passion Gaming in June 2024, see note 34 for further details.

	As at 30 June 2024 £m	As at 30 June 2023 £m
Current assets	2.1	2.1
Current liabilities	(0.6)	(0.6)
Current net assets	1.5	1.5
Non-current assets	0.1	0.1
Non-current liabilities	(1.0)	(1.0)
Non-current net assets	(0.9)	(0.9)
Net assets	0.6	0.6
Accumulated NCI	–	0.3

15 Inventories

	Group	
	As at 30 June 2024 £m	As at 30 June 2023 £m
Finished goods	2.0	2.2

There were no write downs of inventory in the year (30 June 2023: £nil).

16 Other receivables

	Group	
	As at 30 June 2024 £m	As at 30 June 2023 (restated) £m
Current		
Other receivables	11.9	13.4
Less: provisions for impairment of other receivables	(1.1)	(0.9)
Other receivables – net	10.8	12.5
Net investment in lease	1.3	1.4
Prepayments	7.0	15.2
Other receivables – current	19.1	29.1
Non-current		
Other receivables – non-current	5.2	5.4

Group
Included within current other receivables is an amount of £8.4m trade debtors.

The Directors consider that the carrying value of other receivables approximate to their fair value.

As at 30 June 2024, other receivables of £0.1m (30 June 2023: £0.3m) were past due but not impaired.

The other classes within receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Group does not hold any collateral as security.

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17 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-brand 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-brand business have been reclassified as a disposal group held for sale. The reclass of non-current assets held for sale which relate to them multi-brand 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.

18 Trade and other payables

	Group		Company	
	As at 30 June 2024 £m	As at 30 June 2023 (restated) £m	**As at 30 June 2024 £m**	As at 30 June 2023 £m
Current				
Trade payables	**22.9**	13.4	**–**	–
Social security and other taxation	**36.9**	31.6	**–**	–
Other payables	**31.2**	39.8	**0.3**	0.7
Accruals	**58.0**	43.5	**–**	–
Trade and other payables – current	**149.0**	128.3	**0.3**	0.7

19 Income tax

	Group		Company	
	As at 30 June 2024 £m	As at 30 June 2023 £m	**As at 30 June 2024 £m**	As at 30 June 2023 £m
Income tax receivable	**8.5**	15.0	**–**	8.3
Income tax payable	**(4.2)**	(5.7)	**–**	–
Net income tax receivable	**4.3**	9.3	**–**	8.3

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20 Financial assets and liabilities

(a) Interest-bearing loans and borrowings

	Group	
	As at 30 June 2024 £m	As at 30 June 2023 £m
Current interest-bearing loans and borrowings		
Bank overdrafts	**3.7**	1.5
Obligations under leases	**32.6**	42.2
Term loans	**–**	44.4
Revolving credit facility	**11.5**	18.0
Other current loans		
Accrued interest	**0.3**	0.4
Unamortised facility fees	**(0.7)**	(0.6)
Total current interest-bearing loans and borrowings	**47.4**	105.9
Non-current interest-bearing loans and borrowings		
Obligations under leases	**120.8**	126.8
Term loans	**30.0**	–
Other non-current loans		
Unamortised facility fees	**(0.9)**	–
Total non-current interest-bearing loans and borrowings	**149.9**	126.8
Total interest-bearing loans and borrowings	**197.3**	232.7
Sterling	**197.3**	232.7
Total interest-bearing loans and borrowings	**197.3**	232.7

In January 2024, the Group successfully secured a new £120.0m club facility, comprising a £30.0m Term Loan and a £90.0m Revolving Credit Facility (RCF). The tenor for the term loan element is two years and nine months and the RCF is three years. Both the term loan and RCF have market typical tenor extension options which are at the lender's discretion. During this process £4.3m was paid as arrangement fees.

Term loan facilities

The £30.0m term loan signed on 24 January 2024 has interest payable on a periodic basis depending on the loan drawn. The facility carries a floating rate of interest based on SONIA. The total term loan at 30 June 2024 was £30.0m (30 June 2023: £44.4m).

Following the Group completing a refinancing of its revolving credit facilities in August 2023 the Group repaid the outstanding balance of £44.4m in full.

Revolving credit facilities ('RCF')

At 30 June 2024, the Group had total revolving credit facilities (RCF) of £90.0m. The facility carries a floating rate of interest based on SONIA. At 30 June 2024, £11.5m of RCF was drawn (30 June 2023: £18.0m), providing the Group with £78.5m of undrawn committed facilities.

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Covenants

The new £120.0m 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. In addition, 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. All covenants were met in the year.

Company

The Company did not hold any external interest-bearing loans or borrowings at 30 June 2024 (30 June 2023: £nil). The Company held interest bearing loans with other Group companies at 30 June 2024 of £454.7m (30 June 2023: £416.5m).

(b) Hedging activities

The Group has not carried out any hedging activities in either period.

(c) Fair values

The table below is a comparison by class of the carrying amounts and fair value of the Group and Company's financial instruments at 30 June 2024 and 30 June 2023.

		Carrying amount		Fair value	
Group		**As at 30 June 2024 £m**	As at 30 June 2023 (restated) £m	**As at 30 June 2024 £m**	As at 30 June 2023 (restated) £m
Financial assets:					
Loans and receivables					
Other receivables*	Level 2	**8.9**	3.8	**8.9**	3.8
Cash and short-term deposits	Level 1	**66.1**	58.0	**66.1**	58.0
Total		**75.0**	61.8	**75.0**	61.8
Financial liabilities:					
Other financial liabilities					
Interest bearing loans and borrowings					
– Obligations under leases	Level 2	**153.4**	169.0	**162.9**	169.0
– Floating rate borrowings	Level 2	**41.5**	62.4	**41.5**	62.4
– Bank overdrafts	Level 1	**3.7**	1.5	**3.7**	1.5
– Other	Level 2	**0.3**	0.4	**0.3**	0.4
Trade and other payables	Level 2	**112.1**	92.9	**112.1**	92.9
Total		**311.0**	326.2	**320.5**	326.2

* other receivables relates to trade debtors of £8.4m less provisions £1.1m plus facility fees of £1.6m.

		Carrying amount		Fair value	
Company		**As at 30 June 2024 £m**	As at 30 June 2023 £m	**As at 30 June 2024 £m**	As at 30 June 2023 £m
Financial liabilities:					
Other financial liabilities					
Trade and other payables	Level 2	**0.3**	0.7	**0.3**	0.7
Financial guarantee contracts	Level 3	**2.7**	1.6	**2.7**	1.6
Amounts owed to subsidiary undertakings	Level 2	**446.9**	416.5	**446.9**	416.5
Total		**449.9**	418.8	**449.9**	418.8

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions apply:

Cash and short-term deposits, other receivables and other financial liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments; and The fair value of fixed rate borrowings is based on price quotations at the reporting date.

Fair value hierarchy

The Group uses the following hierarchy to determine the carrying value of financial instruments that are measured at fair value:
Level 1: quoted (unadjusted) prices in active markets identical assets or liabilities.
Level 2: other techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

21 Financial risk management objectives and policies

Financial risk factors

The Group and Company's principal financial liabilities comprise loans and borrowings, trade and other payables and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations. The Group has other receivables, and cash and short-term deposits that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk.

The Group's overall financial risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Group's senior management oversees the management of these risks. The Finance Committee is supported by the Group's senior management, which advises on financial risks and the appropriate financial risk governance framework for the Group. The Finance Committee provides assurance that the Group's financial risk-taking activities are governed by appropriate policies and procedures and the financial risks are identified, measured and managed in accordance with Group policies and risk appetite.

The Board of Directors review and agree policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Financial instruments affected by market risk include loans and borrowings and deposits.

The sensitivity analyses in the following sections relate to the positions as at 30 June 2024 and 30 June 2023.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating rates of the debt and the proportion of financial instruments in foreign currencies are all constant.

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries.

The Group's current policy is not to hedge foreign currency risk.

Foreign currency sensitivity

The following table demonstrates the sensitivity of a possible change in the US dollar and euro, with all other variables held constant, to the Group's profit before tax and the Group's equity. The Group's exposure to foreign currency changes for all other currencies is not material.

	Effect on profit before tax		Effect on equity	
Change in foreign exchange rates:	**As at 30 June 2024 £m**	As at 30 June 2023 £m	**As at 30 June 2024 £m**	As at 30 June 2023 £m
+10.0% US$	**(0.1)**	(0.1)	**–**	–
-10.0% US$	**0.1**	0.2	**–**	–
+10.0% euro	**(0.1)**	(0.2)	**0.7**	5.8
-10.0% euro	**0.1**	0.2	**(0.7)**	(5.8)

Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

Historically the Group has managed its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Group has an agreed policy of maintaining between 40% and 60% of its borrowings at a fixed rate of interest. At 30 June 2024, the Group is operating outside the policy with 77% of the borrowings at a fixed rate of interest (30 June 2023: 73%), driven by the level of fixed rate finance leases.

Interest rate sensitivity

The table below demonstrates the sensitivity to a possible change in interest rates on income and equity for the year when this movement is applied to the carrying value of loans, borrowings, cash and short-term deposits.

	Effect on profit before tax	
	As at 30 June 2024 £m	As at 30 June 2023 £m
Sterling:		
100 basis point increase	**(0.4)**	(0.6)
200 basis point increase	**(0.8)**	(1.2)

There was no impact on equity in either year as a consequence of loan arrangements.

The Group did not enter into any fixed-to-floating or floating-to-fixed interest rate swaps in either year.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for other receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

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Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Chief Financial Officer and may be updated throughout the year subject to the approval of the Group's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty failure.

The credit worthiness of each counterparty is checked against independent credit ratings on at least a weekly basis, with a minimum rating of 'BB'. The Group predominantly invests with its lending banks when appropriate.

Sales to retail customers are settled in cash or using major credit and debit cards and therefore the exposure to credit risk is not considered significant.

No credit limits were exceeded during the reporting period and management does not expect any material losses from non-performance of its counterparties.

Liquidity risk

Liquidity risk is the risk that the Group will not have sufficient funds to meet its liabilities. Cash forecasts identifying the liquidity requirements of the Group are produced monthly. The cash forecasts are sensitivity tested for different scenarios and are reviewed regularly. Forecast financial headroom and debt covenant compliance is reviewed monthly during the month-end process to ensure sufficient headroom exists for at least a 12-month period.

Due to the dynamic nature of the underlying businesses, Group treasury aims to maintain flexibility in funding by keeping committed credit lines available. A three-year strategic forecast is prepared annually to facilitate planning for future financing needs. Management actively manages the Group's financing requirements and the range of maturities on its debt.

The Group's core debt facilities comprise of £90.0m bi-lateral revolving credit facility (30 June 2023: £80.0m) expiring January 2027, and the £30.0m term loan facility (30 June 2023: £44.4m) expiring October 2026. The Group proactively manages its relationships with its lending group.

The funding policy of the Group is to maintain, as far as practicable, a broad portfolio of debt diversified by source and maturity, and to maintain committed facilities sufficient to cover seasonal peak anticipated borrowing requirements.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

	On demand £m	Less than 12 months £m	1 to 2 years £m	2 to 5 years £m	Greater than 5 years £m	Total £m
At 30 June 2024						
Interest-bearing loans and borrowings[1]	**3.7**	**11.5**	**–**	**30.0**	**–**	**45.2**
Trade and other payables	**–**	**112.1**	**–**	**–**	**–**	**112.1**
Lease liabilities	**–**	**38.2**	**36.2**	**60.8**	**39.5**	**174.7**
	3.7	**161.8**	**36.2**	**90.8**	**39.5**	**332.0**
At 30 June 2023						
Interest-bearing loans and borrowings[1]	1.5	62.4	–	–	–	63.9
Trade and other payables	–	92.9	–	–	–	92.9
Lease liabilities	–	42.2	25.9	60.4	40.5	169.0
	1.5	197.5	25.9	60.4	40.5	325.8

1. Interest payments on the interest-bearing loans and borrowings have been projected until the instruments mature. The bank facility interest payments were based on current SONIA as at the reporting date.

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Capital management

As a result of the difficult conditions that developed in the global capital markets in recent years, the Group's objectives when managing capital have been to ensure continuing access to existing debt facilities and to manage the borrowing cost of those facilities in order to minimise the Group's interest charge.

Consistent with others in the gaming industry, the Group monitors capital on the basis of leverage ratio. The ratio is calculated as net debt divided by EBITDA. Net debt is calculated as total borrowings (including 'loans and borrowings' as shown in the Group balance sheet) less cash and short-term deposits, accrued interest and unamortised facility fees. EBITDA is calculated as operating profit before SDI, depreciation and amortisation from continuing operations.

	As at 30 June 2024 £m	As at 30 June 2023 (restated) £m
Total loans and borrowings (note 20)	**197.3**	232.7
Less: Cash and short-term deposits	**(66.1)**	(58.0)
Less: Accrued interest	**(0.3)**	(0.4)
Less: Unamortised facility fees	**1.6**	0.6
Net debt	**132.5**	174.9
Continuing operations		
Operating profit before exceptional	**46.3**	19.1
Add: Depreciation and amortisation	**47.7**	58.0
EBITDA	**94.0**	77.1
Leverage ratio	**1.4**	2.2

Collateral

The Group did not pledge or hold any collateral at 30 June 2024 (30 June 2023: £nil).

Company

The maximum exposure to credit risk at the reporting date is the fair value of its cash and short-term deposits of £nil (30 June 2023: £nil).

The Company does not have any other significant exposure to financial risks.

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22 Deferred tax

The analysis of deferred tax included in the financial statements at the end of the year is as follows:

	Group	
	As at 30 June 2024 £m	As at 30 June 2023 £m
Deferred tax assets:		
Accelerated capital allowances	**4.9**	11.1
Tax losses carried forward	**35.9**	32.4
Other UK temporary differences	**5.0**	5.7
Deferred tax assets	**45.8**	49.2
Deferred tax liabilities:		
Other overseas temporary differences	**(2.5)**	(2.6)
Business combinations – acquired intangibles	**(0.7)**	(1.6)
Temporary differences on UK casino licences	**(37.1)**	(38.4)
Deferred tax liabilities	**(40.3)**	(42.6)
Net deferred tax asset	**5.5**	6.6

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and current tax liabilities and it is the intention to settle the balances on a net basis. Deferred tax assets and liabilities of £37.5m (30 June 2023: £41.1m) have been offset and disclosed on the balance sheet as follows:

	Group	
	As at 30 June 2024 £m	As at 30 June 2023 £m
Deferred tax assets	**8.3**	8.1
Deferred tax liabilities	**(2.8)**	(1.5)
Net deferred tax assets	**5.5**	6.6

There is a net Deferred tax asset of £6.9m in respect of the UK, comprising DTAs of £44.6m and DTLs of £37.7m. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Of the £44.6m of DTAs, £20.2m are recognised based on future taxable profits arising from the reversal of existing taxable temporary differences. The remaining £24.4m of DTAs are recognised based on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences, which are expected to be generated by 2028 based on the Group's current forecasts.

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Deferred tax assets are reviewed at each reporting date taking into account the recoverability of the deferred tax assets, future profitability and any restrictions on use. In considering their recoverability, the Group takes into account all relevant and available evidence to assess future profitability over a reasonably foreseeable time period. This consideration includes the fact that the UK group has generated an accounting profit but continued to generate tax losses in the current period. In assessing the probability of recovery, the Directors have reviewed the Group's five-year Strategic Plan that has been used for both the Going Concern and the fixed asset impairment testing. This plan anticipates the existence of future taxable profits as the Group continues its recovery from the impact on trading from Covid-19. This recovery is expected primarily in the Grosvenor business with recent and ongoing investment in refurbishing venues and product enhancement driving additional revenues. Based on the Group's five-year Strategic Plan, the deferred tax asset recognised on tax losses is expected to be recovered by 2030 even if the impace of future taxable profit from the reversal of taxable temporary difference is ignored. A plausible downside case was also modelled which included reduced revenues and an increase in some core costs; this downside case modelling showed that the deferred tax on tax losses, ignoring the impact of taxable profit arising from the reversal of taxable temporary differences, would be recovered by 2031.

In addition to the above the Group has unrecognised UK tax losses of £0.5m (30 June 2023: £0.5m) and overseas tax losses of £28.1m (30 June 2023: £27.3m) that are carried forward for offset against suitable future taxable profits. No deferred tax asset has been recognised in relation to these losses as no utilisation is currently anticipated. All losses can be carried forward indefinitely (30 June 2023: £1.4m of losses that will expire between 2026 and 2029).

The Group has UK capital losses carried forward of £779.0m (30 June 2023: £779.0m). These losses have no expiry date and are available for offset against future UK chargeable gains. No deferred tax asset (30 June 2023: £nil) has been recognised in respect of these capital losses as no further utilisation is currently anticipated.

On 1 July 2024, the Government of Gibraltar announced the increase in the main rate of tax from 12.50% to 15.00% effective from 1 July 2024. As the change was not substantively enacted at the balance sheet date, the deferred tax assets and liabilities recorded at 30 June 2024 in respect of Gibraltar have not been remeasured at the increased rate.

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Temporary differences associated with Group investments

There was no deferred tax liability recognised (30 June 2023: £nil) for taxes that would be payable on the unremitted earnings of certain subsidiaries. The Group has determined that any unremitted earnings that do not fall within the dividend exemption introduced in the Finance Act 2009 will not be distributed in the foreseeable future and the parent company does not foresee giving such consent at the balance sheet date.

The deferred tax included in the Group income statement is as follows:

	Group	
	Year ended 30 June 2024 £m	Year ended 30 June 2023 £m
Deferred tax in the income statement		
Accelerated capital allowances	**(6.2)**	(3.5)
Tax losses	**3.5**	22.7
Business combinations – property lease fair value adjustments	**–**	0.6
Temporary differences on UK casino licences	**1.3**	5.5
Other temporary differences	**0.3**	(0.2)
Total deferred tax credit (charge)	**(1.1)**	25.1

The deferred tax movement on the balance sheet is as follows:

	Group	
	30 June 2024 £m	30 June 2023 £m
As at start of year	**6.6**	(19.1)
Impact of prior period error (Note 1)	**–**	0.4
As at start of year (as restated)	**6.6**	(18.7)
Exchange adjustments	**–**	0.2
Deferred tax charge in the income statement	**(1.1)**	25.1
As at end of year	**5.5**	6.6

Within the Company, there is a deferred tax asset of £3.4m related to losses that can be surrendered to the Group.

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23 Provisions

Group	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 – SDI	1.1	–	–	–	–	1.1
Release to the income statement – SDI	(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.

Property-related provisions

Where the Group no longer operates from a leased property, onerous property contract provisions are recognised for the least net cost of exiting from the contract. Unless a separate exit agreement with a landlord has already been agreed, the Group's policy is that this onerous contract provision includes all unavoidable costs of meeting the obligations of the contract. The amounts provided are based on the Group's best estimates of the likely committed outflows and site closure dates. These provisions do not include lease liabilities, however, do include unavoidable costs related to the lease such as service charges, insurance and other directly related costs. As at 30 June 2024, property related provision include £34.0m (2023: £34.4m) provision for dilapidations and £2.5m (2023: £2.8m) onerous contracts provision.

Provisions for dilapidations are recognised where the Group has the obligation to make-good its leased properties. These provisions are recognised 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.

Where the Group is able to exit lease contracts before the expiry date or agree sublets, this results in the release of any associated property provisions. Such events are subject to the agreement of the landlord, therefore the Group makes no assumptions on the ability to either exit or sublet a property until a position is contractually agreed.

Disposal provisions

In prior years, a provision has 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 prior period, the Group re-considered this provision by reviewing the historic claims and any final settlements made. The nature and timing of any personal injury claims is uncertain and therefore, in most cases, the payment could not be determined as probable. It was therefore determined necessary to release the majority of the provision and recognise the possible settlement of legacy industrial disease and personal injury claims as a contingent liability (see Note 32).

Indirect tax provision

The indirect tax provision relates to an amusement machine licence duty claim by HMRC. During the year the provision of £1.2m was utilised and the balance as at 30 June 2024 was £nil (30 June 2023: £1.2m).

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Pay provision

The balance of £0.1m (30 June 2023: £0.1m) relates to the remaining settlements associated with the National Minimum Wage Regulations for those employees for whom the Group is still in contact for payment details.

Warranty provision

As a result of the Group's sale of its Blankenberge Casino in Belgium, a warranty provision of £0.8m was recognised in SDI as at 30 June 2021. This amount represented Rank's best estimate of liability in relation to certain indemnities and warranties provided to the purchaser. In the event that the provision for warranties is not called upon over the five-year period, this amount will be released to the Group income statement as an additional profit on sale. During the year, the Group released the remaining £0.2m profit on sale within the SDI of the Group income statement (30 June 2023: £0.2m). The release in the year represents Rank's best estimate of liability that have now passed due to the passage of time in which the purchaser can no longer claim.

Company

In prior years, a provision has 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 prior period, the Company have re-considered this provision by reviewing the historic claims and any final settlements made. The nature and timing of any personal injury claims is uncertain and therefore, in most cases, the payment could not be determined as probable. It was therefore determined necessary to release the provision the majority of the provision and recognise the possible settlement of legacy industrial disease and personal injury claims as a contingent liability (see Note 32).

24 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 138/9p each	1,296.0	180.0	1,296.0	180.0

Issued and fully paid

	As at 30 June 2024		As at 30 June 2023	
	Number m	Nominal value £m	Number m	Nominal value £m
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

	As at 30 June 2024		As at 30 June 2023	
	Number m	Nominal value £m	Number m	Nominal value £m
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).

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25 Notes to cash flow

Reconciliation of profit for the year to cash generated from operations:

	Note	Group		Company	
		Year ended 30 June 2024 £m	Year ended 30 June 2023 (restated) £m	**Year ended 30 June 2024 £m**	Year ended 30 June 2023 £m
Profit (loss) for the year		**12.2**	(95.8)	**62.1**	(202.2)
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	**37.9**	33.7
Income tax expense (credit)		**6.3**	0.6	**–**	(12.4)
Share-based payments		**1.2**	1.1	**–**	–
Separately disclosed items		**15.0**	101.5	**(101.2)**	182.6
		95.3	81.3	**(1.2)**	1.7
Decrease in inventories		**0.2**	0.2	**–**	–
Decrease (Increase) in other receivables		**21.1**	11.9	**–**	(8.3)
Increase (decrease) in trade and other payables		**5.7**	(11.9)	**0.9**	29.6
		122.3	81.5	**(0.3)**	23.0
Cash utilisation of provisions (see note 23)		**(3.3)**	(2.4)	**–**	(1.7)
Cash receipts in respect of separately disclosed items		**(0.1)**	(7.1)	**–**	–
Cash generated from operations		**118.9**	72.0	**(0.3)**	21.3

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26 Cash and short-term deposits

	Group	
	As at 30 June 2024 £m	As at 30 June 2023 (restated) £m
Cash at bank and on hand	**62.5**	56.1
Short-term deposits	**3.6**	1.9
Total	**66.1**	58.0

The analysis of cash and short-term deposits by currency is as follows:

	Group	
	As at 30 June 2024 £m	As at 30 June 2023 (restated) £m
Sterling	**57.8**	40.8
Euro	**6.3**	14.3
Others	**2.0**	2.9
Total	**66.1**	58.0

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.

Included in cash is £9.7m (2023: £8.9m) relating to customer funds which is matched by liabilities to customers of equal value within trade and other payables (note 18).

Company

At 30 June 2024 the Company had cash and short-term deposits of £nil (30 June 2023: £nil).

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27 Reconciliation of cash flow from financing activities

Reconciliation of net debt:

	Group	
	As at 30 June 2024 £m	As at 30 June 2023 (restated) £m
Cash and cash equivalents	**62.4**	56.5
Borrowings excluding leases	**(41.5)**	(62.4)
IFRS 16 Lease liabilities	**(153.4)**	(169.0)
Net debt	**(132.5)**	(174.9)

For the purpose of the statements of cash flow, cash and cash equivalents comprise the following:

	Group	
	As at 30 June 2024 £m	As at 30 June 2023 (restated) £m
Cash at bank and on hand	**62.5**	56.1
Short-term deposits	**3.6**	1.9
Total	**66.1**	58.0
Bank overdrafts	**(3.7)**	(1.5)
Total	**62.4**	56.5

Changes in liabilities arising from financing activities:

		Transactions year ended 30 June 2024			Transactions year ended 30 June 2023	
	As at 30 June 2024 £m	**Cash flow**	**Non-cash changes**	As at 30 June 2023 £m	Cash flow	Non-cash changes
Obligations under finance leases				–		
Obligations under leases	**153.4**	**(39.0)**	**23.4**	169.0	(37.9)	25.2
Term loans	**30.0**	**(14.4)**	**-**	44.4	(34.5)	0.1
Revolving credit facility	**11.5**	**(6.5)**	**-**	18.0	18.0	-
Total borrowings	**194.9**	**(59.9)**	**23.4**	231.4	(54.4)	25.3

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28 Employees and Directors

(a) Employee benefit expense for the Group during the year

	Year ended 30 June 2024 £m	Year ended 30 June 2023 £m
Wages and salaries	**199.3**	182.6
Social security costs	**19.2**	17.7
Pension costs	**6.1**	5.5
Share-based payments	**1.1**	1.1
	225.7	206.9

The Company has no employees (year ended 30 June 2023: nil).

(b) Average monthly number of employees

	Full-time Year ended 30 June 2024	**Part-time Year ended 30 June 2024**	**Total Year ended 30 June 2024**	Full-time Year ended 30 June 2023	Part-time Year ended 30 June 2023	Total Year ended 30 June 2023
Digital	**779**	**9**	**788**	733	19	752
Grosvenor Venues	**2,458**	**1,760**	**4,218**	2,401	1,502	3,903
Mecca Venues	**373**	**1,305**	**1,678**	364	1,287	1,651
International Venues	**346**	**182**	**528**	484	82	566
Central Costs	**412**	**16**	**428**	355	16	371
	4,368	**3,272**	**7,640**	4,337	2,906	7,243

(c) Key management compensation

	Year ended 30 June 2024 £m	Year ended 30 June 2023 £m
Salaries and short-term employee benefits (including social security costs)	**3.0**	1.8
Post-employment benefits	**0.2**	0.1
Share-based payments	**0.2**	–
	3.4	1.9

Included in key management compensation are bonuses of £2.0m in respect of the current year (year ended 30 June 2023: £nil).

Key management is defined as the Executive Directors of the Group and the management team, details of which are set out on page 91 and at www.rank.com. Further details of the emoluments received by the Executive Directors are included in the Remuneration Report.

(d) Directors' interests

The Directors' interests in shares of the Company, including conditional awards under the Long-Term Incentive Plan, are detailed in the Remuneration Report.

(e) Total emoluments of the Directors of The Rank Group plc

	Year ended 30 June 2024 £m	Year ended 30 June 2023 £m
Salaries and short-term employee benefits (including social security costs)	**1.6**	1.5
Share-based payments	**0.2**	0.1
	1.8	1.6

No Director accrued benefits under defined benefit pension schemes in neither year nor is a member of the Group's defined contribution pension plan in either year. Further details of emoluments received by Directors, including the aggregate amount of gains made by Directors upon the vesting of conditional share awards, are disclosed in the Remuneration Report on page 91.

29 Share-based payments

During the year ended 30 June 2024, the Company operated an equity-settled Long-Term Incentive Plan ('LTIP'). Further details of the LTIP are included in the Remuneration Report on pages 90 to 93. The LTIP is an equity-settled scheme and details of the movements in the number of shares are shown below:

	As at 30 June 2024	As at 30 June 2023
Outstanding at start of the year	**10,325,900**	8,108,854
Granted	**5,138,387**	5,773,421
Exercised	**(474,985)**	(148,858)
Expired	**(1,409,441)**	(2,561,969)
Forfeited	**(2,670,011)**	(845,548)
Outstanding at end of the year	**10,909,850**	10,325,900
Weighted average remaining life	**0.7 years**	0.8 years
Weighted average fair value for shares granted during the year (p)	**63.0p**	33.2p

There are five LTIP awards currently in issue during the financial year ended 30 June 2024.

LTIP 2021/22 award	Vests in a single tranche in September 2024. All LTIP awards have £nil exercise price.
LTIP 2022/23 award	Vests in a single tranche in September 2025. All LTIP awards have a £nil exercise price.
LTIP 2023/24 award	Vests in a single tranche in September 2026. All LTIP awards have a £nil exercise price.
LTIP 2023/24 award Employee award 1	Vests in two tranches. 50% in August 2024 and 50% in August 2025. All LTIP awards have a £nil exercise price.
LTIP 2023/24 award Employee award 2	Vests is in two tranches. 50% in February 2025 and 50% in February 2026. All LTIP awards have a £nil exercise price.

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The number of LTIP awards and the fair value per share granted during the year were as follows:

	30 June 2024	30 June 2023
Number	**4,980,928**	5,773,421
Weighted average fair value per share	**62.6p**	33.2p

The fair value of the LTIP awards granted during the year is based on the market value of the share award at the grant date less the expected value of dividends forgone. The following table lists the inputs used in assessing the fair value of the share awards:

	30 June 2024	30 June 2023
Dividend Yield (%)	**4.00**	2.00
Vesting period (years)	**3.00**	3.00
Weighted average share price	**87.0p**	75.9p

The number of LTIP Employee awards 1 and the fair value per share of the LTIP Employee awards 1 granted during the period were as follows:

	30 June 2024
Number	**83,911**
Weighted average fair value per share	**84.0p**

The fair value of the LTIP Employee 1 awards granted during the year is based on the market value of the share award at the grant date less the expected value of dividends forgone. The following table lists the inputs used in assessing the fair value of the share awards:

	30 June 2024
Dividend yield (%)	**4.00**
Vesting period (years)	**2.00**
Weighted average share price	**89.0p**

The number of LTIP Employee awards 2 and the fair value per share of the LTIP Employee awards 2 granted during the year were as follows:

	30 June 2024
Number	**73,548**
Weighted average fair value per share	**69.5p**

The fair value of the LTIP Employee 2 awards granted during the year is based on the market value of the share award at grant date less the expected value of dividends forgone. The following table lists the inputs used in assessing the fair value of the share awards:

	30 June 2024
Dividend yield (%)	**4.00**
Vesting period (years)	**2.00**
Weighted average share price	**74.0p**

To the extent that grants are subject to non-market based performance conditions, the expense recognised is based on expectations of these conditions being met, which are reassessed at each balance sheet date. The Group recognised a £1.1m charge (30 June 2023: £1.1m charge) in operating profit for costs of the scheme in the current year.

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30 Retirement benefits

Defined contribution scheme

The Group operates the Rank Group Stakeholder Pension Plan ('the Plan') which is externally funded and the Plan's assets are held separately from Group assets. During the year ended 30 June 2024, the Group contributed a total of £6.1m (year ended 30 June 2023: £5.5m) to the Plan. There were no significant contributions outstanding at the balance sheet date in either year.

Other pension commitment

The Group has an unfunded pension commitment relating to three former executives of the Group. At 30 June 2024, the Group's commitment was £3.4m (30 June 2023: £3.4m). The Group paid £0.2m (year ended 30 June 2023: £0.2m) in pension payments during the year. The actuarial gain arising on the commitment, resulting from the changes in assumptions outlined below in the year was £nil (year ended 30 June 2023: £nil) before taxation and £nil after taxation (year ended 30 June 2023: £nil).

	30 June 2024 % p.a.	30 June 2023 % p.a.
Discount rate	**5.1**	5.1
Pension increases	**5.0**	5.0

The obligation has been calculated using the S2 mortality tables with a 1.5% per annum improvement in life expectancy.

31 Leases

Group as a Lessee

The Group leases various properties and equipment. Rental contracts are made for various fixed periods ranging up to 94 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the Group as a lessee.

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	30 June 2024 £m	30 June 2023 (restated) £m
At the beginning of the year	**169.0**	181.7
Additions[1]		
Modification	**18.0**	19.1
Accretion of interest	**5.9**	6.5
Payments[1]	**(39.0)**	(37.9)
Foreign exchange	**(0.1)**	(0.4)
Disposal	**(0.4)**	–
At the end of the year	**153.4**	169.0
Current liabilities	**32.6**	42.2
Non-current liabilities	**120.8**	126.8
Total	**153.4**	169.0

1. The Group restated the prior year amount in additions and payments to eliminate the dilapidation provisions of £28.7m, which were incorrectly included.

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The maturity analysis of lease liabilities are disclosed below:

	As at 30 June 2024		As at 30 June 2023	
	Present value of the minimum lease payments £m	Total minimum lease payments £m	Present value of the minimum lease payments £m	Total minimum lease payments £m
Within 1 year	32.6	38.2	42.2	49.1
After 1 year but within 2 years	31.8	36.2	25.9	30.2
After 2 years but within 5 years	52.9	60.8	60.4	70.3
After 5 years	36.1	39.5	40.5	47.2
	153.4	174.7	169.0	196.8
Less: total future interest expenses		(21.3)		(27.8)
Present value of lease liabilities		153.4		169.0

The following are the amounts recognised in the Group income statement:

	Year ended 30 June 2024 £m	Year ended 30 June 2023 £m
Depreciation expense of right-of-use assets	14.1	20.9
Interest expense on lease liabilities	5.9	6.5
Total amount recognised in the income statement	20.0	27.4

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

Group as a lessor

The Group is party to a number of leasehold property contracts. Where appropriate the Group will sub-let properties which are vacant, in order to derive finance lease income which is shown net of lease costs. Lease income as at 30 June 2024 from lease contracts in which the Group sub-lets certain property space is £1.8m (year ended 30 June 2023: £1.7m).

Future minimum rentals receivable under non-cancellable operating leases as at 30 June are as follows:

	As at 30 June 2024 Total minimum lease payments £m	As at 30 June 2023 Total minimum lease payments £m
Within 1 year	3.0	2.6
After 1 year but within 2 years	0.8	0.9
After 2 years but within 5 years	1.0	1.0
After 5 years	1.5	1.7
Total	6.3	6.2

Capital commitments

At 30 June 2024, the Group has contracts placed for future capital expenditure of £8.5m (30 June 2023: £6.2m).

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32 Contingent liabilities and contingent assets

Contingent liabilities

Group

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 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 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.

Company

Disposal claims

As a consequence of historic sale or closure of previously owned businesses, the Group may be liable for 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.

Guarantees

At 30 June 2024, the Company has made guarantees to subsidiary undertakings of £42.2m (30 June 2023: £45.0m).

33 Related party transactions

Group

Details of compensation paid to key management are disclosed in note 28.

Entities with significant influence over the Group

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. For further information see page 110

Company

The following transactions with subsidiaries occurred in the year:

	Year ended 30 June 2024 £m	Year ended 30 June 2023 £m
Interest payable to subsidiary undertaking	(37.9)	(33.7)

During the year, Rank Group Finance Plc, a subsidiary of the Company, received cash from the Company of £nil (year ended 30 June 2023: received cash of £nil).

34 Loss on disposal of Passion Gaming

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

Exceptional items charged to 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

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Five year review

	Year ended 30 June 2024 £m	Year ended 30 June 2023 (restated) £m	Year ended 30 June 2022 (restated) £m	Year ended 30 June 2021 (restated) £m	Year ended 30 June 2020 £m
Continuing operations					
Revenue	**734.7**	681.9	644.0	329.6	629.7
Operating profit (loss) before separately disclosed items	**46.3**	18.5	36.0	(85.4)	49.1
Separately disclosed items	**(16.9)**	(128.9)	42.3	(8.4)	(27.6)
Group operating profit (loss)	**29.4**	(110.4)	78.3	(93.8)	21.5
Total net financing charge	**(13.9)**	(12.9)	(7.8)	(14.4)	(8.1)
Profit (loss) before taxation	**15.5**	(123.3)	70.5	(108.2)	13.4
Taxation	**(3.5)**	27.2	(16.6)	10.4	(5.2)
Profit (loss) after taxation from continuing operations	**12.0**	(96.1)	53.9	(97.8)	8.2
Discontinued operations	**0.2**	0.3	8.8	24.9	1.2
Profit (loss) for the year	**12.2**	(95.8)	62.7	(72.9)	9.4
Basic earnings (loss) per ordinary share	**5.9p**	1.1p	4.0p	(20.5)p	7.0p
Total ordinary dividend (including proposed) per ordinary share	**0.85p**	0.00p	0.00p	0.00p	2.80p
Group funds employed					
Intangible assets, property, plant and equipment and right-of-use assets	**623.0**	618.4	708.3	750.6	810.7
Provisions	**(36.8)**	(39.0)	(12.5)	(21.4)	(18.9)
Other net liabilities	**(114.7)**	(78.9)	(105.5)	(111.3)	(128.4)
Total funds employed at year-end	**471.5**	500.5	590.3	617.9	663.4
Financed by					
Ordinary share capital and reserves	**339.0**	325.6	421.2	360.3	365.9
Net debt	**132.5**	174.9	169.1	257.6	297.5
	471.5	500.5	590.3	617.9	663.4
Average number of employees (000s)	**7.6**	7.2	7.6	7.9	8.4

Details of dividends paid and payable to equity shareholders are disclosed in note 8.

Shareholder information

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2024/25 financial calendar

Record date for 2023/24 final dividend	20 September 2024
Annual general meeting and trading update	17 October 2024
Payment date for 2023/24 final dividend	25 October 2024
Interim results announcement	30 January 2025

Annual General Meeting

The 2024 Annual General Meeting ('AGM') will be held on 17 October 2024, providing a valuable opportunity for communication between the Board and shareholders. Further details on how shareholders will be able to participate in the meeting will be detailed as part of the AGM notice.

Shareholders will be invited to vote on the formal resolutions contained in the AGM notice, which will be published at least 20 working days before the AGM. The full text of notice of the meeting, together with explanatory notes, will be set out in a separate document at www.rank.com. If a shareholder has chosen paper information, the notice will be enclosed with their hard copy of this Annual Report. Shareholders wishing to change their election may do so at any time by contacting the Company's registrar, details of which can be found below and on our website at www.rank.com.

Shareholders may use electronic means to vote, or appoint a proxy to vote on their behalf, at the annual and other general meetings of the Company.

Following the meeting, the business presentation, voting results and a summary of the questions and answers are made available at www.rank.com, or in printed format on request.

Registrar

All administrative enquiries relating to shares should in the first instance be directed to the Company's registrar, Equiniti Limited.

Equiniti provide a range of services to shareholders.

Extensive information including many answers to frequently asked questions can be found online.

Use the QR code to register for free at www.shareview.co.uk

Equiniti's registered address is:
Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA.

Shareview

The Shareview portfolio service from the Company's registrar gives shareholders more control of their Rank shares and other investments including:

- Direct access to data held for them on the share register including recent share movements and dividend details; and
- A recent valuation of their portfolio; and
- A range of information and practical help for shareholders including how they can elect to receive communications electronically

Use the QR code above to register for free at www.shareview.co.uk

Shareholders will need the shareholder reference printed on their proxy form or dividend stationery. To register for a Shareview Portfolio, go to www.shareview.co.uk and enter the requested information. It is important that you register for a Shareview Portfolio with enough time to complete the registration and authentication processes.

Payment of dividends

The Company does not operate a dividend re-investment plan. Shareholders may find it more convenient to make arrangements to have dividends paid directly to their bank account. The advantages of this are that the dividend is credited to a shareholder's bank account on the payment date, there is no need to present cheques for payment and there is no risk of cheques being lost in the post.

To set up a dividend mandate or to change an existing mandate please contact Equiniti Limited, our registrar, whose contact details are above. Alternatively, shareholders who use Equiniti's Shareview can log on to www.shareview.co.uk and follow the online instructions

Shareholder information

A wide range of information for shareholders and investors is available in the Investors area of the Rank corporate website, www.rank.com.

Frequently asked questions

We have a shareholder 'frequently asked questions' section on our website which provides answers to many questions: www.rank.com/en/investors/shareholder-centre/faqs.html

Capital gains tax

For the purpose of calculating UK capital gains tax on a disposal of ordinary shares in the Company held since 31 March 1982 (including shares held in the predecessor company, The Rank Organisation Plc), the price of the Company's ordinary shares at that date was 190p per share. This price should be adjusted for the effects of the rights issue in January 1990, the enhanced share alternative in July 1993, the sub-division and consolidation of shares in March 1994, the enhanced scrip dividend in March 1998, and the 18 for 25 sub-division and share consolidation (aligned with the 65p special dividend payment) which took place in March 2007. More information regarding these adjustments is available on www.rank.com.

Shareholder security

We are aware that shareholders can on occasion receive unsolicited telephone calls concerning their Rank shares. These communications tend to be from overseas-based 'brokers' who offer a premium price for your Rank shares but ask you to make an upfront payment, typically in the form of an insurance bond. We recommend that before paying any money you:

- Obtain the name of the person and firm contacting you;
- Check the FCA register at https://register.fca.org.uk to ensure they are authorised;
- Use the details on the FCA register to contact the firm;
- Call the FCA Consumer Helpline on 0800 111 6768 (freephone) if there are no contact details on the FCA register or you are told they are out of date; and
- Search the FCA's list of unauthorised firms and individuals to avoid doing business with: www.fca.org.uk/consumers/unauthorised-firms-individuals

If you use an unauthorised firm to buy or sell shares or other investments, you will not have access to the Financial Ombudsman Service or Financial Services Compensation Scheme ('FSCS') if things go wrong.

Below, please find the link to the FCA's website which gives information on scams and swindles, which shareholders may find helpful: www.fca.org.uk/consumers/protect-yourself-scams

Further information on fraud can be found at www.actionfraud.police.uk

Action Fraud's helpline is 0300 123 2040.

We recommend that you report any attempted share frauds to the authorities, since providing information with regard to how the fraudsters have contacted and dealt with you will assist the authorities in understanding the fraudsters' way of operating so as to enable them to disrupt and prevent these activities and prosecute them.

ShareGift

Shareholders with a very small number of shares, the value of which may make it uneconomical to sell, may wish to consider donating them to charity through ShareGift, a registered charity administered by The Orr Mackintosh Foundation.

Further information about ShareGift is available at www.sharegift.org or by writing to:
ShareGift
PO Box 72253
London SW1P 9LQ
Tel: 020 7930 3737

For any other information please contact the following persons at our registered office:
Brian McLelland,
Interim Company Secretary
Sarah Powell,
Director of Investor Relations & ESG
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Maidenhead SL6 8BN
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The Rank Group Plc
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Company number: 03140769

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