Rank Group

To excite and to entertain

Annual Report 2023

Company number:
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Who we are

Over the course of more than three-quarters of a century, the Group 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.

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2023 highlights

Business highlights

- Like-for-like ('LFL') underlying operating profit for the full year was £20.3m, in line with the upgraded guidance provided in April 2023, but down on the prior year of £42.5m.
- H2 profit performance was stronger than H1, with LFL underlying operating profit of £16.1m, compared with just £4.2m in H1.
- LFL underlying venues NGR grew 6% on the prior year, with good momentum continuing into Q1 2023/24.
- Underlying digital NGR grew 10% year-on-year with LFL underlying operating profit growing 7% to £18.8m.
- Despite revenue growth, underlying venues operating profit of £40.9m was down 27%, or £14.8m, on the prior year, reflecting significant cost increases, notably employment up £15.9m and energy up £5.4m.
- 70% of the Group's energy costs for 2023/24 are fixed and we anticipate total energy costs for 2023/24 to be circa £20m, down from £28.6m in 2022/23.
- Group increased investment in colleague pay during the year, raising average pay by 10%, focused on lower salaried colleagues. 2023/24 employment costs are expected to will be circa 7% higher than 2022/23.
- Refinancing concluded with £100m of committed revolving credit facilities to November 2024, reducing to £75m through to February 2025.
- Our balance sheet strength enables continued investment in both the digital and venues businesses which positions the Group well for future growth, including from the UK Government's review of gambling legislation which will deliver important reforms for land-based bingo and casino venues.
- Good progress being made in the Group's ESG strategy with a net zero plan now in place and further improvements seen in the protection of our customers, the engagement of our colleagues and the role we play within local communities.

Financial and operational highlights

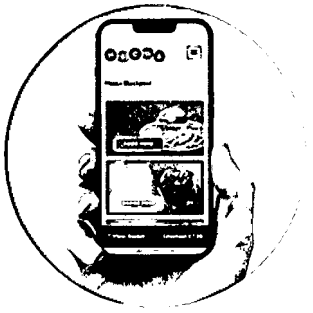
- LFL underlying operating profit of £20.3m declined 52% from £42.5m in 2021/22 predominantly due to underlying cost inflation.
- Statutory Group operating loss of £109.8m includes £118.9m of impairment charges, due to lower than expected performance in the year, and £7.7m of closure costs relating to 16 venues which were closed in the year.
- Net debt pre IFRS 16 at 30 June 2023 was £3.9m.
- Grosvenor venues LFL NGR grew 4% in the year. An NGR decline of 5% in H1 was followed by a growth of 15% in H2, as the business continued to improve the quality of its safer gambling measures and invest in its people, products and facilities.
- Grosvenor venues customer visits grew 7% on the prior year with customers continuing to return to casinos following the lockdowns of 2020 and 2021.
- Mecca venues LFL NGR grew 7%, with customer visit volumes up 4%, continuing the slow recovery from the impact of the pandemic, particularly on the older cohort of bingo customers who have been slowest to return.
- Mecca estate now more profitable and sustainable following the closure of 15 Mecca clubs in the year, taking the Mecca estate to 56 venues.
- Enracha venues delivered very strong LFL NGR growth of 19%, on customer visit volumes up 16% against the prior year.
- Digital NGR grew 10% in the year following the successful completion of the migration of the Rank brands onto the proprietary technology platform and the subsequent transfer of development resource to the delivery of enhancements to customer journeys, services and products.
- Successful completion of Gambling Commission assessments in Mecca and Grosvenor, and a Gibraltar Commissioner assessment in the UK digital business. In respect of the Grosvenor assessment, the Gambling Commission has provided an early indication that it has seen a satisfactory outcome, and we are awaiting the formal written outcome.
- A strong transformation plan for each of the Group's businesses provides a three-year programme of headline growth initiatives centred on maximising the opportunities afforded by the UK Government's planned legislative reforms for land-based gambling and growing our Digital business both within the UK and internationally.
- Jon Martin appointed Chief Operating Officer in the year, taking responsibility for the development and delivery of the Group's cross-channel customer experience; Andrew Peat appointed UK Digital Managing Director, joining H1 2023/24.
- Following the year end, Mark Harper has joined the Group as Grosvenor Managing Director from 14 August 2023 and Keith Laslop has been appointed Non-Executive Director with effect from 1 September 2023.

This report is complemented by our sustainability report.

For more information, see Our commitment to sustainability rank.com/en/sustainability.html

Catch up with our latest news and learn more about us on our corporate website: rank.com

Enhancing
a seamless customer experience



Innovative cross-channel app strategy

We are developing apps for each brand that meet customer needs for both online and in-venue experiences, creating a seamless customer experience.

Mecca Dagenham

73

42

2

12

31

Let's Play

Continuous and personalised customer experience across any device and venue

With unified membership across our online channels and venues we can offer real time communication and more personalised content, as well as easier cross selling and improved onboarding to our services. We are also live streaming from our casinos to online audiences and providing an enhanced digital live gaming experience.

Venue and digital improvements

We are investing in our in-venue offers and facilities, and driving better personalisation online by introducing innovative technology such as artificial intelligence.

Find out more on pages 32 to 33.
→

Investing
in our Grosvenor offer

Grosvenor Bayswater

Improving our processes, proposition, facilities and sports viewing areas

We have solid investment plans for Grosvenor that address what we need to improve to continue leading the sector. New processes will allow us to fully focus on what our customers need, while we develop and refurbish the estate, improve our non-gaming lounges and introduce new games and facilities at our venues.

Find out more on pages 36 to 37.
→

+45%

Through our investments in Grosvenor, we are targeting 45% market share by 2027, compared to our current 36% share and our pre-COVID-19 position of 40%.

Expanding our digital products

Better customer experiences through our RIDE platform

Using our RIDE technology platform, we focus on delivering customer journey improvements from online to our venues and vice versa, as well as launching exciting new games and game variants.

Significant development capability for new products

Our RIDE platform has unlocked cost synergies relating to technology services, cloud hosting, marketing and player protection tools. It has also given us the capability to build on a significant development roadmap that will enable us to launch or enhance a range of products – including the online streaming of live immersive events at our Mecca venues.

Find out more on pages 34 to 35.
→

Ensuring
the fun stays fun

Providing safer environments

We are making further investments into our safer gambling tools and measures, and enhancing our monitoring and player protection capabilities, all while delivering an excellent customer experience.

Ensuring the wellbeing and safety of our colleagues and customers

We have received a GamCare Gold Level 2 accreditation for our Mecca venues and UK digital business. The accreditation for Grosvenor venues is underway. We have delivered role appropriate enhanced safer gambling training to more than 1,200 colleagues, helping them to develop the skills they need to have more meaningful safer gambling interactions with, and build more sustainable relationships with our customers.

Find out more on pages 40-41.
→

Improving affordability journeys

We continue to develop and roll out additional safety mechanisms to help customers ensure they play within their means, while improving affordability journeys to reduce unnecessary friction in the onboarding process.

Our business at a glance

Our purpose

To excite and to entertain

To deliver exciting and entertaining experiences in safe, sustainable and rewarding environments.

We will achieve our purpose through reflecting the changing needs and expectations of our customers, communities and colleagues.

Our strategy

Pillar 1: Provide a seamless and tailored experience for customers across venues and online.

Pillar 2: Drive digital growth powered by our proprietary technology and live play credentials.

Pillar 3: Continuously evolve our venues estate with engaging propositions that appeal to both existing and new customers.

Pillar 4: Be passionate about the development and wellbeing of our colleagues and the contribution we make to our communities.

Pillar 5: Build sustainable relationships with our customers by providing them with safe environments in which to play.

Embedding sustainability

Our sustainability objectives are fully embedded in the Group's strategy. Pillar 4 and pillar 5 are dedicated to our sustainability focus areas of customer, colleagues, communities and the environment.

Read more about our strategy on pages 30 to 41. →

Read more about our ESG strategy on pages 52 to 71. →

Strategic objectives

Modernise our core

Remain relevant to our existing customers.

Rank's complementary strengths

Strong brand strength.
Strategic pillars: 1, 2 and 3.

Proven transformation delivery.
Strategic pillars: 1, 2, 3, 4 and 5.

Extend our reach

Deliver distinctive experiences building off our unique venues portfolio to attract new customers.

Rank's complementary strengths

Highly trusted by our customers and partners.
Strategic pillars: 1, 2, 3, 4 and 5.

Proven cross-channel capability.
Strategic pillars: 1.

Expand our footprint

Diversify our Group revenues, increasing the proportion of revenues that are digital and/or international in nature.

Rank's complementary strengths

In-house proprietary technology platforms for both the UK and Spanish markets.
Strategic pillars: 1 and 2.

Experience of complex regulator environments.
Strategic pillars: 2, 3 and 5.

Key facts

Rank in numbers

116

casino and bingo venues in Europe

+3.1m

active customers

120+

digital brands in addition to three household, heritage brands in the UK and Spain

7,300

employees in eight countries

80+

native games and nine native apps

2

proprietary gaming platforms – giving control over content and speed to market

Our enablers

Rank has a long history in gambling and entertainment. Its unique land-based portfolio, along with our digital growth channels means we have the core capabilities to expand within the UK and internationally.

Technology and data

Our proprietary technology and data management is helping us drive growth and meet customer needs.

- Accurate, real time customer data
- Scalable operations and platforms
- Automation to improve efficiency
- Unique products, customer experience and content
- Speed to market
- Control over tech development

People and culture

We support the development of our colleagues to help them provide great customer experiences.

- Strong leadership culture
- An international growth mindset
- Brilliant attention to detail
- Engaging workplaces where colleagues can do great work
- Strong internal pipeline of talent
- Agility and readiness for continuous improvement and change
- Market-leading rewards, benefits and incentives

Efficiency and effectiveness

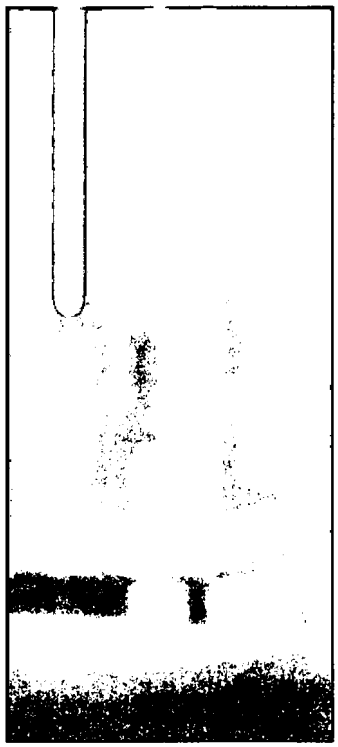
We continuously evolve our organisation, processes and technology to deliver a more efficient organisation.

- Organisational flexibility
- Strategic unity and prioritisation
- Customer centricity
- Automation and process improvement
- Strong delivery of risk management

Sustainability

We are committed to supporting our customers, our people, our communities and the environment.

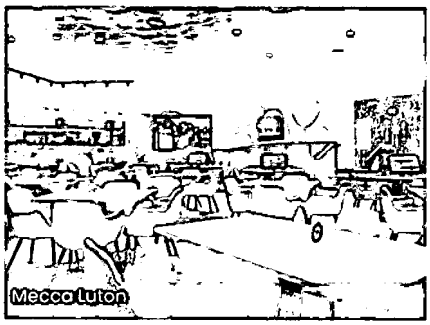
- Best-in-class approach to safer gambling
- A fair, safe and inspiring working environment
- Engaged workforce focused on the customer
- Contribute positively to our communities
- Minimise our environmental impact



Our aim

To provide a seamless, continuous, and personalised experience across any device or venue our customers wish to visit.

Our venues



Mecca

Mecca is Rank's community-gaming brand for the British market. A national portfolio of 56 venues offering bingo, slot machine games, great value food and drink, and live entertainment.

Key advantages:
- High brand equity
- Good market share position
- A loyal, repeat customer base

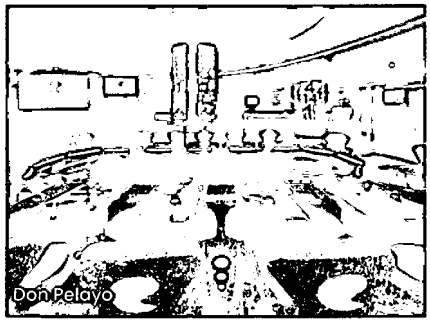
Key areas of focus:
- Reshaping of the estate to improve its profitability
- Continue to support the brand online
- Investment in product and environment

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 slot machine games.

Key advantages:
- Market leader in UK casinos
- Profitable estate
- Cash generative

Key areas of focus:
- Grow position as market leader
- Improve management of customer risk
- Crystallise the significant cross-channel opportunity
- Improve the customer proposition and attract new customers through improved product and offers facilitated by the Gambling Act review



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, great value food and drink, and live entertainment.

Key advantages:
- Flagship venues and well-invested estate
- Strong machine offering
- Cash generative

Key areas of focus:
- Continue to invest to retain strong customer appeal
- Review opportunities to expand footprint in Spain

Building a unique blend of experiences, branded venues and digital channels in the UK and Spain.

Our digital brands

Mecca
Mecca's complementary digital channel offering a range of popular games like bingo, a wide range of slot games and table games.

Grosvenor
Grosvenor's complementary digital channel offering many popular games, including its successful live casino, in addition to a sports betting offer. The Group also operates the market-leading digital bingo brand, YoBingo, to the Spanish market alongside its digital casino offer, YoCasino.

In addition to its established brands, the Group also operates multiple digital brands using a combination of proprietary and non-proprietary online bingo, casino and slot gaming.

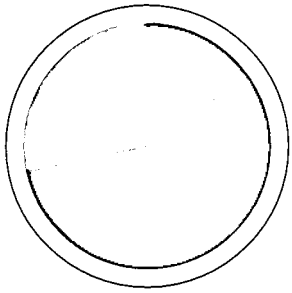
Key advantages:
- Proprietary platform and strong product capabilities
- Leading bingo brands
- Strong digital marketing capabilities
- Proven cross-channel credentials

Key areas of focus:
- Deepen the brand experience and cross-channel offering
- Extend proprietary product development
- Build out the scalability of the RIDE platform

Our markets

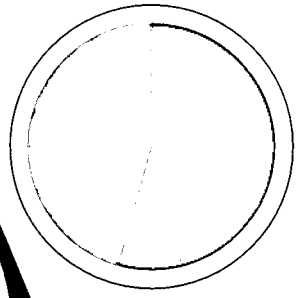
Split of LFL NGR – UK

- Venues £440.4m
- Digital £172.7m



Split of LFL NGR – International

- Venues £36.4m
- Digital £30.2m



Strategic Report

In this section:

We describe why we are confident that the improvements we are continuing to make to the customer proposition and the investments in our venues, alongside the gradually reducing impact of the pandemic, positions us well for the year ahead.

We also look at how we have strengthened our balance sheet and our understanding of what our customers want from the business.

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Chair's letter

We have delivered a solid performance in the year, despite the challenges faced by both our customers and the Group from the current inflationary environment.

Alex Thursby
Chair

Dear shareholders

Introduction

After a slow start in the first half of the year, Rank has achieved a robust performance in the second half.

The leadership team's resolute focus and disciplined execution have been instrumental in achieving Rank's significant milestones. These milestones stand as crucial factors that have contributed to the enhanced performance seen across the year and will support the generation of sustainable long term value for both shareholders and stakeholders.

The Group is off to a solid start in the new financial year, bolstered by a strong balance sheet, enhanced by securing new bank debt facilities. We are pleased to share that all our business units are performing well, further solidifying our confidence in the path ahead.

Our financial strength positions us favourably to capitalise on opportunities and navigate challenges effectively. Furthermore, the improving performance of all our business units underscores the efficacy of our strategies and the dedication of our teams.

Strategy

The Group's strategy is built upon five fundamental pillars which are outlined on pages 30 to 41, these are geared towards enhancing the overall customer experience while maintaining a strong commitment to sustainability.

During the year, the Group developed its strategy further by overlaying three key objectives.

- To modernise Rank's core operations whilst remaining relevant to it's existing customers.
- To extend the reach of the Group's products and services by delivering distinctive experiences building off Rank's unique venues portfolio.
- To expand the Group's footprint to diversify revenues thus increasing the proportion of revenues that are digital and/or international in nature.

Performance

Underlying Group LFL NGR was up 7% on the prior year.

Our venues continued to recover in the year, with underlying LFL venues NGR up 6% on the prior year. During the year we completed a number of casino refurbishments following the success of the refurbishment undertaken at our Glasgow Merchant City casino which was completed at the start of the year.

Business updates

+7%

Underlying Group LFL Net Gaming Revenue ('NGR') up on prior year.

+10%

Underlying NGR for our digital business driven by the performance of our Grosvenor, and Mecca brands.

+6%

Underlying NGR for our venues businesses.

As we look ahead, the coming year holds significant importance in the development of our UK venues' proposition, particularly within our Grosvenor venues. The UK Government's white paper on gambling reform has presented us with an opportunity to implement changes that will shape the future of our offerings.

We are excited about the evolution of our venues' proposition and the potential to attract new customers through enhanced products and a more appealing in-venue experience.

Our Digital business delivered strong growth in the year, with underlying LFL NGR up 10%. During the year, our UK digital business achieved a significant milestone in its strategic roadmap by successfully completing the migration of its last brand onto the Group's proprietary RIDE platform. This achievement marks a pivotal moment in our digital transformation journey.

With the completion of the tech migrations, our UK digital business can now shift its focus to enhancing the customer experience. We are excited to channel our efforts into developing better products, services, and customer journeys, ensuring that our valued customers enjoy a seamless and engaging online experience.

This milestone not only streamlines our operations but also empowers us to leverage the full potential of our advanced platform, enabling us to innovate and deliver even greater value to our customers.

Regulation and safer gambling

The Board and I are steadfast in our commitment to sound regulatory practices, whilst ensuring the safe and responsible delivery of the Group's products and services to our customers.

In addition, open and transparent dialogue between the Board and regulators is of utmost importance and will continue to be a key priority for the Board and the executive team.

Dividend

Taking account of the continued challenging trading environment and the strong pipeline of investment opportunities to drive revenue and profit growth, the Board has not proposed a full year dividend but expects to recommence dividend payments as soon as circumstances permit.

Environmental management

On the environmental front, we have taken a significant step towards sustainability by establishing a net zero target. This commitment is supported by a comprehensive set of initiatives designed to reduce our carbon footprint and promote eco-friendly practices throughout our operations. Our colleagues are integral to this endeavour, and we are implementing a robust engagement programme to foster a culture of sustainability and responsibility across the organisation.

Board changes

Having completed over six years on the Board, Steven Esom, Non-Executive Director and Chair of the Remuneration Committee, stepped down from the Board on 31 December 2022.

On behalf of Rank and the Board, I would like to thank Steven for his valuable contribution as a Director on the Board and as Chair of the Remuneration Committee for the past six years. Steven's wealth of experience in consumer-focused industries, coupled with his long-standing strategic and shareholder experience, has had a strong influence on the Board and helped lay the foundations for Rank's future growth. His experience has also been crucial in broadening the scope of our Remuneration policies.

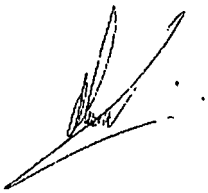
Lucinda Charles-Jones succeeded Steven Esom as Chair of the Remuneration Committee and was appointed as the designated Non-Executive Director for workforce engagement from 1 January 2023.

On 16 August, Keith Laslop was appointed to the Board as a Non-Executive Director and a member of the Audit Committee, with effect from 1 September 2023. Keith was Chief Financial Officer of Gamesys Group Plc and brings extensive financial and digital gaming experience which will enhance the effectiveness and skillset of our Board and will support our growth strategy.

Colleagues

Our colleagues are pivotal to the Group's achievements, and in a competitive landscape where exceptional individuals are highly sought after, it's crucial for us to retain our valuable team members and also draw new talent to support the execution of our growth strategy. With this objective in mind, we made a significant commitment to invest in our colleagues through improved benefit and reward packages.

So as we come to the close of another year, I wanted to take a moment to express the Board's gratitude and appreciation for the 7,300 Rank colleagues.



Alex Thursby
Chair
16 August 2023

Improving the engagement of colleagues

Our colleagues are integral to our success and we support them every step of the way, not just in their career progression but also through our engagement initiatives.

Strategic pillar 4
Learn more on pages 38 to 39.
→

Chief Executive's review

We are investing in our venues, technology and digital capabilities to ensure that we can offer the exciting new and improved live gaming experiences our customers want.

Business performance

During H1 2022/23, the Group undertook a review of the Group's central costs and concluded it is appropriate that a proportion of these costs should be allocated to each of its operating business units. Consequently, we have presented operating profit pre and post the central cost reallocation and, to aid comparisons, 2021/22 operating profit for each business unit has been restated accordingly.

The year to 30 June 2023 saw the continued recovery of our venues businesses following the very heavy impact of pandemic lockdowns and the subsequent sharp rise in inflation, interest rates and energy costs. In the UK, both Grosvenor and Mecca venues saw accelerated revenue recovery in the second half of the year with profit conversion improving as energy costs began to fall. In Spain, Enracha continued its strong recovery and saw its annual revenues back above pre-pandemic levels. Our digital business maintained double digit revenue growth and is making an increasing contribution to the Group's overall profitability.

At a Group level, underlying like-for-like ('LFL') NGR of £679.7m was up 7% against the prior year. All businesses within the Group were in LFL revenue growth in the year with Grosvenor venues at +4%, Mecca venues at +7%, Enracha venues at +19% and Digital at +10%. With continued recovery in the venues businesses, revenue in the second half of the year grew 13% on the prior year compared with the 2% year-on-year growth posted in the first half.

The trading update issued in December 2022 reflected lower than expected performance in the first half of the year and rebased future performance expectations. This was the main driver of the £118.9m of impairment charges for the current year and relates to a number of our Grosvenor, Mecca and Enracha venues.

Despite the improving revenue position, underlying LFL operating profit of £20.3m was down 52% against the prior year (£42.5m), reflecting the significant increases in energy and employment costs and the absence of Government furlough payments and other pandemic related support which continued to support the Group in 2021/22.

Energy costs are expected to be circa £20m for 2023/24, down from £28.6m in 2022/23.

John O'Reilly
Chief Executive

Improved customer experiences

The performance of Mecca Luton which reopened in March 2022 continued to improve during the year, delivering many learnings in terms of its attractiveness to a broader customer base. As a consequence, investments have been made in the year at nine Mecca venues.

Mecca Luton

Business updates

+7%

Underlying LFL Net Gaming Revenue ('NGR') was up 7% compared to the prior year.

+13%

Ended the year with average weekly NGR of £12.9m in Q4, up 13% on the prior year.

£20.3m

Underlying LFL operating profit of £20.3m, down 52% reflecting significant cost increases.

£17.4m

Total capex spent on venues refurbishments and new gaming product.

NGR	2022/23 £m	2021/22 £m	Change
Grosvenor venues	**306.3**	293.9	4%
Mecca venues	**134.1**	124.8	7%
Enracha venues	**36.4**	30.7	19%
Digital	**202.9**	183.8	10%
Underlying LFL[1]	**679.7**	633.2	7%
Impact of venues closures and FX[2]	**2.2**	10.8	
Underlying	**681.9**	644.0	6%

Operating profit	2022/23 £m	2021/22 £m	Change
Grosvenor venues	**27.7**	45.4	(39)%
Mecca venues	**4.0**	2.0	100%
Enracha venues	**9.2**	8.3	11%
Digital	**18.8**	17.5	7%
Central costs	**(39.4)**	(30.7)	28%
Underlying LFL[1]	**20.3**	42.5	(52)%
Presentation post reallocation of central costs:			
Grosvenor venues	**16.3**	36.5	(55)%
Mecca venues	**(5.8)**	(4.9)	(18)%
Enracha venues	**9.1**	8.2	11%
Digital	**13.8**	13.4	3%
Central costs	**(13.1)**	(10.7)	22%
Underlying LFL[1]	**20.3**	42.5	(52)%
Impact of venues closures and FX[2]	**(1.2)**	(4.0)	
Underlying	**19.1**	38.5	(50)%

1. Results are presented on a like-for-like ('LFL') basis which removes the impact of club closures, foreign exchange movements and discontinued operations.
2. A full analysis of these adjustments can be found in the Alternative Performance Measures ('APM') section.

" Our digital business is performing strongly, and we have a strong pipeline of customer-facing developments in both our UK and Spanish-facing brands to drive revenue and profit growth."

Grosvenor venues

Grosvenor venues' underlying LFL NGR was up 4% compared to the prior year. Recovery from the combined impact of lockdowns during the pandemic and tightened affordability restrictions has been slower than expected. NGR declined 5% in the first half against the prior year but grew 15% against H2 2021/22.

Average weekly NGR grew from £5.8m in Q1 to £6.0m in Q2 and Q3 before falling back to £5.8m in our traditionally softer Q4. The respective year-on-year movements were (5)%, (5)%, +15% and +16%.

Grosvenor's London casino estate continues to perform below the levels seen prior to the pandemic. The rise of working from home following the pandemic has impacted visitor volumes in London but the most material effect remains the slow return of customers from the Middle East and from East and South-East Asia. With fewer international customers arriving in London, competition amongst London's casinos is more intense than ever. Revenue in the London estate was flat on the prior year.

The Grosvenor Russell Square casino was permanently closed in the year reducing the overall Grosvenor estate to 51 casinos, representing 43% of the UK market's 118 casinos.

Rest of the UK performance has been recovering more quickly. NGR was up 6% against the prior year on visits up 7%.

Key financial performance indicators

	2022/23 £m	2021/22 £m	Change
LFL[1] NGR	**306.3**	293.9	4%
London	**99.3**	98.9	0%
Rest of the UK	**207.0**	195.0	6%
Total NGR	**306.3**	296.6	3%
Underlying[2] LFL[1] operating profit pre-central cost reallocation	**27.7**	45.4	(39)%
Underlying[2] LFL[1] operating profit post-central cost reallocation	**16.3**	36.5	(55)%
Total (loss)/profit	**(35.4)**	51.7	–

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

The largely fixed or semi-fixed cost base of the Grosvenor business delivers significant operating leverage as revenues grow. With revenues slow to recover to pre-pandemic levels, inflationary pressure on employment and other costs resulted in LFL underlying operating profit post-central cost recharges of £16.3m in the year (down from £36.5m in 2021/22). The key cost pressures on the business have been seen in salaries and wages +£12.2m, energy +£3.8m, and property maintenance +£2.3m.

The Grosvenor team has continued to focus on driving operating cost efficiencies in the year including the further rollout of a table operating system to ensure table gaming is operating as efficiently as possible, LED lighting and other energy saving initiatives, reductions in trading hours in selected venues and a rationalisation of the food and beverage offering to reduce wastage and improve operating margins.

The increase in salary and wage costs in the Grosvenor business reflects the labour market pressures since reopening following lockdown in May 2021. The absence of European croupiers coming to the UK as a result of Brexit has added to the broader job market pressures within the hospitality sector. The investment the business has made in colleague salaries and wages has significantly eased these employment pressures and supported the ongoing improvement in colleague engagement and eNPS scores across the Grosvenor estate. The Grosvenor management team has also been further strengthened with the addition of two further Regional Operations Managers in the year and the build out of a new high value customer team to better support the needs of higher staking customers particularly within the very competitive London market.

Grosvenor Gloucester Road

Successful product launch

The first UK casino side bet progressive with jackpots launched in the year.

The Group has continued to invest in the Grosvenor business both to improve the quality of the customer proposition and to prepare the estate for the impact of the UK Government's review of gambling legislation for land-based casinos which, following the publication of the white paper in April 2023, is now expected to be implemented during 2024/25.

£7.1m has been invested in property refurbishments during 2022/23. Merchant City, Glasgow, is a high footfall venue in a very good location which has historically performed strongly but had needed updating. The venue has had a complete overhaul with the introduction of new brand standards which help to underline the entertainment and excitement of the Grosvenor customer proposition. Grosvenor Merchant City now has a bar, sports viewing area, restaurant and gaming machines on the ground floor with a modern and vibrant gaming and poker floor below. It has been an important development in broadening the appeal of casinos and the brand identity and brand guidelines have been gradually rolling out across the wider Grosvenor estate.

In the London estate, Grosvenor Gloucester Road has undergone a full refurbishment to better meet the needs of its Kensington customer base. The development includes a wholly refurbished gaming floor and a new restaurant and bar area. Grosvenor Bayswater (formerly the Golden Horseshoe) also now enjoys the benefit of a new restaurant and bar area which is proving very popular with its customers. All development projects continue to be designed for the implementation of up to 80 gaming machines once the policy decisions in the Government's review of gambling legislation are enacted.

£6.0m has been invested in new electronic gaming terminals, gaming machines, tables and wheels during the year. New gaming machines are being trialled for future implementation. Total capital investment in the Grosvenor estate in the year was £19.5m.

A new electronic roulette game has also been rolled out across the Grosvenor estate. Called Going for Gold, the game is the first to offer UK casino customers a side bet progressive with jackpots that run to hundreds of thousands of pounds. Another new initiative has been the roll out of a new local marketing tool and framework that enables casinos to identify, review and contact cohorts of contactable customers using SMS messaging; email capability will very soon be added to the functionality.

The Grosvenor business completed a Gambling Commission compliance assessment during 2022/23. There were several changes to policies and to practices to better protect our customers that were identified during the assessment process. Having implemented a new risk model in the prior year, this has now been rolled out on an app for colleagues to use to assess customer risk, determine the nature of the required customer interaction and to record and evaluate the outcomes. This provides a tighter framework for managing customer risk to ensure customers are playing within their means. It also enables earlier and, consequently, more positive interaction with our customers.

During the year, Grosvenor recognised an impairment charge of £53.3m relating to 23 venues due to lower than expected trading performance, and an impairment reversal of £6.6m relating to another seven venues.

" Having implemented a new risk model in the prior year this has now been rolled out on an app for colleagues to use to assess customer risk, determine the nature of the required customer interaction and record the outcomes."

Mecca Venues

2022/23 has been something of a turnaround year for Mecca venues following the severe downturn the land-based bingo sector suffered as a result of the pandemic lockdowns. The bingo industry emerged from the pandemic with a smaller customer base and with the consequent lower revenues resulting in weaker prize boards. Stronger bingo venues in terms of prize fund liquidity have been able to sustain strong businesses and have attracted custom from weaker venues. Across the sector, post-pandemic, there has been too many bingo venues.

Mecca venues emerged from lockdown with an estate of generally strong bingo venues. Nevertheless, the downturn in customer numbers and revenues necessarily led to some closures. Bingo venues are social amenities which play a very important role within their local communities and therefore the decision to close a venue is not taken lightly. However, having given the lower liquidity Mecca venues every opportunity to recover and to return to profitability, 15 venues were permanently closed during 2022/23. This has reduced the Mecca estate to 56 venues. These 56 stronger venues have improved their appeal to customers with LFL NGR for the Mecca estate growing 7% against the prior year.

With a strengthened leadership team in place, Mecca venues ended the year with strong momentum. In the first half of the financial year NGR grew 4% on the prior year on customer visit volumes also growing by 4%. H2 2022/23 LFL NGR grew 11% on visitor volumes up 4%, with strong H2 performances from bingo and machine gaming. The business continues to see the return of customers following the pandemic despite reopening two years prior. However, the business continues to attract high volumes of new customers with circa 4% of customers every week being new to Mecca. Over 50% of new customers to Mecca are aged under 35.

Mecca's customer net promoter score ('NPS') further improved, rising from +61 last year to +78 in 2022/23. The increasing momentum in the business also reflects in our colleague eNPS scores which further increased from +4 in 2021/22 to +25 in 2022/23.

Main stage bingo NGR grew 24% on the prior year, driven by the success of strong prize boards and the addition of a new bingo variant. Interval bingo NGR grew 9% and food and beverage sales grew 6%. Gaming machine NGR grew by just 2% in the year, but with stronger momentum in the second half of the year which saw NGR grow by 7%. Much work is ongoing across the Mecca estate to improve the quality of the machine offering and we are hopeful that the announced change in the Government's white paper to the makeup of machines in bingo venues which currently restricts Category B3 machines to just 20% of the gaming machine offering, will enable Mecca to better meet the needs of today's consumers.

With LFL NGR growing £9.3m in the year, Mecca's LFL underlying operating loss post-central cost was £5.8m, down from £4.9m in 2021/22. The key cost increases in the year were energy +£1.3m and property maintenance +£1.5m, offset by reductions in duty and employment costs.

The performance of Mecca Luton which reopened in March 2022, continued to improve during the year, delivering many learnings in terms of its attractiveness to a broader customer base. Consequently, investments have been made in the year at nine Mecca venues, primarily focusing on updating their external appearance and improving the quality of the gaming machine offering. Playsafe, a system which supports the provision of real time information for our colleagues on individual customer machine play has been successfully rolled out across the estate. Total capital investment in the Mecca estate in 2022/23 was £12.5m.

During the year Mecca recognised an impairment charge of £61.5m relating to 70 venues, including some which were closed in the year, due to the lower than previously expected performance.

Key financial performance indicators

	2022/23 £m	2021/22 £m	Change
LFL[1] NGR	**134.1**	124.8	7%
Total NGR	**136.3**	134.0	2%
Underlying[2] LFL[1] operating profit pre-central costs reallocation	**4.0**	2.0	100%
Underlying[2] LFL[1] operating (loss) post-central cost reallocation	**(5.8)**	(4.9)	(18)%
Total (loss)/profit	**(74.1)**	26.7	–

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

Enracha venues

The Enracha estate of nine bingo, machine gaming and sports betting venues in Spain performed strongly with underlying LFL NGR growing 19% over the prior year. LFL NGR of £36.4m was the result of continued strong growth in gaming machine NGR (AWPs, electronic roulette and B3/B4 bingo machines) which were up 25%, with main stage bingo NGR up 10% on the prior year. This improving NGR position for bingo reflects the strength of bingo liquidity and prize boards across the Enracha venues estate.

Customer visits grew 16% in the year.

Enracha delivered a LFL underlying operating profit post allocation of central costs of £9.1m, up 11% on the £8.2m operating profit in 2021/22. The key areas of cost increase were seen in employment costs which were up £3.0m and energy costs which were up £0.4m on the prior year. The reallocation of central costs only marginally impacted LFL underlying profit at £9.1m.

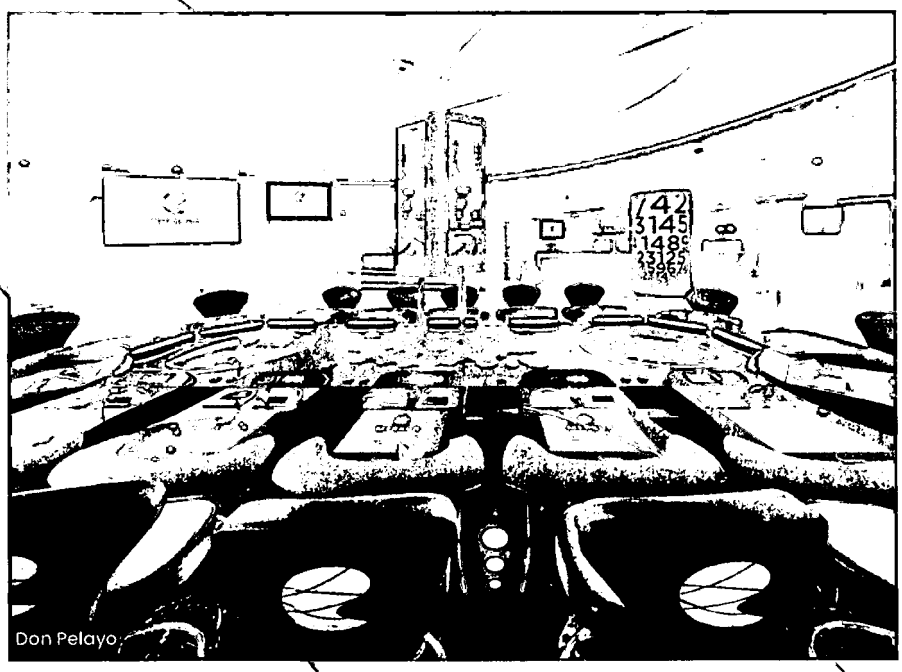
Key financial performance indicators

	2022/23 £m	2021/22 £m	Change
LFL[1] NGR	**36.4**	30.7	19%
Total NGR	**36.4**	30.1	21%
Underlying[2] LFL[1] operating profit pre-central cost reallocation	**9.2**	8.3	11%
Underlying[2] LFL[1] operating profit post-central cost reallocation	**9.1**	8.2	11%
Total profit	**4.9**	15.0	(67)%

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

Capital investment in the year of £1.2m was focused on completing the rollout of TiTo (the ticket in ticket out customer payment and withdrawal mechanism for gaming machines), a trial of a loyalty programme in selected venues, the rollout of a new food and beverage electronic point of sale ('EPOS') system, machine jackpot display screens and the continued upgrade of the gaming machine estate.

During the year Enracha venues recognised an impairment charge of £4.1m relating to two venues whose performance was lower than anticipated.


Don Pelayo

A recovered Enracha business

Enracha venues delivered 19% year-on-year NGR growth.

Digital

The digital business has performed strongly in the year with LFL NGR growth of 10% to £202.9m and underlying LFL operating profit pre-allocation of central costs growing 7% to £18.8m. After the reallocation of £5.0m of costs previously assigned as central costs, but now appropriately charged to the digital business, the full year underlying operating profit was £13.8m.

LFL NGR, excluding Enracha/Yo, was up 10% on the prior year at £178.8m. Now fully operating on the RIDE proprietary platform, the Mecca and Grosvenor brands continued to improve their performance with Mecca growing NGR 9% and Grosvenor growing 14% year-on-year. Our other UK facing brands saw NGR grow 8% in the year.

With the successful conclusion of the project to ready the RIDE platform for the migration of the Mecca and Grosvenor online sites, the digital team is now focused on further improving the products, services and user journeys for our customers. Much greater personalisation has been added to the Mecca and Grosvenor sites during the year so that the customer increasingly receives an offering which more suitably meets their preferences. New live gaming tables have been added both from Grosvenor venues and from a new live dealer studio opened during the year. Safer gambling player journeys continue to be improved to reduce friction for customers and a new markers of harm model has been successfully introduced to further help identify at risk play in real time.

The development effort in the software engineering hub in Cape Town is centred on the next phase of delivering a seamless cross-channel experience to customers including a unified customer membership system, a single content management system operating across all the digital brands and further modernising the RIDE platform to speed up the development time and to increase both capacity and reliability. Artificial Intelligence ('AI') is being added to customer journeys and in particular to customer support to improve our responsiveness to customers. The development of a single cross-channel central engagement platform has also now been successfully completed and is being rolled out across key data driven processes such as real time predictive models, cross-channel single customer view and real time business performance reporting.

Key financial performance indicators

	2022/23 £m	2021/22 £m	Change
LFL[1] NGR	**202.9**	183.8	10%
Mecca	**72.6**	66.9	9%
Grosvenor	**57.0**	49.8	14%
Enracha/Yo	**24.1**	21.5	12%
Other including Stride legacy brands	**49.2**	45.6	8%
Total NGR	**202.9**	183.3	10%
Mecca	**72.6**	66.9	9%
Grosvenor	**57.0**	49.8	14%
Enracha/Yo	**24.1**	21.0	15%
Other brands including Stride legacy brands	**49.2**	45.6	8%
Underlying[2] LFL[1] operating profit pre-central cost reallocation	**18.8**	17.5	7%
Underlying[2] LFL[1] operating profit post-central cost reallocation	**13.8**	13.4	3%
Total profit/(loss)	**4.7**	(1.2)	–

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

The business continues to build out its operations hub in Mauritius which provides a high-quality capability across a number of key back office, marketing and customer management functions.

In Spain, the Yo and Enracha brands grew LFL NGR by 12% in the year. YoSports was successfully launched prior to the FIFA World Cup and the site has received a good response from customers. The ability to accelerate growth in the Spanish market is constrained by the marketing restrictions introduced by the Government in 2021. However, the launch of YoSports has supported customer acquisition and revenue growth in the year and further initiatives, including platform and site enhancements and product developments are in the pipeline to also further the YoBingo, YoCasino and Enracha brands.

The application to the Portuguese regulator for a licence to launch YoBingo is ongoing, the timescale largely the result of no other bingo brand having yet been licensed in Portugal.

Passion Gaming, the online Indian rummy business in which Rank holds a 51% share, grew LFL NGR by 33% in the year following the easing of regulatory restrictions in certain states.

Current trading and outlook

The new financial year has started strongly across all of the businesses with overall underlying Group LFL NGR ahead by 16% compared with the prior year.

Grosvenor venues NGR has grown 17% in the first six weeks with visits up 13%. Grosvenor venues trading performance outside London is strong with NGR up 25% and visits up 15%, but the performance in London is softer with NGR up only 5% on the same period last year.

Mecca venues had a very strong start to the year with NGR up 17%. Similarly, Enracha venues NGR is ahead of the prior year by 12%.

Digital NGR is up 13% in the opening six weeks, continuing to benefit from new product and service enhancements and greater levels of personalisation for our customers.

Despite the generally challenging trading conditions, with inflation still running high and the increase in interest rates impacting consumer discretionary expenditure, we expect to see good levels of revenue increase year-on-year and to grow our profitability in 2023/24.

Group liquidity

The Group ended the year with total cash and available facilities of £101.4m.

In May 2023, the Group made its scheduled term loan repayment of £34.5m in line with the agreed loan amortisation profile reducing its term loan to £44.4m.

In August 2023, the Group secured a financing package which totalled £100m of revolving credit facilities. £25m is committed until November 2024 and the remaining £75m is committed until February 2025. The Group has subsequently repaid the remaining term loan of £44.4m.

The Group will look to replace the £100m of RCF with a longer-term financing package in 2023/24 when it anticipates securing better financing terms, driven by additional consecutive months of improved trading.

The Group expects to meet all future financial covenants under its current lending facilities.

Sustainability update

We are continuing to mature our approach to ESG and have strengthened governance of sustainability initiatives and performance through the formation of new working groups, comprising of individuals across the business and supported by external consultants.

In recognition of the importance of ESG on our long-term business success, we have also introduced eight key performance indicators (KPIs) across our four focus areas – Customers, Colleagues, Environment and Communities. Four of these KPIs are linked to executive compensation and further embed the importance of ESG into our core objectives and culture.

Refer to pages 52 to 71 for further detail on the sustainability KPIs and progress made in the year.

Regulatory update

The UK Government's white paper, published on 27 April, set out public policy for reforms to land-based and online gambling regulation and legislation. The reforms to land-based casinos and bingo are critical to ensuring that we can meet the needs of today's consumers.

Read more about sustainability on pages 52 to 71.
→

Jon Martin

> **" From 1 June 2023, Jon Martin took on a newly created role of Chief Operating Officer for the Group."**

The Government plans to enable casinos to offer up to 80 gaming machines on a 5:1 machine to live gaming table ratio, subject to the size of the venue and the available non-gaming space. Casinos will also be able to offer sports betting facilities and enable electronic payments, rather than just cash, on gaming machines. These modest but essential reforms, which will be delivered through secondary legislation, will enable the UK's casinos to better meet the expectations of customers.

The white paper also supports enabling credit to be offered to High Net Worth international customers visiting the UK. The extension of table games such as blackjack on electronic terminals to enable customers to play at lower staking levels has been left as an open issue requiring further review. Both of these reforms would require primary legislation, something which is unlikely to happen in the foreseeable future.

In bingo, the Government has supported reform to the current restriction that requires no more than 20% of the gaming machines to be category B3 (£2 maximum stake and £500 maximum prize), with the balance required to be category C and D machines which are increasingly unpopular with customers. Category B3 machines account for over 70% of machine revenues in Mecca. Rather than removing the rule, the Government has established a new 50% rule, requiring half of the available machines to be category C or D. This reform, whilst not going quite as far as we would wish, will enable us to go a considerable way in modernising the machine offering for Mecca's customers. The bingo reforms also include allowing customers to make electronic, rather than simply cash, payments.

The Government has outlined that it expects these critical land-based reforms to be implemented through secondary legislation (positive statutory instruments) by the summer of 2024.

In the digital sector, the Government plans to consult on a maximum staking limit for online slot games which would subsequently be delivered through secondary legislation. The other reforms to online gaming, including changes to game design, an opt in requirement for cross-sell and financial risk assessments (to provide a frictionless check on a customer's means), will be delivered by changes to regulations (Licence Conditions and Codes of Practice (LCCP)) following consultations conducted by the Gambling Commission. The Commission anticipates that the full programme of reforms to LCCP will take three years to deliver. We do not expect these regulatory reforms to have a material impact to our UK-facing digital business which is already positioned to ensure we provide very high levels of protection to our customers.

Management changes

From 1 June 2023, Jon Martin took on a newly created role of Chief Operating Officer for the Group. Jon was previously managing director for our UK digital business, a role he has held since 2020. Jon will continue to have accountability for the strategy and performance of the UK digital business, as well as taking overall responsibility for the development and delivery of Rank's cross-channel customer offer for the Mecca and Grosvenor brands. Andrew Peat will join the Group later in 2023 as managing director of the Group's UK digital business.

In August, Mark Harper joined as Grosvenor's new Managing Director. Mark joins us from Pears Partnership Capital, part of the William Pears Group, where he was the Operating Partner, managing the leisure and hospitality investment portfolio, a role he has been in since 2021. Mark has broad experience in the leisure industry and the 24/7 economy, with ten years at Allied Domecq Leisure across many of their divisions and more recently in leadership roles at several leading holiday park Groups.

John O'Reilly
Chief Executive
16 August 2023

Our business model

What we do

We have been entertaining Britain since 1937, from our origins in motion pictures to today's gaming-based entertainment brands.

Our purpose is to work together to create environments that reflect the changing needs and expectations of our customers and our colleagues, delivering stimulating and entertaining experiences every time. To excite and to entertain. This is how we do it.

We are the only Group that offers customers both venue and digital bingo and casino experiences.

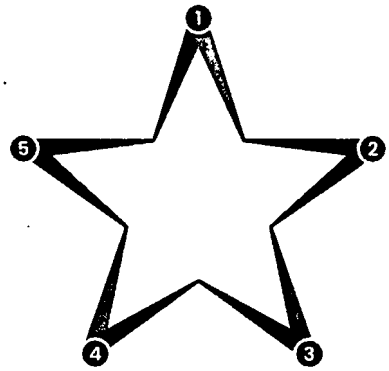
Venues

- Largest venues casino operator in Great Britain (51 venues).
- Second-largest venues bingo operator in Great Britain (56 venues).
- Growing venues bingo presence in Spain (9 venues).
- Our venues businesses operate in mature and well-established gambling markets.
- Mecca and Enracha are bingo-led brands which offer community-based gaming.
- Grosvenor is a casino-led brand principally focused on table and machine gaming.
- Our venues businesses operate through a mainly leasehold estate.
- Our venues are membership-based and free to join.
- A food and beverage offer is available across all our venues.
- Revenue is generated in our venues when a customer bets against the house (games of chance). Underlying profit is generated once the cost of customer incentives, sales and other operating costs are deducted.

Digital

- A diverse portfolio of over 120 digital brands covering casino, bingo, slots and sports betting.
- Our Mecca and Grosvenor online offers complement our established venues brands.
- All digital customers play with our online brands through a brand wallet.
- Revenue is generated online when a customer bets against the house (games of chance). Underlying profit is generated once the cost of customer incentives, sales and other operating costs are deducted.

How we do it



Evolving our position as an entertainment brand

1 Customer insights/engagement
We use customer insights drawn from customer research and data science to better understand what our current and potential customers want, enabling us to provide relevant, exciting and entertaining experiences.

2 Strong brand positioning
We have a portfolio of brands, including our three well-established cross-channel brands, Grosvenor, Mecca and Enracha, which work alongside our 120 digital-only, proprietary and non-proprietary brands.

3 Player protection
Using a three lines of defence model, our front-line colleagues work with our compliance team and our internal audit team to ensure that we always take the appropriate actions to protect our customers and keep them safe.

4 Innovation and technology
We invest in proven technology and exciting innovations that are designed to support our strategic priorities and will help us to offer seamless and instant customer journeys across both our digital and venue brands.

5 Inspiring people
As the face of our brands at our venues, our people are our greatest asset. To ensure every team member becomes an expert at delivering brilliant, customer-focused experiences, we provide regular training and a dedicated support network.

Our shared STARS values are at the core of all that we do and are vital in ensuring we achieve our purpose and exceed our strategic goals.

We work hard to maintain an inclusive and sustainable culture, supported by a comprehensive employee engagement programme and a well-established equality, inclusion and diversity strategy.

Supported by robust governance
Rank's Board and Executives provide a broad mix of skills, knowledge and experience to meet the Group's needs, ensuring it delivers on its strategy.

Stakeholder value created

Our customers

3,100k

We create value for our 3,100k customers by providing them with market-leading gaming experiences through our venues, online, or across both channels.

Our people

7,300

passionate and committed employees.

Our suppliers

1,500+

Over 1,500 suppliers, who through meaningful engagement and collaboration are key in helping us deliver our strategic aims.

Our communities

£283,000

charitable donations made to Carers Trust.

Governments

£180.4m

generated for tax authorities and local governments.

Our shareholders

Through our disciplined approach to strategic delivery and unwavering commitment to safe and fairer gambling, we are focused on creating sustainable value for our shareholders.

Our external environment

Operating in a highly regulated market, our focus is on providing a distinctive gambling experience that entertains and ensures that we deliver value to all our stakeholders.

Macro trends

Changing industry landscape in the UK and Spain	Regulatory pressures, changing consumer habits following COVID-19, 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 of the UK gambling sector	is central to our industry landscape, with the changing interpretation of regulations by the UK Gambling Commission and the lack of definitive guidance putting pressure on operators in the market. Our wealth of industry experience means we have better processes and proprietary technology solutions in place to support	our business. We have a good working relationship with the regulators and welcome the publication of the Government's White Paper which sets out upcoming public policy changes (read more on pages 28 to 29).
Gambling customer habits are 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 and benefit from our experience of operating in a competitive	environment. 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 are a key factor for the industry	with rising costs of operation (supplies, utilities, wages) and declining customer confidence among less affluent customer segments. Smaller operators are struggling to adapt, while we are able to manage our input costs due to our large scale, and to reallocate resources across the estate to match supply with demand.	

Grosvenor Gloucester Road

Our markets

Venues

Mecca venues

Highly trusted and community focused, Mecca is our land-based brand known for its friendly welcome and the opportunity to win big.

With the bingo market in decline for a number of years there is a need to evolve and create more accessible, modern and lively venues with exciting food and beverage offers.

Since the pandemic we have seen a recovery, but we do not expect the market to reach pre-pandemic levels for at least five years.

The sector has been further impacted by rising cost pressures. It has become more polarised, with strong venues doing well, and others becoming unviable, which will lead to further consolidation in the market.

- The average Mecca customer age is 44, while our most frequent customers are females between 60 and 70 years old.
- 13% of customers are higher frequency visitors, while 87% are recreational players.
- 87% of customers only play at venues, while 13% of our visitors also participate across digital channels.

Grosvenor venues

The UK's leading casino chain, Grosvenor also offers customers great meals, live acts and non-stop sporting action on larger-than-life big screens.

A combination of enhanced Safer Gambling protocols and the post COVID-19 fall in visitors have resulted in a reduction in the profitability of the casino sector.

8% of the UK adult population were regular casino visitors in 2019, but a quarter of these have lapsed since the pandemic, with the market yet to fully recover.

The Gambling Act Review represents a once in a generation opportunity to extend the appeal of casinos and to modernise our electronic offering. See pages 28 to 29 for more.

- The average Grosvenor customer age is 35. Customers that visit the most are between 26 and 40 years and those who spend the most are over 41.
- A further 6% of adults would consider visiting a casino if they felt that it would be a fun, enjoyable, friendly and welcoming experience while retaining the thrill and excitement of playing in a casino.
- The male to female split for Grosvenor's customers is 4:1.

Enracha venues

Through Enracha, our Spanish land-based venues brand, we provide a predominantly bingo-based gaming experience.

Pub gaming machines and bingo have declined in Spain in recent years, with the rise of slot arcades and growth in sports betting.

On top of this, COVID-19 had a severe impact on visits to bingo venues while boosting online gambling channels to record highs.

Since regulatory restrictions reduced the size of available prizes customers now prioritise customer service and are looking for comfortable and modern electronic gaming areas, offering games with customised jackpots and loyalty card functionality.

- Enracha's biggest customer group is in the 18 to 25 age category – they make up 22% of our total customers, while only generating 9% of our total visits.
- People aged over 65 represent just 13% of our customers, but generate 28% of visits.
- The most loyal and frequent Enracha customers are males over 65 years old, with an average of 1.2 visits per month.

Our markets continued

Digital

UK interactive/digital

The UK's digital gambling market is fast moving, competitive and subject to strict regulation, but is still structurally attractive in size with clear headroom for us to grow our brands.

UK digital bingo market

Customers are looking for a safe, secure and intuitive gaming experience, with more chances to win and easy pay-outs when they do. They want a reliable app and more variety, from promotions that cater for a wider range of budgets, to the games and features available.

The experience needs to be more interactive, offer free-to-play mechanics that allows money to go further, and come with safer gambling tools throughout the customer journey.

- **Significant growth opportunity:** 20% of the UK population have played online bingo in the last 12 months.
- **Similar age demographic to venues:** the average online Mecca player is 43 years old, only slightly younger than that for Mecca venues at 44 years.

UK digital casino market

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 win big, with swift and seamless payment of winnings.

- **Opportunities for growth, specifically around slots and poker:** 20% of the UK population played online casino in the last 12 months.
- **Younger age demographic to venues:** the average online Grosvenor casino player is 40 years old, older than that for Grosvenor venues at 35 years.

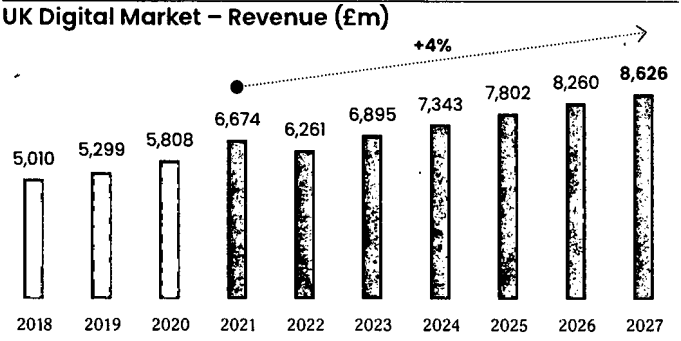
The digital and cross-channel opportunity for Rank

The UK continues to be a large and attractive digital gambling market – and with around 3% market share, there is clear headroom for us to grow. In Grosvenor and Mecca, we have leading casino and bingo brands, as well as proprietary technology and strong digital marketing capabilities.

With our 116 venues, we are uniquely placed to provide a cross-channel experience for both bingo and casino customers. Cross-channel customers tend to have higher level of engagement and loyalty than single channel customers. And with only 6% of our in-person customers playing with us both in venue and online there is significant opportunity to grow our cross-channel customer base.

We will also look to diversify the products we offer – through sports betting, live casino and new bingo games. And building on our existing international operations, we will explore opportunities for growth beyond the UK. Over the next 18 months we will work on the core platform, technology, data and product developments we need to unlock these opportunities, including building the potential to integrate international digital businesses through partnerships and/or acquisitions.

UK Digital Market – Revenue (£m)



Our regulatory environment

We work closely with our regulators in all jurisdictions to uphold and drive forward the standards expected of our industry in an ever-evolving regulatory landscape.

2024 – Expected delivery of secondary legislation relating to casino and bingo modernisation

Later 2023/early 2024 – UK Government responds to DCMS and GC gambling consultations

July 2023 – first DCMS ad GC consultations are launched

April 2023 – publication of White Paper.

December 2020 – UK Government publishes White Paper Call for Evidence.

2019 – All UK political parties commit to a review of gambling legislation in their 2019 General Election manifestos

We are committed to operating in compliance with all relevant legislation, regulations and licensing requirements.

The Gambling Act Review

Having launched its review of gambling legislation in December 2020, the UK Government published a White Paper in April 2023, setting out the public policy changes that will impact the regulation of the UK gambling sector. The review has focused heavily on online regulation but has also assessed the appropriateness of land-based gambling regulation, relative to online regulations. In line with our commitment to offering industry-leading player protection and a high-quality experience to all our customers, we support the Government's objective of striking the right balance between consumer freedoms and choice, and protection from harm.

Q&A with John O'Reilly on the White Paper

Q. What are the key positive public policies for Rank that have been included in the White Paper?

A. When the Gambling Act Review was first published in late 2020 it sought to ensure "that there is an equitable approach to the regulation of the online and land-based industries". Reforms for land-based gambling present the most significant upside for the Group and we are pleased that, to a large extent, the White Paper addresses the key issues and opportunities. We sought modest, but critical, modernisations for both our casinos and bingo venues. For casinos, the increase to the number of gaming machines that are permitted in 1968 Act casinos is clearly positive. The commitment to a sliding scale for gaming machine numbers, based on the size of venue, ought to ensure that the vast majority of our venues will benefit from a greater variety of gaming machines which will better meet the needs of the customer. We welcome the policies which will permit sports betting to be available in all of our casinos; changes to the provision of credit for international High Net Worth customers in our casinos; the review of electronic payment methods in land-based venues; and, in bingo, changes to the '80/20' rule relating to the balance between Category B3 and Category C and D machines.

Q. What are the net impacts of the tightening of regulation for the UK digital business?

A. We do not believe that the policy relating to financial risk assessments for players will have a material impact on the Group, owing to the work we have already undertaken to ensure that our customers are playing at safe levels. Importantly, this regulatory development will create a level playing field, at least amongst UK licensed online operators. The Government intends consulting on a maximum stake for online slot games and is considering options ranging from £2 per spin to £15. This will have a commercial impact on digital revenues but we would hope that the threat of driving online customers onto unlicensed sites will ensure a sensible outcome for UK consumers.

Q. What will the impact of a statutory Levy be on the Group?
A. We are pleased to see that the Government recognises the need to take into account "the differing association of different sectors with harm and/or their differing fixed costs." Land-based casinos and bingo clubs have significant fixed costs which will mean that any increase to the current 0.1% of GGY rate that we are forced to pay will disproportionately impact them, relative to digital operations. Through the BGC, we have proposed a sliding scale for casinos which will see levy payments increase to 0.4% of GGY over a four-year period. We would hope that the current 0.1% of GGY contribution from land-based bingo will be maintained, reflecting the limited risk of problem gambling and the importance of these social facilities within local communities across the UK.

Q. How many more B1 machines do you expect to see across the Grosvenor estate as a result of the public policy on gaming machine numbers?
A. We currently have 1,365 B1 machines across the Group and expect that, once fully implemented, we will have 2,614 machines in our venues, representing a doubling of B1 gaming machine numbers.

Q. What will be the impact of the public policy relating to the reallocation of unused 2005 Act casino licences?
A. The Government intends to introduce a process to ensure that the unused 2005 Act casino licences can be reallocated to other local authority areas if an authority awarded a 2005 licence opportunity no longer wishes to use it. Many of the nine unused 2005 Act casinos are in permitted areas which would simply not be viable to support a casino. There are relatively few areas within the UK which could support a new casino development but there are opportunities, and we will be keen to review them once the process for their potential reallocation is understood.

Q. Does the policy relating to providing credit for international High Net Worth ('HNW') customers in casinos make any difference to Rank?
A. Yes. We cater to international high net worth customers in a number of venues, primarily in London, who are captured by this potential legislative change. Today the international customer visiting the UK typically provides a cheque to cover their intended play at the start of their visit. The casino holds the cheque and the customer settles through the banking system when they return home, or the casino processes the cheque. Elsewhere around the world, casinos provide a credit facility, but this is not permitted under the 2005 Act. Banks are phasing out cheques, and fewer customers are carrying cheque books, both of which are having the impact of making the UK less competitive as a destination for international casino customers. We are pleased that the White Paper recognises the important need for UK casinos to be able to provide a short-term credit facility to High Net Worth international customers. This policy change does, however, require the use of parliamentary time for primary legislation to amend the 2005 Act and that makes it more challenging for Government to implement.

John O'Reilly
Chief Executive

Q. To what extent can the public policies which impact Rank be delivered by secondary legislation or via changes to Licence Conditions and Codes of Practice ('LCCP'), rather than the need for primary legislation?
A. We purposefully pursued a series of modernisations which could, in the main, be delivered via secondary legislation. The bulk of land-based modernisations in the White Paper, namely changes to the numbers of gaming machines in our casinos, permitting sports betting in casinos and amending the 80:20 rule to a new 50:50 rule in our bingo clubs can all be delivered by secondary legislation. Many of the policies in the digital space which amount to a tightening of regulation will be made through changes to regulations in LCCP following Gambling Commission consultation, although the policy pertaining to maximum limits for online slots will require secondary legislation.

> **"The critical issue now will be the timing of implementation of the various public policies."**

Q. What are the risks in the White Paper?
A. The critical issue now will be the timing of implementation of the various public policies. There will be some that are likely to involve increased costs (establishment of an Ombudsman, statutory Levy for research, education and treatment, potentially higher licensing fees), but we believe the overall package of measures will be net positive for the Group. It will therefore be important that the positive policies are implemented as swiftly as possible in order to offset extra costs.

Our strategy

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.

Our strategic intent

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 at least return Grosvenor to its 2019 profitability levels, and to right size our Mecca estate. By improving talent and capability in critical areas and implementing our new RIDE platform, we will lay the foundations for international expansion, as well as improve our digital 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 increase the digital percentage of our revenues. In the longer term, we will seek to maximise returns by driving our international revenues and progressively building shareholder returns.

Strategic pillar 1

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

How this is measured
- Percentage of venues customers that play with us online
- Percentage of digital NGR from cross-channel customers

Associated risks
2 3 4 5 7 8 9 10 12

Strategic pillar 2

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

How this is measured
- Digital NGR
- Digital customer numbers

Associated risks
1 2 4 5 7 8 9 10 11 12

Strategic pillar 3

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

How this is measured
- Venues customer numbers
- Venues strategic investment
- Venues Net Promoter Score

Associated risks
1 2 4 5 6 7 8 9 10 11 12

Strategic pillar 4

Be passionate about the development and well-being of our colleagues and the contribution we make to our communities.

How this is measured
- Employee Net Promoter Score
- % females in senior management
- Emission intensity ratio
- Total charitable funds raised

Associated risks
4 10 12

Strategic pillar 5

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

How this is measured
- Safer gambling eNPS score
- Customer feedback score on safer gambling
- % UK digital customers using safer gambling tools

Associated risks
2 3 4 5 9 10 12

Details on associated risks can be found on pages 82 to 87. →

Strategic pillar 1

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

In the markets in which we operate, Rank is one of the few gaming companies in a position to provide customers with a genuine one-brand gaming experience across both venues and online. Our key assets are our 116 venues, our membership-based models, our customer relationships and the high levels of engagement that our team members enjoy with our customers.

What we said	What we did
Further develop the app strategy for each brand ensuring customer needs are met for both online and in-venue experiences, removing the need for customers to move across multiple mono channel apps.	– We have created our app strategy focused on delivering a deeper brand experience. We have initiated a programme of work to consolidate and improve our mobile apps over the next 12-18 months.
Launch live streaming from a further four Grosvenor casinos to our online audiences and deliver improvements to the digital live roulette experience.	– We have launched our live streaming product 'Live and Direct' into our Glasgow, Sheffield and Nottingham casinos. We have also launched variants of the games taking our live streaming from venue portfolio from one to ten games.
Introduce artificial intelligence to better drive personalisation for our Grosvenor sports and gaming customers showing offers, bets and homepages tailored to their behaviour.	– We have introduced our 'Graphyte' personalisation engine which allows us to identify customer traits and preferences and create and test insight-based campaigns across marketing channels to optimise the customer experience.
Continue to deliver compelling Mecca offers focused on driving new customer acquisition and retention.	– Three key offers were launched in the year – 'Mecca Perks', a stamp card for venues visits with digital rewards; 'Mecca Bestie', where customers win additional prizes if their 'bestie' wins and the popular 'Everyone's a winner' campaign. – We continue to develop further advanced cross-channel rewards programme for our Mecca customer base.
Launch unified Mecca membership across online and in venues that will bring real time communication, personalised content, cross sell and improved onboarding.	– We have launched our Mecca single sign-up journey which automatically creates a venues membership for new and existing meccabingo.com customers, enabling channel agnostic communication, content and tailored experiences.
Introduce a new Mecca loyalty card embedded into our apps and single membership journey aligned to our single app strategy.	– Mecca Perks, a brand led loyalty scheme with digital and in venue rewards, launched in the year. Further development of our single membership and apps will unlock enhanced Mecca loyalty and reward functionality.

Let's Play

KPIs

Percentage of venues customers that play with us online

5%
Grosvenor venues (0ppts)

9%
Mecca venues (0ppts)

0%
Enracha Venues (0ppts)

Percentage of digital NGR from cross-channel customers

32%
Grosvenor venues (-2ppts)

20%
Mecca venues (-3ppts)

1%
Enracha Venues (+1ppts)

Focus for 2023/24:

- Introduce via our proprietary technology platform single unified membership for Mecca online and venue customers.
- Delivery of single apps for each brand ensuring customer needs are met for both online and in-venue experiences.
- Delivering further venues content online, allowing customers to virtually tour our venues and bringing the venues atmosphere online through dynamic content.
- Further development of our personalisation capabilities, delivering the right content, at the right time to the customer.
- Continue to deliver our cross-channel live casino offering through shared jackpots, game variants and customer experiences.
- Deliver gamification and personalisation of rewards through retention and product recommendations relevant to the customer and reward players for engaging at a brand level.
- Relaunch our improved joint liquidity bingo game 'Fortune', enabling seamless play in venue or online with community jackpots.

Strategic pillar 2

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

We have built strong positions in venues-based gaming which we are seeking to replicate across our digital channels. In 2022/23, our digital operations generated 30% of Group revenue. Across the UK as a whole, digital channels represented around 65% of the gambling market (excluding the National Lottery) pre-pandemic, presenting a significant growth opportunity.

What we said	What we did
Migrate grosvenorcasinos.com onto our RIDE platform.	– We migrated Grosvenorcasinos.com to our RIDE proprietary platform in September 2022, completing our Group-wide migrations onto the Stride platform enabling us to deliver a host of innovative customer-oriented improvements. Following the migration we rebranded Grosvenorcasinos.com with a modern and vibrant look and feel which is to be extended across our Sports and Poker offers.
Enhance Grosvenor's Daily Retention Game offering our customers greater variety and range of prizes.	– We have launched a full suite of Daily Retention Games across all Rank brands, offering a variety of mechanics and prizes including bespoke variants such as Beat the Timer, Everyone's a Winner, Winfall, Scratch and Win and Loose Woman.
Launch the streaming online of live immersive events in our Mecca venues to help drive cross-channel acquisition.	– We enhanced our Mecca TV proposition with celebrity presenters hosting main event bingo games on Friday nights and streaming in venue events such as Bonkers and Players Bingo.
Deliver the significant development roadmap which follows the migration of Grosvenor onto the RIDE platform.	– The Grosvenor migration to our RIDE proprietary platform unlocked cost synergies relating to technology services, cloud hosting, marketing and player protection tools. – With the migrations completed, our in-house resource was able to switch focus on delivering customer journey improvements such as greater personalisation, improved customer journeys, launch of improved games and game variants (Live and Direct, Loose Women Bingo), and delivering improvements to our safer gambling monitoring.
Launch a new Spanish sports betting site YoSport.	– YoSport was successfully launched in September 2022 and to provide sports betting to the Spanish market.
Launch new apps for YoCasino and YoSport in Spain.	– Both android apps were launched in Q4 2022/23 and further work is underway to enable promotion in Google Play.
Roll-out a cross-channel strategy for Enracha.	– A soft launch to selected customers will be launched towards the end of 2023/24.
Launch YoBingo in Portugal to replicate the successful YoBingo model.	– Good progress is being made in the homologation of our YoBingo.pt site by SRIJ, Portugal's regulator and we hope to be now launching this new service in the coming months.
Upgrade the proprietary Yo technology platform.	– The first phase of this development, a new bingo module, will be launched in Q2 2023/24.

KPIs

Digital NGR

£172.7m
UK (+10%)

£30.2m
International (+16%)

Digital customer numbers

1,153k
UK (+14%)

48k
International (+2%)

Focus for 2023/24:

- Continue to build out our core RIDE platform scalability and enhance its resilience to support our growth ambitions.
- Enhance our sportsbook capabilities through onsite content and bonusing improvements so we become the sportsbook of choice for our customers.
- Scale marketing investment through key channels to drive brand awareness and customer consideration.
- Further investment into our Safer Gambling tools and measures.
- Enhance our monitoring and player protection capabilities whilst delivering excellent customer experience.
- Launch a daily live online bingo experience at YoBingo.es.

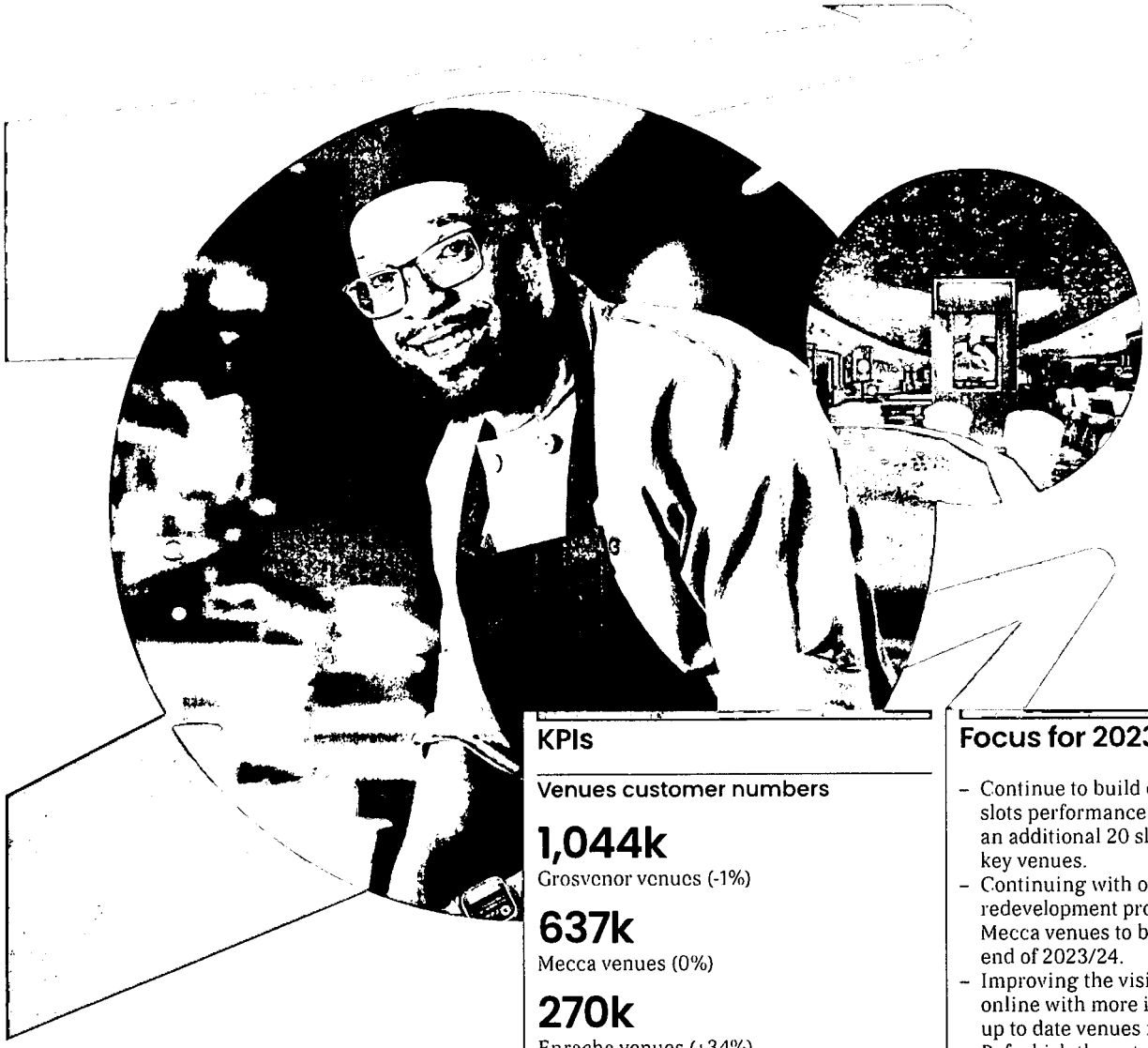
Strategic pillar 3

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

Our casino and bingo venues provide entertainment for millions of customers each year and generate the majority of the Group's revenue and profits.

By continuously evolving our venues (in terms of product, environment and service) and by creating new concepts, we are constantly enhancing the experiences that we offer our customers, whether they be existing or new.

What we said	What we did
Launch of new rewards and incentives programme for our Grosvenor venues.	– During the year we altered our marketing approach, by focusing on fewer larger national campaigns, marketing activities to more local and personalised promotions and rewards, ensuring they are more relevant for each casino's customer base.
Continue the development and refurbishment of the Grosvenor estate with 12 venues listed for refurbishment in 2022/23.	– Three major refurbishments were completed in the year at our Merchant City casino in Glasgow and at the Gloucester and Bayswater casinos in London, in addition to two smaller refurbishments at our Southampton and Brighton casinos. We also upgraded the 'back of house' team member areas in five of our Grosvenor casinos, with further to be completed in 2023/24 and upgraded air conditioning across 15 of our casinos, including delivering significant improvements in energy efficiency.
Launch of a new electronic roulette jackpot game, Going for Gold, across our Grosvenor estate.	– Going for Gold was successfully rolled out across 900 terminals in the Grosvenor estate and is proving to be very popular with our casino customers.
Focus on improving the slots performance of our Mecca venues through a better product mix and presentation in venue.	– Through the introduction of new machine suppliers, we have been able to broaden the range of slot machines available to our Mecca customers. We have also optimised the slot area layouts in a number of venues and commenced a programme of refurbishments of the slots areas in a number of our Mecca venues.
Investigate opportunities to share space in our Mecca venues through complementary partnerships and collaborations with third parties.	– To date, we have been unable to secure a suitable party which complements and enhances the experience for our Mecca customers. Further opportunities are under review.
Continue the Enracha venues investment programme in our Andalucía and Sabadell venues.	– We are currently at the planning approval stage to refurb our venues in Seville and Sabadell. We hope to complete both projects in 2023/24.
Consider prospective opportunities to continue growing in the Spanish market through targeted acquisitions.	– We have reviewed a number of prospective acquisition targets in the year but valuations are high and the Group's priority has been to ensure we retain a strong balance sheet position during this period of high costs of debt financing.
Deploy player tracking and new jackpots in each Enracha venue to improve customer experience.	– Player tracking is live in seven venues. New jackpot displays are live in four venues.
Full deployment of our Enracha venues loyalty card into all permitted venues.	– Live across the estate with the last permitted venue in the Enracha venues estate deploying the loyalty card system in September 2023.



KPIs

Venues customer numbers

1,044k
Grosvenor venues (-1%)

637k
Mecca venues (0%)

270k
Enracha venues (+34%)

Venues strategic investment

£13.1m
Grosvenor venues (+11%)

£3.7m
Mecca venues (0%)

£0.6m
Enracha venues (+50%)

Venues Net Promoter Score

+57
Grosvenor venues (0)

+78
Mecca venues (+17)

+36
Enracha venues (-9)

Focus for 2023/24:

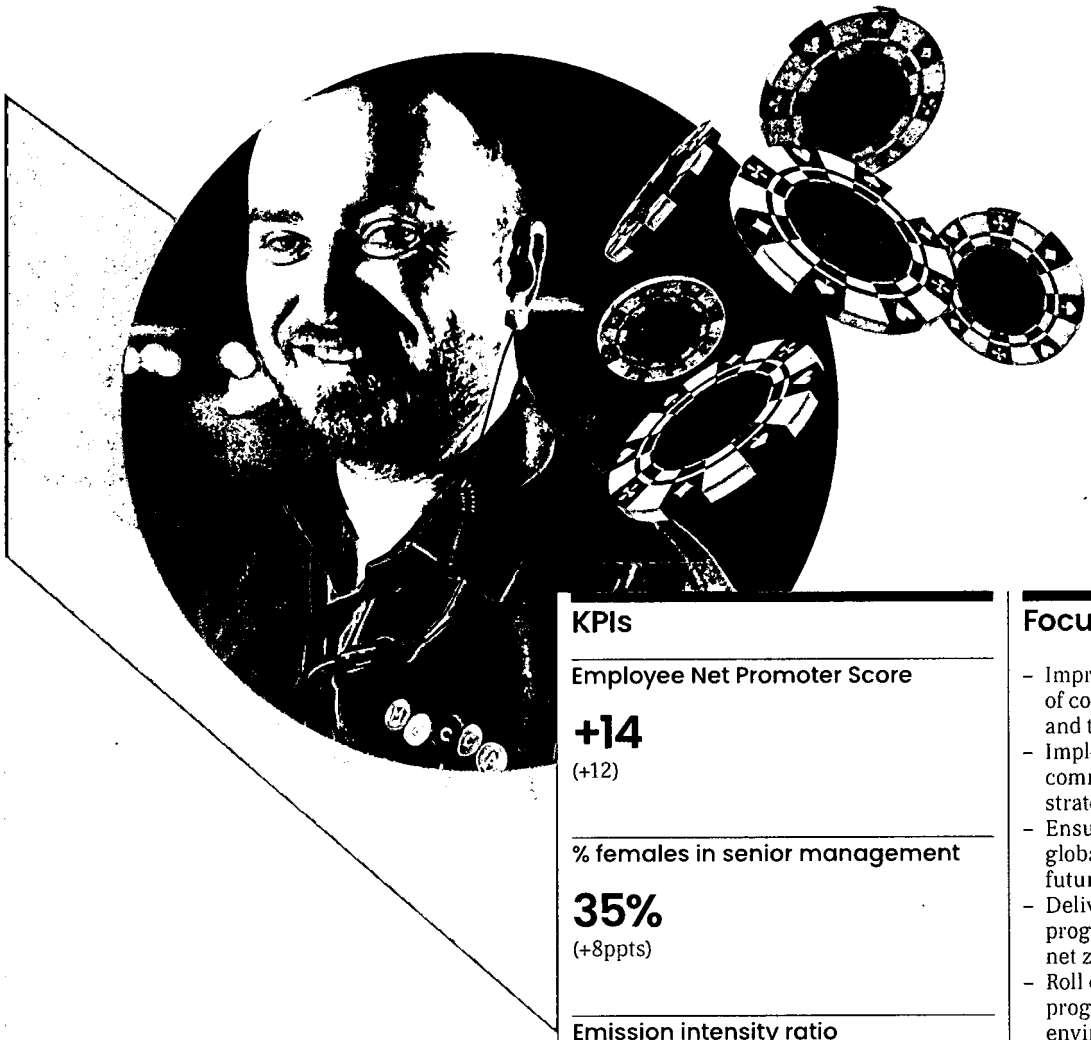
- Continue to build on our strong Mecca slots performance by refurbishing an additional 20 slots areas in our key venues.
- Continuing with our external redevelopment programme, with 16 Mecca venues to be upgraded by the end of 2023/24.
- Improving the visibility of our venues online with more informative and up to date venues related information.
- Refurbish the external of 12 of our Grosvenor venues in order to improve kerb appeal and help drive consideration from non-casino customers.
- Complete major refurbishments at our Leicester and Portsmouth casino and begin a scheme at our flagship casino, The Victoria in London.
- Complete the detailed planning for the implementation of the land-based bingo and casino reforms contained within the UK Government's white paper.
- Complete refurbishments in Enracha's Seville and Sabadell venues.

Strategic pillar 4

Be passionate about the development and well-being of our colleagues and the contribution we make to our communities.

We continue to build a high-performing culture through the engagement and development of colleagues who want to put exciting and entertaining customers at the heart of what they do. We strive for a culture of ownership and transparency that empowers our teams to achieve goals they did not think possible and to be the very best that they can be. We are also acutely aware of the role our venues, support offices and colleagues play in the communities in which we operate and together as a collective organisation we strive to add value wherever possible.

What we said	What we did
Launch refreshed three-year ED&I strategy across the Group focused on ensuring the Group is recognised as an employer of choice by attracting, developing and retaining a truly diverse pool of talent.	– During the year, a simplified ED&I strategy was agreed. Further detail is available in the sustainability section. – The Group also appointed a new Head of Learning, Engagement and Inclusion. One of their key areas of focus is the development and implementation of the Group's ED&I strategy. Further progress is expected in 2023/24.
Expand the reach of the Group's ED&I colleague network groups and launch the Group's first neurodiverse colleague network group.	– Numerous network group events were held during the year, maintaining the Group's focus on ED&I. – Further development of new network Group's is planned for 2023/24.
Launch and embed the newly developed Group-wide EVP Work. Win. Grow.	– During the year, key projects such as a full review of the Group's people policies, an overhaul and relaunch of the Group's careers website and the implementation of a new payroll system were delivered under the Work.Win.Grow. programme.
Continue the development of the Group's net zero plan and look to set intermediate targets to lower the Group's carbon emissions and use of other natural resources.	– The Group has set an intermediate target of net zero for its global Scope 1, 2 and selected Scope 3 emissions by 2035 supported by a robust action plan. – Rank aims to be net zero globally across all scopes by 2050.



KPIs

Employee Net Promoter Score

+14
(+12)

% females in senior management

35%
(+8ppts)

Emission intensity ratio

36.6 tCO_2e per £m NGR
(-12%)

Total charitable funds raised

£0.3m
(0%)

Focus for 2023/24:

- Improve the delivery and content of colleague development courses and training across the Group.
- Implementation of an improved communication and engagement strategy.
- Ensure Group policies are modern and global to better reflect the current and future business needs.
- Delivery of the further energy efficiency programmes in line with the Group's net zero plan.
- Roll out of a Group-wide engagement programme centred on the Group's environmental ambitions.

Strategic pillar 5

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

Millions of customers regularly enjoy the fun and excitement of gambling, but we recognise that a small percentage of customers can be at risk of problem gambling and a smaller number of people can suffer harm through excessive gambling. We recognise the importance of continuous innovation to refine our approach to making gambling as safe as possible thus ensuring we create and maintain sustainable relationships with all our customers.

What we said	What we did
Continue to refine and improve the holistic player protection model in our Grosvenor venues.	– Significant investment was made in the year in improving our player protection model, with over 10,000 training modules delivered to Grosvenor colleagues.
Improve the tools available to Grosvenor venues colleagues to make decision-making more efficient and effective.	– A new risk app was launched that allows our colleagues easier access to information for faster decision-making and customer interaction.
Review and improve our digital customer onboarding journeys to remove unnecessary friction caused by 'know your customer' and player protection processes.	– Significant further improvements have been delivered to improve customer 'safer gambling' journeys and improve customer response rates to requests for affordability information.
Completion of role appropriate enhanced safer gambling training supported by GamCare to over 1,100 colleagues. The training is aimed at developing the necessary skills required to have more meaningful safer gambling interactions with our customers.	– We have made further progress in the year, with 743 additional team members completing the enhanced safer gambling training.
Continue to develop our markers of harm model as part of a continuous improvement and evaluation of player protection risk models.	– During the year, we developed automated marketing and bonusing suppression technology delivered through our proprietary Hawkeye monitoring platform. – This new functionality allows us to suspend bonus offers and promotional marketing where a customer is showing indication of potential harmful behaviour.
Work towards achieving GamCare safer gambling accreditation across our UK operations.	– During the year, Rank was awarded Gamcare Level 2 accreditation for Mecca venues and the UK digital business. The review of Grosvenor venues is ongoing.

KPIs

Safer gambling eNPS score

+53
(+2ppts)

Customer feedback score on safer gambling

82%
Grosvenor venues

83%
Mecca venues

73%
UK digital

Scores were not recorded prior to 2022/23. Enracha venues and our Spanish digital business will start to seek customer feedback in 2023/24.

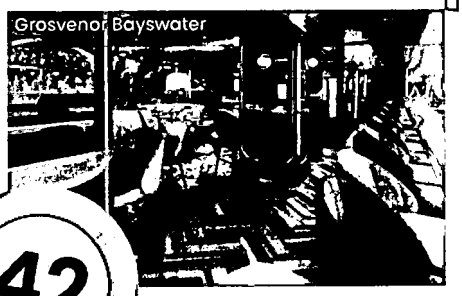
% UK digital customers using safer gambling tools

43%
(+7ppts)

In our Grosvenor and Mecca venues, safer gambling tools are available on gaming machines, however we are unable to track usage of these tools amongst our customer base.

Focus for 2023/24:

- Deliver changes outlined in the Gambling Act review for the UK digital business, specifically around affordability, slots staking, game design and marketing preferences.
- Enrol in the GamProtect scheme, introducing safer controls across UK gambling operators.
- Continue to progress Gamcare accreditation for our Grosvenor venues.


Grosvenor Bayswater

42

2

15

How we create long-term value

Section 172 factors	
The likely consequences of any decision in the long term.	Company purpose (see inside cover and pages 96) Our business model (pages 22 to 23) Our strategy (pages 30 to 41) Engagement with regulators and legislators (page 48)
The interests of the Company's employees.	Colleagues (pages 55 to 56) Inclusion and diversity (page 56) Colleague engagement (page 46) Non-financial reporting (page 89)
The need to foster the Company's relationships with suppliers, customers and others.	Customer engagement (page 46) Supplier engagement (page 49) Engagement with regulators and legislators (page 48) Responsible payment practices (page 49) Anti-bribery and corruption (page 52) Modern slavery (page 49)
The impact of the Company's operations on the community and the environment.	Community engagement (page 47) Approach to ESG & Safer Gambling (pages 52 to 71) TCFD disclosures (page 61-70) Rank Cares (pages 47 and 71)
The desirability of the Company maintaining a reputation for high standards of business conduct.	Brands (pages 8 to 9) Culture and values (pages 38 to 39, 55 to 56, and 102 to 103) Engagement with regulators and legislators (page 48) Whistleblowing (page 52) Internal financial controls (page 112)
The need to act fairly between members of the Company.	Shareholder engagement (page 49) Annual General Meeting (page 93) Rights attached to shares (page 150) Voting rights (page 150)

Section 172 statement

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.

Many of the Board's principal decisions were taken in direct response to the continued uncertain trading conditions, along with the turbulent impact of inflationary pressures and the cost of energy during the year. 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 key to the longer-term success of the Group, each as described on pages 100 to 101.

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 the uncertain trading conditions and inflationary cost pressures. Please see pages 14 to 21 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 52 to 71, and 43 to 44 for more information.
- assessing capital expenditure opportunities presented by the business against all stakeholder interest. Please see pages 43 to 44 for more information.
- review regularly the Group's risk management processes and controls and ensured the key risk areas for the business were considered, taking into account the macroeconomic conditions. Please see pages 80 to 87 and 109 to 116 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 14 to 21 and 43 to 44 for more information.
- kept informed of the regulatory landscape impacting the Group, particularly relevant in respect of legislative changes announced by the UK Government's White Paper and as the process moves to consultation. Please see pages 28 to 29 for more information.
- kept informed of colleague sentiment and culture through our Designated Non-Executive Director for workforce engagement. See more on page 102.

Principal decision: Mecca estate management

Context

During the year, the Board and management were focused on enhancing the sustainability and profitability of the Group following a slower than expected start to the financial year and the impact of inflationary cost pressures. One such area of focus was the long-term shape and sustainability of the Mecca venues estate. The land-based bingo sector suffered a severe downturn as a result of the pandemic lockdowns and the industry emerged with a smaller customer base and consequently weaker prize boards, which in turn impacts the ability to attract new customers. Across the sector, there have been too many bingo venues relative to the customer demand and this was impacting on the sustainability of the Mecca venues business.

Decision-making process

Bingo venues are social amenities which play a very important role within their local communities and the decision to close is not taken lightly.

Following the appointment of Andy Crump as the Mecca Managing Director in May 2022, a full review of the Mecca venues estate was undertaken to determine which venues had a viable business model for the long term. The review included a detailed assessment of the growth levers available in local markets to create long-term value and ensure that the customer proposition remained relevant into the future. Other factors in the analysis included historical profitability and expected future profitability, remaining lease term, the condition of the venue and associated costs required to maintain and improve the presentation of the venue to customers, ability to retain existing staff and recruit new team members to improve performance, existing levels of customer satisfaction and feedback from customers on what they would like to see improved in the venue.

In September 2022, Andy presented his detailed plans to the Board and these were subsequently revisited in March as part of the strategy day. His plans included proposals to close a number of venues across the Mecca estate.

The Board challenged the Mecca managing director and wider management team to ensure that it had considered all key stakeholders that would be impacted by the decision to close the venues. In particular, the role Bingo venues play as social amenities in their local area was of particular focus, along with the impact on existing employees. The Board were pleased to see that as a result of strong collaboration across the business and that there was a well-executed plan for rationalisation, including the redeployment of colleagues wherever possible, and equally there was planned investment in the remaining Mecca clubs to ensure they had as bright a future as possible. The Board recognised that the 15 venues proposed for closure during the year had been given every opportunity to recover and return to profitability and that on balance, closure was the only appropriate course of action to ensure the long-term viability of the business.

The Board, and through its delegated authority to the Finance Committee, reviewed and approved club closures and investment expenditure for operational clubs.

Key stakeholder considerations

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

Our colleagues – the Board and management were sensitive to colleagues as clubs closed, ensuring an appropriate consultation process was followed. Management aimed to retain and redeploy existing colleagues wherever possible, including in the Grosvenor venues estate if possible.

Our customers – visit numbers and customer feedback was a key component in the decision-making process. The business has a targeted local plan to retain existing customers and attract new visitors, however, this was not sufficient to deliver the required improvement in profitability. A targeted marketing campaign was put in place to transfer as many existing customers as possible to nearby clubs and the digital offering was also highlighted for those customers that might alternatively choose to play with Mecca online.

Our communities – the Board was mindful of the potential impact of the closures on the local communities.

Regulators and legislators – management were very focused on maintaining compliance and promoting safer gambling within our venues.

Shareholders & Investors – the Board were focused on creating long-term shareholder value and ensuring a sustainable and profitable Mecca estate is a key part of this.

Suppliers – we worked collaboratively with suppliers to ensure they understood the impact of our estate rationalisation, giving appropriate notice to ensure their resources could be redeployed post the closure of a venue.

Key ESG considerations

Colleagues – maintained clear communication and engagement during the consultation and closure processes. Responded to colleague feedback received, particularly mindful of strategic changes within clubs and which landed either positively or negatively.

Customers – engaged through surveys to receive feedback and inform content and messaging, including impact of closures. Ongoing research which included changing motivations and cost of living crisis impact.

Environment – working with landlords, management of club exit strategy and delivering against energy efficiency plans.

Suppliers – negotiations with landlords as part of club exits and where possible re-negotiations on improved lease terms to avoid closure.

Actions and outcomes

The Board and through its delegated authority to the Finance Committee approved:

- each of the club closures, factoring all stakeholder considerations.
- key Group contracts in the year which impact the Mecca estate, including that of waste management and facilities estate management. Contracts that benefited Mecca also included food and beverage and technology investment.
- continued to keep oversight of the Mecca health and safety audits.
- broader investment in improving the appeal of our Mecca venues.

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

As a result of the actions taken in the year, the Mecca business is better equipped to focus its costs, people and investments into its clubs across the estate and focus on key investment decisions that will benefit all its stakeholders. This will improve the customer proposition, increase the benefit within its wider community and incentivise our colleagues, adding to the long-term success of the Group.

Principal decision: Contract for Facilities Management Services

Context

Since 2021, Rank has outsourced its facilities management services for the UK venues estate to an external third party. This allows our venues management teams to focus on exciting and entertaining their customers and ensures all activities are provided by a single professional provider.

After a thorough review of Rank's facility management requirements and the performance of the incumbent supplier, the management team proposed to transition the facilities management contract for the UK venues estate to a new supplier.

A broad internal team were consulted as part of the project to ensure the process was well managed, delivered to plan and all stakeholder views were considered.

Decision-making process

The decision to transition the facilities management contract to a new supplier was based on a broad range of factors:

- Feedback from local management teams identified that there were opportunities for improvement in the way our venues estate assets were managed.
- Energy prices had seen significant increases in a relatively short space of time and management felt there was more we could do to improve the energy efficiency of our venues.
- There was some feedback from customers and colleagues that certain venues were not being maintained to an appropriate standard and that this was impacting on the customer experience.

A number of factors were considered when determining whether to remain with the incumbent supplier or switch to an alternative. They include:

- Total cost of the services being provided, including any transition costs of moving to an alternative. Overall, the aim was to secure best value for money, including quality of service, rather than lowest possible cost.
- Capability of workflow management systems to allow our venues management teams to see the status of all facilities management activities in one place.
- The asset management and energy monitoring capability of the various potential suppliers to ensure we manage the company's assets effectively over the long term.
- The requirement to ensure our venues remain compliant with legislation and regulation (e.g., health and safety) at all times.
- The relevant experience and track record of the alternative suppliers
- If we were to change suppliers, the need to do so as part of an orderly transition so the continuity of service and customer proposition in our venues was not affected.

When reviewing the proposal to move to an alternative supplier, the Board challenged the management team on a number of factors including, but not limited to, (i) the welfare of colleagues and customers, (ii) the cost and quality of service that was being provided, (iii) the environmental opportunity that can be realised if our venues estate was more energy efficient, and (iv) the requirement for venues to be compliant at all times.

Key stakeholder considerations

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

Customers – colleague feedback was critical to determining where we could improve the provision of facilities management services. Providing local management teams access to systems that enable them to review job status, authorise access to venues and ensure work was completed on time was a key consideration in the decision-making process.

Our people – the need to keep our customers safe whilst in our venues and keeping venues operational and pleasant locations for customers to spend their leisure time.

Communities – mindful of each venue's impact on the local environment.

Regulators and legislators – ensuring our venues estate remains compliant with all legislation and regulations.

Shareholders & Investors – execution of strategic aims in the long-term by improved condition of UK venues and increase visibility of environmental impact of our venues, with a view to reducing this over time.

Suppliers – ensure we work in sustainable partnership with the new suppliers so that venues get the best possible value for money. Ensure there is an orderly transition from the incumbent supplier and they have sufficient notice to redeploy resources.

> **" A fundamental step that enables the Group to improve asset management and energy efficiency across the UK venues estate."**

Key ESG considerations

Leveraging the asset management and energy monitoring technology that can support reduction of energy consumption over time, without impacting on the customer proposition.

Actions and outcomes

The Board approved the new facilities management service provider and the relationship formally commenced in the second half of the financial year with the following improvements:

- 40 venues have now rolled out 600 Prism energy monitoring devices
- improved visibility of job status and progress.
- identification of long-term cost saving opportunities as assets are better maintained.
- identification of energy efficiency opportunities through the replacement of aged appliances and equipment
- developed colleague training on new environmental technologies with roll out in 2023/24.
- 40 venues now equipped to support reporting on energy consumption with the remaining venues to be rolled out during 2023/24 and 2024/25.

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

A fundamental step that enables the Group to improve asset management and energy efficiency across the UK venues estate. The new contract supports the Group's pathway to net zero by 2050.

Stakeholder engagement

Our long-term success must take account of what is important to our key stakeholders. By our proactive engagement, this will help us to identify and focus on the issues that matter most, and allow us to factor in our stakeholders' views into effective decision-making.

Active stakeholder engagement is a key part of how we effectively manage risks and unlock opportunities.

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. The Directors are also kept regularly appraised 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 42 and the case studies on pages 43 and 44. We also engaged with key stakeholders in conducting the materiality assessment that shaped and informed our ESG strategy (For more information, see the Sustainability Report 2023, www.rank.com for more information).

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.

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.

2022/2023 highlights

- Sought local insights through intercept interviews following our rebranded and refurbished Grosvenor Merchant City casino in Glasgow.
- Simplified the delivery of customer views and experiences to our Venues teams, this ensured they were well equipped with a holistic understanding of our customer's views to improve the customer venue experience.
- Participated in a leisure industry study to measure the impact of the 'cost of living' pressures.
- Conducted customer research to determine motivations behind change in customer behaviours.
- Sought customer views through surveys on our food and beverage offerings, including price sensitivities.
- Utilised our programmes to monitor our cross-channel offers and journey for venues to digital players.
- Undertook a qualitative deep dive amongst our digital customers to determine Rank's position amongst our competitors.
- Carried out a small quantative study which sought to provide insights into the range of our customer profile, to better understand what they are looking for in the Rank experience.

Our colleagues

Our people are the heart and soul of the business and a key enabler to 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
- Inclusion and diversity
- 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.

2022/2023 highlights

- Regular communication Group-wide by way of our Get Connected programme, which continued to evolve during the year.
- A review of communications and engagement platform has also taken place and new technology will be implemented in 2023/24.
- 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 & culture initiatives.
- Employee Voice meetings attended by elected representatives from the business, the Chief Executive and Chief People Officer.
- Talking STARS and Leading STARS forums held and attended by the designated Non-Executive Director.
- Conducted a full Employee Opinion Survey in October 2022 and a 'pulse survey' in May 2023 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 massages, yoga classes, providing breakfasts and lunches and arranging other social events.
- Open and enhanced regular dialogue with Trade Unions and local representatives (London).
- A programme of virtual and 'in person' colleague sessions held with the Designated Non-Executive Director for work force engagement (also the Remuneration Committee Chair) who kept the Board appraised 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 as important to Rank and its people as they are to our customers. Our businesses are more likely to succeed when they are part of healthy and supportive communities and we are committed to making a positive contribution to them.

Key areas of consideration

- Charitable initiatives
- Positive community impact
- Employment
- Reputation

How we engage

Our venues are community hubs in which people spend leisure time and engage and interact with other customers and with our colleagues. The strength of our business is in part due to the long-term trust and relationships which exist between our colleagues and customers, who very often will have known each other for many years. A key learning has also been how integral the role of our venues and keeping communities engaged has been particularly during, and as a result of, the pandemic.

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

We are particularly proud of our nine-year partnership with Carers Trust.

2022/2023 highlights

- Continued to support our communities through a wide range of initiatives and sponsorships, such as Blackpool's Pride event, preparing meals for the homeless and held the KAV cup poker event to raise funds for charity.
- Supported the 'Everyone Deserves an Easter' campaign by distribution of hampers to local vulnerable and isolated people.
- Raised £283,018.91 during the 2022/23 financial year for Carers Trust, which works to improve support, services and recognition for anyone living with the challenges of caring for a family member or friend who is ill, frail, disabled or has mental health or addiction problems.
- Promoted Rank Cares Grants, a grant programme for carers in the community. The grants are offered under three areas: (i) Carers Essentials Fund: funding for vital equipment such as washing machines, cookers, fridge freezers or beds, (ii) Carers Take Time Out Fund: funding to allow carers some respite time, and (iii) Carers Skills Fund: funding to enable carers to learn new skills to further support their work as carers.
- Promoted local job vacancies, working with local job centres and colleges to ensure job seekers can find local employment, and which has continued to be a successful recruitment method.
- Supported Carers Trust to raise awareness of the charity, hosting the Carers Trusts CEO on our Mecca TV online channel and our social media careers.
- In March, we supported the Young Carers Action Day which seeks to raise awareness of young carers and young adult carers.

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

Regulators and legislators

Regulators and legislators play a key role in shaping the gambling landscape and an ongoing open dialogue is essential to ensure we better understand the expectations underpinning regulation and that regulation is founded in an understanding of the customer. Regulators also monitor the high standards by which we operate.

Key areas of consideration

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

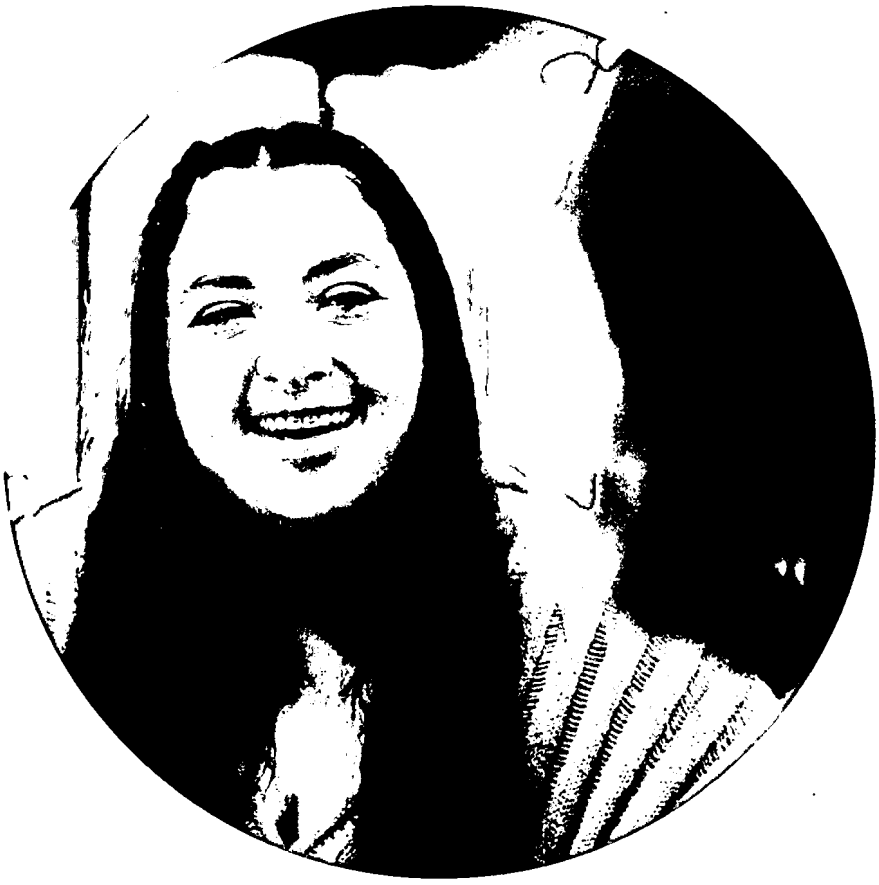
How we engage

Establishing and developing relationships with elected parliamentarians, government officials, industry peers and key stakeholders (such as campaign groups and media) was a key focus in the UK during this year, particularly in light of the gambling legislative reforms and the publication of the White Paper. Engagement was conducted both directly and through industry bodies, such as the Betting and Gaming Council ('BGC'), the Casino Chapter (within the BGC) and the Bingo Association. We strive to establish strong working relationships with the aim that our contributions are valued in terms of delivering customer-oriented laws and regulations.

From a compliance perspective, we participate in regular meetings and communications with the UK Gambling Commission ('Commission'), as well as other regulatory bodies and authorities by whom we are licensed. We have ensured Rank remains a 'strong voice' as we navigate the consultation process following the regulatory reforms.

2022/2023 highlights

- Undertaken a programme of engagement with MPs and media during the year ahead of the anticipated UK Government's White Paper for gambling reform and following its publication in April.
- Encouraged our local MPs to visit and join our Mecca club events to celebrate National Bingo Day in June.
- Attended and hosted at the Conservative party conference in Birmingham, and the Labour conference in Liverpool.
- Chair attended the Commission's chairs roundtables during the year.
- Two of our Non-Executive Directors ('NEDs') attended the Commission's NEDs roundtables held during the year, along with NEDs from other industries, new this year.
- Chief Executive attended meetings held at the BGC offices with the Commission's CEO and senior officials during the year, with the Director of Public Affairs deputising as needed.
- Regular contact with officials in DCMS, including the current and former Gambling Ministers, as we sought to articulate the case for legislative change that supports Rank's strategy.
- Members of BGC, Bingo Association and JDigital.
- Responded to the Commission's proposed changes to the Annual Assurance Statement.
- Responded to the Commission's consultation on the proposed changes to the Licence conditions and codes of practices.



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 way in which we communicate with all shareholders is via our corporate website, www.rank.com.

2022/2023 highlights

- 23 meetings held with shareholders during the year, in addition to quarterly meetings held with the majority shareholder.
- Chief Executive, Chief Financial Officer and Director of ESG & Investor Relations took part in a scheduled programme of major shareholder engagement to discuss interim and final year preliminary results and analysts following announcement of final preliminary results.
- Chief Executive and Chief Financial Officer scheduled engagements with major shareholders and analysts in December 2022.
- Chief Executive hosted a 'fireside' lunch with our major investors and analysts to discuss the implications of the White Paper for Rank and the next phase into the consultation process.
- Our Remuneration Committee chair, on her appointment as the chair to the committee in January wrote and introduce herself to our major shareholders and the proxy advisers. This also provided an opportunity for our major shareholders and proxy advisors to raise any remuneration matters, particularly in light of the Remuneration Policy to be reviewed in 2024.
- Received votes from 92.55% of shareholders for the 2022 Annual General Meeting ('AGM').
- Ensured our shareholders had an opportunity to raise their questions ahead of the 2022 AGM, and which were responded to and published on our corporate website www.rank.com.

Suppliers

We have relationships with circa 1,500 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.

2022/2023 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.
- Continued to work with our suppliers following the transition to our proprietary platform in June of last year.
- 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 2022 Modern Slavery Statement was reviewed and approved by the Board. A copy of the statement is available on the corporate website www.rank.com.

The Group's Modern Slavery Statement can be found on www.rank.com
→

Our key performance indicators

Our five strategic pillars:

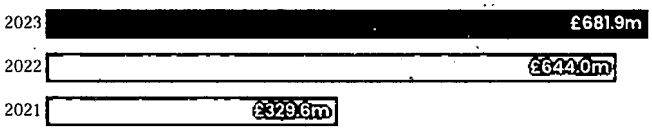
1. Provide a seamless experience
2. Drive digital growth
3. Evolve our venues
4. Be passionate about our colleagues
5. Build sustainable relationships

KPI Financial KPIs	Strategic pillar	Page
Digital NGR	2	35
Strategic investment	3	37

Financial KPIs

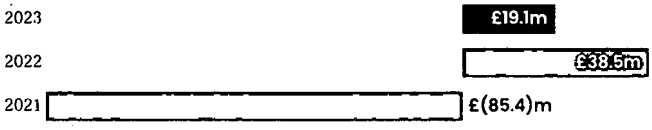
Underlying[1] net gaming revenue ('NGR')

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 6% in the year with all business units in growth.



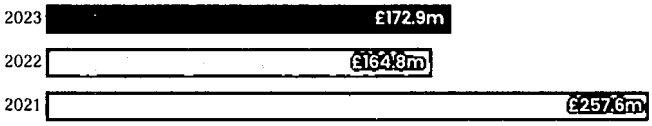
Underlying[1] operating profit/(loss)

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 decreased to an operating profit of £19.1m.



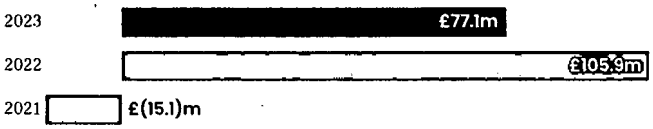
Net debt

Net debt is calculated as total borrowings less cash and short-term deposits. Net debt increased in the year due to the £172.9m.



Underlying[1] EBITDA

Underlying EBITDA is earnings before interest, tax, depreciation, amortisation and separately disclosed items. It is calculated by taking underlying operating profit before separately disclosed items and adding back depreciation and amortisation. Underlying EBITDA for the year decreased to £77.1m.



Our five strategic pillars:

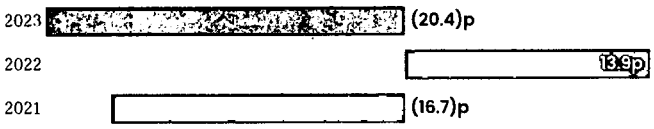
1. Provide a seamless experience
2. Drive digital growth
3. Evolve our venues
4. Be passionate about our colleagues
5. Build sustainable relationships

KPI Stakeholder KPIs	Strategic pillar	Page
Percentage of venues customers that play with us online	1	33
Percentage of digital NGR from cross-channel customers	1	33
Customer numbers (digital)	2	35
Customer numbers (venues)	3	37
Net promoter score	3	37
Employee net promoter score	4	39
Females in senior positions	4	39
Contributions to good causes	4	39
Greenhouse gas emissions intensity	4	39

Stakeholder KPIs

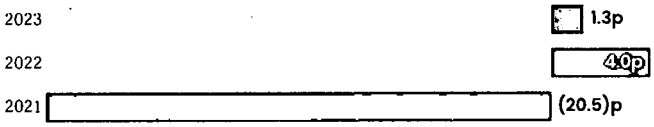
Earnings per share ('EPS')

EPS is a key indicator of the Group's growth after allowing for all costs including separately disclosed items. EPS decreased to a loss of 20.4p.



Underlying[1,2] EPS

Underlying EPS is a key indicator of the Group's growth before allowing for separately disclosed items. Underlying EPS decreased to 1.2p.



Dividend per share

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

Taking account of the continued challenging trading environment and the strong pipeline of investment opportunities to drive revenue and profit growth, the Board has not proposed a full year dividend but expects to recommence dividend payments as soon as circumstances permit.

2023 **0p**

2022 **0p**

2021 **0p**

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 a separately disclosed items.
2. Before discontinued operations.

Our approach to ESG

The Group's management of and performance on Environmental, Social and Governance ('ESG') related matters.

We have four key focus areas – Customers, Colleagues, Environment, and Communities – which are underpinned by robust ESG governance practices and policies.

For in-depth ESG disclosure, see our full 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').

ESG governance

Governance framework

To support effective ESG management, we have a robust governance framework in place. Overall responsibility for setting the Group's ESG strategy sits with our Board of Directors, supported by the oversight and expertise of the ESG & 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 appraised of any new or emerging ESG-related risks.

This year, we have further strengthened our governance structure at management level. In order to drive our ESG agenda and operationalise our strategy across the Group, we set up an ESG Working Group ('ESG-WG') with representatives from each area of the business, which reports into the ESG Steering Group ('ESG-SG') at Executive Committee level. To provide purposeful direction on decarbonisation, our Net Zero Working Group, supported by external consultants with environmental management expertise, is developing a strategy to reach net zero emissions in line with our stated targets.

We established four key areas of focus to provide structure and clarity in our reporting: Customers, Colleagues, Environment and Communities. This structure is underpinned by our understanding of the material ESG risks and opportunities to the business, informed by a study conducted with a cross-section of our stakeholders and our Group corporate objectives.

This year we have introduced Key Performance Indicators in each of the four areas, to 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 will therefore be linked to executive remuneration, sharpening our focus on ESG-related performance.

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, and Health and Safety policies. All employees must be made aware of these standards and complete mandatory refresher training every year. Training is conducted through our online platforms (Springboard, in the UK, and Campus, in Spain) and employee completion rate is monitored. Our whistleblowing programme, Speaking Up, enables employees to raise possible improprieties in confidence.

Supply chain management

Operating in the highly regulated industry of betting and gaming, we must ensure that the third parties we work with are compliant with industry regulation and operate according to the same high standards of ethics that we set as a Group. Manufacturers of gambling equipment and software in the UK are required to have all their equipment and software tested and certified by independent test houses approved by the Gambling Commission. We must only source from those Gambling Commission-approved suppliers for our UK-based venues and online sites. If a company is not certified we will not work with them. Though the legislation around manufacturers of gambling equipment and software is different in Spain, we have the set the same high standards for the third parties we engage outside the UK.

Customers

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:

+43

Customer Net Promoter Score (NPS)*

Grosvenor:

+82%

Mecca:

+83%

UK Digital:

+73%

Customer feedback scores on safer gambling

+53

Employee NPS on safer gambling

+43%

Percentage of UK Digital customers using safer gambling tools

* Customer NPS is calculated by averaging the scores from each of the brands. For Grosvenor, Mecca, Enracha, and UK Digital, each individual score was the average for 12 months to 30 June 2023, whilst for International Digital this was the score at 30 June 2023 as the customer survey was only conducted once during FY 2023 for this part of the business.

Safer Gambling

Safer gambling messaging

The focus on keeping our customers safe underlines everything we do at Rank. Safer gambling messaging is incorporated into our operations and communications across the Group, internally and externally and across all the brands. The objective of consistent safer gambling messaging is to maintain a strong awareness amongst customers, ensure that relevant support is signposted and easily accessible, and keep safer gambling central in the minds of our employees.

In the UK, our standalone, dedicated safer gambling website, Keep It Fun (keepitfun.rank.com), provides a hub for advice and information on safer gambling tools available for customers gaming online or in our venues, including 'How to' materials. The Keep It Fun messaging appears on all our communications, as standard.

We follow industry best practice on safer gambling messaging. This year we conducted a full audit of our messaging against the GamCare Code of Conduct, which has updated the requirements for the visibility of safer gambling messaging in UK land-based venues. We now have '360' messaging on safer gambling across our locations.

In our Spanish venues, safer gambling messaging can be found on all slot machines and on posters in the venues. These signs provide information on where players can seek help, and there are resources and links to gambling charities on the safer gambling page of the Enracha website. For the Rank Spanish digital business, all sites have a links to a safer gambling resources and support organisations.

Safer gambling tools for customers

To minimise the risk of gambling-related harm we provide customers with the right tools to help them remain in control of their play. We continue to review our existing measures, introduce new tools or updates based on player behaviour, and ensure that we are compliant with industry requirements.

Customers can set deposit, loss or time limits on machines in venues and on games online to manage the amount they spend or monitor the time spent playing. All our channels offer the option to self-exclude, which is an enforced break from gambling. To support a customer that has self-excluded, their status will be updated automatically on our marketing system which will suppress all communications to that customer.

Detecting at risk customers

Even with the actions we take to inform our customers about safer gambling and the tools we provide to facilitate responsible gaming, a very small proportion of customers will exhibit problem gambling behaviours. As such, it is critical that we take every appropriate step to quickly identify these individuals and provide them with the support they require.

For the digital space we employ technological solutions for detecting at-risk customers including use of data models. We are developing a Central Engagement Platform ('CEP'), with the objective to create a single source of truth for data in the business. Currently, the CEP draws on 35 data sets from Mecca, Grosvenor, and the digital brands in the UK, and we are beginning to utilise this information to enable data driven decision-making across the Group.
As safer gambling is such a central focus for Rank, we have already developed models to improve efficiency in detecting at-risk customers, including monitoring play in our Grosvenor venues. Now, when an individual exceeds a pre-determined spend threshold, an alert is sent to the management system of that casino, triggering an interaction by a member of the team with that customer regarding their level of spend.

In our gambling venues our employees are trained to monitor players and recognise signs of harmful playing behaviour. Every employee must complete mandatory safer gambling instruction on an annual basis, with progress being monitored through our online platform. Additional training is provided as required or according to a particular role's needs. Extensive training was provided to circa 1,200 employees across Mecca, Grosvenor and UK digital business this year to embed and enhance ownership of and accountability for promoting safe gambling behaviour amongst our customer-facing teams. The response from participating colleagues has been excellent, with feedback reflecting a greater appreciation for the importance of safer gambling and a much greater understanding of how to approach customers.

> **" Our Markers of Harm model assists in safeguarding the interests of vulnerable customers by using demographic, transactional and behavioural data."**

Safeguarding

Preventing underage play

A constant consideration in our marketing is ensuring that none of our communications or advertising is presented in a way that would appeal to children or young people. We employ a number of different methods in our venues to prevent underage individuals gaining admission, including IDScan technology, CCTV and compulsory registration. In our UK digital business, we use third-party credit reference databases to check and validate customer registration details: this check is aimed at preventing under-18s from qualifying for access to our sites. In our Spanish digital business, the age verification process is conducted in conjunction with the regulator.

Protecting vulnerable customers

Our Markers of Harm model assists in safeguarding the interests of vulnerable customers by using demographic, transactional and behavioural data, as well as known markers of harm to assess customers. Any individual that scores in the high-risk category will not receive any marketing communications from any of our brands.

At Grosvenor we have taken a number of significant steps in relation to vulnerability. We have updated the safer gambling policy to make it clearer. This includes our approach to identifying potentially vulnerable individuals and we have provided complementary training for our employees on how to manage a situation like this, should it arise.

We recognise changes in customers' circumstances when conducting interactions, particularly life events, changes to financial situation and any medical issues our customers bring to our attention. Potential or known vulnerabilities are recorded on the customer's account and taken into consideration when assessing their play.

In Spain, we received specific guidance from a safer gambling specialist on dealing with vulnerable customers. There is a particular focus on the approach to customers in crisis, including those with drug addiction issues or at risk of suicide.

Customer privacy and data security

To ensure that our customers have complete confidence in their playing experience, it is critical that we protect their privacy and keep their personal data secure. As such, we maintain clear principles of accountability for data security. The Board of Directors has ultimate responsibility for data security, with clear reporting lines and delegated responsibility through the Chief Executive to the Chief Information Officer, Chief Data Officer and Director of IT Security. Our Spanish business aligns to the same framework; an external local data protection officer (DPO) puts in place all data security protocols and monthly reports are provided to the Group DPO.

Our data protection policies provide direction on all data handling matters including user rights, data retention, data sharing and security. This year we introduced a new process for reporting of data breaches. The objectives were to improve ease of reporting and to encourage people to report near misses. Reporting near miss data breach incidents should reduce the number of actual incidents, as people are more aware of the risks and improvements to processes can be identified before a breach occurs.

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), multi-factor authentication, firewalls, encryption, role-based access controls, end point protection, intrusion detection/prevention, and employee education, and are all aligned with industry best practice. A managed service Security Operations Centre is in place, monitoring data interactions by users and devices across the Rank estate. This then reports any activity of concern into our Information Security Team, ready for further investigation.

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 the gambling equipment and software we obtain comes via companies licensed by the Gambling Commission. In Spain, our Compliance Manager conducts audits of the venues every three months to ensure that the licences on slot machines are valid. All gambling products installed in our venues are certified and in accordance with regional regulation.

Monitoring the safety performance of our products is critical to delivering a seamless player experience for our customers, as well as ensuring that our games are operating in accordance with regulatory requirements. Across all our venue and online brands we track performance of the equipment so that we are alerted to any potential issues as quickly as possible and can take active steps to maintain target 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 there are clear regulations governing the advertising of gambling products that ensure consumer targeted communications reach the intended audience and do not promote it as a resolution for financial difficulties or loneliness issues. Any new or materially different materials are reviewed by our Compliance Team before release to assess the tone and intent and that they are not contravening any regulations.

Safer gambling is a critical consideration in our advertising and we are committed to providing consistent and effective safer gambling messaging when we market our products. In the UK, in compliance with Betting and Gaming Council ('BGC') commitments, and in addition to the safer gambling messaging which must be included in all advertisements, 20% of our 'above the line' media expenditure in the UK is reserved for safer gambling messaging on campaigns. The Advertising Standards Agency ('ASA') guidelines were updated in October 2022, which has sharpened focus on the imagery used externally to make sure that it does not appeal to children. As a member of the BGC, Rank also follows the industry body's Code for Responsible Advertising.

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.

"We are committed to achieving the highest standards in H&S across the Group and continue to improve and update our processes in line with the local government guidance and approved codes of practice."

Health and safety

As an operator of physical venues across the UK and Spain, it is important we take all necessary measures to ensure the physical health and safety ('H&S') of our customers and colleagues. We are committed to achieving the highest standards in H&S across the Group and continue to improve and update our processes in line with the local government guidance and approved codes of practice. To improve efficiency and oversight, we have introduced a new safety management system for the UK venues which amalgamates all our previously disparate platforms into one online portal. This has streamlined and improved the data collection and management process, creating a singular dashboard with all relevant information.

Customer service

Interactions with our customers are a key enabler to improving our service and turning player engagement into a competitive advantage. It is important that customers have clear channels of communication for them to feed back to the business and that they are provided with any support they require in a timely and friendly manner. The customer service team can be contacted via live chat, phone or email. The findings from the feedback gathered are shared with the relevant teams internally in order to drive continuous improvement.

Colleagues

Delivering a high quality of service for our customers depends on our ability to provide a positive working environment for our colleagues. As such, driving engagement, providing development opportunities, and ensuring all employees are treated fairly and given the support they require, are all key commitments for our business.

Key Performance Indicators:

+14

Employee Net Promoter Score ('eNPS')

35%

Percentage of women in senior roles

Training and development Leadership capability

Sustainable growth is reliant upon the direction of leadership. As such, it is critical that we have effective leaders in place equipped with the appropriate skills and understanding to drive the business forward. The skills of the Board of Directors are reviewed annually to maintain the necessary knowledge and experience that is appropriate for the business. Board members receive regular corporate governance and industry updates and bespoke coaching is offered to senior management to enable further growth in expertise. To support the development of future leaders, in the UK digital business this year, we have launched an Internal Mentoring Programme specifically to support those individuals identified as high potential.

Development opportunities

Equipping people with the right tools to fulfil the duties of their roles and the mandatory training to operate according to best practice is a focus for every company. We have incorporated training opportunities into our recruitment strategy, including offering our six-week intensive training programme, Gaming Academies, for individuals that want to learn dealing casino games. We recruit people specifically for these courses, providing skilled employment and free training. The in-depth safer gambling training provided in partnership with GamCare this year has also resulted

in positive outcomes for our employees, with many reporting an improved ability to carry out their roles and support customers.

To improve engagement, to motivate people to excel, and to be seen as a great place to work, offering career development opportunities is crucial. Our e-learning platform offers over 700 courses in professional and personal skills development and is available to all employees. Apprenticeships are used as a tool to upskill individuals within and prepare them for more senior roles. We have a formal process through which colleagues can apply for support to undertake external training such as mini-MBAs and project management courses. By providing these opportunities we are proud to have continued seeing colleagues progress through the business.

Equality, diversity and inclusion

We are committed to creating an equal, diverse and inclusive working environment where everyone's needs are supported. We have four stated aims against which we have delivered a number of initiatives in the past year.

1) Deliver an inclusive and diverse environment that contributes to us being internally and externally recognised as an admired employer.

- In May, we introduced the Career Accelerator Programme ('CAP'), available to all female colleagues currently in or seeking to enter management roles. The importance of ED&I must be understood by every level of the business. This year, we delivered 7,200 hours of ED&I learning through a mixture of events, webinars, online learning and forums. Whilst we continue to educate our colleagues, we also regularly review our leaders and managers to ensure that they are acting and leading inclusively.

2) Create a colleague experience that both attracts and retains talent regardless of our location.

- To ensure that the right support structures are in place for all our employees, we have begun an extensive review of our family support policies, with the aim to be equitable across different locations, improve accessibility, and ensure the values reflect our new EVP.

" Technology tools are being rolled out to capture facility energy usage data at source."

3) Ensure we continue to educate, grow, and develop our colleagues and that any perceived/actual barriers to career progression are removed.

- To ensure there are no barriers to progression for individuals from under-represented groups, several initiatives are in place to support employees' development. We create personal development plans ('PDP'), which we review on a quarterly basis. To support the development outlined in the PDPs, we offer mentoring and enable individuals to undertake external courses.

4) Make equity integral to how we do business.

- We have six ED&I colleague network groups – Wellbeing; Women; Racial Equality and Diversity; LGBT+; Families; and general ED&I (incorporating religious celebrations) – and host a calendar of events to celebrate and align with national and international events. This year, our EOS results showed improved internal perceptions on Rank's ED&I performance, with the score increasing from 8.1 to 8.3. This was reinforced externally, where we ranked in the top 25% of Gaming/Gambling companies for ED&I through the All Index Benchmarking survey.

Engagement, reward and wellbeing

Working in a dynamic industry such as ours is truly exciting, and we want to make sure that is reflected in every employee's experience. Engaging with our colleagues on an ongoing basis helps us to monitor employee satisfaction and provide a key channel for feedback. Our Employee Opinion Survey ('EOS') is a valuable tool for assessing employee sentiment and is a Key Performance Indicator for the business. Our Executive Team are not a remote body, but continually interact with colleagues, listen to feedback, and respond to concerns. Directors and senior management lead our Town Halls, in which all colleagues can participate.

In order to deliver the best possible experience for our existing colleagues, as well as continue to bring talented individuals into the business, we have been developing Work. Win. Grow., our new Employee Value Proposition ('EVP'). The new EVP is underpinned by our existing values but is focused on building a comprehensive global understanding of our business. Crucial to this has been reviewing the policies we have in place and compensation we offer, with the objective to ensure the benefits offering is equitable across our workforce. By undertaking this project, we are developing the culture of Rank to meet employee expectations, improving talent attraction, engagement, and retention.

Environment

Key Performance Indicators:

36.6

Carbon intensity ratio

Net zero pathway

Rank fully supports the international decarbonisation goal, as set out in the Paris Agreement. In order to meet the 1.5°C global warming target, global carbon emissions should reach net zero around mid-century.

Assessment and targeting

Rank's long-term goal is to achieve climate neutrality for its entire value chain (Scopes 1,2 & 3) by 2050, or earlier if possible. Meanwhile, an interim target has been set to remove all greenhouse gas ('GHG') emissions from an initial boundary by 2035. This boundary extends to all operations and includes Scope 1 and 2 and selected categories of Scope 3.

Net zero business planning

Independent oversight

Board

ESG & Safer Gambling Committee

Sub-committee led by Non-Executive Director, Katie McAlister

Strategy

Executive Committee

ESG Steering Group

Senior executive team including CEO and members of the Executive Committee

Business

Leadership and direction, aligning policies with business strategy, and ensuring governance is in place throughout

Business strategy | Policies, planning and governance | Performance

Implementation

ESG Working Group

Functional leadership team made up of relevant skills sets within the organisation

Transformation | Procurement | HR | Information technology | Sales & marketing | Compliance | Governance

Net zero Working Group

Cross-functional group of internal and external personnel, coordinated by Rank's ESG Strategic Programme Lead

Carbon reporting

To ensure a robust single source of truth for decision-making, investment and review of progress over time.

- Baseline carbon performance assessment
- Monitoring: Electricity, gas, fuel
- Reporting

Transformation

Methods to ensure that opportunities are captured, assessed and, where appropriate, executed with quality and pace.

- PMO: Business case, ownership, processes, risk & issue
- Carbon reduction initiatives
- Project dashboard

People

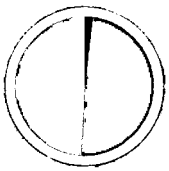
Build an inclusive and progressive culture to influence behaviours, encourage participation and share plans and achievements.

- Soft goals
- Team engagement communications
- Culture

Net zero pathway

FY June 2022
Baseline Carbon Assessment

Rank initial boundary covers all operations for Scope 1 and 2 with selected Scope 3 categories. Preparing a baseline and reduction plan for Scope 3 emissions takes between 6 and 12 months.



- Scope 1 2%
- Scope 2 49%
- Scope 3 49%

FY June 2023
Carbon Reduction Plan

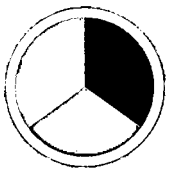
£57m investment and £135m savings in the UK over the last 12 years

- Board approved approach to net zero plan development.
- Engage suppliers for carbon reporting tool.
- Engage supplier for Scope 3 investigation.
- Mobilise culture and colleague engagement.
- Apply net zero criteria in initiative approvals.
- Complete PRISM energy capture phase one roll-out.

2023-35
Interim Target

Interim net zero

Rank's interim target is to remove all GHG emissions from an initial boundary by 2035.



- External actions 35%
- Internal initiatives 30%
- Consequential actions 35%

2035-50
Longer-Term Goal:

Climate Neutrality including SBTi alignment

The SBTi's Corporate net zero Standard is the world's leading framework for target setting and includes the criteria needed to set science-based Net Zero targets consistent with limiting global temperature rise to 1.5°C.

It requires emission reductions through direct action within companies own boundaries or their value chains. Offsets are only considered to be an option to finance additional emission reductions beyond their science-based target.

Value chain

Scope 1

Covers direct emissions from sources owned or controlled by the company. This includes emissions from company-owned or operated facilities and vehicles.

Scope 2

Covers emissions from the generation of electricity purchased by the company.

Actions

- Implement trial carbon reporting tool.
- Present updated net zero plan.
- Review progress and approach.

Emissions recognition

Scope 3

Despite being less directly related to a company's main activity, these indirect emissions can make up a significant portion of a company's impact on the climate.

There are two categories:

- Upstream emissions from activities involved in the creation of a company's services or goods. This includes emissions from employee travel and commuting to work, and emissions in the supply chain from the production of purchased goods and services the company uses or sells.
- Downstream emissions occur from the distribution or use of a company's goods including the disposal of products.

Energy reporting methods

Technology tools are being rolled out to capture facility energy usage data at source with additional systems under review for:

- Capture of non-facility data, e.g. vehicles, waste.
- Translation from usage into a common carbon metric.

Internal and external actions

- Building rationalisation.
- Grid abatement.
- Offsets.
- PPA supply.

Implementation actions

Energy champions

Identify suitably motivated and willing colleagues to advocate climate-positive sentiment and actions in their workplaces.

Communications

Establish a comms plan to provide regular and relevant messaging to internal and external communities to inform, stimulate and motivate positive behaviours.

Incentives & recognition

Fund and implement suitably oriented schemes to recognise and reward positive contributions and excellent behaviours.

Work completed to date includes the preparation of an initial carbon baseline for 2021/22 that calculated our existing GHG emissions. The company has been working with specialist third parties to understand emissions, the options to reduce, and the effects of initiatives as they progress: Consultus – for guidance on carbon reporting and reduction initiatives Cloudfm – for detailed monitoring and reporting of actual energy usage.

We have utilised the SECR (Streamlined Energy and Carbon Reporting) report, prepared by Consultus and delivered in July 2022, as the basis for recognising the baseline carbon emissions position of our business. The total baseline position calculated for 2021/22 is 26.8 kT of CO_2 emitted.

Initial boundary

All operations, including those in Spain, are encompassed in the scope of the interim net zero 2035 target for Scope 1 and 2 emissions, plus selected voluntary Scope 3 emissions.

The vast majority of these emissions come from electricity and gas, used to operate facilities, and assigned across Scopes 1 and 2. Consultus projections expect this to grow by circa 4% in 2023. Further work will be conducted in Q3/4 of 2023 to embrace the wider extent of Scope 3 emissions – which we expect to be significant – including the preparation of a baseline assessment of Scope 3 emissions.

Current and proposed pathways

Several initiatives and actions have been identified to reduce the Group's carbon footprint. Some benefits will be felt as part of pre-existing investment plans, such as background improvements in carbon efficiency through energy contracts, or the considerations of continuing to operate in certain venues. Others will come as a result of internal initiatives planned and implemented by the business.

Energy reporting

We are utilising technology tools to capture facility energy usage data at source. The Mindsett PRISM is an energy management system which provides planned and reactive facilities management from Cloudfm (our energy consultants). It will be implemented over the next three years across Rank UK.

At the end of 2022/23, we began the installation of smart-sensing devices at our top 40 highest energy consuming sites in the UK. The devices now capture data from every asset that is plugged in at these venues, from each individual slot machine through to the heating, ventilation, and air conditioning ('HVAC').

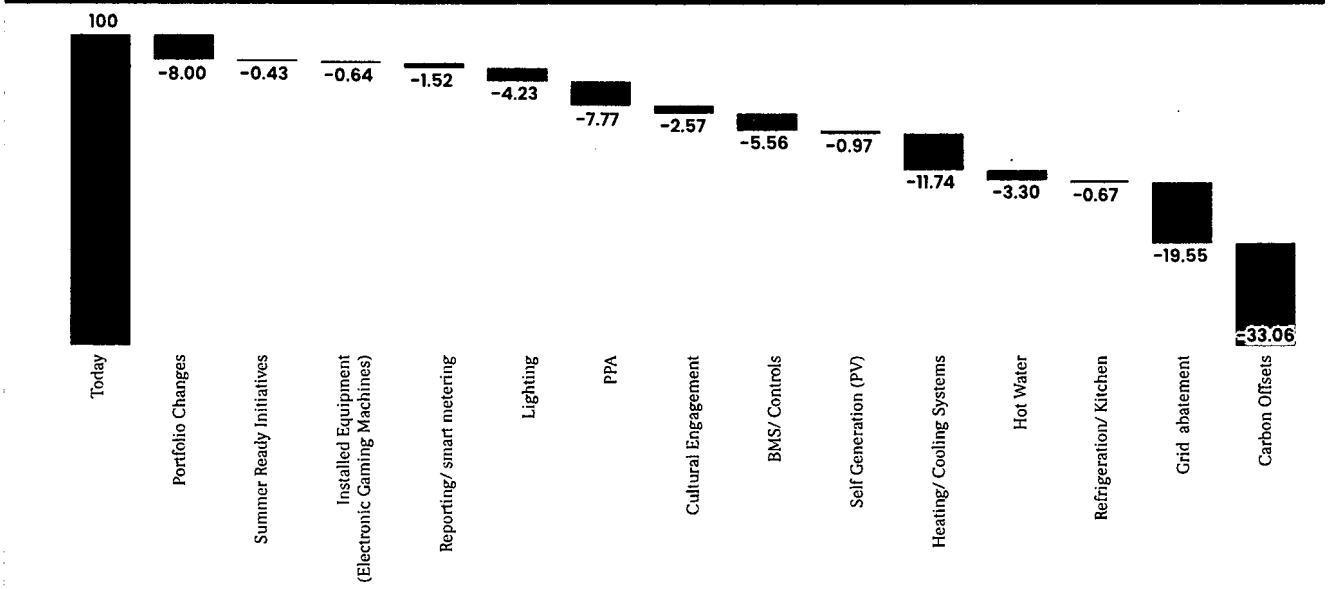
The data we are collecting is combined with the metered gas data; this helps us understand the full picture of energy usage at each venue. This information can be accessed through an energy usage dashboard. The platform enables the business to interrogate energy usage across different parameters, such as which equipment is most energy-intensive and whether devices are not being switched off overnight. By gaining a detailed understanding of energy usage in our venues, we can identify where behavioural change can be encouraged to reduce energy consumption. We can then apply these learnings across the entire Group.

A key function of this technology is in enabling predictive maintenance. By continually monitoring the operation of equipment, the platform can distinguish between assets, even if they are the same make and model. It will also be able to create a profile on each asset, whether that be a fridge or a PC.

Owing to the granularity of the performance data captured per asset, the system can predict potential faults. This will allow the business to pivot from reactive maintenance to preventative, which in turn will mean more efficient energy usage and greater uptime of operational and revenue-producing assets.

Additional systems under review include the capture of non-facility data, e.g. vehicles and waste; translation from usage into a common carbon metric; presentation of a carbon dashboard.

Net zero waterfall (%)



3.89

Amount of hazardous waste (tonnes)

1,149

Amount of non-recycled waste (tonnes)

1,053

Amount of recycled waste (tonnes)

206,498

Total water usage (m3)

Change management

By affecting behavioural change, technology can be used to pursue our decarbonisation objectives. Educating everyone about our net zero ambitions is therefore key and will complement our decarbonisation workstreams. To support the implementation of our plans, we are mobilising the Group to develop positive culture and processes, deliver practical initiatives to reduce carbon emissions, and introduce reporting mechanisms to demonstrate progress in line with the stated ambition. These include:

- Environmental champions – motivated and passionate colleagues to advocate climate-positive sentiment and actions in their workplaces.
- Communications – we have established a communications plan to inform internal and external communities, and to drive improved behaviours.
- Incentives and recognition – funding to recognise and reward positive contributions and excellent behaviours.

Starting with the installation of the PRISM technology in venues, we have established a calendar of engagement for FY 2024. This commenced with training sessions for employees in Summer 2023 on the use of the Mindsett platform. The aim of these sessions was to familiarise colleagues with both how to use the platform and the information that it provides.

We will check in with our employees throughout the year to continue embedding awareness about energy reduction, gather feedback on environmental initiatives, and incentivise positive behavioural change.

Refining our approach

It is a strategic imperative for our business to refine our decarbonisation strategy. As we are now gaining greater understanding of energy use across the business, we are developing an investment strategy that is informed by robust data and establish a credible pathway to net zero.

The chart (above) maps our current decarbonisation initiatives across the business. With greater understanding of our Scope 1 and 2 emissions, the waterfall currently focuses on initiatives in these areas. The initiatives include: measures that we are already undertaking, such as changes to our venues portfolio; measures which have been identified during site-specific audits, such as upgrading a heating system; measures which can be applied on a national level across similar properties, such as improving internal awareness of energy use; and, lastly, green energy and offsets.

A number of initiatives that we are undertaking will require a degree of investment, however we have calculated a far greater return in cost savings as a result of their implementation.

Of the measures we have set out for FY 2024, entering a renewable electricity power purchase agreement (PPA) represents a significant saving in tonnes of CO_2 at the lowest investment cost. Instrumental in reducing our carbon footprint, however, will be measuring and addressing Scope 3 emissions. Supported by our carbon consultants, we are assessing the 15 categories of Scope 3 emissions to better understand this footprint.

Our initial focus is on the areas of greatest spend, with a view to establishing more granular detail on the supply chain in the future. In order to support this process, we are looking into options for a carbon accounting.

With operations in Spain, we recognise the obligations of EU legislation. The Corporate Sustainability Reporting Directive ('CSRD') requires companies to report on their Scope 3 emissions by 2025. We are committed to meeting these legislative requirements, but will not limit this exercise to the Spanish business, rather approach Scope 3 reporting from a Group-wide perspective.

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

Governance

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 appraised of progress on climate-risk considerations, specifically via the ESG Steering Group, who assume executive ownership and accountability for the sustainability strategy. This year, updates given to the Board have focused on specific energy reduction assessments and initiatives to address the decarbonisation agenda, as well as progress against the Group's established non-financial KPIs. (See page 57 for organogram.)

The Board has clear oversight of climate-related matters through its committees The ESG & Safer Gambling Committee in particular is responsible for overseeing the Company's approach to climate risk, defining strategies and proposed actions. The ESG & Safer Gambling Committee met four times during the year, with climate-related matters raised at each meeting.

> **" We are in a much stronger position as it relates to legislative requirements, particularly on environmental regulation. Having received training from our ESG consultants on reporting in this space, the Board and ESG & Safer Gambling Committee have a more complete understanding of what is required of the business and have led in stepping up to meet those requirements. We now have interim net zero targets in place, supported by a carbon reduction plan."**
>
> **Katie McAlister**
> Chair of ESG & Safer Gambling Committee

The Audit Committee is aware of climate risk accounting considerations and the potential impact of climate change on the business. The Risk Committee considers current and future climate-related regulatory requirements and monitors them on an ongoing basis, and climate change is currently considered low risk on the Risk Register. 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 well as receiving internal information, the Board is given updates by our external consultants and this year received a presentation from ESG specialists on TCFD reporting and net zero planning.

Climate-related issues factor into the Board's decision-making processes, specifically around the strategic management, operational implementation and requirement for capital expenditure. A significant component of the annual budget is the continued investment into our real estate; current considerations include insulation, lighting, and heating, ventilation and air conditioning control. Climate-related issues will continue to be a matter for the Board in reviewing and guiding performance objectives, monitoring and performance.

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 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, and is therefore a low risk on the Risk Register. This Group Risk Register is also informed by the risk registers held at business unit level from Mecca, Grosvenor, Rank Interactive and Rank International.

The Net Zero Working Group continues to assess any vulnerabilities over various time horizons. The key drivers for our recognition of climate change as low risk are principally transition risks. We are mindful that there are also certain physical risks that may impact some of our operating sites. Consideration to address all of these risks is being built into our net zero investment strategy.

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. This year, we established an ESG Steering Group ('ESG-SG'), led by our Director of IR and ESG. The ESG-SG plays a strategic role by setting out the ESG-related objectives for the Group, which includes climate-related matters. Operationalisation of this strategy is delegated to the ESG Working Group ('ESG-WG'), led by our ESG Strategic Programme Lead.

In the UK, the executive management teams of the ESG Steering Group, Net Zero Working Group and ESG Working Group are supported by external advisors, specifically relating to our climate-risk reporting and net zero workstreams. The consultants – Consultus, Cloudfm, JustaEnergia 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 are in the process of contracting a consultant to support on the development of a country-level net zero strategy. The business is informed by environmental management consultants and other corporate advisors. 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.

A holistic approach to decarbonisation can only be achieved by considering climate risk across all locations. The Managing Director in Spain holds ultimate responsibility for a net zero strategy for our land-based Enracha venues, supported by the Head of Transformation in Spain on day-to-day operations. Aligning with the overarching Group net zero strategy, the business is developing a country-specific net zero strategy for our Spanish operations. This will be informed by the energy assessment that we are conducting for the these venues; a pilot programme that is currently underway. To foster awareness for this initiative, a country-wide project was introduced to all employees at the beginning of 2023/24, with involvement from General Managers across all venues.

Strategy

The Net Zero Working Group is defining a comprehensive decarbonisation and investment strategy across the UK portfolio. 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 above, Rank is to invest £57m in climate-related and aligned initiatives over the next 12 years within the UK. At present, the Board believes that the £57m budget will be allocated in approximately equal tranches over the next 12 years. However, as our understanding of our portfolio improves over the next few years, due to the use of the Mindsett technology, the speed of investment may alter. It's important that this quantum is allocated and communicated to our stakeholders, but equally we believe these investments should be informed by reliable data. Key functions, such as property, will be the most significant areas for investment. The allocation of capital for projects supporting our net zero targets will undergo strategic and financial review, inclusive of new PMO screening.

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. In 2021/22, Rank's accounting team assessed climate-related matters that may impact the Group's financial statements.

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. 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. 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 are assessed that there is no material impact to the financial statements due to climate related matters.

" The Net Zero Working Group is defining a comprehensive decarbonisation and investment strategy across the UK portfolio."

Climate-related risks and opportunities

The Group has identified climate-related risks that could have a material financial impact on the business, assessing the potential outcomes of each risk, describing the mitigating activities undertaken, and including the timeframe for impact. These are consistent with the assessment in FY 2022. We define the short, medium, and long-term time horizons as the following: short – present to 2030; medium – 2030 to 2040; and long – 2040. The financial impact of differing levels of risk are defined as follows: low – managed as part of existing processes; medium – additional mitigation or investment required; and high – significant investment required and considered material risk to the business.

Climate change presents some opportunities also. Organisations that shift their energy usage towards low-emission energy sources can potentially reduce their annual energy costs. Furthermore, innovation and development of new low-emission products and services may improve competitive positioning and capitalise on shifting consumer and producer preferences.

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.

Type	Risk description	Potential outcomes	Mitigating activities	Timeframe
Policy and Legislation	That Rank is not able to respond to increasingly stringent reporting obligations to the frequency or quality required.	Legal and/or reputational issues, which in turn drive compliance costs and potentially impact cost of capital. Financial impact: low	Monitor potential legislative and regulatory changes. Considering ability to achieve net zero by 2035 target. Working to define net zero strategy and set interim targets.	Short to medium
	That nation states may introduce carbon emission levies, placing an additional fee upon energy consumption costs.	This may increase Rank's operating costs. Financial impact: low to medium	Assess property portfolio to determine investment programmes that make building more energy efficient, less carbon intensive. Seek to source green energy.	Short
	That new climate-related laws or regulations for which Rank is not prepared for.	Rank may be subject to an increase in accounting provisions, not initially budgeted for. This may impact profitability. Rank may be subject to increased compliance costs. Financial impact: low	Define decarbonisation strategy to remain ahead of regulation.	Short to medium
Technology	Technology advances introducing more environmentally-friendly equipment to replace existing IT infrastructure.	Whilst Rank does not rely on carbon-intensive assets for value generation it nevertheless uses IT equipment to fulfil a variety of functions, including online gaming platform IT infrastructure and general business/operating IT infrastructure. This infrastructure may suffer a reduction in useful life driven by major advances in IT energy efficiency, driving increase in depreciation and amortisation costs. Financial impact: low	We regularly invest in our equipment. As more energy efficient machines are introduced to the market, these will naturally be integrated into our infrastructure through our investment cycles.	Short to medium

Transition Risks continued

Type	Risk description	Potential outcomes	Mitigating activities	Timeframe
Market	Climate induced changes to customer preferences for leisure.	Changes in consumer preferences may encourage more players to play online at home, rather than incur possible transportation emissions and continued utilisation of inefficient spaces. Regarding temperature changes affecting consumer preferences, we have noted different behaviours in the UK and we are monitoring this in Spain as well. Financial impact: low	Formalise and communicate clear decarbonisation strategy.	Long
	Supply chain cost inflation.	Increased costs related to the use of new environmentally friendly materials or processes could result in contracts previously expecting to be profitable becoming loss making. Financial impact: low	Commencing Scope 3 assessment to better understand Rank's exposure to high emitting sections of its value chain. In time, will seek increased information regarding climate risk exposure from key suppliers.	Medium
Reputational	Failure to meet internal or external stakeholder climate-related expectations, impacting relations.	Perceived higher risk investment, increasing cost of capital with investors, financial institutions and insurers. Reduced revenues due to challenges in attracting new talent and increased opex from employee turnover. Financial impact: low to medium	Define and communicate our net zero ambitions.	Short

Physical Risks

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

During the year, the Group conducted a desktop assessment to review the perceived flood risks of our UK and Spanish operations.

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').

11 of the 107 venues in the UK were identified as high risk from surface water, river or coastal flooding. The Group monitors these sites closely and we have flood contingency plans in place for each venue. Investment into potential flood defences is based on a variety of commercial and leasehold factors, which the Group is presently working through.

Financial assessment is conducted on our high-risk sites, but it is deemed not material enough to influence future investment decisions regarding if a site is retained. This underscores the low risk of climate change from a physical perspective, impacting our future cash flows. 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.

Currently, we believe there is little to no impact from the physical risk presented in Spain on our financial performance.

The more management information we gather through our energy assessments in the UK and Spain, the better informed we will be on the physical risks presented by climate change.

Physical Risks

Type	Risk description	Potential outcomes	Mitigating activities	Timeframe
Extreme weather events like drought, flooding and storms	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, as well as impact revenue if customer demands for online entertainment cannot be met. Financial impact: low to medium	Business continuity and crisis management plans in place	Short to long
Changes in average climate conditions including rising sea levels, coastal flooding and increased average temperatures	Increased operating costs driven by the increased use of climate control systems across our properties.	Increased maintenance and insurance costs. Financial impact: low to medium	Investment into property portfolio	Short to long

Flood Risk assessment for UK and Spanish venues

UK venues	Surface water	Rivers	Coastal
High risk	8.5%	1.9%	0.9%
Medium risk	17.9%	3.8%	–

Spain venues	Surface water	Rivers	Coastal
Medium risk	–	11.1%	–

Scenario analysis

To evaluate the resiliency of the Group's strategies to climate-related risks and opportunities, in FY 2022 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 reducing 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.

Short term (to 2030)	Medium term (2030 to 2040)	Long term (beyond 2040)
Risks 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.	**Risks** 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.	**Risks** - 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.

Short term (to 2030)	Medium term (2030 to 2040)	Long term (beyond 2040)
Risks 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. - Ad hoc supply chain interruptions.	**Risks** 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.	**Risks** 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 Pathway to Net Zero mean we are mitigating risk in this area.

Qualitative vs quantitative scenario analysis

The TCFD recognises that a qualitative assessment is a reasonable first step in conducting scenario analyses of climate risk, at different temperature pathways. Underpinned by the gathering of experiential information from different Group functions (such as property and finance). Management has gathered an understanding of how climate change could impact the business, whilst identifying potential data points that will require more robust monitoring and analysis.

The ability to explore the implications of non-quantifiable information makes qualitative scenario analysis well-suited to assessing transitional climate risks (such as regulation or carbon costs). As qualitative scenarios only give high level views of physical climate risks (such as increased precipitation), we will look to quantify the future potential impacts, such as flooding or extreme heat risk on the business, however marginal the scenario may be and the emerging nature of the risk.

Risk management

In accordance with our assessment of the risks posed by climate change to our business, climate risk is included as an emerging risk on the Company's Risk Register. 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 is included as a standalone risk on our Risk Register and is therefore integrated into the overall risk management framework. Defining climate as an emerging risk also means that the Audit Committee has general oversight of this issue. Additionally, through guidance from the ESG & Safer Gambling Committee, the Audit Committee is encouraged to consider climate-related matters when assessing the following Principal Risks: taxation (should a carbon price be introduced); business continuity planning and disaster recovery (should any physical climate-related risks impact the business or its supply chain – flash flooding etc.); and people (desire to work for an employer that is committed to net zero etc.).

To determine the relative significance of climate-related risks in relation to other risks, we conducted a materiality assessment, in 2021. This process, engaging a range of stakeholders both internal and external to the organisation, placed climate risk as a low-risk matter, relative to other ESG issues. We also monitor the regulatory space in order to be informed of any developments that could impact the influence of climate-related issues. Currently, some existing and emerging regulatory requirements related to climate change are considered a risk by Rank.

To improve operational risk management, Rank has established a Net Zero Working Group ('NZWG'), comprising a multi-disciplinarian, cross-functional group of internal and external personnel (including ESG, climate-focused experts and behavioural scientists to support the rollout of each programme across the Company). This group is focused upon decarbonising Rank's UK operations. The NZWG comprises the Director of IR and ESG, Director of Supply Chain, and Head of Property and is coordinated by Rank's ESG Strategic Programme Lead.

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). It will assess energy efficiency of all equipment, identifying improvement opportunities and supporting any investment case through decision-useful information provided through dashboards.

The NZWG convenes frequently to assess progress against the plan in order to set a robust Interim net zero target for Scope 1 and 2 for the Group by 2035, and an SBTi-aligned net zero target by 2050. 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. The implementation of our net zero strategy will be delivered through three interrelated workstreams: carbon reporting, transformation (PMO and designing investment plan), and cultural and behavioural change.

> **" To improve operational risk management, Rank has established a Net Zero Working Group ('NZWG'), comprising a multi-disciplinarian, cross-functional group of internal and external personnel."**

To align with the Group net zero target, we are developing a specific net zero strategy for the Spanish portfolio, and have initiated an energy assessment of the land-based venues. To account for seasonal variation in energy consumption (use of HVAC being much higher in the summer months), the project was launched in Spring 2023. We began by assessing energy use in one venue, gathering data before implementing basic changes to make energy savings. The next stage will be to roll out this assessment to the three venues with the largest carbon footprints. Gathering data from four venues across multiple months will provide a more comprehensive picture of energy consumption in the Spanish portfolio, and support the creation of a realistic net zero strategy.

Beyond this specific net zero strategy, climate change considerations are now integrated into the rest of the business in a more structured and formalised manner. Each new project introduced in any part of the Group is reviewed against climate assessment criteria that is built into the project approval process.

Metrics and targets

In line with our maturation of strategy and risk management, we will be setting time-bound targets for the business. Our NZWG is conducting an assessment of the most energy intensive venues in the UK portfolio, which will enable the development of an informed and realistic plan for achieving net zero across the entire venues estate. We 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 emissions and specific Scope 3 elements in the Group for 2035. These are based around clear initiatives that include building rationalisation, grid abatement, PPA supply and various other energy reduction measures.

By integrating climate considerations into the approval process for projects, we will use GHG emissions and carbon intensity metrics to support the assessment and qualification of investments.

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.

SECR report

Objectives of this report

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

Scope boundaries

The Rank Group Plc have used an operational control approach to define their GHG emissions boundary, as they have full authority to introduce and implement its operating policies at their operations. Rank are reporting at group level and therefore must take into account not only their 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 their 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 have chosen to also voluntarily report on emissions resulting from electricity transmission and distribution losses, air travel 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 2022 to June 2023, which is in line with the Group's financial reporting period.

Supporting material

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 our energy suppliers and half-hourly (HH) data, where applicable, for the HH supplies. For supplies where there wasn't complete 12 month energy usage available, flat profile estimation techniques were used to complete the annual consumption. Transport mileage and/or fuel usage data was provided for their company and employee owned vehicles.

" By integrating climate considerations into the approval process for projects, we will use GHG emissions and carbon intensity metrics to support the assessment and qualification of investments."

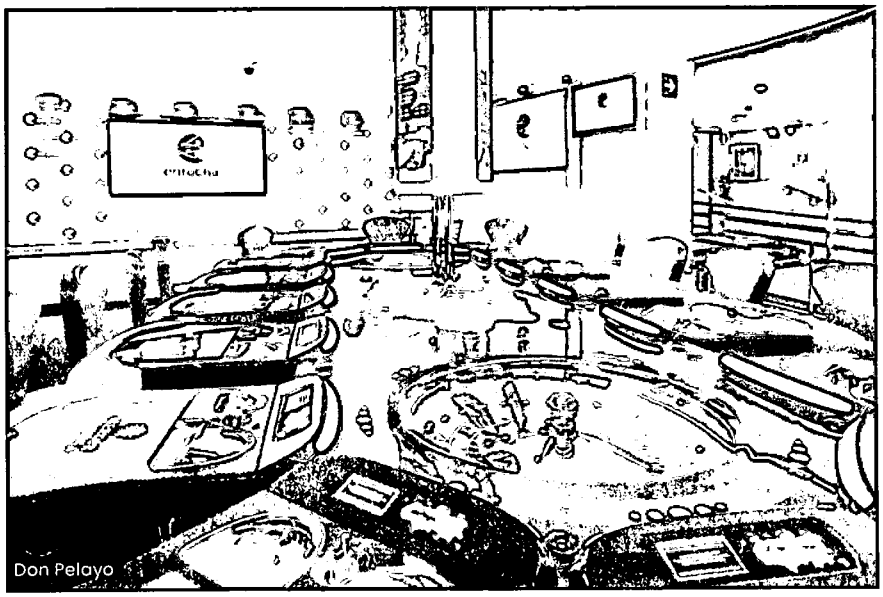
For business travel in employee owned vehicles where the employee is reimbursed for the mileage travelled, there is limited information available. We have therefore had to use conversion factors for an average vehicle with an unknown fuel type. CO_2e emissions were calculated using the appropriate emission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

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 2022/23 was £681.9m, with a carbon intensity ratio of 36.6 tCO_2e per £m NGR (for 2021/22 it was 41.7).

Carbon intensity ratio

	2022/23 (tCO_2e per £m NGR)	2021/22 (tCO_2e per £m NGR)
Greenhouse gas emissions intensity	36.6	41.7*

* The figure for 2021/22 has been restated.



Don Pelayo

Overall Group Position kWh

Source	2022/23 kWh	2021/22 kWh	% of 2022/23 total	Change +/-
Gas	**58,804,557**	63,554,204	47%	-7%
Electricity	**60,963,973**	61,279,863	49%	-1%
Business Travel	**4,849,493**	3,993,358	4%	21%
Total	**124,618,023**	128,827,425	100%	-3%

UK Group Position

Source	2022/23 kWh	2021/22 kWh	% of 2022/23 total	Change +/-
Gas	**58,242,616**	63,110,578	49%	-8%
Electricity	**57,009,987**	57,120,020	47%	0%
Business Travel	**4,849,493**	3,993,358	4%	21%
Total	**120,102,096**	124,223,956	100%	-3%

- Company travel 2021/22 includes all Scope 1 and Scope 3 data.

Spain Group Position

Source	2022/23 kWh	2021/22 kWh	% of 2022/23 total	Change +/-
Gas	**561,940**	443,626	12%	27%
Electricity	**3,953,987**	4,159,843	88%	-5%
Total	**4,515,927**	4,603,469	100%	-2%

GHG Emissions Summary

Source	2022/23 tCO_2e	%	2021/22 tCO_2e	Change +/-
Gas (Scope 1)	**10,734**	**43.2%**	11,641	-8%
Company transport (Scope 1)	**142**	**0.6%**	551	-74%
Employee transport (Scope 3)	**599**	**2.4%**	206	191%
F-Gases (Scope 1)	**153**	**0.6%**	145	6%
Electricity (Scope 2)	**11,632**	**46.8%**	12,897	-10%
Transmission & losses (Scope 3)	**1,078**	**4.3%**	1,089	-1%
Air travel (Scope 3)	**433**	**1.7%**	198	119%
Waste (Scope 3)	**82**	**0.3%**	112	-27%
Total	**24,853**	**100%**	26,840	196%

Source	2022/23	2021/22
Scope 1 (mandatory)	**11,029**	12,337
Scope 2 (mandatory)	**11,631**	12,897
Mandatory total	**22,660**	25,235
Scope 3 (compulsory)	**2,193**	1,605
Total	**24,853**	26,840

Emission By Country

Source	UK	Spain	Total (tCO_2e)
Gas (Scope 1)	10,632	102	10,734
Company Transport (Scope 1)	142	–	142
Employee Transport (Scope 3)	599	–	599
F-Gases (Scope 1)	153	–	153
Electricity (Scope 2)	11,024	608	11,632
Transmission & losses (Scope 3)	1,009	69	1,078
Air Travel (Scope 3)	433	–	433
Waste (Scope 3)	82	–	82
Total	24,074	779	24,853

This is our second year of reporting against the recommendations of the TCFD, a requirement under Financial Conduct Authority ('FCA') listing rules. In line with the intentions we set last year, we have strengthened our climate-related governance, strategy, risk management, and metrics and targets. Our disclosures are not yet fully consistent with the TCFD recommendations, and in such cases we have explained why and provided a description of the priority actions to be taken to close the gaps.

Pillar	Recommendation	Location	Consistency statement 2022/23
Governance	a. Describe the Board's oversight of climate-related risks and opportunities.	pages 59 to 60	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 60	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 62 to 64	Consistent Develop the net zero strategy with clear time horizons.
	b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	pages 61 to 65	Consistent Utilise the results of the energy assessment to develop an informed investment strategy for the decarbonisation workstreams. Provide training to colleagues to instigate behavioural change within the Group.
	c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	page 65	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 66	Consistent Implement energy use dashboards to inform decision-making and preventative maintenance across portfolio.
	b. Describe the organisation's processes for managing climate-related risks.	page 66	Consistent Continue to evolve the NZWG and embed it more firmly within the organisation, alongside the workstreams for employee education and engagement.
	c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	page 66	Consistent Complete the development of risk and opportunity assessment and implement net zero strategy.

Pillar	Recommendation	Location	Consistency statement 2022/23
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.	pages 66 to 67	Partially consistent To disclose opportunity metrics, informed by the learnings of the energy assessment.
	b. Disclose Scope 1, Scope 2 and, if appropriate Scope 3 greenhouse gas ('GHG') emissions and the related risks.	pages 67 to 68	Consistent Assess the 15 categories of Scope 3 emissions to better understand this footprint.
	c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	pages 66 to 67	Partially consistent To disclose an SBTi-aligned plan for reaching net zero.

" We have strengthened our climate-related governance, strategy, risk management, and metrics and targets."

Community

Key Performance Indicators:

£283k

Total charitable funds raised

Local community impact

We know that we play a central role in the communities in which we operate. Our venues often serve as a social hub, and our Mecca clubs in particular are a key place for interaction amongst our older cohort of customers. Having established close ties with local residents, charities and groups during the pandemic, it was important to us that we maintained those connections and utilised our position to facilitate even more positive outcomes for these communities.

At club level the nature of the charitable activities undertaken is driven by local need, from providing spaces in our venues for groups to use as meeting places or for events, to employees fundraising for charitable causes that are close to their hearts. This venue-based approach resonates with our employees, creating tangible impact in the communities which they are often a part of themselves.

Highlights:

- In Wrexham, the local MP used Mecca's venue to hold clinics, employees donated for a Christmas Hamper campaign for families and individuals in need, and the club raised money to fund the transport of products to Ukraine.
- At our Swansea location, the club has continued to support partnerships established by their local MP, including acting as a hub for donation of gifts as part of the Everyone Deserves an Easter campaign, and opening their venue for a Feed the Homeless initiative.
- In Blackpool, we sponsored the city's Pride event, prepared thousands of meals for homeless people and held the KAV Cup poker event raising funds for charity.

Group-wide partnership

As well as our localised initiatives, we have a long-standing, Group-wide partnership with Carers Trust in the UK, and this year alone raised £283,000 for the charity. We established Rank Cares Grants, a grant programme to which carers can apply to receive. The grants are offered under three brackets: Carers Essentials Fund, contributing to the cost of vital equipment such as washing machines, cookers, fridge freezers or beds; Carers Take Time Out Fund, offering carers time out from caring to relax, do something for themselves and recharge their batteries; and Carers Skills Fund, enabling carers to learn new skills to help them with caring or to return to work.

Our efforts were recognised at the 2023 European Casino Awards, where we won the Corporate Community Engagement Award.

" As well as our localised initiatives, we have a long-standing, Group-wide partnership with Carers Trust in the UK, and this year alone raised £283,000 for the charity."

CFO's review

For the 12 months ended 30 June 2023 NGR increased by 6% to £681.9m following an improved NGR performance across a majority of the Group's business units.

Within this section all prior year comparatives are to the year ended 30 June 2022.

Reported net gaming revenue ('NGR')

For the 12 months ended 30 June 2023 NGR increased by 6% to £681.9m following an improved NGR performance across a majority of the Group's business units.

Operating profit

The Group delivered an operating loss of £109.8m for the year, compared to an operating profit of £80.8m, principally due to higher impairment charges of £118.9m, higher operating costs and a VAT refund in the prior year.

Energy costs are a significant cost for the Group and to provide the Group with some certainty it has adopted an agreed hedging policy. This allows the Group to fix a portion of its future energy costs up to two years in advance, near term energy costs can be fixed up to 100%. Regarding 2023/24, 70% of the Group energy costs have been fixed and at current market prices we expect 2023/24 energy costs to be approximately £20m.

Separately disclosed items ('SDIs')

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

Total SDIs for the year ended 30 June 2023 were £101.5m.

The key SDIs in the year were as follows:

- A basing of expected future performance at the end of H1 2022/23 has resulted in an impairment charge of £118.9m relating to 23 Grosvenor venues, 70 Mecca venues and two Enracha venues, as well as an impairment of £182.6m in the parent company accounts;
- A £6.6m reversal of previously impaired assets following a better than anticipated performance and improved outlook regarding seven Grosvenor venues;
- Closure costs of £7.7m relating to the closure of a number of Grosvenor, Mecca and Enracha venues; and
- Amortisation of acquired intangible assets of £8.6m relating to the acquisition of Stride Gaming, YoBingo and the remaining shares in Rialto (previously Aspers Online).

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

Richard Harris
Chief Financial Officer

Prior period restatement

During the year, the Group identified an accumulated total of £2.2m of prior year payment processing costs within the Digital business which erroneously had not been recognised in the prior year financial statements. Of the total value, £1.3m relates to 2021/22, with £0.6m relating to H1 2021/22 and £0.7m to H2 2021/22. The remaining £0.9m relates to pre 2021/22.

Net financing charge

The £12.3m underlying net financing charge for the year ended 30 June 2023 was slightly lower than the prior year's charge of £13.4m principally due to lower bank fee amortisation costs in the current year. The underlying net financing charge includes £6.5m of lease interest calculated under IFRS 16.

Cash flow and net debt

As at 30 June 2023, net debt was £172.9m. Debt comprised £44.4m in term loans, £18.0m of drawn revolving credit facilities and £169.0m in finance leases, offset by cash at bank of £58.5m. In the period, the Group repaid £34.5m of the term loan in line with the loan's agreed amortisation schedule.

The Group finished the year with net debt for covenant purposes of £19.1m.

Taxation

The Group's underlying effective corporation tax rate in 2022/23 was 8.8% (2021/22: 23.5%) based on a tax charge of £0.6m (excluding impact of rate changes on deferred tax) on underlying profit before taxation. This is different to the Group's anticipated effective tax rate of 16-18% for the year. This is mainly as a result of lower than forecasted profits in UK operations.

The underlying effective corporation tax rate for 2023/24 is expected to be 20-22%, 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 22.1% (2021/22: 22.7%) based on a tax credit of £27.1m and total loss of £122.7m. This is higher than the effected tax rate on underlying profit because of the significant level of separately disclosed items which attract a tax credit. Further details of the tax charge are provided in note 6 of the financial statements.

Earnings per share ('EPS')

Basic EPS declined to a loss of 20.4p from a profit of 13.9p in the prior year. Underlying EPS declined to 1.2p from 4.0p in the prior year. For further details refer to note 9 of the financial statements.

Cash tax rate

In the year ended 30 June 2023, the Group had an effective cash tax rate of (2.6)% on total profit before taxation (2021/22: (13.3)%). The cash tax rate is lower than the effective tax rate due to losses generated by the UK operations during the period resulting in no cash tax payable in the UK.

The Group is expected to have a cash tax rate of approximately (14)-(16)% in the year ended 30 June 2024. This is lower than the effective tax rate due to the utilisation of brought forward tax losses and refunds of UK corporation tax expected from prior year overpayments and loss carry back claims.

Richard Harris
Chief Financial Officer
16 August 2023

Business updates

£109.8m

Operating loss driven by impairment charges of £118.9m.

£12.3m

Net financing charge slightly lower than the prior year.

Cash flow

	2022/23 £m	2021/22[1] £m
Operating profit from continuing operations	**19.1**	38.5
Depreciation and amortisation	**60.1**	67.4
Working capital	**3.0**	(6.2)
Other	**2.5**	(0.3)
Cash inflow from operations	**84.7**	99.4
Capital expenditure	**(44.1)**	(40.6)
Net interest and tax	**(7.8)**	(16.2)
Lease payments	**(43.6)**	(53.7)
Cash flows in relation to SDIs	**(9.5)**	70.6
Net free cash flow	**(20.3)**	59.5
Business acquisition and other	**(0.5)**	(0.7)
Business disposal	**–**	8.8
Total cash inflow	**(20.8)**	67.6
Opening net cash/(debt) pre IFRS 16	**16.9**	(50.7)
Closing net cash/(debt) pre IFRS 16	**(3.9)**	16.9
IFRS 16 lease liabilities	**(169.0)**	(181.7)
Closing net (debt) post IFRS 16	**(172.9)**	(164.8)

1. Restated.

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
Underlying like-for-like ('LFL') net gaming revenue ('NGR')	Revenue measure	NGR	– Separately disclosed items – Excludes contribution from any venue openings, closures, disposals, acquired businesses and discontinued operations – Foreign exchange movements
Underlying LFL operating profit/(loss) post-central cost reallocation	Profit measure	Operating profit/(loss)	– Separately disclosed items – Excludes contribution from any venue openings, closures, disposals, acquired businesses and discontinued operations – Foreign exchange movements – Central cost reallocation
Underlying LFL operating profit/(loss) pre-central cost reallocation	Profit measure	Operating profit/(loss)	– Separately disclosed items – Excludes contribution from any venue openings, closures, disposals, acquired businesses and discontinued operations – Foreign exchange movements
Underlying profit/(loss) before taxation	Profit measure	Profit/(loss) before tax	– Separately disclosed items
Underlying (loss)/profit after taxation	Profit measure	Profit/(loss) after tax	– Separately disclosed items
Underlying (loss)/earnings per share	Profit measure	Earnings/ (loss) per share	– Separately disclosed items
Free cash flow	Cash measure	Net cash generated from operating activities	– Lease principal repayments – Cash flow in relation to SDIs – Cash capital expenditure – Net interest and tax payments

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 period (2022/23), the Group closed one Grosvenor venue and 15 Mecca venues. For the purpose of calculating like-for-like ('LFL') measures its contribution has been excluded from the prior period numbers and current period numbers, to ensure comparatives are made to measures on the same basis.

3. Foreign exchange movements

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

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

	2022/23 £m	2021/22 £m
Underlying LFL net gaming revenue (NGR)	**679.9**	633.2
Open, closed and disposed venues	**2.2**	12.0
Foreign exchange ('FX')	**–**	(1.2)
Underlying NGR – continuing operations	**681.9**	644.0

Calculation of comparative underlying LFL NGR

	2021/22
Reported underlying LFL NGR	644.0
2022/23 closed venues	(12.0)
2022/23 FX	1.2
Restated underlying LFL NGR	633.2

	2022/23 £m	2021/22 £m
LFL underlying operating profit	**20.3**	42.5
Opened, closed and disposed venues	**(1.2)**	(3.8)
FX	**–**	(0.2)
Underlying operating profit – continuing operations	**19.1**	38.5
Separately disclosed items	**(128.9)**	42.3
Operating (loss)/profit – continuing operations	**(109.8)**	80.8

Calculation of comparative underlying LFL operating profit

	2021/22 £m
Reported underlying LFL operating profit	40.4
2021/22 restatement relating to digital cash	(1.3)
2021/22 opened and closed venues	(0.6)
2022/23 closed venues	3.8
2022/23 FX	0.2
Underlying LFL operating profit	42.5

	2022/23 £m	2021/22 £m
Underlying current tax (charge)	**(0.6)**	(9.6)
Tax on separately disclosed items	**27.7**	(10.5)
Deferred tax	**–**	3.2
Tax credit/(charge)	**27.1**	(16.9)

	2022/23 Pence	2021/22 Pence
Underlying EPS	**1.2**	4.0
Separately disclosed items	**(21.6)**	9.9
Reported EPS	**(20.4)**	13.9

Comparison of 2022/23 LFL performance to CY2019

Whilst year-on-year comparisons are now free from the material impacts of the pandemic experienced in calendar years 2020 and 2021, the Group continues to review performance against the 12 months to 31 December 2019 (CY 2019), the last comparable period which was unaffected by COVID-19 and the more recent inflationary pressures.

NGR/£m	2022/23	CY 2019[1]	Change
Grosvenor venues	**306.3**	359.7	(15)%
London	**99.3**	134.3	(26)%
Rest of UK	**207.0**	225.4	(8)%
Mecca venues	**134.1**	164.5	(18)%
Enracha venues	**36.4**	32.4	12%
Digital	**202.9**	144.3	41%
Underlying LFL Group	**679.7**	700.9	(3)%
Impact of venues openings, closures and FX	**2.2**	33.1	–
Underlying Group	**681.9**	734.0	(7)%

Operating profit/£m	2022/23	CY 2019	Change
Grosvenor venues	**27.7**	74.3	(63)%
Mecca venues	**4.0**	30.9	(87)%
Enracha venues	**9.2**	7.7	19%
Digital	**18.8**	23.0	(18)%
Central costs	**(39.4)**	(34.6)	14%
Underlying LFL Group	**20.3**	101.3	(80)%
Impact of venues openings, closures and FX	**1.2**	3.5	–
Underlying Group	**19.1**	104.8	(82)%

1. Stride was acquired in October 2019 and has been included on a pro forma basis.

Reallocation of central costs

During the year, the Group undertook a review of the Group's central costs and has concluded that a proportion of them, which are directly attributable to the relevant business units, should be allocated to those business units, better reflecting the underlying profitability of each segment. This resulted in changes in the underlying profit (loss) of each segment in the prior year which has been re-presented in the table below.

	Year ended 30 June 2023					
	Digital £m	Grosvenor venues £m	Mecca venues £m	Enracha venues £m	Central costs £m	Total £m
Segment revenue	**202.9**	**306.3**	**136.3**	**36.4**	**–**	**681.9**
Other operating income	**–**	**–**	**–**	**–**	**–**	**–**
Operating profit (loss)	**18.8**	**27.7**	**2.8**	**9.2**	**(39.4)**	**19.1**
Separately disclosed items	**(9.1)**	**(51.7)**	**(67.2)**	**(4.2)**	**3.2**	**(128.9)**
Segment result	**9.7**	**(24.0)**	**(64.3)**	**5.0**	**(36.2)**	**(109.8)**
Central costs allocation	**(5.0)**	**(11.4)**	**(9.8)**	**(0.1)**	**26.3**	**–**
Segment result (post-central cost allocation)	**4.7**	**(35.4)**	**(74.1)**	**4.9**	**(9.9)**	**(109.8)**
Finance costs						**(12.6)**
Finance income						**0.8**
Other financial losses						**(1.1)**
Profit before taxation						**(122.7)**
Taxation						**27.1**
Profit for the period from continuing operations						**(95.6)**

	Year ended 30 June 2022 (re-presented)					
	Digital £m	Grosvenor venues £m	Mecca venues £m	Enracha venues £m	Central costs £m	Total £m
Segment revenue	183.3	296.6	134.0	30.1	–	644.0
Other operating income	–	2.6	1.0	–	–	3.6
Operating profit (loss)	17.4	45.1	(0.8)	7.5	(30.7)	38.5
Separately disclosed items	(14.5)	15.5	34.4	7.6	(0.7)	42.3
Segment result	2.9	60.6	33.6	15.1	31.4	80.8
Central costs allocation	(4.1)	(8.9)	(6.9)	(0.1)	20.0	–
Segment result (post-central cost allocation)	(1.2)	51.7	26.7	15.0	(11.4)	80.8
Finance costs						(13.1)
Finance income						0.1
Other financial gains						5.2
Profit before taxation						73.0
Taxation						(16.9)
Profit for the period from continuing operations						56.1

Analysis of total costs by type and segment and how the central costs have been re-allocated:

	Year ended 30 June 2023					
	Digital £m	Grosvenor venues £m	Mecca venues £m	Enracha venues £m	Central costs £m	Total £m
Employment and related costs	28.1	122.2	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
Property costs	0.8	11.6	6.5	0.6	0.5	20.0
Marketing	33.3	6.2	5.7	2.4	0.2	47.8
Depreciation and amortisation	14.3	28.8	10.9	1.5	2.5	58.0
Other	7.8	29.0	26.4	0.1	1.0	64.3
Total costs before SDI (post-central cost allocation)	189.1	290.0	143.3	27.3	13.1	662.8
Cost of sales						409.0
Operating costs						253.8
Total costs before SDI (post-central cost allocation)						662.8

	Year ended 30 June 2023					
	Digital £m	Grosvenor venues £m	Mecca venues £m	Enracha venues £m	Central costs £m	Total £m
Employment and related costs	3.4	5.9	4.8	0.1	(14.2)	–
Taxes and duties	0.4	0.9	0.9	–	(2.2)	–
Direct costs	–	–	–	–	–	–
Property costs	–	–	–	–	–	–
Marketing	–	–	–	–	–	–
Depreciation and amortisation	0.1	1.0	0.9	–	(2.0)	–
Other	1.1	3.6	3.2	–	(7.9)	–
Central cost allocation	5.0	11.4	9.8	0.1	(26.3)	–
Cost of sales						–
Operating costs						–
Central cost allocation						–

	Year ended 30 June 2023					
	Digital £m	Grosvenor venues £m	Mecca venues £m	Enracha venues £m	Central costs £m	Total £m
Employment and related costs	24.7	116.1	41.3	17.6	21.9	221.6
Taxes and duties	47.3	63.3	26.2	2.0	3.4	142.2
Direct costs	57.1	28.2	20.6	3.0	–	108.9
Property costs	0.8	11.6	6.5	0.6	0.5	20.0
Marketing	33.3	6.2	5.7	2.4	0.2	47.8
Depreciation and amortisation	14.2	27.8	10.0	1.5	4.5	58.0
Other	6.7	25.4	23.2	0.1	8.9	64.3
Total costs before SDI (pre-central cost allocation)	184.1	278.6	133.5	27.2	39.4	662.8
Cost of sales						409.0
Operating costs						253.8
Total costs before SDI (pre-central cost allocation)						662.8

	Year ended 30 June 2022 (re-presented)					
	Digital £m	Grosvenor venues £m	Mecca venues £m	Enracha venues £m	Central costs £m	Total £m
Employment and related costs	27.8	109.0	47.3	14.7	6.9	205.7
Taxes and duties	40.7	61.0	25.6	1.6	0.2	129.1
Direct costs	49.4	23.6	19.9	2.4	–	95.3
Property costs	0.5	9.5	4.5	0.6	0.9	16.0
Marketing	33.2	5.9	5.8	1.7	0.1	46.7
Depreciation and amortisation	13.4	33.3	16.0	1.3	3.4	67.4
Other	5.0	20.7	23.6	0.4	(0.8)	48.9
Total costs before SDI (post-central cost allocation)	170.0	263.0	142.7	22.7	10.7	609.1
Cost of sales						386.5
Operating costs						222.6
Total costs before SDI (post-central cost allocation)						609.1

	Year ended 30 June 2022 (re-presented)					
	Digital £m	Grosvenor venues £m	Mecca venues £m	Enracha venues £m	Central costs £m	Total £m
Employment and related costs	3.5	5.1	4.3	0.1	(13.0)	–
Taxes and duties	0.2	0.5	0.5	–	(1.2)	–
Direct costs	–	–	–	–	–	–
Property costs	–	0.8	–	–	(0.8)	–
Marketing	–	–	–	–	–	–
Depreciation and amortisation	0.2	0.9	0.9	–	(2.0)	–
Other	0.2	1.6	1.2	–	(3.0)	–
Central cost allocation	4.1	8.9	6.9	0.1	(20.0)	–
Cost of sales						–
Operating costs						–
Central cost allocation						–

	Six months ended 31 December 2022 (unaudited and re-presented)					
	Digital £m	Grosvenor venues £m	Mecca venues £m	Enracha venues £m	Central costs £m	Total £m
Employment and related costs	24.3	103.9	43.0	14.6	19.9	205.7
Taxes and duties	40.5	60.5	25.1	1.6	1.4	129.1
Direct costs	49.4	23.6	19.9	2.4	–	95.3
Property costs	0.5	8.7	4.5	0.6	1.7	16.0
Marketing	33.2	5.9	5.8	1.7	0.1	46.7
Depreciation and amortisation	13.2	32.4	15.1	1.3	5.4	67.4
Other	4.8	19.1	22.4	0.4	2.2	48.9
Total costs before SDI (pre-central cost allocation)	165.9	254.1	135.8	22.6	30.7	609.1
Cost of sales						386.5
Operating costs						222.6
Total costs before SDI (pre-central cost allocation)						609.1

Risk management

Improving our ability to identify, mitigate, monitor and review key risks.

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.

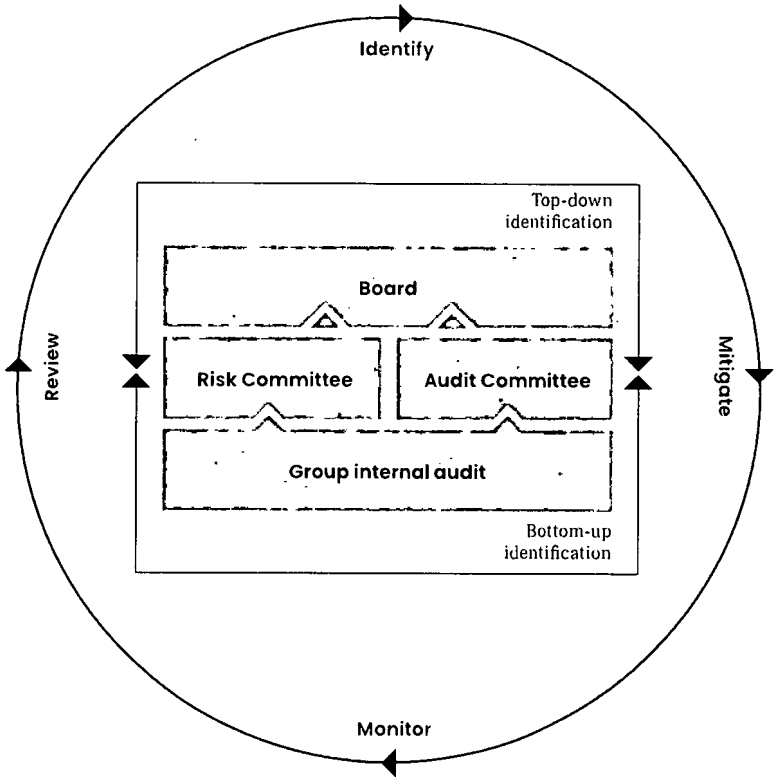
Over the past year we have continued to enhance our Group enterprise risk management framework and improve our ability to identify, mitigate, monitor and review key risks. For each principal risk identified, the Risk Committee assessed the likelihood and consequence, and confirmed a 'risk owner' who 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.

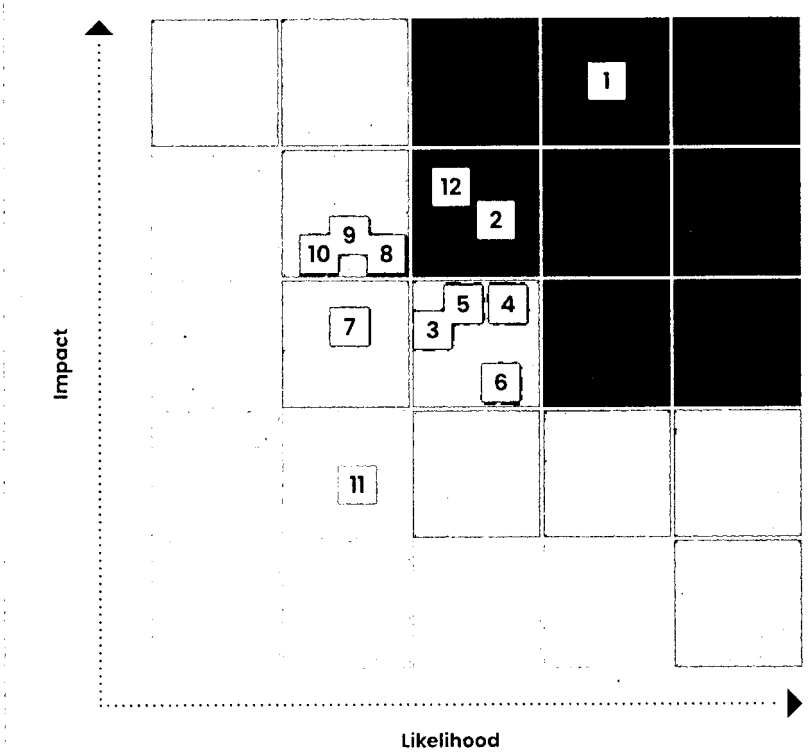
Specific activities:
Oversees risk management framework, controls and processes. Reviews action plans to manage significant risks. Reviews Group risk register.

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.

Principal risks and uncertainties



Summary Residual Risk		Yearly change
1	Uncertain trading environment	⊖
2	Compliance with gambling law and regulations	⊕
3	Safe and sustainable gambling	⊖
4	People	⊖
5	Strategic programmes	⊖
6	Health and safety	⊖
7	Data protection and management	⊖
8	Cyber resilience	⊕
9	Business continuity and Disaster Recovery	⊖
10	Dependency on third parties and supply chain	⊖
11	Taxation	⊖
12	Liquidity and funding	⊕

In 2023
- One risk was removed: Pandemic
- One risk was introduced: Liquidity and funding

Principal risks and uncertainties

The Board has conducted a robust 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.

Emerging risks

Our risk management processes include consideration of emerging (including opportunity) risks; horizon scanning is performed with a view to enabling management to take timely steps to intervene as appropriate.

Our 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 and action taken when they started to crystallise.

The current economic pressures, high rates of inflation and pressures on disposable income are a cause for concern for many consumers. The Executive Directors continue to be vigilant of the changing economic backdrop and the impact on the Group.

Additionally, changes in the regulation of the gaming market are monitored closely and the Group continues to evolve climate-related risks and opportunities. However, climate risks are currently not regarded as a principal risk and the risk itself is currently considered low.

Principal risk: 1
Uncertain trading environment

Yearly change

Principal risk
Consumers' discretionary expenditure continues to be impacted by inflationary pressures, volatile energy markets and higher interest rates. 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.

Moreover, various cost pressures are impacting the operating margins of our venues businesses and this will be further impacted if wage and other inflation remains high. Related risks caused by current macroeconomic and geopolitical uncertainty are 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, energy prices remaining above historic norms, increases in interest rates and labour shortages impacting the leisure sector in particular, the risk here is considered high.

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

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

Governance and oversight of risk
Board.

Link to strategy
Pillars 2 and 3.

Principal risk: 2
Compliance with gambling laws and regulations

Yearly change

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) and 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 increasing.

There is ongoing 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, particularly when limited time is provided to ensure compliance. Regulatory change in the UK is often delivered through ad hoc Gambling Commission guidance which is often open to interpretation; this further increases the risk of a negative outcome from a regulatory compliance assessment.

Risk mitigation strategy
The Group ensures that:

- it seeks ongoing and regular engagement with government, key civil servants involved in determining gambling policy and with regulators.
- it monitors legislative and regulatory developments and announcements in relation to prospective change.
- it has defined policies and procedures in place, which are periodically reviewed and updated as appropriate to take account of regulatory changes and guidance.
- it has a dedicated compliance team led by an experienced Director of Compliance & Safer Gambling, which monitors implementation of and compliance with such policies and procedures and provides regular reports to the venues' senior management, as well as to the Compliance and Group Risk Committees. The Director of Compliance & Safer Gambling also provides bi-annual reports to the Audit Committee.
- its Compliance Committee meets on a monthly basis, with agenda items including data trends, monitoring programme outputs, proposed changes to compliance models, tools and processes and trade association updates.
- all colleagues undertake annual mandatory compliance training (including anti-bribery and 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.

Link to strategy
Pillars 1, 2, 3 and 5.

Principal risk: 3
Safe and sustainable gambling

Yearly change

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.

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 a dedicated and experienced first and second line safer gambling teams.

Governance and oversight of risk
ESG and Safer Gambling Committee.

Link to strategy
Pillars 1 and 5.

Principal risk: 4
People

Yearly change

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

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

Residual risk rating and change in risk impact
Considered medium residual risk and stable.

The availability of colleagues and competition for talent continues to be a focus area, particularly for our UK venues business post both the pandemic and the impact of Brexit on the broader hospitality sector.

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 is on developing diversity across the Group.
- continues to develop its succession plans.
- offers opportunities for colleagues to develop their skills and progress in their careers.
- continues to consider the development of its culture, including how this is viewed by colleagues in employee opinion surveys and the actions that can be taken in light of the output.
- regularly engage with trade union bodies and maintain an open dialogue on matters impacting our colleagues.

Governance and oversight of risk
Board, Nominations and Remuneration Committees.

Link to strategy
Pillars 1, 2, 3, 4 and 5.

Principal risk: 5
Strategic programmes

Yearly change

Principal risk
Key projects and programmes could fail to deliver, resulting in missed market opportunities for the Group, and/or take longer to deliver, resulting in missed synergies and 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.

Link to strategy
Pillars 1, 2 and 3.

Principal risk: 6
Health and safety

Yearly change

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 medium residual risk and stable.

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

Risk mitigation strategy
The Group ensures that:

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

Governance and oversight of risk
Audit Committee.

Link to strategy
Pillars 3 and 5.

Principal risk: 7
Data protection and management

Yearly change

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

Residual risk rating and change in risk impact
Considered medium residual risk and stable.

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

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

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

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

Governance and oversight of risk
Audit Committee.

Link to strategy
Pillars 1, 2 and 3.

Principal risk: 8
Cyber resilience

Yearly change

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.

Due to the programme of work in place and ongoing monitoring and response to new and emerging attack vectors, this is considered an increasing risk for the Group.

Risk mitigation strategy
The Group:

- has a Security Operations Centre (SOC) and Vulnerability Management service tools(s) to provide increased visibility of security events and enable vulnerabilities to be monitored/quickly addressed.
- has in place security policies and procedures and conducts training for colleagues to ensure ongoing awareness.
- employs a dedicated, specialist Group security team.
- 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.

Link to strategy
Pillars 1, 2 and 3.

Principal risk: 9 Business continuity and disaster recovery

Yearly change

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.

Link to strategy
Pillars 1, 2, 3 and 5.

Principal risk: 10 Dependency on third parties and supply chain

Yearly change

Principal risk
The Group is dependent on a number of these 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 have remained the same but the potential risk to supply chain due to the current macroeconomic environment continues to be monitored.

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

Link to strategy
Pillars 1, 2, 3, 4 and 5.

Principal risk: 11
Taxation

Yearly change

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.

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.

Link to strategy
Pillars 2 and 3.

Principal risk: 12
Liquidity and funding

Yearly change

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 high residual risk and increasing.

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

Risk mitigation strategy
The Group ensures that it:
- continues to review the Group's capital structure to ensure we have financing in place to support investment in the business.
- has sufficient cash reserves to navigate through any short-term reduction in available debt facilities.
- ongoing monitoring of financial position with banks and open dialogue around the provisions (accurate forecasting processes and early engagement with lenders around covenant requirements).
- Treasury team involved in advance of any major business decisions that could impact banks providing clearing facilities.
- ensure no trading entity is solely reliant on one bank for clearing services.

Governance and oversight of risk
Board and Finance Committee.

Link to strategy
Pillars 1, 2, 3, 4 and 5.

Compliance statements

Going concern and viability 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 12 to 23, including the budget for 2023/24 ('the base case'), the long range forecast approved by the Board, and recent trading performance. The Directors have reviewed the Group's projected compliance with its banking covenants and access to funding options for the 12 months ending 31 August 2024 for the going concern period, the six months beyond the end of the going concern period for cliff edge events affecting the going concern period such as the availability of revolving credit facilities or repayments of any term loans, and for the 3 years ending August 2026 for the viability assessment.

The Directors recognise that there is continued uncertainty at this time caused by the slower than anticipated return of customers to UK land-based leisure entertainment venues, the impact of macroeconomic factors on consumer sentiment and disposable incomes, continued inflationary pressures and higher interest rates and their overall impact on consumer demand and discretionary spending. The Directors note that this has had an impact on the accuracy of budgeting and forecasting for the current financial year, and this has been considered by Management when preparing their sensitivity review 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 key base assumptions on costs are as follows:

- Payroll costs are adjusted for increases in the National Minimum Wage and pay rise awarded in April 2024.
- Rent due during the 23/24 financial year is paid on time.
- All tax and duty are paid on time.
- Capital expenditure is in line with strategic plans.
- Standard payment terms are assumed for supplier payments.

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

- Revolving credit facilities totalling £100m are available to the Group through to November 2024.
- In November 2024, the facilities available to the Group reduces to £75m, maturing in February 2025. Based on ongoing conversations with lenders and the improving trading performance of the Group, Management has a reasonable expectation that there will be a successful refinancing of the facilities beyond February 2025.

At the date of approval of the financial statements, £50m of the £100m RCF had been drawn down in order to repay the term loan.

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 as at December 2023 and June 2024 and have the cash available to meet its liabilities as they fall due.

Sensitivity analysis

The base case view reflects the Directors' best estimate of the outcome for the going concern period. A number of plausible but severe downside risks, including consideration of possible mitigating actions, have been modelled with particular focus on the potential impact to cash flows, cash headroom and covenant compliance throughout the going concern period.

The three downside scenarios modelled are:

(i) revenues in the Grosvenor business fall by 23% and the Group experiences additional inflationary costs compared to the base case view, with management taking only mitigating actions that have no effect on the Group's trading performance

(ii) revenues in Grosvenor fall by 20% and Rank Interactive by 7% versus the base case view, with management taking a number of mitigating actions including reduction in capital expenditure, reduction in marketing and other overheads and the removal of the Group planning contingency.

(iii) a reverse stress test, revenues in Grosvenor fall by 36% in the initial year, with management taking actions as for scenario (ii) but with further mitigating actions on employment costs and extending creditor days.

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 in all three scenarios; refer to note 20 for covenants.

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 2024.

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 2024. 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 three downside scenarios which reflects a reduced trading performance, inflationary impacts on the cost base and various management-controlled cost mitigations.

In each of the three 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 2024 with scenarios ii) and iii) requiring the implementation and execution of mitigating cost actions within the control of management.

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 2026. 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 2026.

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 FY24 used for the going concern assessment, and the strategic plan approved by the Board;
- The Group continues to have access to its existing banking revolving credit facilities ('RCF'), having maturity dates in November 2024 and February 2025, and that the Group is able to arrange new RCF 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 the 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.

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 80 to 87. 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 as set out opposite on page 88.

Non-financial 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	56 to 70
Employees	– Health and safety policy – Whistleblowing policy – Code of conduct	– Colleagues and KPI – Diversity & Inclusion – Equal opportunities – Customers – Stakeholder engagement	53 to 56, 46 to 49 and 102 to 103
Human Rights	– Modern slavery statement	– Human rights	49
Social Matters	– Health and safety policy – Code of conduct – Whistleblowing policy	– Customers and KPI – Colleagues and KPI – Communities and KPI	53 to 56, 71 and 46 to 49
Anti-corruption and anti-bribery	– Anti-corruption and bribery, gifts and hospitality policy – Code of conduct – Whistleblowing policy – Anti-money laundering policy	– Colleagues – Audit Committee	53 to 56 and 109 to 115
Business model		– Our business model	22
Principal risks and uncertainties		– Description of risk processes, risk management, risk governance	80 to 87
Non-financial key performance indicators		– Our key performance indicators – Our strategy – Our ESG strategy – Our external environment	52 to 71, 30 to 41 and 24 to 27

Governance Report

In this section:

We provide an overview of our corporate governance structure, policies and practices.

We also look at the key activities undertaken during the year by our Board and its Committees in ensuring effective leadership, oversight and application of best practice principles at Rank.

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Chair's introduction to governance

The Board is steadfast in its commitment to strong corporate governance. We firmly believe that cultivating effective governance practices leads to stronger value creation and, in parallel, reducing risk for all our stakeholders.

Dear shareholders
On behalf of the Board, I am pleased to present this year's Directors' and Corporate Governance Report. 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 the long term and reduces 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.

ESG and safer gambling
We have continued to make very good progress in the year on our commitment to environmental, social, and governance (ESG) matters, and we have further embedded the Group purpose and strategic pillars that were refreshed in the prior year. We remain committed to ensuring that sustainability is clearly identified and at the core of what we do. You can find more information in our 2023 Sustainability Report as we continue to deliver against our ESG strategy. The Board is convinced this will enable us to create a more successful business.

We were pleased to see key ESG performance measures established during the year, which will provide a clear view for the Board as we make progress towards our ESG aims. I am particularly pleased with how the Board committees have worked to create a strong understanding of their ESG focus areas, working together to build the strong threads that support our ESG strategy.

Safer gambling remains our primary ESG focus area, and in light of the UK Government's White Paper on gambling legislative reforms, we continue to focus strongly on promoting a safer gambling culture and our robust response to the risk of gambling-related harm. While we are in business to provide an exciting and entertaining experience to our customers, it is vital they maintain trust in our brands and feel safe at all times. We are fully engaged with ongoing regulatory developments, and in particular the publication of the much-anticipated White Paper on gambling legislative reforms in the UK, and we will maintain the pace of delivery as we contribute to the consultation process as the policy moves to its next phase. You can read more about the implications for Rank in the Chief Executive's review of the reforms on page 28 to 29.

Alex Thursby
Chair

"Safer gambling remains our primary ESG focus area, and in light of the UK Government's White Paper on gambling legislative reforms, we continue to focus strongly on promoting a safer gambling culture."

Developing our relationships with stakeholders

Stakeholder engagement enables us to better understand what matters most to the people with an interest in our business, consider all relevant factors and select the best course of action for long-term business success. Key matters of concern to stakeholders during the year have included building a stronger culture within Rank, the Mecca estate rationalisation, and the volatility of energy prices and wider cost of living pressures. I remain confident in the Board's ability to effectively engage with our key stakeholders and utilise that engagement in its decision-making. Some of the highlights of how the Board engaged with key stakeholders during the year are:

- Colleagues: visits to our venues and offices to engage with colleagues first-hand in their place of work; good relationships with the Chief Product Officer and Workforce Engagement Director that are stimulating discussions at Board level.
- Regulators: corresponded and participated in meetings with regulators specifically focused toward Board Directors.
- Shareholders: held 23 meetings during the course of the year with our shareholders.

More information about our stakeholder engagement is set out on pages 45 to 49 of this report.

Culture

As part of our commitment to see the strategic aims of the Group flourish, I was pleased to see the 'baton' pass seamlessly to Lucinda Charles-Jones as the Board's designated Non-Executive Director for workforce engagement. She made a strong start in her collaboration with Rank's Chief People Officer, which sets the pace we need to strengthen our culture, a core enabler to the long-term success of the Group.

More information on how the Board monitors culture is set out on page 102.

Board changes

Steven Esom stepped down from the Board and as Chair of the Remuneration Committee on 31 December 2022, having completed over six years' service on the Board. During his time with Rank, Steven has been a valued contributor to Board discussions, drawing on his wealth of experience. During his time as Chair of the Remuneration Committee, he was instrumental in laying the foundations for Rank's future growth. Steven left with the Board's best wishes.

I was delighted to have Lucinda Charles-Jones step into the role as Chair of the Remuneration Committee, as well as assuming Steven's role as the designated Non-Executive Director for workforce engagement. Lucinda has brought a wealth of her people, culture and reward experience to the role.

Following Steven's departure from the Board, the Nominations Committee, having considered the composition of the Board and the desired skills to complement the Board as a whole, undertook a recruitment process for an additional Independent Non-Executive Director to join the Board. I am pleased the process has resulted in the appointment of Keith Laslop, who will join the Board on 1 September 2023. For more information please see the Nominations Committee report available on pages 104 to 105.

Board effectiveness and composition

In 2022, the Board undertook a two-to-three-year commitment to review its effectiveness by way of an external facilitator, to check and assess whether the Board was balanced in its composition, focus and approach and aligned with the Company's overall strategic goals. Lintstock Limited was engaged in 2022 to run the longer two-to-three-year evaluation process. The process commenced in 2022 with a questionnaire-led evaluation process focused across all committees and the Board. For 2023, the focus was primarily on the Board while committee reviews were a considered part of the process. The focus on the Board allowed an opportunity to review the effectiveness of the Board in depth and has provided key insights for the Directors to consider during the year ahead. More details of the evaluation process and outcomes can be found on pages 106 to 107.

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 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 the future assurance and success of the business, resilience is key. 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.

As we look ahead to the coming year, the implications of the UK Government's White Paper for gambling reform will drive changes for Rank and for the wider industry, and we look forward to making progress over the coming year as the consultation process gains momentum.

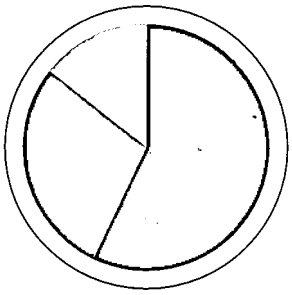
We move forward with confidence in our strategic plans and in the knowledge that the Company is led by a highly competent and professional team. I welcome the valuable support of our shareholders and indeed all our stakeholders, as the business continues its recovery journey and takes advantage of the 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 19 October 2023.

Alex Thursby
Chair

Governance at a glance

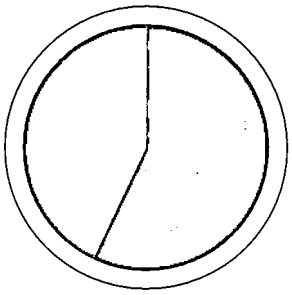
About the Board

Board tenure



- 0-3 years **4**
- 3-6 years **2**
- 6-9 years **1**

Board gender



- Male **4**
- Female **3**

Board independence

	Independent	Appointed
Chair		
Alex Thursby[1]	Yes	August 2017
Executive		
John O'Reilly	No	May 2018
Richard Harris	No	May 2022
Non-Executive		
Katie McAlister	Yes	April 2021
Chew Seong Aun	No	December 2020
Lucinda Charles-Jones	Yes	June 2022
Karen Whitworth	Yes	November 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.

Ethnic diversity

FCA ethnic diversity reporting as at 30 June 2023	Number of board	% 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		4	11	
Mixed/Multiple ethnic groups					
Asian/Asian British	1				
Black/African/Caribbean/Black British					
Other ethnic group, including Arab					
Not specified/prefer not to say					

Skills of the Non-Executive Directors

	Katie McAlister	Karen Whitworth	Lucinda Charles-Jones	Alex Thursby	Chew Seong Aun
1. Customer Centric/hospitality	○	○	○	○	○
2. Environment, Sustainability and Governance	○	○	○	○	○
3. Financial (accounting and/or finance)		○		○	○
4. Gaming					
5. Marketing	○	○			
6. People	○	○	○	○	○
7. Real estate & property	○	○		○	
8. Risk & Compliance		○	○	○	○
9. Strategy	○	○	○	○	○
10. Technology/digital	○				○

Committee membership

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

○ Committee member
◐ Committee Chair

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 provisions, save in respect of Provision 38. As reported last year, while pension contribution rates for newly appointed Executive Directors will be aligned with the wider workforce on appointment, the pension contribution rate for John O'Reilly was aligned with the rate available to the majority of the wider workforce (currently 3%) from 1 January 2023. Further information is available on page 137.

	How we comply with the UK Corporate Governance Code 2018	More information on pages
1	**Board leadership and Company purpose**	
A	Effective and entrepreneurial Board that promotes long-term sustainable success	42 to 45 and 100 to 101
B	Purpose, strategy, values and culture	Inside cover to 9, 22 to 23, 30 to 41 and 52 to 71
C	Governance framework and Board resources	96 to 97 and 105
D	Stakeholder engagement	45 to 49
E	Workforce policies and practices	55 to 56
2	**Division of responsibilities**	
F	Board roles	94 and 98 to 99
G	Independence	94
H	External commitments and conflicts of interests	97 and 98 to 99
I	Board efficiency and key activities	100 to 101 and 106 to 107
3	**Composition, succession and evaluation**	
J	Appointments to the Board	98 to 99
K	Board skills, experience and knowledge	94, 98 to 99 and 105
L	Annual Board evaluation	106 to 107
4	**Audit, risk and internal control**	
M	Financial reporting	113 to 114
M	External auditors and internal audit	112 to 113
N	Fair, balanced and understandable – 2023 Annual Report review	113
O	Internal financial controls	111 to 112
O	Risk management	80
5	**Remuneration**	
P	Linking remuneration with purpose and strategy (please see comments above in regard to pension contribution rates)	136 to 144 and 146 to 147
Q	Remuneration policy	128 to 135
R	Performance outcomes	136 to 144

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

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 42 to 44 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 diversity, equality and inclusion on the Board and across the Group.

Read more on pages 104 to 108.

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 109 to 116.

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 123 to 147.

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, 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 117 to 120.

Finance 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 pages 121 to 122.

Executive Committee

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, Rank Interactive and Rank International, Chief People Officer, Chief Information Officer, Chief Transformation 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 80 to 81.

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 96. 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 operations 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.

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 2023 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.

Our Board

Chair

Alex Thursby
Non-Executive Chair

Board independence: Independent on appointment
Ethnicity/Nationality: White/Australian
Gender: Male
Appointed: August 2017[1]
Age: 63

Key strengths
- Broad financial and international experience, having worked in and across multiple markets and 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 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 the 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)
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
Ethnicity/Nationality: White/British
Gender: Male
Appointed: May 2018
Age: 63

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 and prior to this, at Ladbrokes, where 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
ESG & Safer Gambling Committee

Richard Harris
Chief Financial Officer

Board independence: Non-independent
Ethnicity/Nationality: White/British
Gender: Male
Appointed: May 2022
Age: 40

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
Ethnicity/Nationality: White/British
Gender: Female
Appointed: November 2019
Age: 54

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 Sainsburys plc, latterly as director of non-food grocery and new business. Prior to joining J Sainsburys, 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 non-executive director at Tesco Plc, as well as an advisor to Grow up Farms Limited.

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

Non-Executive Directors continued

Lucinda Charles-Jones
Non-Executive Director

Board independence: Independent
Ethnicity/Nationality: White/British
Gender: Female
Appointed: June 2022
Age: 57

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 Trustees 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

Lucinda is also the Designated Non-Executive Director for workforce engagement.

Chew Seong Aun
Non-Executive Director

Board independence: Non-independent
Ethnicity/Nationality: Asian/Malaysian
Gender: Male
Appointed: December 2020
Age: 58

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 has been with the Hong Leong Group for more than 15 years. 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
Seong Aun is the executive director and the group chief financial officer of Guoco Group Limited. He is also a non-executive director of Lam Soon (Hong Kong) Limited. Both companies are listed in Hong Kong and are members of the Hong Leong Group.

Committee membership
None

Katie McAlister
Non-Executive Director

Board independence: Independent
Ethnicity/Nationality: White/British
Gender: Female
Appointed: April 2021
Age: 47

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
Remuneration Committee

Board meeting attendance

Director	
Lucinda Charles-Jones[1]	8/8
Chew Seong Aun	8/8
Steven Esom[2]	4/4
Richard Harris	8/8
Katie McAlister	8/8
John O'Reilly	8/8
Alex Thursby (Chair)	8/8
Karen Whitworth	8/8

1. Lucinda Charles-Jones was appointed as Remuneration Committee chair on 1 January 2023.
2. Steven Esom resigned from the Board on 31 December 2022.

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

Company Secretary

Asha Magnus
Company Secretary

Appointed: October 2022

Experience
Asha joined Rank in 2018 as assistant company secretary and promoted to the role of Company Secretary in October 2022. She has 15 years of company secretarial experience and most recently held positions at GlaxoSmithkline, Unipart and Hanson.

A year in review

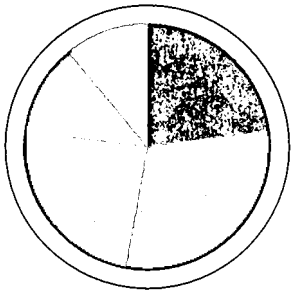
An important aspect of our governance is supporting and developing our business strategy, ensuring we have the right people and leadership to deliver that strategy, while maintaining the highest standards of safety and transparency in a highly regulated environment.

Strategy day

The Board met for its annual strategy review in March 2023. This year, Board members took the opportunity to meet in Barcelona, allowing them to spend some time with colleagues and visit the Enracha venues. The meeting focused on how the business is evolving against our strategic pillars, refreshed in the prior year; Although the Board's priority was to ensure the strategy remained clear and customer driven, the meeting also provided an opportunity to enable management to think radically and take advantage of new market opportunities.

The Board discussed our intention to invest for growth now, improving Grosvenor profitability, rationalising the Mecca estate and improving the customer proposition in Digital, for example by implementing our NextGen RIDE platform. Our aim is to lay the foundation for international expansion and improve talent and capability in critical areas. Over a three-year timescale our strategic intent is to balance our investment and returns by testing international expansion concepts, driving a greater percentage of revenue through Digital channels, and successfully implementing the measures coming out of the Gambling Act Review. Over a five-year timescale, we are looking to drive a greater percentage of revenue through our international operations and progressively build shareholder returns.

Time on Board activities



- Business Reviews **23%**
- Financial **30%**
- Strategy **24%**
- Governance & Investor Relations **12%**
- Regulatory & Risk **11%**

Overall, the Board was pleased with the actions agreed at the strategy day and with the detail of the roadmap of KPIs provided and was confident that they presented a clearer view and focus for the longer term, while also facilitating value creation opportunities. At subsequent meetings, the Board discussed the cultural complexities across the regions in which Rank operates and the need to set a clear and overarching people strategy to enable us to retain key talent within the Group and which is now firmly in place.

Investing for growth, efficiency and lower risk

Technology and data, alongside people, are key enablers for our growth ambitions. We are investing in our technology and innovations to enable us to interact with more customers cross-channel, and further grow the unique consumer proposition we offer both at our venues and digitally. During the year, the Board has discussed how we are harnessing the new RIDE platform through the Central Engagement Platform and the NextGen cloud-based solutions to accelerate the advancement of our technology.

NextGen technology will enable greater platform scalability and unlock our ability to deliver internationally, deploying developments at a faster pace while ensuring we can meet the key requirements from the Gambling Act Review as efficiently as possible. During the year, the Board also received detailed business updates from each of our business areas, reporting on performance and key developments in respect of their technological based initiatives. In particular, the Board has challenged management on the potential for process improvements and more automation, and how investment can help our people achieve this.

The Board also considered an investment proposal during the year that would bring in-house the development of the Group's mobile applications, a key opportunity that will provide improvements to our customer's gaming experience. The Board welcomed the mobile apps initiative and will be kept informed of its progress during 2023/24.

Managing our costs and liquidity

A significant amount of the Board's time in the year was spent assessing performance, costs and related matters. Regular discussions were held during the year on our progress in each part of the business, including additional meetings that were held throughout December before our trading update. The Board considered the terms of our Revolving Credit Facility and Term Loan maturity and were regularly kept informed of progression made during the year with the Group's banking partners as management sought to refinance the maturing Term Loan and Revolving Credit Facility and which was concluded in August 2023.

During a deep-dive discussion on Mecca, the Board considered key investment initiatives that would help re-energise the business and look to extending the Mecca proposition to a younger generation of potential customers. We also discussed the size and sustainability of the Group's estate, with a particular focus on Mecca, where 15 venues closed in the year (approved during the year or in the prior year). Such discussions focused on key opportunities to partner with other leisure operators, how developments in new technology will drive efficiencies across the business, as will improving lease terms as they fall due. The Board recognised that there have been and will be some difficult decisions but are committed to ensuring all stakeholder concerns are considered carefully in these decisions.

" Developments in new technology will be key enablers in reducing costs across the business."

Regulatory development

During the year, the Board considered the much anticipated White Paper on gambling legislation reforms and the impact for the Group. The White Paper delivered outcomes that overall were positive for Rank and the Board noted that Grosvenor casinos were likely to be a clear beneficiary, with an upside for Mecca that would help mitigate any impact from staking limits and a statutory levy in Rank interactive. For more information on the implications of the White Paper, please read our Chief Executive's review on page 14.

The Board discussed the process of implementation and consultations that have and will continue to follow on from the White Paper publication. It also looked at the readiness of the business over the next one to two years to leverage any benefits when all measures are in place, such as the supply of suitable electronic machines, and ensuring we have a supply chain ready to support them.

The Board also considered the impact from changes to sports betting regulation and how we can get the model right for Rank. A significant amount of preparatory work has already been done and the Board is confident that we are well set up to implement the outcomes of the White Paper in the months ahead.

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 30 to 41). 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, and in particular the cultural sentiments through the designated Non-Executive Director's workforce updates, enabling them to draw on a holistic view of what it's like to work at Rank. See more about colleague engagement on page 46.

During the year, the Board approved the 2023/24 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) roll out of employer 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; and 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 in the longer-term vision.

Enhancing communication to the Board...

With a change to the designated Non-Executive Director for Workforce Engagement during the year, Lucinda Charles-Jones has been very effective in the role, engaging with colleagues across the Group. She undertook a programme to meet and engage with colleagues, starting in March when she met with Spanish colleagues in Barcelona, taking questions and listening to their thoughts and feedback. In June she led a question-and-answer session via the Group's podcast interviews (see below for more information on the launch of the podcast initiative and highlights below from her interview) and met with Mecca colleagues (virtually and at the Luton club), with several further engagement sessions planned for the year ahead. The programme of engagement throughout 2023/24 will continue to provide valuable opportunities for direct engagement between the Board and our colleagues without senior management present.

Our listening strategy in action: podcast interview

Our designated Non-Executive Director for workforce engagement was invited to Rank's internal podcast programme, available to all employees, where Lucinda answered questions from our colleagues.

Q. Can you give us some insight into what the Board does?

A. The role of the Board is quite different to the roles of Executive Committee or Rank's management teams. The non-executive directors don't run the business, we ensure the business is well run. We have lots of responsibilities, but our primary one is to promote the long-term sustainable success of Rank for shareholders and stakeholders. We are there to offer constructive challenge, strategic guidance and specialist advice where needed, and we hold management to account. Non-Execs are often described as the critical friend to management, and it is a privilege to be part of an exciting customer-focused business.

Q. You mentioned that you are Chair of the Remuneration Committee (RemCom)– what is the role of that Committee?

A. The Board delegates a number of its responsibilities to a series of committees, for example there's one on finance and one on safer gambling and broader environmental, social and governance topics. One of the committees is the RemCom which I am Chair of.

The main role of the RemCom is to set the remuneration policy for Rank senior executives to meet two main objectives. First, to make sure management interests are aligned to that of shareholders and stakeholders and that we're driving the right business outcomes in our reward strategies, and secondly that we're also fairly rewarding individuals for their contribution and retaining and motivating those senior managers through reward. We determine the salaries and compensation for Rank's most senior directors, making sure they are competitive, fair, and appropriate, and they are benchmarked externally.

We also have oversight of the remuneration across Rank so that the pay and compensation for senior management is aligned to the broader workforce and our culture.

Q. You are also the Non-Executive Director for Workforce Engagement. How would you describe that role and why is it important to you ?

A. I am thrilled to be leading this area for the Board as part of ensuring there is effective engagement with shareholders and stakeholders. Given the people-centric nature of our business, colleagues are at the heart of all we do. It's important that

the Board understands colleagues' views and we get this insight in various ways including the results of employee opinion surveys and other management led employee sessions. One additional way we want to hear colleagues' views is for me, as NED for Workforce Engagement, to run a series of confidential and anonymous listening sessions with colleagues to understand what it's like to work at Rank as part of the Board considering colleague feedback in our discussions and decision-making.

Q. What is the purpose of the Workforce Engagement sessions? How will they run ?

A. The purpose of the Workforce Engagement sessions is to give our colleagues from across the Group a chance to talk to a Board member first hand and for us (the Board) to hear how colleagues feel about working at Rank (what do they like or what could we do better) in a confidential, anonymous, and informal way. It's also a chance to talk about the work of the Board and the RemCom and to give colleagues at a chance to ask me questions directly. They are not action planning sessions – action planning is done in the business by local line managers and leaders – they are listening sessions and I am excited to hear what colleagues think.

I have a schedule of sessions planned over the year – some in person and some virtually – and for each session there will be around 15-20 people with a broad range of representation from each area of the business to ensure we get diverse views. I have already held a successful face-to-face session in Barcelona for our International teams and two sessions for Mecca, one virtual and one face-to-face at Mecca Luton.

I will report back to the Board twice a year to highlight key themes from the sessions, but this will be done at a thematic level so colleagues know they are able to come and express their views openly without the presence of senior management in the room. These sessions are another layer of input from colleagues that will help the Board in our discussions and decision-making.

I am delighted to have this role and honoured to have the chance and remit to get out and about in the business to meet the great people who work hard to excite and to entertain our customers every day.

Senior management

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.

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.

Jim Marsh
Chief Transformation Officer

Jim joined Rank in October 2018.

Emma Morning
Group Transformation & Strategy Director

Emma joined Rank in October 2019.

Nominations Committee Report

" We have made good progress during the year with new leadership colleagues embedding quickly into the organisation. 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 attendance

	Appointed to Committee	Attendance
Current members		
Alex Thursby (Chair)[1]	August 2017	4/4
Lucinda Charles-Jones	June 2022	4/4
Karen Whitworth	June 2022	4/4
Other members during the year		
Steven Esom[2]	July 2015	2/2

1. Alex Thursby took over as Chair in October 2019.
2. Steven Esom stepped down from the Committee in December 2022 following his resignation from the Board.

Meeting and attendees

All Committee members attended four scheduled meetings during the year and considered the appointment of an additional Non-Executive Director outside of the scheduled meetings.

The Company Secretary, the Chief People Officer and the Chief Executive also attend meetings, except when matters that relate to them are discussed.

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.

Key activities during the year

- Appointed Lucinda Charles-Jones as the Chair to the Remuneration Committee and as the designated Non-Executive Director for workforce engagement.
- Commenced a search for an additional independent Non-Executive Director.
- Continued to monitor diversity initiatives under the Inclusion and Diversity Strategy.
- Reviewed succession plans for the Chair and Chief Executive.
- Reviewed talent and succession plans for senior management.

Dear shareholders

I am pleased to present the Nominations Committee Report covering the work of the Committee during the 2022/23 financial year. It was a busy year, with a number of changes to the Board, its Committees and to the Executive Committee. We have made good progress this year as new members embedded themselves quickly with strong contributions from the outset. We have continued to focus on the important areas of succession planning with a particular focus on senior management and our inclusion and diversity strategy. Following Steven Esom's resignation from the Board in December, the Committee focused on a detailed evaluation of the Board's composition, skills and experience, and I was delighted to appoint Lucinda Charles-Jones as Chair of the Remuneration Committee on 1 January 2023, having joined the Board in June 2022. She has brought strong senior people, culture and reward experience to both the Board and as a member of the remuneration committee.

Board changes

Non-Executive Director appointment

Following Steven's departure and as part of a review of the Board's composition and skills, the recruitment process for an additional independent Non-Executive Director of the Board was commenced. The search process has been led by the Chair, assisted by the Chief People Officer and an external agency, Spencer Stuart. I am pleased to report this process has led to the appointment of Keith Laslop, who joins us on 1st September 2023. Keith brings with him extensive financial and digital gaming experience and as a result will further enhance the effectiveness and skillset of our Board.

Neither of the search agencies used in connection with this appointment and the appointment of Chief People Officer (discussed below) has any other connection with the Company or any of its Directors.

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.

Executive Committee changes

Changes to the Executive Committee during the year saw the departure of David Balls, the Group's Human Resources Director. A renewed focus on talent development, culture and people transformation was agreed with the Board and we created a new Chief People Officer role. A formal search was commenced for this role with Hazel Boyle joining the Executive Committee in early September 2022. We created a new Chief Operating Officer Role with a broader Group focus and we are delighted to have Jon Martin (previously Managing Director of Rank Interactive) transition into the Chief Operating Officer role on 1 July 2023. Other changes in the year saw Eitan Boyd, the Chief Innovation Officer and Luisa Wright, General Counsel & Company Secretary leaving the Group. The role of Chief Innovation Officer was not replaced and the role of General Counsel & Company Secretary was divided into two roles.

More information about Hazel and Jon can be found on the corporate website, www.rank.com.

Composition

In line with the requirements of the 2018 UK Corporate Governance Code and in light of director changes, we spent considerable time this year looking at the Board's composition and skills matrix. Whilst the Committee considered that the Board had the necessary mix of skills, knowledge and experience to fulfil its role effectively, there was a desire to further enhance the Board's overall breadth, knowledge and experience and to support its continued succession planning on an ongoing basis. To his end, the search for an additional independent Non-Executive Director began in the year, with a focus on gaming and financial skills and I look forward to concluding this process during the year.

We also reviewed the composition and chair-ship of the Board's Committees during the year. Following Steven Esom's resignation from the Board in December 2022, Lucinda Charles-Jones was appointed as the Remuneration Committee Chair and as the designated Non-Executive Director for workforce engagement, bringing her wealth of experience in the area of remuneration and people and culture to both roles.

During the year, the Committee considered the other significant commitments of our Non-Executive Directors and was satisfied that each Director has sufficient time to discharge their responsibilities effectively.

The search for the Chief People Officer was initiated in 2022, led by the Chief Executive. The search focused on candidates with particular strengths in talent management and development, as we aimed to further enhance the broader skills of the Executive Committee.

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.

Succession planning

Succession plans are maintained for the Board, Executive Committee and other senior leadership positions. These plans were reviewed by the Committee and the Board during the year. Specific matters included succession planning for the General Counsel & Company Secretary and finalising the process commenced in May 2022 for the new Chief People Officer.

The Committee also conducted its annual review of succession planning for the Chair and the Chief Executive and this was refreshed in early January 2023. Having considered the skills and depth of experience desired in respect of talent and development, the succession process for the Chief People Officer was an example of succession planning in action, turning into a recruitment process. We would like to take this opportunity to thank Ian Marchant for stepping up in the interim prior to Hazel Boyle's appointment as Chief People Officer.

The Committee welcomed further notable examples of succession planning and diversity in action in the promotion of senior management, demonstrated by the appointment of Becky Howells as General Counsel and Asha Magnus as the Company Secretary.

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

It is incumbent on the Committee to ensure that a formal and rigorous review of the effectiveness of the Board, its Committees and each Director is conducted each year. The process for the Board's effectiveness review is set out below.

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 2022/23, Lintstock conducted an in-depth interview led evaluation process, with a key focus on the Board. (More information on Rank's 2021/22 evaluation process can be found in the 2022 Annual Report, available on www.rank.com.

The process followed for the 2022/23 Board effectiveness review:

Scoping (March 2023)
The scope and objectives of the review were agreed following a briefing meeting between the Company Secretary and Lintstock.

Tailoring (March – April 2023)
Lintstock collaborated with the Chair and the Company Secretary to design bespoke surveys tailored to the business needs of Rank Group and to ensure that key action points from the 2022 Board review were addressed.
As well as covering key governance enablers such as information, composition and communication, 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 role of the Board in ensuring value creation
– the integration of stakeholders in Board decision-making
the evolution of Rank's culture as the Company expands internationally

Completion (May 2023)
Board members completed surveys assessing the performance of the Board and each of its committees, as well as the performance of the Chair. Each director also completed a self-assessment questionnaire addressing their own performance.

Interviews (May 2023)
In-depth interviews with Board members were conducted by two Lintstock Partners. The interviews were informed by the completed surveys and focused on exploring key priorities and opportunities to increase Board effectiveness.

Observation (June 2023)
A Lintstock Partner observed the June Board and reviewed the accompanying Board packs.

Analysis and Delivery of Reports (June 2023)
Lintstock analysed the findings from the process and delivered focused reports that reflected the findings from the review, including recommendations to increase Board effectiveness.

Board Discussion & Presentation (August 2023)
Lintstock's findings were shared with the Chair and then presented to the Board for discussion. Actions were agreed for implementation and monitoring. These outcomes are detailed below.

As part of the review, Lintstock also delivered a Board discussion document informed by the Lintstock Governance Index, which put the Board's performance into context through a comparison of 36 Board performance metrics with peers.

Board progress against 2022/23 actions

During the year, the Board considered its delivery against the areas of particular focus that had been identified under the 2022/23 evaluation exercise. Overall, it considered that it had made good progress as follows:

Agreed action areas	Progress made in 2022/23
1. Strategy	The Board received detailed presentations during the Strategy Day in March setting out the longer-term horizon view of each business area and discussed the strategic elements that will enable the plans. This included technology and people, and where further investment is required.
2. Developing the ESG Strategy	The Board were pleased to see the progress through the ESG & Safer Gambling Committee, noting that the business was starting to provide more focused reporting with their respective timelines to advance ESG and Safer Gambling across the business and embed as part of operational considerations. The Board members were also pleased to see the development of the eight KPIs and look forward to receiving updates during 2023/24. See pages 42 to 43 for more information on how ESG considerations have formed part of the Board's decision-making during the year.
3. Managing talent, generally and more specifically from a diversity and inclusion and remuneration perspective	The Board discussed and approved the Culture and People Plan which detailed the transformational plan for the Group. The Board welcomed the plans and look forward to receiving progress updates during 2023/24 to reflect the Group's commitment to drive the diversity, equality and inclusion agenda. The Board was also pleased to see the People & Culture plan starting to embed itself as part these key considerations.

Outcomes from 2022/23 Board effectiveness review

The Board welcomed the effectiveness review process, and which identified the strengths of the Board and opportunities to further increase its impact. For the forthcoming year the Board agreed areas of focus that would greatly enhance the current processes. See below the strengths identified and key areas in focus to enhance the Board's effectiveness in the year ahead.

Key strengths:

- There was confidence in the Board's oversight of key external developments, including regulation of the sector and the wider economic climate.
- The Board's understanding and engagement with key stakeholders – including the majority shareholder, employees, and regulators – was rated highly.
- The Board's strong focus on safer gambling, including when taking strategic decisions.

Key areas to enhance effectiveness for the year ahead:

- To ensure Board meeting agendas address the key business priorities, and build additional opportunities to meet informally between Board meetings.
- Maintain continued strong focus and collaboration to ensure meetings are an effective platform to address key business priorities.
- Enhance the Board's role in the development of the strategic plan and drive enablers to address.

For more information on our Board skills, experience and tenure, please see pages 98 to 99.
→

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

Alex Thursby
Chair of the Nominations Committee

Inclusivity and diversity at all levels

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 Report. 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.

	2023	2022
Board		
Female	**42.86%**	(37.50%)
Male	**57.14%**	(62.50%)
Executive		
Female	**36.36%**	(30.77%)
Male	**63.64%**	(69.23%)
Senior management*		
Female	**34.69%**	(30.00%)
Male	**65.31%**	(70.00%)

*Direct reports to the Executive Committee.

The Committee is committed to continuing to review its composition from a diversity perspective, including working towards meeting the 40% gender target of women in senior leadership positions and increasing the ethnic minority representation in senior roles.

To ensure we have oversight of progress made in this area across the Company, the Committee considers performance against the Company's inclusion and diversity strategy, which emphasises the desire to achieve a diverse workforce across all grades. The strategy is based on four key aims, namely: (i) create an inclusive environment which facilitates our colleagues to develop, be creative and deliver exceptional service; (ii) ensure there is a diverse workforce across all grades; (iii) make inclusion and diversity integral to how we do business, and (iv) demonstrate leadership on inclusion and diversity, internally and externally, positioning Rank as an 'employer' of choice. The Committee considered and welcomed the progress made during the year against each of these four aims as set out on page 56 and in more detail in our 2023 Sustainability Report.

During the year, the Committee also considered the results of the Employee Opinion Survey (Pulse in May 2022 and full in September 2022) so far as questions related to inclusion and diversity and was pleased to see that the Group-wide engagement score increased between September and April and the inclusion and diversity-related activities during the year were well-received. The Committee also received recruitment data to review and challenge as it deemed appropriate to ensure alignment with our policy to recruit the best candidate having regard to the skills and experience required, but with a mind to diversity, including gender and ethnicity.

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. 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 has also helped to shape the areas in focus for the year ahead.

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

Progress on 2021/22 agreed focus areas during the year.

1. Agreed action

To evaluate the success of previous succession plans and focus, in particular on planning for the Chair, Chief Executive and Executive Committee.

Progress made during 2022/23

During the year there was a detailed review of the succession plan for the Chair, Chief Executive and Executive Committee. Furthermore, a review of Board skillsets with succession planning for the Board in mind, led to a search process for an independent Non-Executive Director.

2. Agreed action

To continue to ensure there is ongoing challenge as to progress/achievements against the inclusion and diversity strategy, with a particular focus on ethnic diversity and the pipeline for maintaining progress in relation to gender diversity.

Progress made during 2022/23

The Committee assessed the progress of inclusion and diversity initiatives throughout the year following reports received from the Chief People Officer. The Committee was pleased to see the HR dashboard through which we are looking to improve and extend the level of data captured and which will form Board level updates as part of wider People and Culture strategy improvements.

3. Agreed action

To conduct a more in-depth external evaluation of the Board and its Committees, involving Director interviews, once recent changes to the Board's composition have settled.

Progress made during 2022/23

An in depth external evaluation was conducted by Lintstock and was primarily focused at the Board level. The process included pre-questionnaires and interviews, as well as observation of the Board. The process included Committee-focused questions, which the Committee considered as part of setting focus areas for the following year.

Focus for 2023/24

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:

1. 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.

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

3. 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.

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

Alex Thursby
Chair of the Nominations Committee

Audit Committee Report

" The Committee provides independent challenge and oversight of the Group's risk management systems, internal control processes and financial reporting."

Karen Whitworth
Chair of the Audit Committee

Committee membership and attendance

	Appointed to Committee	Attendance
Current members		
Karen Whitworth (Chair)	November 2019	4/4
Lucinda Charles-Jones[2]	June 2022	2/2
Katie McAlister	January 2022	4/4
Other members during the year		
Steven Esom[1]	July 2015	2/2

1. Steven Esom stepped down from the Committee in December 2022 following his resignation from the Board.
2. Lucinda Charles-Jones was appointed to the Committee in January 2023.

Meeting and attendees

The Committee members attended four scheduled meetings and met separately during the year to discuss matters without management present. The external auditor and the Director of Internal Audit were also provided the opportunity at each meeting to discuss matters without the presence of management.

The Committee Chair invites other regular attendees including the Chief Executive, Chief Financial Officer, Chief Information Officer, Group Finance Director, Director of Internal Audit, General Legal Counsel, and representatives of the external auditor. The Company Secretary attended meetings to support the Committee.

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 the integrity of the annual and interim as well as any formal announcements relating to the Group's financial performance.
- Reviewing and challenging key accounting judgements and narrative disclosures within the financial statements.
- 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.

Key activities during the year

- Considered and assessed all accounting judgements made in the preparation of the financial statements including items of significant impact.
- Continued to assess and monitor the principal and emerging risks for the Group, particularly in light of the uncertain macroeconomic conditions and lower than expected business performance.
- 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.
- 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 2023.
- Considered the BEIS consultation on 'Restoring trust in Audit and Corporate Governance' and its potential impact on the Group.
- Considered the impact of compliance and whistleblowing reports.
- Considered the external quality assessment of the Group's Internal Audit function.
- Assessed the liquidity arrangements for the Group, with a particular focus on the maturity of the Group's term loan and revolving credit facilities, including the refinancing process.
- Rank's 30 June 2022 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.

Dear shareholders

I am pleased to present the Audit Committee Report for the 2022/23 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 in light of the ongoing macroeconomic conditions and the lower than expected business performance. Following the robust assessment of the principal risks as reported last year, the committee concluded the vast majority of risks remain unchanged, however the addition of liquidity and funding as a principal risk (as reported in our interim statements January 2023) reflects the updated liquidity and funding requirements of the Group in the context of more volatile debt markets.

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 pages 88 to 89.

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 2023.

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.

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 we found below under the Internal Controls section of this report.

The Committee assessed and approved the TCFD disclosures that formed part of the Annual Report and Accounts 2023 and ensured there was appropriate oversight of climate related considerations aligned with Group strategy and accounting processes.

During the year the Committee engaged an external third-party, the Chartered Institute of Internal Auditors (CIIA) to perform an external quality assessment of the Internal Audit function. The review assessed Internal Audit against the International Professional Practices Framework and a detailed report was prepared and presented to the Committee.

The Committee discussed the findings from the assessment, recognising the strengths of the internal audit department and the recommendations made, which sought to further improve its alignment to the standards of the Institute Internal Audit Code, as well as enhancements to the operations of the internal audit function. The Committee, recognising the recommendations would enhance the effectiveness of the internal audit function requested these were implemented in the forthcoming financial year.

The Committee reviewed 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 better 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. The Committee was comfortable that there was and that improvements were being made.

Internal controls

The Board has overall responsibility for the risk management framework, as explained further on page 80. 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 the their mitigating actions. The Group's principal and emerging risks are set out on pages 81 to 87.
- **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 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.

"The Committee reviewed 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 better protect customers."

Karen Whitworth
Chair of the Audit Committee

> **"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."**
>
> **Karen Whitworth**
> Chair of the Audit Committee

- **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 methodology, scope and planned approach to strengthen the Rank financial control environment, through the delivery of a Group Financial Control Framework, which will ensure Rank have appropriate controls over all aspects of the Group financial statements. Progress is well underway in this area and this is a key step in being prepared for the expected Corporate Governance reform that will emerge in the coming years.

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 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: review of the IT active directory, Rank Interactive marketing compliance review, IT perimeter security review, IT systems development lifecycle, a payroll follow-up audit and a review of high value customer controls in Rank Interactive. A number of 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 year the Committee reviewed the skills and depth of the internal audit team and approved the recruitment of additional resources, including a specialist IT auditor.

The planned external quality assessment of the internal audit function was performed during the year. 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.

External auditor and the external audit

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.

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 154 to 163.

During the year, Rank's 30 June 2022 external audit was subject to the Financial Reporting Council's ('FRC's') audit quality inspection of auditors, as part of the FRCs normal cycle of review. I am pleased to report the outcome received a rating of 'Good', being the highest rating possible.

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 €8,000 (2022: £35,314) (including interim fees). Rank has used the services of other accounting firms for non-audit work during the period under review.

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 (usually the Finance Committee).

Taking this approach enabled the Committee to recommend to the Board, and then the Board itself, to confirm that the Company's 2023 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.

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 on page 114. 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 pages 154 to 163.

Key judgements and financial reporting matters 2022/23	Audit Committee review and conclusions
Going concern and viability statement	
The Directors must determine that the business is a going concern for the period up to 31 August 2024 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 has been analysed in detail, including the downside scenarios modelled in the viability statement in light of trading performance during the year.	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 revolving credit 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. Furthermore, the Committee 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 detail can be found on pages 88 and 89.
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 130 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 potential indicators of impairment and/or reversal, 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 2022/23 and reviewed the disclosures including the sensitivity disclosures of changes in key assumptions. Further details are disclosed in note 13 on pages 192 to 195.
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.
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.

Governance

All members of the Committee are independent Non-Executive Directors and the Board is satisfied that they have significant knowledge and business experience in financial reporting, risk management, internal control and strategic management. In addition, I meet the requirement to bring recent and relevant financial experience to the Committee and further information about my experience can be found on page 98. I can confirm that the Board is satisfied that the Committee has the resources and expertise to fulfil its responsibilities and, has competence relevant to the sector in which the Company operates.

Audit 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. As part of the process, the review commented on whether the Committee was operating effectively and concluded that this was case, having received an overall rating of high from the review. The Committee, in its broad role and remit remains appropriate for the current needs of the business.

The Committee's progress against last year's actions are set out below, along with focus areas for the year ahead.

Progress on 2021/22 agreed focus areas during the year.

1. Agreed actions

Supporting a review of Group financial controls following the arrival of Richard Harris as Chief Financial Officer and as the Group further considers the potential impact of Corporate Governance reform (including the proposed introduction of an audit and assurance policy) and feedback from the BEIS benchmarking work.

Progress made during 2022/23

The Committee received a detailed paper outlining the financial controls framework and which proposed some enhancements to the framework. The Committee were also kept informed of the changes within the financial controls team, and which saw further controls experience added into the team. This allowed the Committee to ensure it remains fit for purpose and has the ability to manage the outcomes of the FRC's consultation in light of the corporate reforms.

2. Agreed actions

Continuing to build on the relationship and develop efficient ways of working with the external auditor.

Progress made during 2022/23

The Committee Chair and the Chief Financial Officer held regular meetings with the external audit partner during the year. A particular focus this year has been the realignment of the audit planning work for our interim and year end process. The changes have been positive and has enhanced the efficiencies in our collaboration with our external auditor. The relationship between the support functions and the external auditors were considered to have an excellent balance between supportive and challenging.

3. Agreed actions

Ensuring there is clear prioritisation for the Committee in relation to its work for the forthcoming year, bearing in mind in particular the current macroeconomic conditions impacting the Group.

Progress made during 2022/23

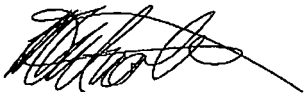
The Committee Chair and the Chief Financial Officer met regularly through the year to discuss matters of priority in advance of committee meetings. This ensured we had a balanced agenda and one that was managed efficiently and allowing for adequate challenge and discussion.

Focus for 2023/24 review

Following the outcomes of this year's review, we agreed that our focus for the year ahead should be to further improve effectiveness of the Committee and consideration is being given to add another financially qualified non-executive director to the Committee.

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 twelve 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

> **" All members of the Committee are independent Non-Executive Directors and the Board believes that 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

2022/23 activity

Area of focus	Matters discussed	Frequency
Financial reporting	Reviewed the integrity of all draft financial statements (including narrative).	P
	Reviewed accounting developments and their impacts and significant accounting issues.	P
	Reviewed and recommended approval of interim and preliminary results announcements.	B
	Reviewed Group accounting policies and reporting practices.	P
	Considered approval process for confirming and recommending to the Board that the 2022 Annual Report is fair, balanced and understandable.	A
	Reviewed and recommended approval of the 2022 Annual Report, as required by the Board.	A
	Reviewed appropriateness of accounting policies and going concern assumptions.	A
	Reviewed and recommended inclusion of the viability and going concern statements in the Annual Report.	A
	Reviewed TCFD disclosures and compliance with ESEF/XBRL requirements.	A
	Reviewed Director and officer expenses.	A
Internal audit	Monitored the effectiveness of the internal audit function.	P
	Reviewed major audit findings and approved remediation plans.	Q
	Reviewed the 2022/23 annual audit plan.	B
	Reviewed the scope of audit coverage and approved planned work for 2023/24.	A
External audit	Considered the external auditor's reports and views.	Q
	Reviewed the objectivity, independence and expertise of the external auditor.	A
	Considered the Auditor's Report on the 2021/22 annual results.	A
	Assessed the effectiveness of the 2021/22 external audit.	A
	Reviewed and approved the 2022/23 annual external audit plan and fee proposal.	A
	Considered the initial results of the 2022/23 external audit.	A
	Reviewed audit and non-audit fees incurred during 2022/23.	A
Risk and internal control	Oversaw the implementation of changes to internal processes as a result of matters reported as key events to regulatory bodies, and guidance published by regulatory bodies as learnings for the gaming industry.	P
	Reviewed risk management reports and Risk Committee updates.	Q
	Reviewed and assessed the corporate risk register (including emerging risks).	Q
	Reviewed and monitored developments in relation to health and safety, information security and data protection.	B
	Reviewed anti-money-laundering matters and matters relating to source of funds and enhanced due diligence.	B
	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).	A
Governance and other	Received corporate governance updates.	P
	Considered and approved tax strategy and reviewed tax matters.	A&P
	Met privately with the Director of Internal Audit and the external auditors.	Q
	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.	B
	Considered material litigation and regulatory matters.	B&P
	Reviewed the Committee's terms of reference and confirmed adherence during 2022/23.	A
	Reviewed feedback and recommendations following Committee evaluation.	A
	Reviewed internal financial controls.	A

Key
A Annual
B Biannual
Q Quarterly
P Periodically

ESG and Safer Gambling Committee Report

" The Committee is focused on embedding ESG across the business and support 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 attendance

	Appointed to Committee	Attendance
Current members		
Katie McAlister (Chair)[1]	April 2021	4/4
Lucinda Charles-Jones	June 2022	4/4
John O'Reilly	May 2018	4/4
Alex Thursby	October 2019	4/4
Karen Whitworth	November 2019	4/4
Other members during the year		
Steven Esom[2]	March 2016	2/2

1. Katie McAlister was appointed Chair with effect 1 February 2022.
2. Steven Esom stepped down from the Committee in December 2022 following his resignation from the Board.

Meeting and attendees

All Committee members attended four scheduled meetings during the year.

The Company Secretary, the Director of Investor Relations and ESG, the Director of Compliance & Responsible Gambling, the Director of Public Affairs and the Managing Directors for Grosvenor, Mecca, Rank Interactive and International are regular attendees.

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.

Key activities during the year

- Monitored and challenged the business in respect of progress against measures published in the Sustainability Report 2022, which was approved in August 2022.
- Considered feedback from stakeholders of the Sustainability Report 2022.
- Oversaw the continued development and implementation of the governance structure in support of the strategy, including establishing key performance indicators to measure meaningful progress.
- Considered initiatives to mitigate the 'cost of living' impact on colleagues, customers and communities.
- Discussed and further developed further management's approach to Task Force on Climate-related Disclosures ('TCFD') reporting framework.
- Reviewed and monitored delivery of safer gambling initiatives in each area of the business.
- Considered the outcomes of the UK Government's publication of its White Paper on gambling legislative reforms.
- 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.

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 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 full 2022 Sustainability Report in September 2022, alongside the 2022 Annual Report and Accounts. This provided the foundations to accelerate Rank's ESG strategy during 2022/23 and I am delighted to publish our 2023 Sustainability Report alongside this report and made available on Rank's website, www.rank.com.

Key activities

In 2021 the Committee determined that it would provide rigour, support and challenge to the business as it developed and implemented its new ESG strategy. During 2022/23, we have continued to embed and strengthen our ESG focus into each of the business areas, drawing on the outcomes of the materiality assessment carried out in 2021. During the year, the Committee also approved 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; and Percentage of customers using safer gambling tools.

2. Colleague experience – educating our people to enable and encourage positive gaming behaviours whilst creating a fair, inclusive and inspiring working environment.

   KPIs – Employee Net Promoter Score; and 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 emissions wherever possible.

   KPI – Energy use as an intensity ratio (tCO_2 per £m Net Gaming Revenue).

4. Community engagement – providing an essential social outlet for customers, generating lasting community spirit, driving community action and developing a genuine social legacy.

   KPI – Total charitable contributions.

Each focus area has a supporting performance measure as well as the primary KPIs shown above.

ESG initiatives

The Committee received business updates during the year to assess how the Company's ESG objectives aligned with the corporate and strategic objectives, see pages 30 to 41 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.

In continuing to develop its approach during the year, the business has 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 will provide a greater understanding of the Company's ability to track and evaluate progress, and allow Board-level oversight of performance against strategy, in line with global best practice.

It was pleasing to see the initiatives in each business area and the Committee is assured that the underpinning People & Culture strategy is developing within each business area, particularly the focus on more diverse leadership teams. Also pleasing was the immediate impact on colleague engagement following the appointment of the Chief People Officer in September 2022, as well as improving our diversity at the executive level. See page 46 and 102 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 47 for more on this.

The Committee oversaw executive management's carbon management work through the newly formed 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'). The Committee considered the recommendations made to set Rank on a net zero pathway, which sets out a measured approach, and the establishment of an interim emissions reduction target to be achieved by 2035, alongside the longer-term target of achieving net zero by 2050. The Committee has worked with 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. The Committee has ensured that the importance of safer gambling within Rank's wider ESG framework is not diminished. We are comfortable that this has not happened.

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 increasing protection, 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.

In addition, the Committee welcomed further proposals to strengthen a safer gambling culture throughout the Group. The aim of this work is to instil a consistent approach to the processes and behaviours our colleagues employ to achieve Rank's purpose, and deliver exciting and entertaining experiences within a safe environment. To best equip our colleagues with the skills and understanding to recognise problem gambling, we have conducted extensive employee training. Every employee must complete mandatory safer gambling training on an annual basis, with progress being monitored through our online platform. Additional training is provided as required or according to a particular role's needs. We have engaged GamCare to provide bespoke safer gambling training on an ongoing basis to all customer-facing colleagues.

During the year, GamCare conducted an assessment of our approach against their Safer Gambling Standard for all Rank's UK facing businesses. Mecca and Rank Interactive received confirmation that they have been awarded Advanced Level 2 accreditation. Grosvenor's accreditation is ongoing and likely to be determined during the first quarter of 2023/24.

It was 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.

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, he kept the Committee informed of the consultation process as regulator's consider the implementation of the legislative reforms (see the Chief Executive's summary for more information on page 28). The Committee will continue to consider stakeholder views and those of the industry and media during this next phase of consultation.

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, education, treatment ('RET')

The proportion of our RET contributions during the year was maintained at the same level as the previous year. As well as contributing to GambleAware, such contributions included payments to YGAM and GamCare as part of Rank's four-year commitment to industry Safer Gambling Commitments. We are committed to maintaining the same proportion of RET contributions in respect of the forthcoming year, although the Committee is aware that the approach to RET payments is being considered within the Government's review of gambling legislation.

" 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

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 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 2023 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 pages 62 to 70 with the compliance statement found on pages 69 to 70 of this Annual Report. 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).

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 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 is performing effectively and as a result, our ESG objectives are becoming increasingly clearer. The Committee will continue to work with management to maintain and improve the focus on ESG across all areas of the business, whilst ensuring safer gambling initiatives remain the primary focus.

The Committee's progress against last year's actions and focus for the year ahead are set out below.

Progress on 2021/22 agreed focus areas during the year.

1. Agreed actions

To develop the Committee's meeting agendas further in-line with the newly developed focus areas of Customer Experience, Colleague Experience, Environmental Management and Community Engagement and their associated KPIs.

Progress made during 2022/23

The Committee ensured all business reporting was focused on the key priorities and developments against that of the customer experience, colleague experience, environmental management and community engagement.

2. Agreed actions

To ensure clear accountability for reporting under the new KPIs, delivery of actions and tracking of progress.

Progress made during 2021/22

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 137.

Focus areas for 2023/24

Whilst there were no particular outcomes for the Committee evaluation this year, we continue to focus on the development and monitoring of management's ESG initiatives, and measure achievement through appropriate KPIs. The Committee concluded the focus for the year ahead should continue to keep management accountable for all areas of ESG and ensure Remuneration and Audit Committee KPI's align.

1. To maintain the focus and continued development of ESG reporting on the four focused areas of customer experience, colleague experience, environmental management and community engagement.

2. To continue to evolve and measure management's delivery of ESG initiatives under the four KPIs.

3. To assess and monitor the development of the net zero plan.

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 Committee Report

" Alongside providing oversight for material projects, estate management and other approvals, the Committee has reviewed the policy for managing energy costs in the context of an unprecedented market backdrop."

Alex Thursby
Chair of the Nominations Committee

Committee membership and attendance

Current members	Appointed to Committee	Attendance
Alex Thursby (Chair)	October 2019	9/9
Richard Harris	May 2022	9/9
John O'Reilly	May 2018	9/9

Meeting and attendees
All Committee members attended nine scheduled meetings and two additional meetings convened during the year. The Company Secretary also attended all Committee meetings.

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.

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 LED lighting rollout in our UK venues businesses.
- Reviewed and approved estate management proposals including lease renewals and the appointment of a new management provider that will support better asset management across our estate, including improvements in energy efficiency.
- Reviewed share administration proposals.
- Reviewed and approved proposals for Group insurance renewal.
- Reviewed Non-Executive Director fees and, following careful consideration, approved increases. See the Remuneration report on page 147 for more information).
- Reviewed the Committee's terms of reference.
- Provided oversight of subsidiary board composition, reviewed directorships, worked to ensure compliance requirements for board composition were met locally.

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 in particular on supporting executive proposals relating to estate management, including the regearing of leases to improve terms during the year and difficult but necessary decisions made on club closures in line with the Group's strategic plan.

Capital investment and material contracts

During the year we took the decision to change our facilities management provider. The new provider will support improved asset management across the estate, provide improved preventative maintenance, identify equipment that needs replacing and ensure our venues are operating in an energy efficient way. The Committee discussed and considered key agreements and investment proposals, cognisant of the need to ensure alignment against strategic aims. Approved capital investments in the year sought to leverage against investments already made, such as the proprietary digital platform.

Utilities and environmental impact

The Committee reviewed the policy for managing energy costs in the context of an unprecedented market backdrop. It considered the options available to the Company in seeking to mitigate that impact and management's preferred approach, including Rank's energy buying policy, the signing of a power purchase agreement and the switch to using renewable electricity sources. The Committee referred these matters to the Board and provided updates to the Board as appropriate.

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 at Board level, facilitated externally by Lintstock Limited. As part of the process, commentary included whether the Committee was operating effectively. It was concluded the Committee is performing effectively and in particular, allowing for early consideration and groundwork on matters ahead of Board discussions.

The Committee's progress against last year's actions are set out below.

Progress on 2021/22 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 Company's governance structure remains appropriate and effective.

Progress made during 2022/23

The Committee allowed for 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 allowed the Board to have well-considered options.

Focus areas for 2023/24

Whilst there were no specific areas identified for the Committee to focus on, it should continue to evaluate its role and relevance in the governance structure. In particular, whether taking a proactive approach on handling business matters ahead of Board discussions, it continues to add value and support well-considered Board decisions.

I would of course be happy to answer any questions about the role of the Committee and its activities during the year under review at the forthcoming Annual General Meeting.

Alex Thursby
Chair of the Finance 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

Committee membership and attendance

	Appointed to Committee	Attendance
Current members		
Lucinda Charles-Jones (Chair)[1]	June 2022	4/4
Karen Whitworth	November 2019	4/4
Katie McAlister	April 2021	4/4
Other members during the year		
Steven Esom[2]	March 2016	2/2

1. Lucinda Charles-Jones was appointed Chair of the Committee in January 2023.
2. Steven Esom stepped down from the Committee in December 2022 following his resignation from the Board.

Meeting and attendees

All Committee members attended four scheduled meetings and one additional meeting that was convened during the year to discuss executive salaries and ESG targets. The Committee also discussed matters outside of meetings to approve remuneration for new appointments and adjustments which had already been discussed at meetings in respect of salaries and discretionary bonuses. The Committee also met separately to discuss matters without the presence of management.

The Company Secretary, Chair and Chief Executive attend meetings of the Committee, except for matters that relate to their remuneration. Also, in regular attendance are the Chief People Officer, the Reward Director, and Alvarez & Marsal as external advisors to the Committee.

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 2022/23 annual bonus and the 2022/23 LTIP award.
- Confirmed the final vesting of the 2017/18 four-year block award and 2021 LTIP award.
- Continued to keep the wider workforce remuneration arrangements under review.
- Approved remuneration for new members of the Executive Committee.
- Determined four ESG KPI measures to align ESG with remuneration.

Dear shareholders

On behalf of the Board, I am pleased to present Rank's Remuneration Committee Report for the year ended 30 June 2023, my first as Chair of the Committee.

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 Directors' Remuneration Policy, which was approved at the Annual General Meeting held on 14 October 2021 ('Policy') and our Annual Report on Remuneration, which is presented in line with the Policy. This statement and the Annual Report on Remuneration are subject to an advisory vote at the 2023 Annual General Meeting.

Overview of 2022/23

As mentioned earlier in this Annual Report, it has been a challenging year, in particular for our UK venues businesses. The Group's underlying operating profit of £20.3m reflected lower than expected performance, particularly in the first half of the year. UK consumers' discretionary expenditure continued to be impacted by inflationary pressures, volatile energy markets and higher interest rates. In addition, there has been a slow return of overseas customers to our London casinos and the Group has faced significant cost pressures. The Committee's decision-making on the remuneration outcomes for Executive Directors has been shaped by the overall financial performance for the full financial year.

While we saw a number of changes at an Executive Director and senior management level in the prior year, this year we welcomed our new Chief People Officer.

We recognise the key challenges and opportunities for our business and we continue to ensure that the Executive Directors, and the senior management team, remain appropriately incentivised to achieve our strategic goals. More information on how we aligned our approach to Executive remuneration with the wider workforce is outlined on page 147.

Alignment with strategy

The Committee has taken the opportunity to further align bonus and long-term incentive opportunities with both our strategic plan, our purpose and values, and shareholder experience.

This has included a revision to both the bonus and long-term incentive performance conditions for 2023/24, taking a more quantative approach to the assessment of ESG outcomes, the inclusion of a Net Gaming Revenue ('NGR') measure in the bonus plan and the inclusion of a broader FTSE index relative total shareholder return ('TSR') measure in the long-term incentive plan.

Alignment with our wider workforce

In shaping remuneration decision-making and outcomes, the Committee has sought to achieve remuneration practices which align with the wider workforce.

Base salaries

The Committee reviewed Executive Director, Executive Committee and other senior management salaries during the year and the overall increase for the wider workforce pay review, mindful of current cost pressures and challenges experienced throughout the year, in particular around talent retention.

The Committee determined to increase the Chief Executive's salary by 4%, which is below the overall average increase of 7.5% awarded to the wider workforce. For the Chief Financial Officer, in his first full year since his appointment in May 2022, the Committee determined to increase his salary by 5% reflecting the positioning of his salary against market, this increase is in line with the increase for the wider management team and lower than the average increase for the wider workforce. All increases were applied with effect from 1 April 2023.

Pension

With effect from 1 January 2023, the Chief Executive's payments in lieu of pension were reduced from 10% of salary (less the lower earnings limit), a level that was agreed under his service agreement when he joined Rank, to the rate currently available to the majority of our UK employees of 3% of salary (less the lower earnings limit) and below the up to 10% of salary contribution offered to management. The Chief Financial Officer's payments in lieu of pension were agreed at 3% (less the lower earnings limit) when he joined the Company in May 2022.

2022/23 annual bonus scheme

Considering both financial performance and progress against our Environmental, Social and Governance ('ESG') key performance indicators, the Committee proposed to pay a bonus equivalent to 8.9% of maximum opportunity to the Executive Directors.

Whilst the stretching financial performance targets were not met, the Group has made strong progress in delivering across the ESG key performance indicators, in particular both employee engagement and certain safer gambling measures. Based on the targets that were set, the Committee has therefore determined to pay bonus at 59% of the maximum opportunity for the proportion of bonus subject to ESG improvements. Further details of measures and outcomes are disclosed on page 137 of this report.

This would have resulted in a bonus of £71,553 to John O'Reilly and £39,544 to Richard Harris.

However, notwithstanding the importance of ESG as a strong foundation in the business and the strong performance against the targets set for 2022/23, having discussed this with the Executive Directors, both John O'Reilly and Richard Harris have elected to accept only 50% of the proposed award. This is on the basis that the 2022/23 bonus schemes for senior management are primarily determined by performance against the financial targets set for the Executive Directors, with any resulting payments relating to 2022/23 performance only being made on a discretionary basis to recognise exceptional individual contribution and for the retention of key talent.

This therefore results in a bonus of £35,777 to John O'Reilly and £19,772 to Richard Harris.

Further details on the measures and outcomes are disclosed on page 137 of the report.

2023/24 bonus scheme

Further to the inclusion of an ESG measure last year, an additional financial measure of Net Gaming Revenue will be included in the bonus scheme for 2023/24 and will represent 10% of the bonus opportunity. 75% will be subject to achievement of our adjusted earnings before interest and tax.

The remaining 15% of the maximum bonus opportunity will continue to be based on ESG targets and as part of the evolution and embedding of the ESG strategy, these will now be quantitative measures. This remains a key area of focus for the Committee as we are keen to ensure that ESG measures applied to bonus opportunities are robust, are clearly linked to implementation of the Company's strategy and are reflective of the industry in which we operate. With this in mind, an overarching safer gambling assessment will continue to apply in considering bonus outcomes.

2020 LTIP award

Based on the challenging targets set and subsequent performance of the Group in 2022/23, the first award made under the 2020 LTIP award granted to John O'Reilly in December 2020 will lapse in full. Full details of the measures and outcomes are disclosed on page 138.

Proposed LTIP grant under the 2020 LTIP during 2023/24

It is intended that an annual LTIP award will be made to Executive Directors in 2023/24. This is the fourth award under the 2020 LTIP.

The structure of the award remains unchanged from the previous three awards, with 40% of the award conditional on relative total shareholder return, 30% on underlying earnings per share and 30% based on strategic measures including NGR growth in venues and digital, as well as profitability improvements.

To better align outcomes with shareholder experience, vesting of the TSR performance condition will be subject to relative performance to both our industry peer group and the companies comprising the broader FTSE 250 index (excluding investment trusts).

In line with our policy, the Chief Executive will receive an award at 200% of salary and the Chief Financial Officer will receive an award at 150% of salary, with such awards to be made within six weeks of the date on which the results for 2022/23 are announced.

The performance conditions will be based on performance in the 2025/26 financial year. Further details can be found on page 147. The awards will vest, subject to meeting the performance targets and continued employment, on the third anniversary of grant, and will be subject to a two-year post-vesting holding period.

Board change

Steven Esom resigned as a Non-Executive Director on 31 December 2022. He did not receive any payment in lieu of notice or any payment for loss of office in accordance with the Policy.

Workforce engagement

As well as being appointed Chair of this Committee, I was also appointed as the Non-Executive Director with designated responsibility for workforce engagement in place of Steven Esom. This subject is covered in more detail on page 102 of this Report. When attending the workforce engagement forums I ensured that I was available to discuss executive remuneration with colleagues and was able to report back to the Committee and Board as appropriate, having taken the opportunities to engage in person this year both in the UK and Spain with our colleagues and without senior management present. As part of engaging with our colleagues on remuneration, I also recorded a podcast on the role of the Remuneration Committee and how it operates which was available to all our colleagues across the business. 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.

We continue to consider ways to improve further the level of engagement in this regard in the coming year.

Looking ahead

Over the course of the next financial year the Committee will be reviewing the Remuneration Policy and will engage with shareholders and wider stakeholders on any key changes before this is presented to the Annual General Meeting in 2024 for shareholder approval.

Our current Remuneration 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. 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 strive to ensure that management is appropriately incentivised to achieve our strategic goals.

I look forward to receiving your support at our 2023 Annual General Meeting, where I will be available to respond to any questions shareholders may have on this report or in relation to any of the Committee's activities. Equally, if you would like to discuss any aspect of our Remuneration Policy at any time, please feel free to contact me through the Company Secretary.

L. Charles-Jones

Lucinda Charles-Jones
Chair of the Remuneration Committee

> **" 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

Remuneration at a glance

Key financial and strategic highlights

Net gaming revenue

£681.9m

Underlying Operating Profit

£19.1m

Earnings per share

-20.4p

Employee engagement score increased to

+14

Safer gambling

+53

Aligning incentives with strategy

Plan	Measures for FY23	Strategic Pillars
Bonus	Adjusted EBIT and ESG KPIs.	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

Aligning outcomes with the wider workforce

	Executive Directors	Management	All employees
Salary	4% increase in salary for the Chief Executive. 5% increase in salary for the Chief Financial Officer.	The average increase in salary applied in 2023 across the Group was 5%.	The average increase in salary applied in 2023 across the Group was 7.5%.
Bonus	Bonus aligned to adjusted EBIT and ESG outcomes, with a safer gambling underpin.	Bonus focus on adjusted EBIT and personal contribution for management, 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.

2023 Outcomes

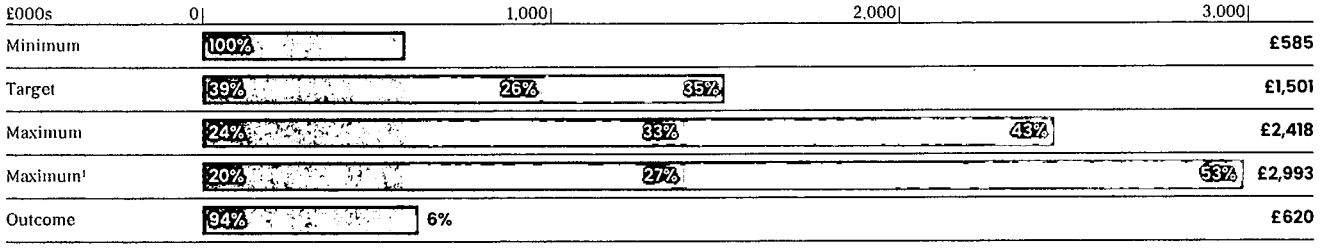
Plan	Outcome
Bonus	8.9%[1] of maximum awarded to the Chief Executive and Chief Financial Officer.
Long term incentives	0% vesting of the Chief Executive award[2].

1. Both the Chief Executive and Chief Financial Officer have elected to accept only 50% of the proposed award, resulting in 4.5% of maximum payable.
2. The Chief Financial Officer did not have an award to vest.

2023 Pay scenarios and outcome

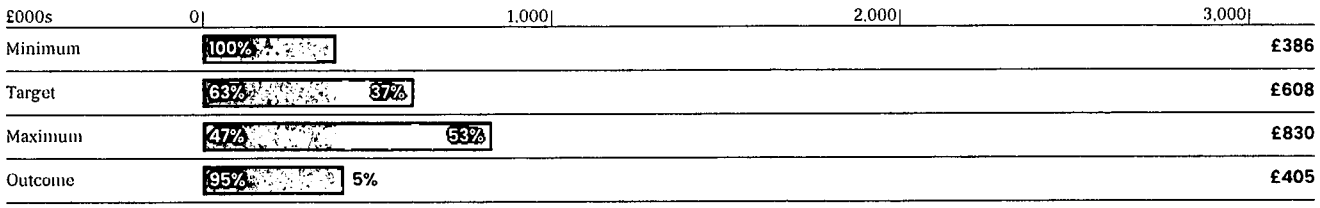
○ Fixed pay ○ Annual bonus ○ Long-term incentives ('LTIP')

Chief Executive



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.

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.
Maximum: Minimum plus assumes full bonus is earned.

Remuneration Policy

Introduction to Remuneration Policy

This report sets out the Policy for the Company, which was prepared in accordance with the 2013 Regulations.

The Policy was approved by shareholders at the Company's Annual General Meeting on 14 October 2021 receiving a 90.52% vote in favour and took effect on that date. The Policy has been reproduced below for information purposes and updated to reflect the passage of time, such as change in tense and page references and the Executive Directors' current remuneration packages for the purposes of the charts illustrating the application of the Policy in the coming year.

The Committee reviews the Group's overall remuneration philosophy and structure each year to ensure that the framework remains effective in supporting the Group's strategic objectives and fairly rewards individuals for the contribution that they make to the business, having regard to the size and complexity of the Group's operations and the need to motivate our employees. It recognises that the performance of the Company is dependent upon the quality of its Directors, senior executives and employees and that the Group therefore seeks to attract, retain and motivate skilled Directors and senior executives of the highest calibre. In order to attract such individuals, the Committee needs to ensure that the remuneration packages properly reflect an individual's duties and responsibilities, are appropriate and competitive (not paying more than is necessary), sensitive to pay elsewhere within the Group and directly linked to performance.

Alignment with Provision 40

As part of its review of the Remuneration Policy, the Committee has considered the factors set out in provision 40 of the 2018 UK Corporate Governance Code. In our view, the Policy addresses those factors as set out below:

Clarity

Our Policy is clearly disclosed each year in the Annual Report and engagement is sought from shareholders. Our Policy is well understood by our Executive Directors and the Committee receives regular updates on workforce pay and benefits during the year from management. The Committee and Board as a whole also receive updates from the non-executive director responsible for workforce engagement (who is also the chair of the Committee) to ensure transparency and effective engagement.

Simplicity

A key objective of the Committee is to ensure that our executive remuneration policies and practices are easily understood and straightforward to communicate and operate. Our remuneration structure is comprised of fixed and variable remuneration, with the performance conditions for variable elements clearly communicated to, and understood by, participants. The move to annual awards under the 2020 LTIP removed one of the more previously complex elements.

Risk

The Committee is mindful of the need to ensure that risks arising in connection with remuneration arrangements are identified and mitigated. Our Policy has been designed with this in mind, to ensure that inappropriate risk-taking is discouraged and will not be rewarded. It does so by means of: (i) the balanced use of both short- and long-term incentives; (ii) the emphasis on equity in our incentive plans, together with deferral of part of the annual bonus, the two-year post-vesting holding period in the 2020 LTIP and in-employment and post-cessation shareholding guidelines; and (iii) malus/clawback provisions, which specifically include reference to failure in risk management. The Committee also has overriding discretion to reduce awards where outturns are not a fair and accurate reflection of business performance.

Predictability

Our incentive plans are subject to individual caps, with our share plans also subject to market-standard dilution limits. Please see page 132 for more information on potential reward possibilities for different levels of performance. Where discretion may be exercised, this is clearly stated in the Policy.

Proportionality

The Committee is mindful of the need to ensure that outcomes do not reward poor performance and the Policy enables meaningful and appropriate targets to be set with a significant proportion linked to long-term shareholder value. Discretions available to the Committee ensure that awards can be reduced if necessary to ensure that outcomes represent a fair and accurate reflection of business performance.

Alignment to culture

The Committee ensures that measures used in our incentive structure are aligned with Rank's business strategy and values, for example the inclusion of ESG targets and a safer gambling measure in bonus objectives, an underpin when considering Executive outcomes.

Remuneration Policy table
The key components of Executive Directors' remuneration are summarised below:

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 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
While there is no maximum annual increase, ordinarily any increases in Executive Directors' base salaries will be limited, in percentage of base salary terms, to those received by the wider workforce during the year.

Where the Committee considers it necessary or appropriate, larger increases may be awarded in individual circumstances, such as a change in scope or responsibility or alignment to market levels.

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 may comprise private healthcare insurance for Executive Directors 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, 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 overseas tax advisory fees may be payable.

Executive Directors may participate in HMRC-approved all-employee schemes up to HMRC limits.

Performance metrics
Not applicable.

Maximum opportunity
It is anticipated that the provision of insured and other benefits will not form a significant part of the package in financial terms.

The cost of the benefits provided may change in accordance with market conditions or in the event of the payment of relocation assistance.

Retirement provisions

Component and link to business strategy
Rewards sustained contribution and encourages retention of Executive Directors.

Operation
Executive Directors are offered membership of the Rank Group Retirement Savings Plan (the 'Pension Plan') or a cash allowance of equivalent value to the employer's contribution to the Pension Plan. An Executive Director may be automatically enrolled in The Rank Group NEST Workplace Pension Scheme (the 'Pension Scheme') in accordance with the Company's obligations under the Pensions Act 2008.

Performance metrics
Not applicable.

Maximum opportunity
For all Executive Director appointments, the maximum pension contribution (defined contribution or cash allowance) will be aligned with the majority of the wider workforce (which is currently 3% of base salary) and less the pensions lower earnings limit.

The Chief Executive's pension allowance was aligned with the majority of the wider workforce with effect from 1 January 2023.

Annual bonus and performance shares

Annual bonus

Component and link to business strategy
Motivates the achievement of annual 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 is based on stretching targets set annually. Bonus payouts are determined by the Committee after the year end following the Committee's assessment of performance relative to the targets set.

Any cash bonuses earned by the Executive Directors will be subject to a six-month deferral period and will be paid in the December following the 30 June financial year end. Any bonus earned by the Chief Executive above 100% of base salary, and 80% of base salary for other Executive Directors, will be deferred into shares under the Rank Group 2020 Deferred Bonus Plan ('the DBP') for a period of two years and will normally be settled in shares, but may be settled in cash in accordance with the rules of the DBP.

The Committee retains the discretion to override formulaic bonus outcomes, both upward and downward, where necessary, to take account of overall or underlying Company performance and to allow the Committee to assess the quality of earnings over the year. The Committee will consult with major shareholders prior to the exercise of any upward discretion.

Recovery and withholding provisions apply up to the end of the second financial year following the year in respect of which the award was granted in the event of a material misstatement, an act of gross misconduct, an error in the assessment of performance targets, a material financial loss to the Group or a material deterioration in Group profits which is inconsistent with the financial performance of the gaming industry, serious reputational damage, failure in risk management or corporate failure.

Dividend equivalents may be paid in respect of a vested DBP award (normally in shares, but may be settled in cash in accordance with the rules of the DBP) by reference to dividends with record dates arising during the awards vesting period.

Performance metrics
The bonus will be based at least 50% on the achievement of financial performance targets and may, from time to time as considered appropriate by the Committee, include non-financial measures and strategic and/or personal objectives.

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. A full description of the performance measures in place and performance against them will be provided in the annual remuneration report on a retrospective basis, to the extent they are not considered to be commercially sensitive.

Maximum opportunity
Chief Executive: 150% of base salary.
Other Executive Directors: 120% of base salary.

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 is usually on the third anniversary of the date of grant, dependent on the achievement of stretching performance conditions measured over a period of three financial years and will normally be settled in shares, but may be settled in cash in accordance with the rules of the LTIP.

Executive Directors are required to retain vested LTIP shares, net of tax, for a further period of two years. During this two-year period, awards would lapse/shares would be forfeited 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.

The Committee retains the discretion to override formulaic vesting outcomes, both upward and downward, where necessary, to take account of overall or underlying Company performance. The Committee will consult with major shareholders prior to the exercise of any upward discretion.

Recovery and withholding provisions apply up to the third anniversary of the awards vesting in the event of a material misstatement, an act of gross misconduct, an error in the assessment of performance targets, a material financial loss to the Group or a material deterioration in Group profits which is inconsistent with the financial performance of the gaming industry, serious reputational damage, failure in risk management or corporate failure.

Performance metrics
Performance targets may relate to both financial and non-financial measures linked to the Group's long-term business strategy, including but not limited to:

- Group or business unit profit;
- Group or business unit revenue;
- Return on capital; and
- Strategic objectives of the Group.

The Committee may choose different measures and weightings between them, if it deems it appropriate, taking into account the strategic objectives of the Company. At least 50% of the award will be subject to financial targets and/or relative TSR.

For each performance metric, a threshold and stretch level of performance is set. At threshold, no more than 25% of the relevant element vests, rising on a straight-line basis to 100% for performance between threshold and maximum.

At the end of the applicable performance period, the Committee will have absolute discretion to determine the extent to which the relevant awards will vest, if at all, taking account of underlying Group, individual and share price performance.

Maximum opportunity
The Chief Executive may receive an annual grant of up to 200% of base salary and other Executive Directors may receive an annual grant of up to 150% of base salary.

Recovery Incentive Scheme

Component and link to business strategy
To align the interests of the Executive Directors and shareholders through the creation of mid-term shareholder value post-COVID-19 impact.

Operation
The RIS is a one-off plan with awards granted shortly after the 2021 Annual General Meeting.

Vesting will be:

- 50% on the first anniversary of the date of grant; and
- 50% on the second anniversary of the date of grant,

dependent on the achievement of performance conditions measured over the 2021/22 financial year. Vesting will normally be settled in shares but may be settled in cash in accordance with the rules of the RIS.

Executive Directors are required to retain vested RIS shares, net of tax, until the later of six months following the vesting of the relevant award and the announcement of results for the six-month period commencing immediately prior to the relevant vesting date. During this holding period, awards would lapse/shares would be forfeited 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.

The Committee retains the discretion to override formulaic vesting outcomes, both upward and downward, where necessary, to take account of overall or underlying Company performance. The Committee will consult with major shareholders prior to the exercise of any upward discretion.

Recovery and withholding provisions apply in the event of a material misstatement, an act of gross misconduct, an error in the assessment of performance targets, a material financial loss to the Group or a material deterioration in Group profits which is inconsistent with the financial performance of the gaming industry, serious reputational damage, failure in risk management or corporate failure.

Performance metrics
Performance targets will be set by reference to:

- net gaming revenue; and
- profits after tax, with both targets needed to be met for vesting to occur.

At the end of the applicable performance period, the Committee will have absolute discretion to determine the extent to which the relevant awards will vest, if at all, taking account of underlying Group, individual, ESG (Environmental, Social and Governance) and share price performance.

Maximum opportunity
The Chief Executive and Chief Financial Officer may receive a one-off grant of up to 100% of base salary in financial year 2021/22.

In-employment and post-employment shareholding requirement

In-employment shareholding requirement

Component and link to business strategy
To create greater alignment between Executive Directors and shareholders.

Operation
Subject to there being sufficient free float, Executive Directors are required to build a shareholding of 200% of base salary within five years of appointment. Shares subject to unvested deferred bonus awards and vested but unexercised deferred bonus awards, RIS 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
Subject to there being sufficient free float, Executive Directors are 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 and RIS awards may be included on a net-of-tax basis.

The requirement will apply to shares vesting under deferred bonus, LTIP and RIS awards made from 11 November 2020.

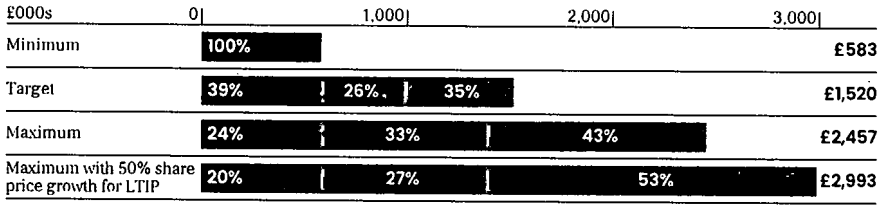
There are appropriate arrangements in place to ensure enforceability.

Performance metrics
Not applicable.

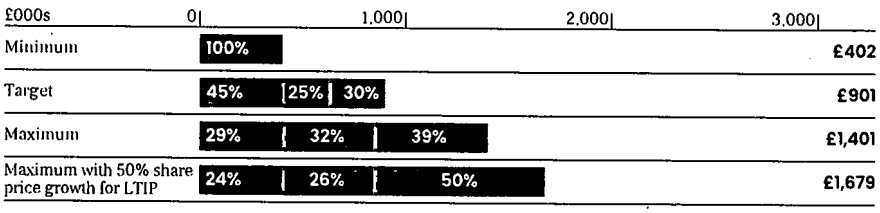
Maximum opportunity
Not applicable.

2024 Scenario Chart

Chief Executive Officer



Chief Financial Officer



● Fixed pay ● Annual bonus ● Long-term incentives

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.

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 similar gaming peers and 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 and other members of the Executive Committee.

The Committee will set targets for the different components of performance-related remuneration so that they are both appropriate and sufficiently demanding in the context of the business environment and the challenges facing the Group. It reviews and selects performance measures at the beginning of each award cycle under both the annual bonus plan and the LTIP, being informed by the short- and long-term priorities of the Group at the time.
The Committee considers the Group's key performance indicators and strategic business plan when selecting measures and calibrating targets. The Committee is aware that targets for both financial and non-financial measures should be appropriately stretching yet achievable. Details of these are included in the Annual Report each year (other than where they are considered by the Board to be commercially sensitive in which case they will be disclosed following vesting). Factors that the Committee may consider include the strategic plan, the annual budget, economic conditions, individuals' areas of responsibility, the Committee's expectations over the relevant period and input from the majority shareholder.

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 and the RIS) 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;
- Overriding formulaic annual bonus outcomes, RIS and LTIP vesting outcomes, taking account of overall or underlying Company performance;
- 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.

If an event occurs which results in the annual bonus plan, RIS or LTIP performance conditions and/or targets being deemed no longer appropriate (e.g. material acquisition or divestment or an unforeseen 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 major shareholders.

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. Pension provision is overall at lower contribution rates, with the majority of the Group's eligible employees now being automatically enrolled into the NEST Workplace Pension Scheme with contributions in line with legislative requirements. The rate applicable to the Chief Executive will be brought into line with effect from 1 January 2023. It should be noted that a significant proportion of employees remain in the Group's Retirement Savings Plan, with contribution levels higher than mandatorily required.

Remuneration for new appointments

The Committee will apply the Policy to new Executive Directors in respect of all components of remuneration. 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. In addition, the maximum level of annual bonus which may be earned is 150% of base salary for the Chief Executive and 120% of base salary for other Executive Directors.

New Executive Directors may participate in the LTIP and receive an annual award of up to 200% of base salary. 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 employer. Such awards would be made to the extent practicable on a comparable basis, taking account of performance, the proportion of the performance period remaining and the type of award. The Committee will set appropriate performance conditions and vesting would be on broadly the same time horizon as the forfeited award.

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, day rates or benefits in kind 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.

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, 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.

LTIP or RIS awards (each as applicable) held by leavers (which in the case of the RIS includes the participant being under notice) will ordinarily be forfeited, except where the participant is a 'good leaver' (due to death, ill-health, injury, redundancy, business transfer or other reasons at the discretion of the Committee), in which case their LTIP or RIS award will ordinarily vest on normal timetable. The extent to which an LTIP or RIS 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 or RIS award to a lesser extent (including as to nil) if it regards it as appropriate to do so in the circumstances. In addition, awards/shares will ordinarily be forfeited during the approximately six-month holding period for the RIS awards and 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, the Committee has absolute discretion as to whether and on what basis awards should vest under the LTIP and/or the RIS. The Committee would normally allow awards to vest upon a change of control subject to satisfaction of performance criteria and reduction on a time-apportioned basis.

Policy for Executive Directors' service agreements

It is the Group's policy that Executive Directors have rolling service agreements.

Provision	Detailed terms
Remuneration	– Base salary – Pension – Cash car allowance – Private health insurance for Director 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
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 at 30 June 2023) 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	5 years 2 months
Chief Financial Officer	Richard Harris	20 December 2021/ 1 May 2022	1 year 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. Non-Executive Directors are not entitled to any benefits in kind and are not eligible for pension scheme membership, bonus or incentive arrangements.	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 2018, 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	1 year
Chew Seong Aun	10 December 2020	9 December 2020	2 years 6 months
Steven Esom[2]	1 March 2016	24 February 2016	7 years 9 months
Katie McAlister	28 April 2021	26 April 2021	2 years 2 months
Alex Thursby	1 August 2017	21 August 2019[1]	5 years 11 months
Karen Whitworth	4 November 2019	4 November 2019	3 years 7 months

1. 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.
2. Steven Esom stepped down from the Board on 31 December 2022.

External appointments

The Committee recognises that Executive Directors may be invited to become non-executive directors in other companies and that these appointments can enhance their knowledge and experience to the benefit of the Company. Subject to pre-agreed conditions, and with the prior approval of the Board, each Executive Director is permitted to accept one appointment as a non-executive director in another listed company. The Executive Director is permitted to retain any fees paid for such service.

Shareholder engagement

In designing the Policy, the Chair wrote to the Company's major shareholders, ISS, Glass Lewis and the Investment Association and the Committee took shareholders' feedback into account when finalising the Policy. The Committee informs major 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 notes to the Policy table on page 132, 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.

Annual Report on Remuneration

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.

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 2023 and 30 June 2022 in respect of performance during the years ended on those dates.

Both tables also include pro forma figures for the Chief Executive to reflect the vesting schedule of the 2017/18 LTIP, please see footnotes to the tables for further information:

	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
John O'Reilly (pro forma)[2]	*520,150*	*31,337*	*33,224*	*584,711*	*35,777*	*0*	*29,695*	*65,472*	*650,183*
Richard Harris	357,250	18,069	10,530	385,849	19,772	0	0[3]	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.
2. Unaudited note: The performance period for the 2017/18 block award ended on 30 June 2021. The performance was assessed as at 30 June 2021 and full details of the assessment can be found on pages 124 and 125 of our 2021 Annual Report and Accounts. The award vests, subject to continued employment, in three equal tranches from 1 October 2021. The second tranche of the award vested on 1 October 2022 and was included in last year's Report on a pro forma basis and in the table. The pro forma figure shown is the third tranche and final tranche of the 2018 block award of 32,419 shares which will vest 1 October 2023, stated using the average share price of 91.6p for the three months to 30 June 2023. This will be reinstated next year using the actual share price when award vests.
3. Richard Harris received 93,318 shares on 13 May 2023 as a result of vesting of the first tranche of his award in lieu of shares forfeited from his previous employer. There was no gain in value since the award date.

	Fixed pay (£)				Performance pay (£)				2021/22 total remuneration (£)[6]
2021/22	Salary/fees	Benefits[1]	Pension	Total fixed	Cash bonus	Deferred bonus	LTIP award vesting	Total variable	
John O'Reilly	503,750	31,259	49,751	584,760	0	0	0	0	584,760
John O'Reilly (pro forma)[2]	*503,750*	*31,259*	*49,751*	*584,760*	*0*	*0*	*22,693*	*22,693*	*607,453*
Bill Floydd[3]	175,000	11,845	17,188	204,033	0	0	0	0	204,033
Richard Harris[4]	58,833	3,129	1,734	63,696	0	0	0	212,862[5]	276,558

1. Taxable benefits comprise car allowance, fuel benefit (other than for Richard Harris), and life, long-term disability and private medical insurances.
2. Unaudited note: The 2017/18 LTIP award was a 'block award' with vesting in three equal tranches subject to continued employment. Based on the actual share price applicable at vesting of the second tranche of the award of 70p for the Chief Executive the value of that first tranche was £22,693 for the Chief Executive (32,419 shares) which would have resulted in total remuneration (restated on a pro forma basis) of £607,453 for the Chief Executive as stated in the above table.
3. Bill Floydd stepped down from the Board on 31 December 2021. The second tranche and third tranche of his 2017/18 block award lapsed in full on departure.
4. Richard Harris was appointed to the Board on 1 May 2022.
5. Richard Harris received buyout awards comprising a cash award of £12,862 in June 2022 in lieu of a bonus forfeited and a share award of £200,000 in May 2022 in lieu of share awards forfeited from his previous employer.

Base salary (Audited)

The Committee reviewed the Executive Director base salaries during the year. During the year under review, the Committee determined to increase John O'Reilly's salary by 4% with effect from 1 April 2023, below the general overall increases awarded to the wider workforce.

Richard Harris's salary was increased by 5% with effect from 1 April 2023 to reflect the position of his salary against the market which is in line with the increases to the management team, and below general increases to the wider workforce.

	30 June 2023	1 April 2023	1 April 2022	% change
John O'Reilly	**£535,600**	£535,600	£515,000	4%
Richard Harris	**£370,000**	£370,000	£353,000	5%

Taxable benefits (Audited)

Taxable benefits comprise car allowance, fuel benefit (other than for Richard Harris), and life, long-term disability and private medical insurances.

Other than related premiums, 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 when he joined the Company in May 2022, of 3% of salary (less the lower earnings limit).

Annual bonus plan (Audited)

The maximum annual bonus opportunity for the Executive Directors in 2022/23 was 150% and 120% for the CEO and CFO respectively. Target bonus was 50% of the maximum opportunity. The 2022/23 annual bonus was based on adjusted Group earnings before interest and tax (adj. EBIT) 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	Bonus outcome1 (% of Max)
Adj. EBIT	85%	£61.75m	£64.0m	£68.25m	£19.1m	0%
ESG measures	15%	Committee assessment[2]			59% of maximum	8.9%
Total						**8.9%**

1. Bonus payout on a straight-line basis between threshold to target and target to maximum.
2. The 15% of the maximum bonus opportunity was based on specific Environmental, Social and Governance (ESG) targets. As the Company's approach to ESG is developing, for 2022/23 a mix of quantative and qualitative approach applied. The Committee determined that a bonus equivalent to 59% of the maximum bonus for the ESG measure was payable considering the improvement across four ESG key performance indicators:
   - An increase in the employee engagement net promoter score (NPS) from +2 to +14 versus a target range of +8 to +10.
   - Progress against the delivery of a net zero emissions plan.
   - An increase in the Employee NPS score on Rank's approach to Safer Gambling from +46 to +53 versus a target range of +50 to +55.
   - Progress in the delivery of a consistent customer feedback measurement mechanic for Safer Gambling across the Group.

Full details of our approach to ESG can be found on pages 52 to 71.

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%	£ 803,400	8.9%	£71,553
Richard Harris	120%	£ 444,000	8.9%	£39,544

An underpin is in place of a safer gambling assessment which could negatively 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 by the Gambling Commission.

Prior to approving the 2022/23 bonus outcome, the Committee discussed whether or not the outcome to be fair and reasonable in the context of the Company's overall business performance, relativity to bonuses across the Group and Safer Gambling assessment over the year. Following discussion, it was satisfied that the bonus was appropriate.

Both John O'Reilly and Richard Harris have elected to accept only 50% of the proposed award, resulting in a bonus payable of £35,777 to John O'Reilly and £19,772 to Richard Harris.

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 made 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 124 and 125 of our 2021 Annual Report and Accounts. The award vests in three equal tranches starting 1 October 2021. The second tranche of 32,419 vested on 1 October 2022 and the third tranche of 32,418 will vest on 1 October 2023, in each case subject to continued employment.

2020 LTIP award

The table below summarises the performance relative to the 2020 LTIP targets awarded on 16 December 2020 and the outcome for the Chief Executive:

		Performance targets			
Measure	Weighting	Threshold	Maximum	Outcome	% of award vesting
Relative Total Shareholder Return1	40%	Median	Outperform median by 25%	Below median	0%
Earnings per share	30%	13.5p	23.1p	-20.4p	0%
Strategic measures	30%				
Group EBIT Margin %	*10%*	*14%*	*18%*	*3%*	*0%*
Venues Net Gaming Revenue £m	*10%*	*620*	*662*	*479*	*0%*
Digital Net Gaming Revenue £m	*10%*	*225*	*338*	*203*	*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.

In addition, the share price underpin was not achieved, therefore the award will lapse in full:

	Number of shares awarded	% vesting	Number of shares vesting
John O'Reilly	715,922	0%	nil

2022/23 LTIP granted during the year (annual award)

An LTIP award was granted on 29 September 2022 to John O'Reilly and Richard Harris, based on performance over a three-year period ending 30 June 2025. 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)
Plan	2020 LTIP
Date of grant	29 September 2022
Face value at grant (% of salary)	200%
Face value at grant (£)	£1,030,000
Share price at grant	75.64p
Number of shares comprised in award	1,361,713
Performance period	1 July 2022 to 30 June 2025
Earliest vest date	29 September 2025

Director	Richard Harris (Chief Financial Officer)
Plan	2020 LTIP
Date of grant	29 September 2022
Face value at grant (% of salary)	150%
Face value at grant (£)	£529,600
Share price at grant	75.64p
Number of shares comprised in award	700,026
Performance period	1 July 2022 to 30 June 2025
Earliest vest date	29 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 against a comparator group consisting of six companies; 888, Flutter Entertainment, Entain, Betsson, Kindred and Playtech.
- 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%	11.8p	18.3p	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 as Chief Financial Officer and to the Board on 1 May 2022. His remuneration package was approved by the Committee and 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 is in two equal tranches, with the vesting date for each such tranche being 13 May 2023 and 16 March 2024 respectively.

Richard Harris's first tranche of 93,318 shares vested on 13 May 2023, with a value of £94,874.97.

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 2023 and 30 June 2022 in respect of performance during the years ended on those dates.

	2022/23 fees	2021/22 fees
Chew Seong Aun[1]	**nil**	nil
Lucinda Charles-Jones[2]	**53,750**	1,346
Steven Esom[3]	**28,750**	57,500
Katie McAlister	**53,500**	51,458
Alex Thursby	**160,000**	160,000
Karen Whitworth	**61,500**	60,141

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.

Non-Executive Directors are entitled to receive fees and reasonable expenses only. Details of fees received are provided on page 147.

These amounts are within the maximum annual aggregate amount of £750,000 currently permitted by the Company's Articles of Association.

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) and we have also included pro forma figures in the table which reflect the actual vesting in tranches – 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
2022/23	(12 months)	620,488	4.5%	0%
2022/23 (pro forma)[3]	*(12 months)*	*650,183[4]*	*4.5%*	*2.0%*
2021/22	(12 months)	584,760	0%	0%
2021/22 (pro forma)[3]	*(12 months)*	*607,453[5]*	*0%*	*2.0%*
2020/21	(12 months)	743,329[2]	0%	6.1%
2020/21 (pro forma)[3]	*(12 months)*	*621,628[6]*	*0%*	*2.0%*
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.
2. The figure has been restated in this table to include the actual value of the first tranche at vesting on 1 October 2021 and two-thirds of the full value of the 2017/18 block award LTIP vesting by reference to 30 June 2021.
3. Unaudited note: The 2017/18 LTIP award was a 'block award' with vesting in three equal tranches in October 2021, October 2022 and October 2023, subject to continued employment and a post-vesting holding period. Pro forma figures have been included in the table to reflect the actual vesting in tranches.
4. Unaudited note: The figure includes the third tranche of the 2018 block award vesting on 1 October 2023, subject to continued employment, using the average share price to 30 June 2023.
5. Unaudited note: The figure includes the second tranche of the 2017/18 block award LTIP vesting on 1 October 2022, restated to use the actual share price applicable at vesting of 70p.
6. Unaudited note: The figure includes the first tranche of the 2017/18 block award LTIP vesting on 1 October 2021, subject to continued employment, using the actual share price applicable at vesting of 176.8p.

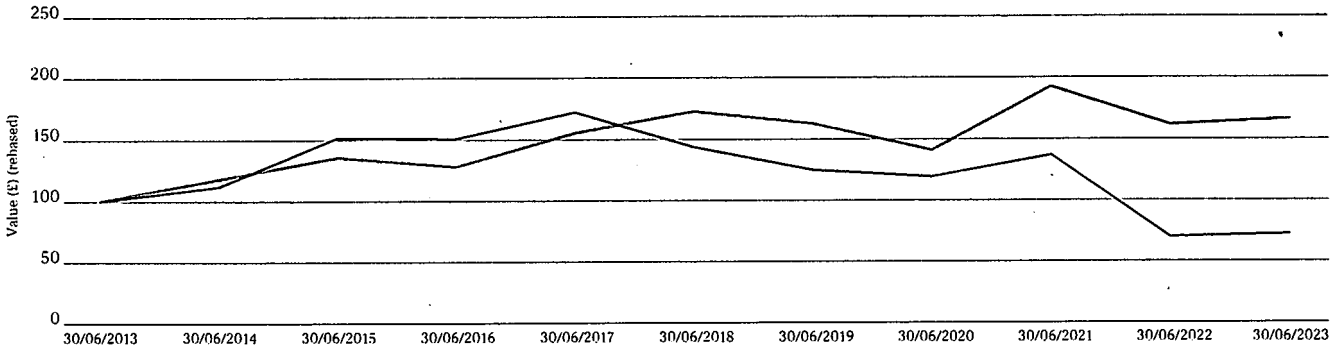
Henry Birch (from 6 May 2014 until 7 May 2018)		Single figure of total remuneration[1]	Annual cash bonus: actual payout vs. maximum opportunity	LTIP vesting rates against maximum opportunity
2017/18	(10 months)	£487,006	0.00%	n/a
2016/17	(12 months)	£2,054,662	63.15%	37.50%
2016/17 (pro forma)[1]	(12 months)	£1,275,650	63.15%	12.5%
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

1. Unaudited note: The pro forma disclosure sets out the single figure if only one-third of the 2014/15 LTIP block award is included.

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%
2012/13	(12 months)	£1,267,489	0.00%	96.25%
2011/12	(18 months)	£3,254,000	40.00%	100.00%

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
(Source: Datastream)



● The Rank Group Plc ● FTSE 250 (excluding investment trusts)

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)
Steven Esom stepped down from the Board on 31 December 2022. He did not receive any payment in lieu of notice or any payment for loss of office in accordance with the Policy.

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.

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 2022 and 30 June 2023 are set out in the table below. All awards were made as conditional awards:

	Ordinary shares as at 30 June 2022	**Ordinary shares as at 30 June 2023**	Unvested share awards subject to performance conditions as at 30 June 2022	Unvested share awards subject to continued employment only as at 30 June 2022	**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**
Lucinda Charles-Jones	0	**20,000**	n/a	n/a	**n/a**	**n/a**
Chew Seong Aun	n/a	**0**	n/a	n/a	**n/a**	**n/a**
Steven Esom[1]	90,000	**90,000**	n/a	n/a	**n/a**	**n/a**
Katie McAlister	n/a	**0**	n/a	n/a	**n/a**	**n/a**
Alex Thursby	25,000	**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	n/a	**124,459**	n/a	n/a	**700,026**	**93,313**
John O'Reilly	319,899	**336,677**	1,362,832	0	**2,659,707**	**32,418**

1. Position as at 31 December 2022 when Steven Esom stepped down from the Board.

John O'Reilly and Richard Harris are subject to shareholding guidelines of 200% of salary in shares held. As at 30 June 2023, based on an average share price of 91.6p for the three months prior to the 30 June 2023, John O'Reilly holds shares equivalent to 58% of salary and Richard Harris holds shares equivalent to 31% of salary.

Dilution limits (Unaudited)

The DBP, LTIP and RIS, 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 2023.

The current level of dilution, based on the maximum number of shares that could vest as at 30 June 2023, 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 relation to the same 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 2023	Percentage of issued share capital as at 30 June 2023
Maximum number of shares needed to satisfy existing unvested awards as at 30 June 2023	**5,354,244**	**1.14%**
Total number of shares issued in respect of awards granted after 30 June 2013	**Nil**	**0%**
Total	**5,354,244**	**1.14%**

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).

	2022/23	2021/22	Percentage change
Overall expenditure on pay	**£206.9m**	£189.9m	8.95%
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 2023 versus previous year, alongside the average change in gross earnings for all UK employees across the Group. The 'salary' and 'benefits' column reflects that the Directors volunteered a reduction in their respective salary/fee for the period from 1 April 2020 until 15 August 2020, with the majority of such reduction applying to the 2019/20 financial year versus the 2020/21 financial year (please see footnotes to the table for further information):

Directors	Year[1]	Salary[2]	Benefits[2]	Bonus
Chief Executive	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[3]	2022/23 vs 2021/23	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[4]	2022/23 vs 2021/22	3,893%	n/a	n/a
	2021/22 vs 2020/21	n/a	n/a	n/a
Steven Esom[5]	2022/23 vs 2021/22	-50.0%	n/a	n/a
	2021/22 vs 2020/21	2.7%	n/a	n/a
	2020/21 vs 2019/20	2.5%	n/a	n/a
	2019/20 vs 2018/19	-5.0%	n/a	n/a
Katie McAlister	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	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	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[6]	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[7]	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 2022/23.
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.
3. The figures for the Chief Financial Officer are the sums of salaries, benefits and bonuses received by the former and current CFOs.
4. Lucinda Charles-Jones was appointed as Chair of the Remuneration Committee on 1 January 2023.
5. Steven Esom resigned from the Board on 31 December 2022.
6. Chew Seong Aun does not receive any fees in respect of his role on the Board.
7. 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.

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 2022/23, using the single total figure remuneration as disclosed on page 136 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
2023 figures	**(Option C)**	**28:1**	**26:1**	**21:1**
2023 figures (pro forma)[1,4]	***(Option C)***	***29:1***	***28:1***	***22:1***
2022 figures	(Option C)	30:1	28:1	23:1
2022 figures (pro forma)[1,2]	*(Option C)*	*32:1*	*29:1*	*25:1*
2021 figures[1,2]	(Option C)	39:1	38:1	30:1
2021 figures (pro forma)[1,3]	*(Option C)*	*34:1*	*32:1*	*25:1*

	2022/23 Salary	2022/23 Total pay and benefits
CEO	£520,150	£620,488
25th percentile	£22,152	£22,204
50th percentile	£23,192	£23,942
75th percentile	£28,912	£29,847

1. The 2013 Regulations require the full value of the 2017/18 LTIP Block award to be included in the 2021 figures. The 2021 and 2022 figures have been restated to include the actual value of the first and second tranche at vesting and one-third of the full value of the 2017/18 block LTIP vesting by reference to 30 June 2021.
2. The 2021 pro forma figures have been restated to reflect the actual vesting value of the first tranche of the 2017/18 block award on 1 October 2021.
3. The 2022 pro forma figures have been restated to reflect the actual vesting value of the second tranche of the 2017/18 block award on 1 October 2022.
4. The 2023 pro forma figures includes the vesting of the third tranche of the 2017/18 block award on 1 October 2023, based on an average share price three months to 30 June 2023.

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 at 5 April 2022.

The published results show across all UK-based employees, our median Gender Pay Gap for April 2022 is 11.6%. This is a decrease of 18.3% year-on-year. However, the Committee does not believe the results for the year on year comparison are truly representative of the situation, with 93% of colleagues being furloughed in April 2021 and excluded from the calculation on a year-on-year comparison. Our mean Gender Pay Gap also reduced, from 30.3% to 23.5%, a change of 6.8%.

Our median Gender Bonus Gap analysis has seen a decrease of 60.8% year on year. This has been influenced by a combination of lower overall payout of annual bonuses and the introduction of new, smaller value initiatives run across our venues. The greater number of payments has resulted in a (55.6)% bonus gap at median as women earned more through these initiatives than men. The mean Gender Bonus Gap increased to 61.8%, a change of 42% which was influenced by a small number of bonus payments made to leaders, of which a higher proportion are male.

The Committee remains 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 2022 Annual General Meeting and annual remuneration report;
- April 2023 fixed pay review;
- 2021/22 and 2022/23 annual bonus outcomes;
- 2023/24 annual bonus plan structure (including ESG);
- 2022/23 LTIP grant performance measures and targets;
- 2017/18 block award, Recovery Incentive Scheme and 2020/21 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 2022;
- Review and approval of the Company's Gender Pay Gap Report 2022; and
- Reviewing the Committee's effectiveness.

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') as external remuneration advisers to the Committee. A&M 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 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 £65,860 for services provided to the Committee during the year (fees are based on hours spent). A&M 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 2022/23, Rank's evaluation exercise 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 2021/22 agreed focus areas during the year.

Agreed actions	Progress made during 2022/23
1. Reviewing alignment of management incentives with strategy, particularly in light of the refresh of the Company's strategic pillars in 2021/22.	During the year, the Committee discussed the appropriate approach to align management incentives to the Company's strategic aims. It was agreed to introduce a net gaming revenue ('NGR') metric for 2023/24.
2. Reviewing approach to stakeholder engagement from a remuneration perspective.	During the year, and following the change in the Committee's chair, a letter of introduction was sent to our major shareholders. Our engagement with shareholders continues to be an area in focus for 2023/24 as we consider the remuneration policy ahead of shareholder approval in 2024. Good progress was made in the year with our colleagues which sought to provide greater insights on the Committee's role and responsibilities. The chair of the Committee also having the role of designated Non-Executive Director for workforce engagement has allowed for this to evolve during the year and has provided the opportunities to engage directly with the wider workforce.
3. Considering ways in which to further embed ESG metrics in reward.	Four ESG KPIs were introduced as ESG targets for Executive Director reward for 2022/23 outcomes.

In addition to the above, a further area of focus in the year was ensuring its decision-making was considerate of information on benchmarking and best practices as it considered its decisions in the year.

Focus for 2023/24

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:

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. Keep in focus external insights on remuneration trends and best practices.

Statement of shareholder voting (Unaudited)

The table below shows the voting outcome of the 2021/22 Directors' Remuneration Report at the October 2022 Annual General Meeting. Votes are shown both including and excluding the Company's majority shareholder:

October 2022 – 2022 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	432,970,860	99.87	550,696	0.13	433,521,556	92.55	19,681
Excluding majority shareholder[2]	168,856,777	99.67	550,696	0.33	168,856,777	82.87	19,681

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 203,764,762.

Implementation of policy in 2023/24 (Unaudited)

Salaries and Benefits

Salaries will be reviewed during the year in line with the wider workforce with the expectation that any changes agreed by the Committee will be effective 1 April 2024. Current base salaries are as follows:

- John O'Reilly – £535,600
- Richard Harris – £370,000

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, both 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 bonus

The maximum bonus potential for John O'Reilly is 150% of salary, and 120% 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 (new measure for 2023/24)

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 application of a safer gambling assessment which could negatively 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 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 2023/24. 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)). 30% of the award will vest by reference to underlying earnings per share and 30% of the award will vest by reference to strategic measures. It is intended that John O'Reilly will receive an award at 200% of salary and that Richard Harris will receive an award at 150% 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 2025/26 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)
TSR[1]	40%	Median	Outperform median by 25%	10%
Underlying EPS	30%	7.3p	10.9p	7.5%
Strategic Measures	10%	Underlying Group EBIT Margin (%)		2.5%
	10%	Digital NGR (£m)		2.5%
	10%	Venues NGR (£m)		2.5%
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 2022/23, the Committee considers and where possible, aligns practices across the Group:

	Executive Directors	All employees
Salary	A 4% increase in salary for the Chief Executive and a 5% increase in salary for the Chief Financial Officer.	The average increase in salary across the Group was 7.5%, including an average increase of 5% 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 2023/24, 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	2024 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 2023 comprise:

	Fee
Board Chair	£175,000
Base Non-Executive annual fee	£52,000
Audit Committee Chair	£9,000
Remuneration Committee Chair	£9,000
ESG and Safer Gambling Committee Chair	£9,000
Senior Independent Director	£6,000

The fees had been unchanged for more than six years (other than the fee for Chair of the ESG & Safer Gambling Committee which has itself been unchanged since the Committee was established in 2018). Application of increases to independent Non-Executive Director fees approved by the Company's Finance Committee to apply from 1 April 2020 were not implemented due to COVID-19.

Following a review, the fees were increased with effect from 1 July 2023 to the above fees from: (i) Chair: £160,000 (9%), (ii) Base Non-Executive annual fee: £50,000 (4%), (iii) Remuneration Committee Chair: £7,500 (20%), (v) ESG and Safer Gambling Committee Chair: £3,500 (157%), and (vi) Senior Independent Director: £2,500 (140%).

Directors' Report

The Directors present their report together with the audited consolidated financial statements for the year ended 30 June 2023.

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 2023.

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 and 6 to 9
Business objectives, strategies and likely future developments	Our strategy	6 to 9 and 30 to 41
Corporate responsibility: employees and community (including hiring, continuing employment and training, career development and promotion of disabled persons)	Our approach to ESG	52 to 71
Diversity	Colleagues	55 to 56
Dividends	Chair's letter	12 to 13
Stakeholder engagement	Stakeholder engagement	45 to 49
Going concern and viability statement	Compliance statements	88 to 89
Greenhouse gas emissions	Environment	67 to 68
Particulars of important events affecting the Company and its subsidiary undertakings occurring after the year end	Chair's letter and Chief Executive's review	12 to 13 and 14 to 21
Principal risks and uncertainties	Risk management	80 to 87
Profits	CFO's review	72 to 73
Research and development	Our strategy Customers and customer insights Stakeholder engagement	30 to 41, 46 to 49 and 53 to 55

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 149. 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	
Steven Esom	Non-Executive Director	Stepped down from the Board on 31 December 2022
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). This is classified as a premium listing. The share registrar is Equiniti Limited.

Share capital

The Company's authorised share capital as at 30 June 2023 was £180m (£180m as at 30 June 2022), divided into 1,296,000,000 ordinary shares of 13⁸/₉p 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 2022), which were held by 9,081 registered shareholders (9,296 as at 30 June 2022). 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	7,854	86.49	1,376,351	0.29
1,001 – 5,000	907	9.99	1,833,662	0.39
5,001 – 10,000	94	1.04	649,533	0.14
10,001 – 100,000	133	1.46	4,306,759	0.92
100,001 – 1,000,000	64	0.70	21,360,983	4.56
1,000,001 and above	29	0.32	438,902,253	93.70
Totals	9,081	100.00%	468,429,541	100.00%

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.

Guoco is an investment holding company. The principal activities of its subsidiaries and associated companies include investment, property development, financial services and hospitality and leisure. Further information on the Guoco group of companies can be found at www.guoco.com. Following the Restructure, Hong Leong held a residual 195,000 shares (0.04%) in Rank via its wholly-owned subsidiary Hong Leong Management Co. Sdn Berhad, which were transferred to GuoLine Overseas Limited (Guoco's immediate parent company) on 27 May 2021. On 19 June 2023, GuoLine Overseas Limited transferred its 195,000 shares (0.04%) in Rank to another GuoLine wholly-owned subsidiary, GuoLine (Singapore) Ptd Ltd.

As at 30 June 2023 and as at the date of this report, GuoLine's interest is held as follows:

- 53.34% – 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. 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 2023 and 31 July 2023 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 2023		As at 31 July 2023	
Shareholder	% held	Voting rights	% held	Voting rights
GuoLine Capital Assets Limited	57.43	269,025,106	57.43	262,025,106
Ameriprise Financial, Inc. and its group of companies (Threadneedle Retail Funds – Linked Strategies)	9.32	43,636,413	9.31	43,618,754
Aberforth Partners	6.78	31,781,501	6.97	32,640,001
abrdn	3.47	16,275,625	3.47	16,275,625

The following interests of 3% or more of the total voting rights attached to ordinary shares have been notified to the Company in accordance with the UK Financial Conduct Authority's ('FCA') Disclosure Guidance and Transparency Rules ('DTR'), Rule 5. Due to the fact that the DTRs only require notification where the percentage voting rights reach, exceed or fall below 3% and each 1% threshold above 3%, there is a difference between disclosures made pursuant to the DTRs and those disclosed in response to Section 793 of the CA 2006 notices issued by the Company as set out above.

		As per FCA DTRs disclosures as at 16 August 2023	
Shareholder	Date last notified under DTR	% held	Voting rights
GuoLine Capital Assets Limited	21 June 2023	57.43%	269,025,106
Ameriprise Financial, Inc. and its group of companies	10 December 2015	7.65%	29,870,389
Artemis Investment Management LLP	31 May 2017	4.94%	19,287,793
Aberforth Partners	11 May 2022	5.13%	24,032,891
M&G Plc	18 May 2022	4.94%	23,169,044

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, Ameriprise Financial 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 2023 was 26% (28.50% as at 30 June 2022).

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, Alderney eGambling Regulations 2009 (as amended), Gibraltar Gambling Act 2005 and the Spanish Gaming Act 2011.

Political donations

No political donations were made during the period under review.

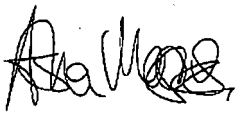
It has been Rank's long-standing practice not to make cash payments to political parties and the Board intends that this will remain the case. However, the CA 2006 is very broadly drafted and could catch activities such as funding seminars and other functions to which politicians are invited, supporting 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



Asha Magnus
Company Secretary
16 August 2023

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 98 to 99 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
16 August 2023

Financial statements

In this section:

We have set out our financial statements for the year ended 30 June 2023, together with the notes to such statements and our five-year review.

This section also includes our independent auditor's report, which includes its formal audit opinion in respect of the year ended 30 June 2023.

Shareholder information can be found on page 219.

154 Independent auditor's report
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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 2023 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 2023 which comprise:

Group	Parent company
Consolidated balance sheet as at 30 June 2023	Balance sheet as at 30 June 2023
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	Related notes 1 to 35 to the financial statements including a summary of significant accounting policies
Consolidated statement of changes in equity for the year then ended	
Consolidated statement of cash flows for the year then ended	
Related notes 1 to 35 to the financial statements, including a summary of significant accounting policies	

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 2024 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 2024 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 2024 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 any anticipated impact of rising inflation on consumer spending, surge in living costs and energy prices have been modelled.
- 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 performed independent reverse stress testing to understand how severe the downside scenarios would need to be to result in negative liquidity or a covenant breach. The assessment reflects all maturing debt to 31 August 2024.
- The audit procedures performed in evaluating the director's assessment were performed by the Group audit team, however, we also 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 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 obtained the signed extensions to the Revolving Credit Facility dated 07 August 2023 and understood the revised terms including maturity and arrangement fees and the impact on covenant and liquidity compliance in the going concern period.
- 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 2024.

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 two downside scenarios with severe but plausible declines in revenue and increased inflationary impact, living costs and energy prices. Management's assessment was also supported by a reverse stress test (extreme scenario) with more severe decline in revenue which was concluded to be implausible.
- The downside scenarios assumed full repayment of scheduled debt repayments over the going concern period as well as a material decrease in forecasted revenue offset by mitigating actions within managements control. Management considers such scenarios to be highly unlikely, 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 2024 need to be considered in the context of management's conclusion. Management assessed that the revised maturity of the revolving credit facilities at the end of February 2025, being six and a half months beyond the end of the going concern period (31 August 2024) does not constitute a significant event or condition that may cast doubt over the entity's ability to continue as a going concern.

Going Concern Conclusion

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 2024.

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 five components and audit procedures on specific balances for a further twenty-one components. - The components where we performed full or specific audit procedures accounted for 99% of Revenue, 99% of Profit before tax, and 90% 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 £3.5m which represents 0.5% of revenue.

An overview of the scope of the parent company and group

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-two reporting components of the Group, we selected twenty-six components covering entities within United Kingdom, Alderney, Malta, Spain, Gibraltar and Mauritius, which represent the principal business units within the Group.

Of the twenty-six components selected, we performed an audit of the complete financial information of five components ('full scope components') which were selected based on their size or risk characteristics. For the remaining twenty-one 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% (2022: 99%) of the Group's revenue, 99% (2022: 87%) of the Group's profit before tax and 90% (2022: 95%) of the Group's Total assets.

For the current year, the full scope components contributed 85% (2022: 86%) of the Group's revenue, 74% (2022: 64%) of the Group's profit before tax and 65% (2022: 70%) of the Group's Total assets.

The specific scope component contributed 14% (2022: 13%) of the Group's revenue, 25% (2022: 23%) of the Group's profit before tax and 25% (2022: 27%) 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 ten components. this includes independent confirmation of cash and vouching expenses to invoice and analytical reviews. For five of these components the Primary Team also performed specified procedures over certain aspects of revenue, as described in the Risk section above.

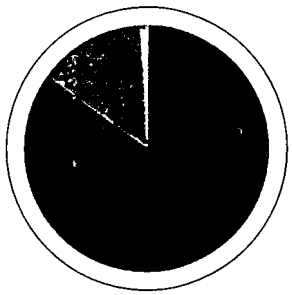
Of the remaining sixteen components that together represent 1% of the Group's revenue, none are individually greater than 0.5% of the Group's revenue. For these components, we performed other procedures, including analytical review, testing of consolidation journals, intercompany eliminations and foreign currency translations to respond to any potential risks of material misstatement to the Group financial statements.

The charts to the right illustrate the coverage obtained from the work performed by our audit teams.

Changes from the prior year

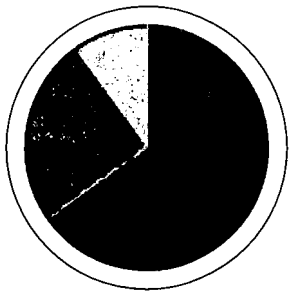
The number of full scope entities has declined from six in the prior year to five in the current year due to the transfer of trade and assets of two full scope components to a single component during the year. Further, two components which were designated as specific scope in the prior year were designated as review scope in the current year to lower levels of activity within these components.

Revenue



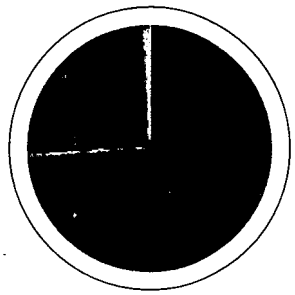
- Full scope components **85%**
- Specific scope components **14%**
- Other procedures **1%**

Total assets



- Full scope components **65%**
- Specific scope components **25%**
- Other procedures **10%**

Profit before tax



- Full scope components **74%**
- Specific scope components **25%**
- Other procedures **1%**

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 five full scope components and eleven specific scope components, audit procedures were performed directly by the primary audit team. 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 members visit one of the two specific scope locations each year. During the current year's audit cycle, visits were undertaken by the primary audit team to Mauritius. The visit involved direct testing of 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 the Group. The Group has determined that the most significant future impacts from climate change on their operations will be from increased cost of energy. These are explained on pages 59 to 70 in the required Task Force for Climate related Financial Disclosures and on page 81 in the principal risks and uncertainties. They have also explained their climate commitments on pages 56 to 58. 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 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 be 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 climate change was focused on evaluating management's assessment of the impact of climate risk and the costs of energy being appropriately reflected in the assessment of the carrying value of assets, impairment of assets, reduction of economic useful lives of tangible and intangible assets, provisions and fair value measurement and associated disclosures where values are determined through modelling future cash flows, being the impairment tests of tangible and intangible assets and related disclosures.

We also challenged the Directors' considerations of climate change risk 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.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Impairment and impairment reversal of tangible and intangible assets could be materially misstated. Impairment charge of £118.9m (2022:£47.8m) and impairment reversal of £6.6m (2022: 22.0m) Refer to the Audit Committee Report (page 109); Accounting policies (page 171); and note 13 of the Consolidated Financial Statements (page 192) At 30 June 2023 the carrying value of tangible and intangible assets was £618.4m (2022: £708.3m), £411.4m (2022: £438.9m) 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 related risk is considered to be increased as post pandemic recovery of venues has been negatively affected by the cost-of-living crisis and inflationary pressures in the markets where the Group operates and the uncertainty this causes when forecasting, creating indicators of impairment. The risk is heightened as a result of the profit expectation downgrade in December 22, together with a positive update to profit guidance in April 23. There are also indicators of impairment reversals for strong individual Cash Generating Unit performance.	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, and comparison of forecasts to pre Covid-19 trading, 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.	Based on our audit procedures we have concluded the impairment charge of £118.9m and the impairment reversal of £6.6m 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. **Impairment over parent company carrying value of investment in subsidiaries** Based on our audit procedures we have concluded the impairment charge of £182.6m was recognised appropriately. We have concluded appropriate disclosures have been included in the financial statements as required under the accounting standards.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Impairment over parent company carrying value of investment in subsidiaries. Impairment charge of £182.6m (2022: nil) Within the parent company, there is a heightened risk of impairment as a result of the risk of impairment across the cash generating units in the group.	**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. **Impairment over parent company carrying value of investment in subsidiaries** – 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.	

Compliance with laws and regulations
 	
Refer to the Audit Committee Report (page 109); Accounting policies (page 171); and note 32 of the Consolidated Financial Statements (page 215)
 	
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 performed the following procedures:
	
	– 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 2023.
	– We inquired of management and the Group's internal head of compliance and 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 of 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 £681.9m (2022: £644.0m) Refer to the Audit Committee Report (page 109); Accounting policies (page 176); and note 2 of the Consolidated Financial Statements (page 182) 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 forty-four of 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 forty-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 six 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.

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 £3.5 million (2022: £3.5 million), which is 0.5% (2022: 0.5%) of revenue. We believe that revenue provides us with an appropriate measure given the volatility of the Group's profitability which is yet to recover to a level representative of the scale of the business following the impact of Covid-19 pandemic enforced trading restrictions.

We determined materiality for the Parent Company to be £7.7 million (2022: £7.7 million), which is 1% (2022: 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% (2022: 50%) of our planning materiality, namely £1.8m (2022: £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 as well as the impact Covid-19 has had on the Group's operations. 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 (2022: £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 (2022: £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 152, including the five-year review and the shareholder information set out on pages 218 to 220, 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 88;
- 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 88;
- 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 88;
- Directors' statement on fair, balanced and understandable set out on page 113;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 89;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 80; and
- The section describing the work of the audit committee set out on page 109.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 152, 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.

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.
- The Group operates in the gaming industry which is a highly regulated environment. The Senior Statutory Auditor has experience serving clients in a variety of public UK-listed companies including those in highly regulated environments. She reviewed the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities, which included the use of experts where appropriate.
- 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 17 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 fourteen years, covering the years ending 31 December 2010 to 30 June 2023.
- 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.

Ernst & Young LLP

Annie Graham
(Senior statutory auditor)
for and on behalf of Ernst & Young LLP,
Statutory Auditor
Glasgow
16 August 2023

Group income statement

for the year ended 30 June 2023

	Note	Year ended 30 June 2023 Underlying £m	Separately disclosed items (note 4) £m	Total £m	Year ended 30 June 2022 (restated) Underlying £m	Separately disclosed items (note 4) £m	Total £m
Continuing operations							
Revenue	2	**681.9**	**–**	**681.9**	644.0	–	644.0
Cost of sales		**(409.0)**	**(112.3)**	**(521.3)**	(386.5)	(25.8)	(412.3)
Gross profit (loss)		**272.9**	**(112.3)**	**160.6**	257.5	(25.8)	231.7
Other operating income	2	**–**	**3.7**	**3.7**	3.6	88.3	91.9
Other operating costs		**(253.8)**	**(20.3)**	**(274.1)**	(222.6)	(20.2)	(242.8)
Group operating (loss) profit	2,3	**19.1**	**(128.9)**	**(109.8)**	38.5	42.3	80.8
Financing:							
– finance costs		**(12.6)**	**–**	**(12.6)**	(13.1)	–	(13.1)
– finance income		**0.8**	**–**	**0.8**	0.1	–	0.1
– other financial (losses) gains		**(0.5)**	**(0.6)**	**(1.1)**	(0.4)	5.6	5.2
Total net financing (charge) income	5	**(12.3)**	**(0.6)**	**(12.9)**	(13.4)	5.6	(7.8)
(Loss) profit before taxation		**6.8**	**(129.5)**	**(122.7)**	25.1	47.9	73.0
Taxation	6	**(0.6)**	**27.7**	**27.1**	(6.4)	(10.5)	(16.9)
(Loss) profit for the year from continuing operations		**6.2**	**(101.8)**	**(95.6)**	18.7	37.4	56.1
Discontinued operations – profit		**–**	**0.3**	**0.3**	–	8.8	8.8
(Loss) profit for the year		**6.2**	**(101.5)**	**(95.3)**	18.7	46.2	64.9
Attributable to:							
Equity holders of the parent		**5.8**	**(101.5)**	**(95.7)**	18.7	46.2	64.9
Non-controlling interest		**0.4**	**–**	**0.4**	–	–	–
		6.2	**(101.5)**	**(95.3)**	18.7	46.2	64.9
(Loss) earnings per share attributable to equity shareholders							
– basic	9	**1.2p**	**(21.6)p**	**(20.4)p**	4.0p	9.9p	13.9p
– diluted	9	**1.2p**	**(21.6)p**	**(20.4)p**	4.0p	9.9p	13.9p
(Loss) earnings per share – continuing operations							
– basic	9	**1.2p**	**(21.7)p**	**(20.5)p**	4.0p	8.0p	12.0p
– diluted	9	**1.2p**	**(21.7)p**	**(20.5)p**	4.0p	8.0p	12.0p
Earnings per share – discontinued operations							
– basic	9	**–**	**0.1p**	**0.1p**	–	1.9p	1.9p
– diluted	9	**–**	**0.1p**	**0.1p**	–	1.9p	1.9p

Details of dividends paid and payable to equity shareholders are disclosed in note 8.

Group statement of comprehensive (loss) income

for the year ended 30 June 2023

	Note	Year ended 30 June 2023 £m	Year ended 30 June 2022 (restated) £m
Comprehensive (loss) income:			
(Loss) profit for the year		**(95.3)**	64.9
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange adjustments net of tax		**(0.6)**	–
Items that may not be reclassified subsequently to profit or loss:			
Actuarial gain on retirement benefits net of tax		**–**	0.1
Total comprehensive (loss) income for the year		**(95.9)**	65.0
Attributable to:			
Equity holders of the parent		**(96.3)**	65.0
Non-controlling interest		**0.4**	–
		(95.9)	65.0

The tax effect of items of comprehensive income is disclosed in note 6.

Balance sheets

at 30 June 2023

	Note	Group As at 30 June 2023 £m	Group As at 30 June 2022 (restated) £m	Company As at 30 June 2023 £m	Company As at 30 June 2022 £m
Assets					
Non-current assets					
Intangible assets	10	**456.8**	493.6	**–**	–
Property, plant and equipment	11	**97.5**	113.1	**–**	–
Right-of-use assets	12	**64.1**	101.6	**–**	–
Investments in subsidiaries	14	**–**	–	**949.2**	1,131.8
Deferred tax assets	22	**7.6**	1.4	**–**	–
Other receivables	16	**6.2**	6.7	**–**	–
		632.2	716.4	**949.2**	1,131.8
Current assets					
Inventories	15	**2.2**	2.3	**–**	–
Other receivables	16	**29.1**	34.2	**–**	–
Government grants	17	**–**	–	**–**	–
Income tax receivable	19	**14.9**	8.1	**8.3**	–
Cash and short-term deposits	26	**60.0**	95.7	**–**	–
		106.2	140.3	**8.3**	–
Total assets		**738.4**	856.7	**957.5**	1,131.8
Liabilities					
Current liabilities					
Trade and other payables	18	**(126.1)**	(131.1)	**(0.7)**	(0.4)
Lease liabilities	31	**(42.2)**	(40.4)	**–**	–
Income tax payable	19	**(5.7)**	(4.2)	**–**	–
Financial liabilities					
– financial guarantees	20	**–**	–	**(1.6)**	(2.6)
– loans and borrowings	20	**(63.7)**	(33.9)	**(416.5)**	(387.1)
Provisions	23	**(7.3)**	(6.9)	**–**	(0.1)
		(245.0)	(216.5)	**(418.8)**	(390.2)
Net current liabilities		**(138.8)**	(76.2)	**(410.5)**	(390.2)
Non-current liabilities					
Lease liabilities	31	**(126.8)**	(141.3)	**–**	–
Financial liabilities					
– loans and borrowings	20	**–**	(44.1)	**–**	–
Deferred tax liabilities	22	**(1.5)**	(20.5)	**–**	–
Provisions	23	**(31.7)**	(5.6)	**(0.2)**	(0.9)
Retirement benefit obligations	30	**(3.4)**	(3.6)	**–**	–
		(163.4)	(215.1)	**(0.2)**	(0.9)
Total liabilities		**(408.4)**	(431.6)	**(419.0)**	(391.1)
Net assets		**330.0**	425.1	**538.5**	740.7

	Note	Group As at 30 June 2023 £m	Group As at 30 June 2022 (restated) £m	Company As at 30 June 2022 £m	Company As at 30 June 2021 £m
Capital and reserves attributable to the Company's equity shareholders					
Share capital	24	**65.0**	65.0	**65.0**	65.0
Share premium	24	**155.7**	155.7	**155.7**	155.7
Capital redemption reserve		**33.4**	33.4	**33.4**	33.4
Exchange translation reserve		**14.0**	14.6	**–**	–
Retained earnings		**61.6**	156.5	**284.4**	486.6
Total equity before non-controlling interest		**329.7**	425.2	**538.5**	740.7
Non-controlling interest	14	**0.3**	(0.1)	**–**	–
Total shareholders' equity		**330.0**	425.1	**538.5**	740.7

The loss for the year ended 30 June 2023 for the Company was £202.2m (year ended 30 June 2022: loss of £14.5m).

These financial statements were approved by the Board on 16 August 2023 and signed on its behalf by:

John O'Reilly
Chief Executive

Richard Harris
Chief Financial Officer

Statements of changes in equity

for the year ended 30 June 2023

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 2021 (as previously reported)	65.0	155.7	33.4	14.6	92.6	361.3	(0.1)	361.2
Impact of prior period error (note 1)	–	–	–	–	(0.9)	(0.9)	–	(0.9)
At 1 July 2021 (restated)	65.0	155.7	33.4	14.6	91.7	360.4	(0.1)	360.3
Comprehensive income:								
Profit for the year	–	–	–	–	64.9	64.9	–	64.9
Other comprehensive income:								
Exchange adjustments net of tax	–	–	–	–	–	–	–	–
Actuarial gain on retirement benefits net of tax	–	–	–	–	0.1	0.1	–	0.1
Total comprehensive income for the year	–	–	–	–	65.0	65.0	–	65.0
Transactions with owners:								
Debit in respect of employee share schemes including tax	–	–	–	–	(0.2)	(0.2)	–	(0.2)
At 30 June 2022 (restated)	65.0	155.7	33.4	14.6	156.5	425.2	(0.1)	425.1
Comprehensive income:								
Loss for the year	–	–	–	–	**(95.7)**	**(95.7)**	**0.4**	**(95.3)**
Other comprehensive income:								
Exchange adjustments net of tax	–	–	–	**(0.6)**	–	**(0.6)**	–	**(0.6)**
Actuarial gain on retirement benefits net of tax	–	–	–	–	–	–	–	–
Total comprehensive loss for the year	–	–	–	**(0.6)**	**(95.7)**	**(96.3)**	**0.4**	**(95.9)**
Transactions with owners:								
Credit in respect of employee share schemes including tax	–	–	–	–	**0.8**	**0.8**	–	**0.8**
At 30 June 2023	**65.0**	**155.7**	**33.4**	**14.0**	**61.6**	**329.7**	**0.3**	**330.0**

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 2021	65.0	155.7	33.4	–	501.1	755.2	–	755.2
Loss and total comprehensive expense for the year	–	–	–	–	(14.5)	(14.5)	–	(14.5)
At 30 June 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**

Statements of cash flow

for the year ended 30 June 2023

	Note	Group Year ended 30 June 2023 £m	Group Year ended 30 June 2022 (restated) £m	Company Year ended 30 June 2023 £m	Company Year ended 30 June 2022 £m
Cash flows from operating activities					
Cash generated from operations	25	**75.3**	170.0	**21.3**	15.5
Interest received		**0.3**	5.8	**–**	–
Interest paid		**(4.9)**	(12.1)	**(33.7)**	(15.5)
Tax (paid) received		**(3.2)**	(9.9)	**12.4**	–
Net cash generated from operating activities		**67.5**	153.8	**–**	–
Cash flows from investing activities					
Purchase of intangible assets		**(13.1)**	(14.5)	**–**	–
Purchase of property, plant and equipment		**(31.0)**	(26.1)	**–**	–
Proceeds from sale of business		**–**	8.8	**–**	–
Payment of contingent consideration of business combination		**(0.4)**	(0.6)	**–**	–
Net cash used in investing activities		**(44.5)**	(32.4)	**–**	–
Cash flows from financing activities					
Repayment of term loans		**(34.5)**	(29.6)	**–**	–
Drawdown of revolving credit facilities		**22.0**	–	**–**	–
Repayment of revolving credit facilities		**(4.0)**	(11.0)	**–**	–
Lease principal payments		**(43.6)**	(53.7)	**–**	–
Net cash used in financing activities		**(60.1)**	(94.3)	**–**	–
Net (decrease) increase in cash and short-term deposits		**(37.1)**	27.1	**–**	–
Effect of exchange rate changes		**(0.1)**	(0.1)	**–**	–
Cash and short-term deposits at start of year		**95.7**	68.7	**–**	–
Cash and short-term deposits at end of year	26, 27	**58.5**	95.7	**–**	–

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 2023 were authorised for issue in accordance with a resolution of the Directors on 16 August 2023.

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 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 12 to 73, including the budget for 2023/2024 ('the base case'), the long-range forecast approved by the Board, and recent trading performance. The Directors have reviewed the Group's projected compliance with its banking covenants and access to funding options for the 12 months ending 31 August 2024 for the going concern period, and for the six months beyond the end of the going concern period for cliff edge events affecting the going concern period, such as the availability of revolving credit facilities or repayments of any term loans.

The Directors recognise that there is continued uncertainty at this time caused by the slower than anticipated return of customers to UK land-based leisure entertainment venues, the impact of macroeconomic factors on consumer sentiment and disposable incomes, continued inflationary pressures and higher interest rates and their overall impact on consumer demand and discretionary spending. The Directors note that this has had an impact on the accuracy of budgeting and forecasting for the current financial year, and this has been considered by management when preparing their sensitivity review 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 key base case assumptions on costs are as follows:

- Payroll costs are adjusted for increases in the National Minimum Wage and pay rise awarded in April 2024;
- Rent due during the 2023/2024 financial year is paid on time;
- Capital expenditure is in line with strategic plans;
- Standard payment terms are assumed for supplier payments.

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

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

- Revolving credit facilities ('RCF') totalling £100m are available to the Group through to November 2024.
- In November 2024, the facilities available to the Group reduces to £75m, maturing in February 2025. Based on ongoing conversations with lenders and the improving trading performance of the Group, management has a reasonable expectation that there will be a successful refinancing of the facilities beyond February 2025.

At the date of approval of the financial statements, £50m of the £100m RCF had been drawn down in order to repay the term loan.

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 as at December 2023 and June 2024 and have the cash available to meet its liabilities as they fall due.

Sensitivity Analysis

The base case view reflects the Directors' best estimate of the outcome for the going concern period. A number of plausible but severe downside risks, including consideration of possible mitigating actions, have been modelled with particular focus on the potential impact to cash flows, cash headroom and covenant compliance throughout the going concern period.

The three downside scenarios modelled are:

(i) revenues in the Grosvenor business fall by 23% and the Group experiences additional inflationary costs compared to the base case view, with management taking only mitigating actions that have no effect on the Group's trading performance;

(ii) revenues in Grosvenor fall by 20% and Rank Interactive by 7% versus the base case view, with management taking a number of mitigating actions including reduction in capital expenditure, reduction in marketing and other overheads and the removal of the Group planning contingency;

(iii) a reverse stress test, revenues in Grosvenor fall by 36% in the initial year, with management taking actions as for scenario (ii) but with further mitigating actions on employment costs and extending creditor days.

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 in all three scenarios (for further details see note 20).

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 2024.

1 General information and accounting policies (continued)

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 2024. 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 three downside scenarios which reflects a reduced trading performance, inflationary impacts on the cost base and various management-controlled cost mitigations.

In each of the three 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 2024 with scenarios ii) and iii) requiring the implementation and execution of mitigating cost actions within the control of management.

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. If the revision affects both current and future periods then the revision to accounting estimate would be re-elected in the period of the revision 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 dilapidations asset depreciation;
- 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. The approach taken by the Group to managing climate related risks and opportunities is not static but reflects continuous monitoring and assessment of these issues including their potential impact upon the business and the Group's impact on the environment. There is no material impact on impairment, provisions and fair values. More details of this approach can be seen on page 60. 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 be 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.

Consistent with the prior year, the Group has assessed the continuing impact of COVID-19 risk into the impairment testing of goodwill and non-current assets and included additional sensitivity analysis in the disclosures. The key judgement is the level of trading in the venues and its recovery following reopening, 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.

(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 asset's 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 £9.2m (30 June 2022: £3.9m) are amounts of £0.3m payable (30 June 2022: £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:

- Property, plant equipment: proceeds before intended use (amendment to IAS 16)
- Onerous contracts: cost of fulfilling a contact (amendment to IAS 37)
- Interest rate benchmark reform – Phase 2 (amendment to IAS 39)
- Annual improvements to IFRS Standards 2018 – 2020 (amendment to IFRS 1, IFRS 9, IFRS 16 and IAS 41)
- Reference to the conceptual framework (amendment to IFRS 3)

(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:

- 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)
- Liability in a sale and leaseback (amendment to IFRS 16 effective for period beginning 1 July 2024)
- Classification of liabilities as current and non-current (amendment to IAS 1 effective for period beginning 1 July 2024)
- Insurance contracts (amendment to IFRS 17 effective for period beginning 1 July 2024).
- Non-current liabilities with Covenants (amendments to IAS 1 effective for period beginning 1 July 2024).

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 General information and accounting policies (continued)

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.

During the year, the Group identified an accumulated total of £2.2m prior year payment processing costs within the Digital business which erroneously had not been recognised in the prior year income statement. Of the total value, £1.3m relates to the year ended 30 June 2022 with the remaining £0.9m relating to previous accounting periods. As a consequence, cost of sales have been restated increasing by £1.3m in the year ended 30 June 2022.

The impact of the adjustment on the June 2022 balance sheet is a reduction to cash and short-term deposits of £2.2m, a reduction to closing reserves as at 30 June 2022 of £2.2m and a reduction to opening reserves as at 1 July 2021 of £0.9m.

The above restatement reduces both basic and diluted EPS by 0.3 pence for the year ended 30 June 2022.

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

Income Statement

for the year ended 30 June 2022

	As previously reported £m	Adjustment £m	As restated £m
Revenue	644.0	–	644.0
Cost of sales	(412.3)	–	(412.3)
Gross profit	231.7	–	231.7
Other operating income	91.9	–	91.9
Other operating costs	(241.5)	(1.3)	(242.8)
Operating profit	82.1	(1.3)	80.8
Financing:			
– finance costs	(13.1)	–	(13.1)
– finance income	0.1	–	0.1
– other financial gains	5.2	–	5.2
Total net financing charge	(7.8)	–	(7.8)
Profit before taxation	74.3	(1.3)	73.0
Taxation	(16.9)	–	(16.9)
Profit for the period from continuing operations	57.4	(1.3)	56.1
Profit after tax from discontinued operations	8.8	–	8.8
Profit for the period	66.2	(1.3)	64.9
Earnings per share attributable to equity shareholders			
– basic	14.2p	(0.3)p	13.9p
– diluted	14.2p	(0.3)p	13.9p
Earnings per share – continuing operations			
– basic	12.3p	(0.3)p	12.0p
– diluted	12.3p	(0.3)p	12.0p
Earnings per share – discontinued operations			
– basic	1.9p	–	1.9p
– diluted	1.9p	–	1.9p

Balance Sheet
at 30 June 2022

	As previously reported £m	Adjustment £m	As restated £m
Assets			
Cash and short-term deposits	97.9	(2.2)	95.7
Total assets	858.9	(2.2)	856.7
Total liabilities	(431.6)	–	(431.6)
Net assets	427.3	(2.2)	425.1
Equity			
Retained earnings	158.7	(2.2)	156.5
Total equity before non-controlling interests	427.4	(2.2)	425.2
Non-controlling interests	(0.1)	–	(0.1)
Total shareholders' equity	427.3	(2.2)	425.1

Cashflow statement
for the year ended 30 June 2022

	As previously reported £m	Adjustment £m	As restated £m
Cash flows from operating activities			
Cash generated from operations	171.3	(1.3)	170.0
Net cash generated from operating activities	155.1	(1.3)	153.8
Net cash used in investing activities	(32.4)	–	(32.4)
Net cash used from financing activities	(94.3)	–	(94.3)
Net increase in cash and short-term deposits	28.4	(1.3)	27.1
Cash and short-term deposit at the start of the period	69.6	(0.9)	68.7
Cash and short-term deposits at end of period	97.9	(2.2)	95.7

1 General information and accounting policies (continued)

1.2 Consolidation

The consolidated financial statements comprise the financial statements of the parent and its subsidiaries as at 30 June 2023. 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 for venue and online gaming. 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.

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 94 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, and
- 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 1.16 (30 June 2022: 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 1.15 (year ended 30 June 2022: 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.

1 General information and accounting policies (continued)

(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.

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 32 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.

Contingent liabilities are possible obligations and present obligations that are not probable or not reliably measurable. Contingent liabilities are disclosed but not accounted for. 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, with the exception of seven (7) venues in Enracha, 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.

1 General information and accounting policies (continued)

(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	10 years or 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.

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.

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, balances with banks and on-demand deposits, and cash with payment service providers. 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.

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 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.

1.22 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis that the related costs, for which it is intended to compensate, are expensed.

2 Segmental reporting

(a) Segment information – operating segments

	Year ended 30 June 2023					
	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
Other operating income	–	–	–	–	–	–
Underlying operating profit (loss)	13.8	16.3	(7.0)	9.1	(13.1)	19.1
Separately disclosed items	(9.1)	(51.7)	(67.1)	(4.2)	3.2	(128.9)
Segment result	4.7	(35.4)	(74.1)	4.9	(9.9)	(109.8)
Finance costs						(12.6)
Finance income						0.8
Other financial losses						(1.1)
Loss before taxation						(122.7)
Taxation						27.1
Loss for the year from continuing operations						(95.6)
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)
SDI from continuing operations						
Impairment charges	–	(53.3)	(61.5)	(4.1)	–	(118.9)
Impairment reversals	–	6.6	–	–	–	6.6
Closure of venues	–	(3.0)	(4.6)	(0.1)	–	(7.7)
Amortisation of acquired intangible assets	(8.6)	–	–	–	–	(8.6)
Integration costs	(0.1)	–	–	–	–	(0.1)
Business transformation costs	(0.4)	(0.6)	(0.5)	–	(0.5)	(2.0)
Property-related provisions	–	(1.4)	(0.5)	–	–	(1.9)
Disposal release	–	–	–	–	3.7	3.7

	Year ended 30 June 2022 (restated and re-presented*)					
	Digital £m	Grosvenor Venues £m	Mecca Venues £m	Enracha Venues £m	Central Costs £m	Total £m
Continuing operations						
Revenue	183.3	296.6	134.0	30.1	–	644.0
Other operating income	–	2.6	1.0	–	–	3.6
Underlying operating profit (loss)*	13.3	36.2	(7.7)	7.4	(10.7)	38.5
Separately disclosed items	(14.5)	15.5	34.4	7.6	(0.7)	42.3
Segment result	(1.2)	51.7	26.7	15.0	(11.4)	80.8
Finance costs						(13.1)
Finance income						0.1
Other financial gains						5.2
Profit before taxation						73.0
Taxation						(16.9)
Profit for the year from continuing operations						56.1
Other segment items – continuing operations						
Capital expenditure	(15.2)	(14.0)	(8.0)	(1.1)	(2.3)	(40.6)
Depreciation and amortisation	(13.2)	(32.4)	(15.1)	(1.3)	(5.4)	(67.4)
SDI from continuing operations						
VAT claim – net of costs	–	29.8	47.7	–	(0.4)	77.1
Impairment charges	–	(26.9)	(20.9)	–	–	(47.8)
Impairment reversals	–	13.3	–	8.7	–	22.0
Property-related provisions	–	–	10.4	–	–	10.4
Amortisation of acquired intangible assets	(11.7)	–	–	–	–	(11.7)
Closure of venues	–	(0.7)	(2.8)	(1.1)	–	(4.6)
Integration costs	(2.8)	–	–	–	–	(2.8)
Gain on remeasurement of previously existing interest in joint venture	0.8	–	–	–	–	0.8
Business transformation costs	(0.7)	–	–	–	(0.3)	(1.0)
Acquisition and disposal costs	(0.1)	–	–	–	–	(0.1)

* During the year, the Group undertook a review of the Group's central costs and has concluded that a proportion of them, which are directly attributable to the relevant business units, should be allocated to those business units, better reflecting the underlying profitability of each segment. This resulted in changes in the underlying profit (loss) of each business segment in the prior year which has been re-presented in the table above.

The Group reports segmental information on the basis by which the chief operating decision-makers utilise internal reporting within the business.

Other operating income for prior years related to Government grants received from reimbursement of employee costs relating to staff furloughed due to COVID-19 under the Coronavirus Job Retention Scheme, Local Restrictions Support Grants and Restart Grants to support businesses during national lockdown periods and periods of local restrictions.

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.

(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 2023 £m	Year ended 30 June 2022 £m
UK	**616.0**	588.7
Continental Europe	**60.5**	51.0
Rest of World	**5.4**	4.3
Total revenue	**681.9**	644.0

(ii) Non-current assets by geographical area based on location of assets

	As at 30 June 2023 £m	As at 30 June 2022 £m
UK	**562.0**	641.3
Continental Europe	**70.2**	75.1
Total non-current assets	**632.2**	716.4

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 2023 £m	Year ended 30 June 2022 £m	**Year ended 30 June 2023 £m**	Year ended 30 June 2022 (restated) £m
Exchange translation reserve	**681.9**	644.0	**(95.6)**	56.1
Retained earnings	**–**	–	**0.3**	8.8
	681.9	644.0	**(95.3)**	64.9

(d) Total revenue by income stream

	Year ended 30 June 2023 £m	Year ended 30 June 2022 £m
Revenue recognised under IFRS 9		
Gaming win – Casino	**552.1**	496.8
Revenue recognised under IFRS 15		
Gaming win – Bingo	**61.8**	79.5
Gaming win – Poker	**18.9**	19.1
Gaming win – other digital products	**5.4**	4.3
Food and beverage	**39.1**	39.0
Other	**4.6**	5.3
Total revenue recognised under IFRS 15	**129.8**	147.2
Total revenue	**681.9**	644.0

2 Segmental reporting (continued)
(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 SDI, by type and segment is as follows:

	Year ended 30 June 2023					
	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	7.8	29.0	26.4	0.1	1.0	64.3
Total costs before SDI	189.1	290.0	143.3	27.3	13.1	662.8
Cost of sales						409.0
Operating costs						253.8
Total costs before SDI						662.8

	Year ended 30 June 2022 (restated and re-presented)					
	Digital £m	Grosvenor Venues £m	Mecca Venues £m	Enracha Venues £m	Central Costs £m	Total £m
Employment and related costs	27.8	109.0	47.3	14.7	6.9	205.7
Taxes and duties	40.7	61.0	25.6	1.6	0.2	129.1
Direct costs	49.4	23.6	19.9	2.4	–	95.3
Depreciation and amortisation	13.4	33.3	16.0	1.3	3.4	67.4
Marketing	33.2	5.9	5.8	1.7	0.1	46.7
Property costs	0.5	9.5	4.5	0.6	0.9	16.0
Other	5.0	20.7	23.6	0.4	(0.8)	48.9
Total costs before SDI	170.0	263.0	142.7	22.7	10.7	609.1
Cost of sales						386.5
Operating costs						222.6
Total costs before SDI						609.1

The Group reports segmental information on the basis by which the chief operating decision-makers utilise internal reporting within the business.

3 Profit for the year – analysis by nature

The following items have been charged in arriving at the (loss) profit for the year before financing and taxation from continuing operations:

	Year ended 30 June 2023 £m	Year ended 30 June 2022 £m
Employee benefit expense	**206.9**	189.9
Cost of inventories recognised as expense	**21.4**	18.7
Amortisation of intangibles	**15.7**	15.4
Depreciation		
– owned assets (including £21.8m (year ended 30 June 2022: £23.5m) within cost of sales)	**23.8**	25.4
– right-of-use assets (including £16.8m (year ended 30 June 2022: £24.9m) within cost of sales)	**19.0**	26.6
Amortisation and depreciation within SDI	**10.5**	12.6
Operating lease rentals payable – sub-lease income	**–**	–
Assets written off	**–**	–
SDI – operating (income) costs (see note 4)	**128.9**	(42.3)
Auditors' remuneration for audit services	**1.7**	1.0

In the year, the Group's auditors, Ernst & Young LLP, including its network firms, earned the following fees:

	Year ended 30 June 2023 £m	Year ended 30 June 2022 £m
Audit services		
– Fees payable to the Company's auditor for the parent company and consolidated financial statements	**1.7**	1.0
Other services		
– Fees payable for the review of Group's interim consolidated financial statements	**–**	–
	1.7	1.0

£35,000 (year ended 30 June 2022: £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 2023 £m	Year ended 30 June 2022 £m
Continuing operations			
Impairment charges	10, 11, 12, 13	**(118.9)**	(47.8)
Impairment reversals	10, 11, 12, 13	**6.6**	22.0
Closure of venues		**(7.7)**	(4.7)
Amortisation of acquired intangible assets		**(8.6)**	(11.7)
Integration costs		**(0.1)**	(2.8)
Business transformation costs		**(2.0)**	(0.9)
VAT claim – net of costs		**–**	77.1
Property-related provision		**(1.9)**	10.4
Disposal provision release		**3.7**	
Gain on remeasurement of previously existing interest in joint venture		**–**	0.8
Acquisition and disposal related costs		**–**	(0.1)
Separately disclosed items[1]		**(128.9)**	42.3
Interest		**(0.6)**	5.6
Taxation	6	**27.7**	(10.5)
Separately disclosed items relating to continuing operations[1]		**(101.8)**	37.4
Separately disclosed items relating to discontinued operations[1]			
Profit on disposal of business		**0.3**	8.8
Taxation		**–**	–
Total separately disclosed items[1]		**(101.5)**	46.2

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 £118.9m (2022: £47.8m) relating to Grosvenor and Enracha venues and Mecca clubs. Following the last assessment made on 31 December 2022 where impairment charges of £95.4m were recognised, the Group recognised a further £23.5m impairment charge for the period for a number of reasons, including lower than anticipated performances, further reduction in forecast earnings and a decision to close a number of clubs and venues (see note 13 for further details).

The Group also recognised a reversal of previously impaired assets of £6.6m (2022: £22.0m Grosvenor and Enracha venues) relating to Grosvenor venues. The reversals were driven by better than anticipated performance and improved outlook in the identified Grosvenor venues.

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

Closure of venues

During the year, the Group made the decision to close a number of Grosvenor (£3.0m), Mecca venues (£3.1m) and an Enracha venue (£0.1m) at a total cost of £6.2m (2022: £4.7m relating to a number of Mecca venues). These relate to onerous contract costs, dilapidations and strip out costs on leased sites 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.

This item also includes specific dilapidation costs for recently closed clubs. This includes a specific dilapidations cost for recently closed clubs estimated at £1.5m.

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 £8.6m (2022: £11.7m) relating to the acquired intangible assets of Stride, YoBingo and Rialto.

Integration costs

During the year, £0.1m of costs (2022: £2.8m) have been excluded from the underlying operating results of the Group. These costs have been incurred to ready the RIDE proprietary platform, acquired in the Stride acquisition, to migrate the legacy Rank brands. 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 was started in January 2019 and expected to complete by 31 December 2021 but due to COVID-19 this period was extended. The multi-year change programme was a material infrequent programme and was not considered to be part of the underlying business performance.

During the year £2.0m of costs were 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.

VAT claim
On 30 June 2021, the Group was informed that the First-tier Tribunal ('FTT') had allowed the appeal of the Group on its claim to be refunded VAT paid on the takings from gaming machines during the period April 2006 to January 2013. Whilst this was a positive decision for the Group, HMRC had a number of avenues of appeal before this matter reached a definitive conclusion, beginning with an initial 56-day period from the date of decision in which to lodge an appeal and agree the exact guarantee of the claim with the Group. Due to this, the transaction was disclosed as contingent assets in the Group's Annual Report for the year ending 30 June 2021.

On 2 December 2021, the refund was received in relation to this claim comprising £77.5m principal and interest of £5.6m, with costs directly incurred amounting to £0.4m. This confirms the closure of the claim and the Group assessed no further appeal opportunities to any parties.

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

Property-related provisions
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 £1.9m (2022: £nil) and interest on dilapidation liability of £0.6m (2022: £nil) 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 closure and are therefore, excluded from underlying results.

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

During the prior year, the Group 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.

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

Gain on remeasurement of previously existing interest in joint venture
During the prior year, a gain of £0.8m was recognised on the remeasurement of the previously existing interest in a joint venture following the completion of the purchase of Rank Interactive Limited (previously Aspers Online Limited), see note 34.

The gain is infrequent in nature and does not represent underlying performance and has been excluded from underlying results.

Acquisition and disposal related costs
Acquisition and disposal related costs include non-recurring costs to professional firms that have resulted from acquisition or potential disposal of a subsidiary. This has been presented as an SDI due to its one-off nature.

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 £0.3m of the warranty provision associated with the Belgium casino sale due to the passage of time, see note 23.

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

5 Financing

	Year ended 30 June 2023 £m	Year ended 30 June 2022 £m
Continuing operations		
Finance costs:		
Interest on debt and borrowings	**(4.8)**	(4.5)
Amortisation of issue costs on borrowings	**(1.3)**	(1.9)
Interest payable on leases	**(6.5)**	(6.7)
Total finance costs	**(12.6)**	(13.1)
Finance income:		
Interest income on net investments in leases	**0.1**	0.1
Interest income on short-term bank deposits	**0.7**	–
Total finance income	**0.8**	0.1
Other financial losses	**(0.5)**	(0.4)
Total net financing charge before SDIs	**(12.3)**	(13.4)
SDI – interest	**(0.6)**	5.6
Total net financing charge	**(12.9)**	(7.8)

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

6 Taxation

	Year ended 30 June 2023 £m	Year ended 30 June 2022 £m
Current income tax		
Current income tax – UK	**1.3**	(0.7)
Current income tax – overseas	**(2.0)**	(3.5)
Current income tax on SDI	**2.6**	(3.3)
Amounts over (under) provided in previous period	**0.1**	(5.4)
Total current income tax credit (charge)	**2.0**	(12.9)
Deferred tax		
Deferred tax – UK	**(5.8)**	0.2
Deferred tax – overseas	**0.1**	(1.4)
Impact of rate changes on deferred tax	**5.7**	(0.2)
Deferred tax on SDI	**25.1**	(7.2)
Amounts over provided in previous period	**–**	4.6
Total deferred tax credit (charge) (note 22)	**25.1**	(4.0)
Tax credit (charge) in the income statement	**27.1**	(16.9)

The tax on the Group's profit before taxation differs from the average rate of UK corporation tax in the period of 20.50% (year ended 30 June 2022: 19.00%), which represents 9 months of 19.00% and 3 months of 25.00%. The differences are explained below:

	Year ended 30 June 2023 £m	Year ended 30 June 2022 £m
(Loss) profit before taxation on continuing operations	**(122.7)**	74.3
Tax charge calculated at 20.50% on profit before taxation (year ended 30 June 2022: 19.00%)	**25.2**	(14.1)
Effects of:		
(Expenses) income not deductible for tax purposes	**(2.4)**	0.8
Difference in overseas tax rates	**(2.0)**	(3.0)
Impact of rate changes on deferred tax	**5.7**	(0.2)
Adjustments relating to prior periods	**0.1**	(0.8)
Deferred tax not recognised	**0.5**	0.4
Tax credit (charge) in the income statement	**27.1**	(16.9)

Tax on SDIs

The taxation impacts of SDIs are disclosed below:

	Year ended 30 June 2023			Year ended 30 June 2022		
	Current income tax £m	Deferred tax £m	Total £m	Current income tax £m	Deferred tax £m	Total £m
VAT claim – net of costs	–	–	–	(4.6)	(11.1)	(15.7)
Net impairment charges	**2.0**	**23.2**	**25.2**	1.3	3.3	4.6
Property-related provisions	**0.2**	**0.7**	**0.9**	(0.6)	(1.4)	(2.0)
Amortisation of acquired intangible assets	–	**1.3**	**1.3**	–	1.1	1.1
Closure of venues	**0.2**	**1.3**	**1.5**	0.5	0.4	0.9
Integration costs	**0.1**	**(1.8)**	**(1.7)**	0.1	0.3	0.4
Business transformation costs	**0.1**	**0.4**	**0.5**	–	0.2	0.2
Tax credit (charge) on SDI	**2.6**	**25.1**	**27.7**	(3.3)	(7.2)	(10.5)

Factors affecting future taxation

The Group operates in a number of territories and so the Group's profits are subject to tax in various jurisdictions. The Group monitors income tax developments in these territories which could affect the Group's tax liabilities.

On 20 June 2023 the UK Finance Bill was substantively enacted in the UK, including legislation to implement the OECD Pillar Two income taxes for periods beginning on or after 1 January 2024. The Group has applied the exception in the Amendments to IAS 12 issued in May 2023 and has neither recognised nor disclosed information about deferred tax assets or liabilities relating to Pillar Two income taxes.

UK corporation tax is calculated at 20.50% (year ended 30 June 2022: 19.00%) of the estimated assessable profit for the period. Taxation for overseas operations is calculated at the local prevailing rates.

On 3 March 2021, the Chancellor of the Exchequer announced the increase in the main rate of UK corporation tax from 19.00% to 25.00% for the year starting 1 April 2023. This change was substantively enacted on 24 May 2021.

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

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 loss for the year ended 30 June 2022 for the Company was £202.2m (year ended 30 June 2022: loss of £14.5m).

8 Dividends paid to equity holders

No dividend in respect of the year ended 30 June 2023 will be recommended at the Annual General Meeting on 19 October 2023 (year ended 30 June 2022: nil).

9 Earnings per share

(a) Basic earnings per share

	Year ended 30 June 2023			Year ended 30 June 2022 (restated)		
	Underlying	SDI	Total	Underlying	SDI	Total
Profit (loss) attributable to equity shareholders						
Continuing operations	**£5.8m**	**£(101.8)m**	**£(96.0)m**	£18.7m	£37.4m	£56.1m
Discontinued operations	–	**£0.3m**	**£0.3m**	–	£8.8m	£8.8m
Total	**£5.8m**	**£(101.5)m**	**£(95.7)m**	£18.7m	£46.2m	£64.9m
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	**1.2p**	**(21.7)p**	**(20.5)p**	4.0p	8.0p	12.0p
Discontinued operations	–	**0.1p**	**0.1p**	–	1.9p	1.9p
Total	**1.2p**	**(21.6)p**	**(20.4)p**	4.0p	9.9p	13.9p

9 Earnings per share (continued)

(b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue to assume conversion of all dilutive potential ordinary shares. Share options issued to employees are not regarded as instruments that could potentially dilute basic earnings per share in the future, being antidilutive, they are not included in the calculation of weighted average number of shares.

	Year ended 30 June 2023			Year ended 30 June 2022 (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	**1.2p**	**(21.7)p**	**(20.5)p**	4.0p	8.0p	12.0p
Discontinued operations	**–**	**0.1p**	**0.1p**	–	1.9p	1.9p
Total	**1.2p**	**(21.6)p**	**(20.4)p**	4.0p	9.9p	13.9p

10 Intangible assets

Group	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 2021	218.2	277.8	129.9	21.3	647.2
Additions	2.1	–	11.0	1.4	14.5
Disposals	–	–	–	–	–
Exchange adjustments	–	0.1	(0.2)	–	(0.1)
At 30 June 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[1]	**–**	**–**	**4.0**	**–**	**4.0**
Exchange adjustments	**–**	**0.1**	**–**	**–**	**0.1**
At 30 June 2023	**220.3**	**278.0**	**156.9**	**19.9**	**675.1**
Aggregate amortisation and impairment					
At 1 July 2021	–	60.7	69.6	12.3	142.6
Charge for the year	–	0.1	21.8	5.2	27.1
Impairment charges	–	13.4	–	–	13.4
Impairment reversal	–	(15.0)	–	–	(15.0)
Exchange adjustments	–	(0.1)	–	–	(0.1)
At 30 June 2022	–	59.1	91.4	17.5	168.0
Charge for the year	**–**	**0.1**	**20.7**	**3.5**	**24.3**
Impairment charges	**–**	**27.7**	**–**	**–**	**27.7**
Impairment reversal	**–**	**–**	**–**	**–**	**–**
Disposal	**–**	**–**	**(0.7)**	**(3.0)**	**(3.7)**
Reallocation[1]	**–**	**–**	**2.1**	**–**	**2.1**
Exchange adjustments	**–**	**(0.1)**	**–**	**–**	**(0.1)**
At 30 June 2023	**–**	**86.8**	**113.5**	**18.0**	**218.3**
Net book value at 30 June 2022	220.3	218.8	49.3	5.2	493.6
Net book value at 30 June 2023	**220.3**	**191.2**	**43.4**	**1.9**	**456.8**

1. Management identified £1.9m of net book value which should be reclassified from property, plant and equipment to intangible assets. These have been reflected in the reallocation line in the note above.

Amortisation charge for the year of £24.3m (30 June 2022: £27.1m) comprises of £8.6m (30 June 2022: £11.7m) recognised in respect of SDI relating to continuing operations and £15.8m (30 June 2022: £15.4m) in respect of operating profit before SDI.

Net impairment charges for the year of £27.7m (30 June 2022: £1.6m) have been recognised in respect of SDI relating to continuing operations, comprising of an impairment charge of £27.7m (30 June 2022: £13.4m) and impairment reversals of £nil (30 June 2022: £15.0m).

Software includes internally-generated computer software and development technology with a net book value of £3.3m (30 June 2022: £3.2m). Included in software and development are assets in the course of construction of £1.2m (30 June 2022: £1.0m).

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.

11 Property, plant and equipment

Group	Land and buildings £m	Fixtures, fittings, plant and machinery £m	Leasehold improvements £m	Total £m
Cost				
At 1 July 2021	109.8	462.4	–	572.2
Reallocation between categories[2]	(74.0)	–	74.0	–
At 1 July 2021 (Re-presented)	35.8	462.4	74.0	572.2
Additions	0.3	25.6	0.2	26.1
Disposals	–	(5.1)	–	(5.1)
Exchange adjustments	–	(0.1)	–	(0.1)
At 30 June 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[1]	**0.8**	**(4.8)**	**–**	**(4.0)**
Exchange adjustments	**–**	**(0.2)**	**–**	**(0.2)**
At 30 June 2023	**35.5**	**492.9**	**100.2**	**628.6**
Accumulated depreciation and impairment				
At 1 July 2021	69.5	385.3	–	454.8
Reallocation between categories[2]	(57.3)	–	57.3	–
At 1 July 2021 (Re-presented)	12.2	385.3	57.3	454.8
Charge for the year	0.4	22.7	2.3	25.4
Impairment charges	0.1	8.4	1.8	10.3
Impairment reversal	–	(5.3)	–	(5.3)
Disposals	–	(5.1)	–	(5.1)
Exchange adjustment	–	(0.1)	–	(0.1)
At 30 June 2022	12.7	405.9	61.4	480.0
Charge for the year	**0.3**	**21.6**	**3.8**	**25.7**
Impairment charges	**4.2**	**23.2**	**24.2**	**51.6**
Impairment reversal	**–**	**(3.8)**	**(0.5)**	**(4.3)**
Disposals	**(1.4)**	**(14.1)**	**(4.3)**	**(19.8)**
Reallocation	**–**	**(2.1)**	**–**	**(2.1)**
At 30 June 2023	**15.8**	**430.7**	**84.6**	**531.1**
Net book value at 30 June 2022	23.4	76.9	12.8	113.1
Net book value at 30 June 2023	**19.7**	**62.2**	**15.6**	**97.5**

1. Management identified £1.9m of net book value which should be reclassified from property, plant and equipment to intangible assets. These have been reflected in the reallocation line in the note above.

2. Management identified £8.9m of net book value which should be reclassified from land and buildings to leasehold improvements. These have been reflected in the reallocation line in the comparative in the note above, for better comparability.

Included in Leasehold improvements is the recognition of a general dilapidation asset and corresponding liability for all UK venues. The Group has recognised the addition based on the recent closures of venues in FY21, FY22 and FY23, the possibility of future closures and the downturn in the trading outlook, together with a hardening position from landlords and recessionary environment making certain properties less attractive.

Net impairment charges for the year of £47.3m (30 June 2022: £5.0m) have been recognised in respect of SDI relating to continuing operations, comprising of an impairment charge of £51.6m (30 June 2022: £10.3m) and impairment reversals of £4.3m (30 June 2022: £5.3m).

Included in property, plant and equipment are assets in the course of construction of £7.1m (30 June 2022: £11.9m).

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 2021	194.4	5.0	199.4
Additions	21.9	–	21.9
At 30 June 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**
Accumulated depreciation and impairment			
At 1 July 2021	68.4	2.4	70.8
Charge for the year	25.0	1.6	26.6
Impairment charges	24.0	–	24.0
Impairment reversal	(1.8)	–	(1.8)
Exchange adjustment	0.1	–	0.1
At 30 June 2022	115.7	4.0	119.7
Charge for the year	**18.1**	**0.9**	**19.0**
Impairment charges	**39.6**	–	**39.6**
Impairment reversal	**(2.3)**		**(2.3)**
Disposals	**(1.2)**	–	**(1.2)**
At 30 June 2023	**169.9**	**4.9**	**174.8**
Net book value at 30 June 2022	100.6	1.0	101.6
Net book value at 30 June 2023	**64.1**	–	**64.1**

Net impairment charges for the year of £37.3m (30 June 2022: £22.2m) have been recognised in respect of SDI relating to continuing operations, comprising of an impairment charge of £39.6m (30 June 2022: £24.0m) and impairment reversals of £2.3m (30 June 2022: £1.8m).

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 2023, 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	
	As at 30 June 2023 £m	As at 30 June 2022 £m	**As at 30 June 2023 £m**	As at 30 June 2022 £m
Grosvenor – group of CGUs[1]	**80.9**	80.9	**179.5**	206.4
UK digital CGUs	**108.5**	108.5	–	–
International digital CGUs	**30.9**	30.9	–	–
Enracha CGUs[2]	–	–	**11.6**	12.2
Total	**220.3**	220.3	**191.1**	218.6

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 2023; management is satisfied that the assumptions used were appropriate and that the 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 five years. The strategic plan is updated in the final quarter of the financial year and has been approved by the Board of Directors. Future cash flows will also include an estimate of long-term growth rates which are estimated by business unit.

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

	Pre-tax discount rate		Long-term growth rate	
	2022/23	2021/22	**2022/23**	2021/22
Grosvenor venues	**12.17%**	11.3%	**2%**	2%
Mecca venues	**12.17%**	11.3%	**0%**	0%
UK digital	**12.57%**	13.0%	**2%**	2%
International digital	**12.63%**	14.7%	**2%**	2%
Enracha venues	**13.83%**	12.5%	**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]	(18.9)	(7.5)	(26.9)	**(53.3)**
Mecca venues[2]	(31.8)	(29.7)	–	**(61.5)**
Enracha venues[3]	(0.9)	(2.4)	(0.8)	**(4.1)**
Impairment reversals				
Grosvenor venues[1]	4.3	2.3	–	**6.6**
Enracha venues[3]	–	–	–	**–**
Net impairment (charge) reversals	(47.3)	(37.3)	(27.7)	**(112.3)**

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 £108.7m.
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 £13.4m.
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 £60.1m.

Mecca clubs and Grosvenor and Enracha venues had indicators of impairment, primarily caused by lower than anticipated performance post the pandemic, and low level of forecast earnings, or a decision to close venues. This further resulted in a decision to close a Grosvenor venue and a number of Mecca clubs which resulted in impairment of £7.1m.

During the prior year, the Group also recognised a reversal of previously impaired assets of £6.6m relating to Grosvenor venues (2022: £22.0m). The reversals were driven by better than anticipated performance and improved outlook in the in the identified Grosvenor and Enracha venues.

13 Impairment reviews (continued)

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 2024 and the Group's strategic plan to 30 June 2027, 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 to five (5) years. Terminal values were determined using a long-term growth assumption for each CGU noted in the table above.

Earnings multiples – utilised in determining the terminal value within the Grosvenor CGUs.

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, Mecca 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.

Grosvenor Venues CGUs

Key Assumption	Reasonable Possible Change	Impact on impairment	£m
Revenue growth	10% decrease in revenue in year 1 – London	Increase	(0.9)
	10% decrease in revenue in year 1 – Rest of UK	Increase	(2.5)
	10% increase in revenue in year 1 – London	Decrease	-
	10% increase in revenue in year 1 – Rest of UK	Decrease	1.4
Pre-tax discount rates	1% decrease in discount rates	Decrease	1.1
	1% increase in discount rates	Increase	(1.0)
Earnings multiples	10% decrease in earnings multiples	Increase	(2.2)
	10% increase in earnings multiples	Decrease	1.5
Long-term growth rates	1% decrease in long-term growth rates	Increase	(0.3)
	1% increase in long-term growth rates	Decrease	0.3

Mecca Venues CGUs

Key Assumption	Reasonable Possible Change	Impact on impairment	£m
Revenue growth	10% decrease in revenue in year 1	Increase	(1.1)
	10% increase in revenue in year 1	Decrease	1.2
Pre-tax discount rates	1% decrease in discount rates	Decrease	0.6
	1% increase in discount rates	Increase	(0.6)
Long-term growth rates	1% decrease in long-term growth rates	Increase	(0.4)
	1% increase in long-term growth rates	Decrease	0.5

International Venues

Key Assumption	Reasonable Possible Change	Impact on impairment	£m
Revenue growth	10% decrease in revenue in year 1	Increase	(1.2)
	10% increase in revenue in year 1	Decrease	1.2
Pre-tax discount rates	1% decrease in discount rates	Decrease	1.0
	1% increase in discount rates	Increase	(0.9)
Earnings multiples	10% decrease in earnings multiples	Increase	(0.2)
	10% increase in earnings multiples	Decrease	0.2
Long-term growth rates	1% decrease in long-term growth rates	Increase	(0.4)
	1% increase in long-term growth rates	Decrease	0.4

14 Investments

(a) Group investments

On 21 April 2022, Rank completed the purchase of the remaining 50% shareholding in Rank Interactive Limited (formerly known as Aspers Online Limited) for £1.3m made up of (i) cash consideration of £1 (ii) loan repayment of £0.5m and (iii) deferred consideration of £0.8m, refer to note 34 for details.

(b) Company investments

	As at 30 June 2023 £m	As at 30 June 2022 £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	**320.5**	320.5
Impairment charge	**182.6**	–
At end of year	**503.1**	320.5
Net book value at start of year	**1,131.8**	1,131.8
Net book value at end of year	**949.2**	1,131.8

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.

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 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. 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, the following impairment charges have been recognised during the year.

	Investment in Rank Nemo (Twenty-Five) Limited	Investment in Rank Group Finance PLC	Total £m
Impairment charges	182.6	–	182.6

14 Investments (continued)

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 in year 1 – Grosvenor	Increase	(95.9)
	10% decrease in revenue in year 1 – Mecca	Increase	(1.1)
	10% decrease in revenue in year 1 – Enracha	Increase	(6.1)
	10% decrease in revenue in year 1 – International Digital	Increase	(4.5)
	10% decrease in revenue in year 1 – UK Digital	Increase	(161.8)
	10% decrease in revenue in year 1 – Grosvenor	Decrease	65.9
	10% increase in revenue in year 1 – Mecca	Decrease	1.1
	10% increase in revenue in year 1 – Enracha	Decrease	6.1
	10% increase in revenue in year 1 – International Digital	Decrease	4.5
	10% increase in revenue in year 1 – UK Digital	Decrease	17.8
Pre-tax discount rates	1% decrease in discount rates – Grosvenor	Decrease	46.5
	1% decrease in discount rates – Mecca	Decrease	0.9
	1% decrease in discount rates – Enracha	Decrease	7.1
	1% decrease in discount rates – International Digital	Decrease	3.8
	1% decrease in discount rates – UK Digital	Decrease	16.1
	1% increase in discount rates – Grosvenor	Increase	(41.4)
	1% increase in discount rates – Mecca	Increase	(0.8)
	1% increase in discount rates – Enracha	Increase	(5.8)
	1% increase in discount rates – International Digital	Increase	(3.3)
	1% increase in discount rates – UK Digital	Increase	(14.2)
Long-term growth rates	1% decrease in long-term growth rates – Grosvenor	Increase	(11.6)
	1% decrease in long-term growth rates – Mecca	Increase	(1.7)
	1% decrease in long-term growth rates – Enracha	Increase	(3.5)
	1% decrease in long-term growth rates – International Digital	Increase	(2.6)
	1% decrease in long-term growth rates – UK Digital	Increase	(14.2)
	1% increase in long-term growth rates – Grosvenor	Decrease	12.8
	1% increase in long-term growth rates – Mecca	Decrease	1.8
	1% increase in long-term growth rates – Enracha	Decrease	4.1
	1% increase in long-term growth rates – International Digital	Decrease	2.8
	1% increase in long-term growth rates – UK Digital	Decrease	15.4

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	Support services to interactive gaming	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	England and Wales	Intermediary holding company	TOR, Saint-Cloud Way, Maidenhead SL6 8BN
Rank Digital Holdings Limited	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	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 Limited	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

14 Investments (continued)

Name	Country of incorporation	Principal activities	Registered office address
Rank Interactive Limited (formerly known as Aspers Online Limited)[7]	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 Precision Industries Limited[5]	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
Mindful Media Limited	Guernsey	Dormant	Kingsway House, Havilland Street, St Peter Port, Guernsey, GY1 2QE
Passion Gaming Private Limited[2]	India	Online operator of digital card games in India	2nd Floor, SCO No 350, Sector 9, Urban Estate, Panchkula, Haryana, India
Netboost Media Limited	Israel	Marketing services	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	Jersey	Intermediary holding company	12 Castle Street, St. Helier Jersey JE2 3RT
Bingosoft Plc	Malta	Interactive gaming	Vault 14, Level 2, Valletta Waterfront, Floriana, FRN 1914, Malta
Stride Gaming Spain Plc[5]	Malta	Dormant	Level 3, Valleta Buildings, South Street, Valletta VLT 1103, 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
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

Name	Country of incorporation	Principal activities	Registered office address
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 Andalucia, 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

1. Directly held by the Company.
2. 51% investment and year end 31 March.
3. Year end 31 August.
4. Year end 31 October.
5. Year end 31 December. Stride Gaming Spain plc is in the process of liquidation as at 30 June 2023.
6. Principal activities are carried out in Malta through its Malta branch.
7. Acquired the remaining 50% ownership in joint venture interest on 1 April 2022, see note 34.
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. Name changed to Rank Interactive Services (Mauritius) Limited on 6 October 2022.
13. Rank Digital España SA transferred its digital business to Bingosoft and became Dormant on 2 November 2021.

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.

(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 arises on 49% of the net assets of Passion Gaming Private Limited which was valued using the proportionate share method per IFRS 3.

	As at 30 June 2023 £m	As at 30 June 2022 £m
Current assets	**2.1**	1.4
Current liabilities	**(0.6)**	(0.6)
Current net assets	**1.5**	0.8
Non-current assets	**0.1**	0.1
Non-current liabilities	**(1.0)**	(1.0)
Non-current assets	**(0.9)**	(0.9)
Net assets	**0.6**	(0.1)
Accumulated NCI	**0.3**	(0.1)

15 Inventories

	Group	
	As at 30 June 2023 £m	As at 30 June 2022 £m
Finished goods	**2.2**	2.3

There were no write downs of inventory in the year (30 June 2022: £nil).

16 Other receivables

	Group	
	As at 30 June 2023 £m	As at 30 June 2022 £m
Current		
Other receivables	**13.4**	10.7
Less: provisions for impairment of other receivables	**(0.9)**	(1.6)
Other receivables – net	**12.5**	9.1
Net investment in lease	**1.4**	1.4
Prepayments	**15.2**	23.7
Other receivables – current	**29.1**	34.2
Non-current		
Other receivables	**6.2**	6.7
Net investment in lease	**–**	–
Other receivables – non-current	**6.2**	6.7

Group

The Directors consider that the carrying value of other receivables approximate to their fair value.

As at 30 June 2023, other receivables of £0.3m (30 June 2022: £1.3m) 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.

17 Government grants

	Group	
	As at 30 June 2023 £m	As at 30 June 2022 £m
At the start of the year	**–**	0.8
Receivable in the year	**–**	3.6
Cash received	**–**	(4.4)
At the end of the year	**–**	–

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

18 Trade and other payables

	Group		Company	
	As at 30 June 2023 £m	As at 30 June 2022 £m	**As at 30 June 2023 £m**	As at 30 June 2022 £m
Current				
Trade payables	**13.4**	35.8	**–**	–
Social security and other taxation	**31.6**	29.3	**–**	–
Other payables	**37.6**	32.5	**0.7**	0.4
Accruals	**43.5**	33.5	**–**	–
Trade and other payables – current	**126.1**	131.1	**0.7**	0.4

Included within other payables as at 30 June 2022 is £5.9m UK Gambling commission fine issued to Daub Alderney Limited, a Stride licensed entity. This has been settled during the year.

19 Income tax

	Group		Company	
	As at 30 June 2023 £m	As at 30 June 2022 £m	**As at 30 June 2023 £m**	As at 30 June 2022 £m
Income tax receivable	**14.9**	8.1	**8.3**	–
Income tax payable	**(5.7)**	(4.2)	**–**	–
Net income tax receivable	**9.2**	3.9	**8.3**	–

20 Financial assets and liabilities
(a) Interest-bearing loans and borrowings

	Group	
	As at 30 June 2023 £m	As at 30 June 2022 £m
Current interest-bearing loans and borrowings		
Bank overdrafts	**1.5**	–
Obligations under leases	**42.2**	40.4
Term loans	**44.4**	34.4
Revolving credit facility	**18.0**	–
Other current loans		
Accrued interest	**0.4**	0.5
Unamortised facility fees	**(0.6)**	(1.0)
Total current interest-bearing loans and borrowings	**105.9**	74.3
Non-current interest-bearing loans and borrowings		
Obligations under leases	**126.8**	141.3
Term loans	**–**	44.4
Other non-current loans		
Unamortised facility fees	**–**	(0.3)
Total non-current interest-bearing loans and borrowings	**126.8**	185.4
Total interest-bearing loans and borrowings	**232.7**	259.7
Sterling	**232.7**	259.7
Total interest-bearing loans and borrowings	**232.7**	259.7

Term loan facilities
The £128.1m term loan signed on 31 May 2019 has interest payable on a periodic basis depending on the loan drawn. The facility carries a floating rate of interest which, on 1 January 2022, changed from LIBOR to SONIA. The total term loan at 30 June 2023 was £44.4m (30 June 2022: £78.8m), a reduction in the year following the third scheduled repayment of £34.4m made in May 2023. 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 2023, the Group had total revolving credit facilities ('RCFs') of £80.0m, comprising three bilateral RCFs of £25.0m, £40.0m and £15.0m which mature in August 2023 (extended from July 2023), May 2024 and February 2025 respectively. The facilities all carry a floating rate of interest which were based on LIBOR until it transitioned to SONIA on 1 January 2022. At 30 June 2023, £18.0m of the RCF was drawn (30 June 2022: £nil), providing the Group with £62.0m of undrawn committed facilities.

On 7 August 2023, the Group signed a new RCF for £25.0m with one of its relationship banks. In addition, the Group's existing £80.0m of RCFs were reduced to a total of £75.0m, with each bank providing £25.0m, giving the Group a total RCF of £100.0m, £25.0m of which expires in November 2024, with the remaining £75.0m expiring in February 2025. All financial covenants remain unchanged.

Covenants
The Group's banking facilities require it to meet two financial covenant tests biannually, a net debt to earnings before interest, tax, depreciation, amortisation and SDI's ('EBITDA') ratio of no more than 3x, and an EBITDA to interest charge of no less than 3x. Both covenants were met in the year.

Post balance sheet event
In August 2023, the Group secured a financing package which totalled £100.0m of revolving credit facilities. £25.0m is committed until November 2024 and the remaining £75.0m is committed until February 2025. The Group subsequently repaid the remaining term loan of £44.4m.

20 Financial assets and liabilities (continued)

Company

The Company did not hold any external interest-bearing loans or borrowings at 30 June 2023 (30 June 2022: £nil). The Company held interest bearing loans with other Group companies at 30 June 2023 of £416.5m (30 June 2022: £387.1m).

(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 2023 and 30 June 2022.

		Carrying amount		Fair value	
Group		**As at 30 June 2023 £m**	As at 30 June 2022 (restated) £m	**As at 30 June 2023 £m**	As at 30 June 2022 (restated) £m
Financial assets:					
Loans and receivables					
Other receivables	Level 2	**3.8**	3.8	**3.8**	3.8
Cash and short-term deposits	Level 1	**60.0**	95.7	**60.0**	95.7
Total		**63.8**	99.5	**63.8**	99.5
Financial liabilities:					
Other financial liabilities					
Interest bearing loans and borrowings					
– Obligations under leases	Level 2	**169.0**	181.7	**169.0**	181.7
– Floating rate borrowings	Level 2	**62.4**	78.8	**62.4**	78.8
– Bank overdrafts	Level 1	**1.5**	–	**1.5**	–
– Other	Level 2	**0.4**	–	**0.4**	–
Trade and other payables	Level 2	**92.9**	101.8	**92.9**	101.8
Total		**326.2**	362.3	**326.2**	362.3

	Carrying amount		Fair value	
Company	**As at 30 June 2023 £m**	As at 30 June 2022 £m	**As at 30 June 2023 £m**	As at 30 June 2022 £m
Financial assets:				
Loans and receivables				
Trade and other payables	**0.7**	0.4	**0.7**	0.4
Financial guarantee contracts	**1.6**	2.6	**1.6**	2.6
Amounts owed to subsidiary undertakings	**416.5**	387.1	**416.5**	387.1
Total	**418.8**	390.1	**418.8**	390.1

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 for 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.

(a) 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 2023 and 30 June 2022.

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.

(i) 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	
	As at 30 June 2023 £m	As at 30 June 2022 £m	**As at 30 June 2023 £m**	As at 30 June 2022 £m
Change in foreign exchange rates:				
+10.0% US$	**(0.1)**	(0.1)	**–**	–
-10.0% US$	**0.2**	0.2	**–**	–
+10.0% euro	**(0.2)**	(0.6)	**5.8**	30.8
-10.0% euro	**0.2**	0.7	**(5.8)**	(30.8)

(ii) 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 2023, the Group is operating outside the policy with 73% of the borrowings at a fixed rate of interest (30 June 2022: 43%), driven by the level of fixed rate finance leases.

21 Financial risk management objectives and policies (continued)

(iii) 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 2023 £m	As at 30 June 2022 £m
Sterling:		
100 basis point increase	**(0.6)**	(0.6)
200 basis point increase	**(1.2)**	(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.

(b) 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.

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.

(c) 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 £80.0m bi-lateral revolving credit facilities (30 June 2022: £80.0m) expiring July 2023 (£25m), May 2024 (£40.0m) and February 2025 (£15.0m), and the £44.4m term loan facility (30 June 2022: £78.8m). On 7 August 2023, the Group signed a new RCF for £25.0m with one of its relationship banks. In addition, the Group's existing £80.0m of RCFs were reduced to a total of £75.0m, with each bank providing £25.0m, giving the Group a total RCF of £100m. £25.0m of which expires in November 2024, with the remaining £75.0m expiring in February 2025. 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 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**
At 30 June 2022						
Interest-bearing loans and borrowings[1]	–	36.3	45.2	–	–	81.5
Trade and other payables	–	101.8	–	–	–	101.8
Lease liabilities	–	40.4	25.8	72.8	42.7	181.7
	–	178.5	71.0	72.8	42.7	365.0

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.

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.

Due to the impact of COVID-19 on the Group's performance and resultant negative EBITDA the ratio for the year ended 30 June 2021 does not provide a useful monitor of capital and therefore has not been shown.

	As at 30 June 2023 £m	As at 30 June 2022 (restated) £m
Total loans and borrowings (note 20)	**232.7**	259.7
Less: Cash and short-term deposits	**(60.0)**	(95.7)
Less: Accrued interest	**(0.4)**	(0.5)
Less: Unamortised facility fees	**0.6**	1.3
Net debt	**172.9**	164.8
Operating profit (loss) before SDI from continuing operations	**19.1**	38.5
Add: Depreciation and amortisation	**58.0**	67.4
EBITDA	**77.1**	105.9
Leverage ratio	**2.2**	1.6

Collateral

The Group did not pledge or hold any collateral at 30 June 2023 (30 June 2022: £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 2022: £nil).

The Company does not have any other significant exposure to financial risks.

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 2023 £m	As at 30 June 2022 £m
Deferred tax assets:		
Accelerated capital allowances	**11.1**	14.6
Tax losses carried forward	**31.9**	9.2
Other UK temporary differences	**5.7**	5.8
Deferred tax assets	**48.7**	29.6
Deferred tax liabilities:		
Other overseas temporary differences	**(2.6)**	(3.5)
Business combinations – acquired intangibles	**(1.6)**	(0.7)
Business combinations – non-qualifying properties	**–**	(0.6)
Temporary differences on UK casino licences	**(38.4)**	(43.9)
Deferred tax liabilities	**(42.6)**	(48.7)
Net deferred tax asset (liability)	**6.1**	(19.1)

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 £41.1m (30 June 2022: £28.2m) have been offset and disclosed on the balance sheet as follows:

	Group	
	As at 30 June 2023 £m	As at 30 June 2022 £m
Deferred tax assets	**7.6**	1.4
Deferred tax liabilities	**(1.5)**	(20.5)
Net deferred tax asset (liability)	**6.1**	(19.1)

There is a net DTA of £6.0m in respect of the UK, comprising DTAs of £45.0m and DTLs of £39.0m. 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 £45.0m of DTAs, £20.3m are recognised based on future taxable profits arising from the reversal of existing taxable temporary differences. The remaining £24.7m of DTAs are recognised based on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences.

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 suffered a loss for accounting and tax purposes 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 2028.

In addition to the above the Group has unrecognised UK tax losses of £0.5m (30 June 2022: £0.4m) and overseas tax losses of £27.3m (30 June 2022: £16.1m) 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. Included in unrecognised tax losses are losses of £1.4m that will expire between 2027 and 2029 (30 June 2022: £1.9m that will expire between 2026 and 2029). Other losses will be carried forward indefinitely.

The Group has UK capital losses carried forward of £779m (30 June 2022: £779m). These losses have no expiry date and are available for offset against future UK chargeable gains. No deferred tax asset (30 June 2022: £nil) has been recognised in respect of these capital losses as no further utilisation is currently anticipated.

Temporary differences associated with Group investments

There was no deferred tax liability recognised (30 June 2022: £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	
	As at 30 June 2023 £m	As at 30 June 2022 £m
Deferred tax in the income statement		
Accelerated capital allowances	**(3.5)**	(5.0)
Tax losses	**22.7**	(0.3)
Business combinations – property lease fair value adjustments	**0.6**	0.1
Temporary differences on UK casino licences	**5.5**	2.9
Other temporary differences	**(0.2)**	(1.7)
Total deferred tax credit/(charge)	**25.1**	(4.0)

The deferred tax movement on the balance sheet is as follows:

	Group	
	As at 30 June 2023 £m	As at 30 June 2022 £m
As at start of year	**(19.1)**	(14.7)
Exchange adjustments	**0.1**	(0.1)
Acquisition of Rank Interactive Limited	**–**	(0.3)
Deferred tax (charge) credit in the income statement	**25.1**	(4.0)
Deferred tax credit to equity	**–**	–
As at end of year	**6.1**	(19.1)

23 Provisions

Group	Property-related provision £m	Disposal provision £m	Indirect tax provision £m	Pay provision £m	Warranty provision £m	Total £m
At 1 July 2022	6.8	3.9	1.2	0.1	0.5	12.5
Created	28.7	–	–	–	–	28.7
Charge to the income statement – SDI	7.4	–	–	–	–	7.4
Release to the income statement – SDI	(3.2)	(3.7)	–	–	(0.3)	(7.2)
Utilised in the year	(2.4)	–	–	–	–	(2.4)
At 30 June 2023	**37.3**	**0.2**	**1.2**	**0.1**	**0.2**	**39.0**
Current	**5.6**	**0.2**	**1.2**	**0.1**	**0.2**	**7.3**
Non-current	**31.7**	**–**	**–**	**–**	**–**	**31.7**
Total	**37.3**	**0.2**	**1.2**	**0.1**	**0.2**	**39.0**

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 over the expected economic benefits. 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 2023, property related provision include £34.4m (2022: £1.7m) provision for dilapidations and £2.8m (2022: £5.1m) onerous contracts provision.

Provisions for dilapidations are recognised where the Group has the obligation to make-good its leased properties. Following the recent closures of venues in FY21, FY22 and FY23, the possibility of future closures and the downturn in the trading outlook, together with a hardening position from landlords and recessionary environment making certain properties less attractive, the Group recognised an additional asset and liability of £28.7m. 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 within the income statement.

23 Provisions (continued)

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 period, the Group 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 of £3.7m 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. The balance of £1.2m (30 June 2022: £1.2m) represents the Directors' best estimate of the outflow likely to arise.

Pay provision

The balance of £0.1m (30 June 2022: £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 recognised £0.3m additional profit on sale within the SDI of the Group income statement (30 June 2022: £0.2m). The release in the year represents Rank's best estimate of liabilities 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 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 of £1.0m 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 2023		As at 30 June 2022	
	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 2023		As at 30 June 2022	
	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 2023		As at 30 June 2022	
	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 2023 are 468,429,541 (2022: 468,429,541).

25 Notes to cash flow

Reconciliation of (Loss)/profit for the year to cash generated from operations:

	Note	Group		Company	
		Year ended 30 June 2023 £m	Year ended 30 June 2022 (restated) £m	**Year ended 30 June 2023 £m**	Year ended 30 June 2022 £m
Loss/profit for the year		**(95.3)**	64.9	**(202.2)**	(14.5)
Adjustments for:					
Depreciation and amortisation		**60.1**	67.4	**–**	–
Amortisation of arrangement fees		**1.3**	–	**–**	–
Loss on disposal of assets		**0.2**	–	**–**	–
Net financing charge		**12.3**	13.4	**33.7**	15.5
Income tax expense (credit)		**0.6**	6.4	**(12.4)**	–
Share-based payments		**1.1**	(0.3)	**–**	–
Separately disclosed items		**101.5**	(46.2)	**182.6**	–
		81.8	105.6	**1.7**	1.0
Decrease (increase) in inventories		**0.2**	(0.3)	**–**	–
Decrease (increase) in other receivables		**11.2**	(18.4)	**(8.3)**	–
(Decrease) increase in trade and other payables		**(8.4)**	12.5	**29.6**	14.6
		84.8	99.4	**23.0**	15.6
Cash utilisation of provisions (see note 23)		**(2.4)**	(1.8)	**(1.7)**	(0.1)
Cash (payments) receipts in respect of separately disclosed items		**(7.1)**	72.4	**–**	–
Cash generated from operations		**75.3**	170.0	**21.3**	15.5

The Group restated the prior year cash flow format to start from profit for the year instead of operating profit. This method provides more comprehensive information which would be useful to the reader of the consolidated and Company financial statements.

26 Cash and short-term deposits

	Group	
	As at 30 June 2023 £m	As at 30 June 2022 £m
Cash at bank and on hand	**58.1**	75.7
Short-term deposits	**1.9**	20.0
Total	**60.0**	95.7

The analysis of cash and short-term deposits by currency is as follows:

	Group	
	As at 30 June 2023 £m	As at 30 June 2022 £m
Sterling	**42.8**	78.3
Euro	**14.3**	14.1
Others	**2.9**	3.3
Total	**60.0**	95.7

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 £8.9m (2022: £8.0m) 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 2023 the Company had cash and short-term deposits of £nil (30 June 2022: £nil).

27 Reconciliation of cash flow from financing activities

Reconciliation of net debt:

	Group	
	As at 30 June 2023 £m	As at 30 June 2022 (restated) £m
Cash and cash equivalents	**58.5**	95.7
Loans and borrowings	**(62.4)**	(78.8)
Lease liabilities	**(169.0)**	(181.7)
Net debt	**(172.9)**	(164.8)

For the purpose of the statements of cash flow, cash and cash equivalents comprise the following:

	Group	
	As at 30 June 2023 £m	As at 30 June 2022 (restated) £m
Cash at bank and on hand	**58.1**	75.7
Short-term deposits	**1.9**	20.0
	60.0	95.7
Bank overdrafts	**(1.5)**	–
Total	**58.5**	95.7

Changes in liabilities arising from financing activities:

		Transactions year ended 30 June 2022		
	As at 30 June 2023 £m	**Cash flow**	**Non-cash changes**	As at 30 June 2022 £m
Lease liabilities	**169.0**	**(43.6)**	**30.9**	181.7
Term loans	**44.4**	**(34.5)**	**0.1**	78.8
Revolving credit facility	**18.0**	**18.0**	**–**	–
Total borrowings	**231.4**	**(60.1)**	**31.0**	260.5

28 Employees and Directors

(a) Employee benefit expense for the Group during the year

	Year ended 30 June 2023 £m	Year ended 30 June 2022 £m
Wages and salaries	**182.6**	168.4
Social security costs	**17.7**	16.7
Pension costs	**5.5**	5.1
Share-based payments	**1.1**	(0.3)
	206.9	189.9

The Company has no employees (year ended 30 June 2022: nil).

(b) Average monthly number of employees

	Full-time Year ended 30 June 2023	Part-time Year ended 30 June 2023	Total Year ended 30 June 2023	Full-time Year ended 30 June 2022	Part-time Year ended 30 June 2022	Total Year ended 30 June 2022
Grosvenor Venues	**2,401**	**1,502**	**3,903**	2,558	1,515	4,073
Mecca Venues	**364**	**1,287**	**1,651**	573	1,385	1,958
Digital	**733**	**19**	**752**	660	17	677
Enracha Venues	**484**	**82**	**566**	435	70	505
Central Costs	**355**	**16**	**371**	343	17	360
	4,337	**2,906**	**7,243**	4,569	3,004	7,573

(c) Key management compensation

	Year ended 30 June 2023 £m	Year ended 30 June 2022 £m
Salaries and short-term employee benefits (including social security costs)	**1.8**	2.3
Termination benefits	**–**	–
Post-employment benefits	**0.1**	0.1
Share-based payments	**–**	0.1
	1.9	2.5

Included in key management compensation are bonuses of £nil in respect of the current year (year ended 30 June 2022: £nil).

Key management is defined as the Senior Management Team of the Group excluding the Executive Directors, details of which are set out on page 103 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 2023 £m	Year ended 30 June 2022 £m
Salaries and short-term employee benefits (including social security costs)	**1.5**	1.3
Post-employment benefits	**–**	0.1
Share-based payments	**0.1**	0.1
	1.6	1.5

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 123.

29 Share-based payments

During the year ended 30 June 2023, the Company operated an equity-settled Long-Term Incentive Plan ('LTIP'). Further details of the LTIP are included in the Remuneration Report on pages 123 to 125. The LTIP is an equity-settled scheme and details of the movements in the number of shares are shown below:

	As at 30 June 2023	As at 30 June 2022
Outstanding at start of the year	**8,108,854**	7,518,376
Granted	**5,773,421**	3,937,473
Exercised	**(148,858)**	(98,489)
Expired	**(2,561,969)**	(1,802,540)
Forfeited	**(845,548)**	(1,445,966)
Outstanding at end of the year	**10,325,900**	8,108,854
Weighted average remaining life	**0.8 years**	1.6 years
Weighted average fair value for shares granted during the year (p)	**33.2p**	101.13p

There are six LTIP awards currently in issue during the financial year ended 30 June 2023.

LTIP – 2017/18 award

Vests in three tranches; 33.3% in October 2021, 33.3% in October 2022 and 33.3% in October 2023. All LTIP awards have a £nil exercise price.

LTIP – 2020/21 award

Vests in a single tranche in December 2023. All LTIP awards have a £nil exercise price.

LTIP – 2021/22 award

Vests in a single tranche in September 2024. All LTIP awards have a £nil exercise price.

Recovery Incentive Scheme (RIS) – 2021/22 award

Vests in a single tranche in October 2023 for the non-executive RIS. Vests in two tranches; 50% in October 2022 and 50% in October 2023 for the executive RIS. All RIS awards have a £nil exercise price.

LTIP – 2021/22 Exec award

Vests in two tranches. 50% in May 2023 and 50% in March 2024. All LTIP awards have a £nil exercise price.

LTIP – 2022/23 award

Vests in a single tranche in September 2025. All LTIP awards have a £nil exercise price.

The number of LTIP awards and the fair value per share granted during the year were as follows:

	30 June 2023	30 June 2022
Number	**5,773,421**	2,215,812
Weighted average fair value per share	**33.2p**	74.1p

The fair value of the LTIP 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 2023	30 June 2022
Dividend yield (%)	**2.00**	2.00
Vesting period (years)	**3.00**	2.00
Weighted average share price (p)	**75.9p**	173.0

The number of RIS awards and the fair value per share granted during the prior year were as follows:

	30 June 2022
Number	1,535,025
Weighted average fair value per share	162.9p

The number of LTIP Exec awards and the fair value per share of the LTIP Exec awards granted during the prior year were as follows:

	30 June 2022
Number	186,636
Weighted average fair value per share	110.1p

The fair value of the LTIP Exec awards granted during the prior 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 2022
Dividend yield (%)	2.00
Vesting period (years)	2.00
Weighted average share price (p)	106.0

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 2022: £0.3m credit) in operating profit for costs of the scheme in the current year.

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 2023, the Group contributed a total of £5.5m (year ended 30 June 2022: £2.4m) 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 2023, the Group's commitment was £3.4m (30 June 2022: £3.6m). The Group paid £0.2m (year ended 30 June 2022: £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 2022: £0.1m) before taxation and £nil after taxation (year ended 30 June 2022: £0.1m).

	30 June 2023 % p.a.	30 June 2022 % p.a.
Discount rate	**5.1**	3.8
Pension increases	**5.0**	4.9

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 2023 £m	30 June 2022 £m
At the beginning of the year	181.7	206.9
Additions	47.8	21.9
Accretion of interest	6.5	6.6
Payments	(66.6)	(53.7)
Foreign exchange	(0.4)	–
At the end of the year	**169.0**	**181.7**
Current liabilities	**42.2**	**40.4**
Non-current liabilities	**126.8**	**141.3**
Total	**169.0**	**181.7**

The maturity analysis of lease liabilities are disclosed below:

	As at 30 June 2023	
	Present value of the minimum lease payments £m	Total minimum lease payments £m
Within 1 year	**42.2**	**49.1**
After 1 year but within 2 years	**25.9**	**30.2**
After 2 years but within 5 years	**60.4**	**70.3**
After 5 years	**40.5**	**47.2**
	169.0	**196.8**
Less: total future interest expenses		**(27.8)**
Present value of lease liabilities		**169.0**

The following are the amounts recognised in the Group income statement:

	Year ended 30 June 2023 £m
Depreciation expense of right-of-use assets	**20.9**
Interest expense on lease liabilities	**6.5**
Total amount recognised in the income statement	**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 lease income which is shown net of lease costs. Lease income as at 30 June 2023 from lease contracts in which the Group sub-lets certain property space is £1.7m (year ended 30 June 2022: £1.0m).

Future minimum rentals receivable under non-cancellable operating leases as at 30 June are as follows:

	As at 30 June 2023 Total minimum lease payments £m
Within 1 year	2.6
After 1 year but within 2 years	0.9
After 2 years but within 5 years	1.0
After 5 years	1.7
Total	**6.2**

Capital commitments

At 30 June 2023, the Group has contracts placed for future capital expenditure of £6.2m (30 June 2022: £15.3m).

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 2023, 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 outflows.

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 included in Trade and other payables of the Group balance sheet. 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 has been provisionally recognised for the contingent consideration and is dependent upon the date a competing online gaming operation is established.

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

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 outflows.

Guarantees

At 30 June 2023, the Company has made guarantees to subsidiary undertakings of £45.0m (30 June 2022: £79.5m).

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 Hong Kong Stock Exchange has a controlling interest in The Rank Group Plc. The ultimate parent undertaking of Guoco is GuoLine Capital Assets Limited ('GuoLine') which is incorporated in Jersey. At 30 June 2023, entities controlled by GuoLine owned 57.4% (30 June 2022: 56.1%) of the Company's shares, including 53.3% (30 June 2022: 52.0%) through Guoco's wholly-owned subsidiary, Rank Assets Limited, the Company's immediate parent undertaking. Hong Leong Company (Malaysia) Berhad ('Hong Leong') was the ultimate parent company of Guoco until 16 April 2021 whereupon, following an internal restructure, GuoLine became the ultimate parent company of Guoco.
For further information see page 149.

Company

The following transactions with subsidiaries occurred in the year:

	Year ended 30 June 2023 £m	Year ended 30 June 2022 £m
Interest payable to subsidiary undertaking	**(33.7)**	(15.0)

During the year, Rank Group Finance Plc, a subsidiary of the Company, received cash from the Company of £nil (year ended 30 June 2022: received cash from the Company of £0.1m).

34 Acquisition of subsidiary undertakings

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 has been provisionally recognised for the contingent consideration and is dependent upon the date a competing online gaming operation is established.

At the date of acquisition, the fair value of assets acquired and liabilities assumed, goodwill and consideration, including the fair value of the Group's pre-acquisition 50% shareholding at the acquisition date, are outlined below. The fair value of operational cash and trade and other payables totalling £0.5m corresponds to their book value:

	£m
Customer relationships	**1.4**
Cash	**0.1**
Trade and other payables	**(0.6)**
Deferred tax liability	**(0.4)**
Net assets acquired	**0.5**
Goodwill	**2.1**
Total consideration	**2.6**

The fair value of each component of consideration is analysed as:

	£m
Cash[1]	-
Loan settlement	0.5
Contingent cash consideration	0.8
Fair value of previously existing interest in joint venture	1.3
Total	**2.6**

1. Cash consideration of £1 for shares.

The identified intangible assets recognised separately from goodwill are as follows:

	£m
Customer relationships	1.4
Total	**1.4**

The goodwill consists of future revenue opportunities attributable to new customers, the new brands and development of technology and amounts that are required for general operational purposes. No amount of the goodwill recognised is expected to be deductible for tax purposes.

At the date of acquisition, the Group recognised a gain of £0.8m on remeasurement of its pre-acquisition 50% shareholding and acquisition related costs of £0.02m both of which were recognised as SDIs in the Group income statement.

In the year ended 30 June 2022, Rank Interactive Limited contributed statutory revenue of £0.8m and profit before tax of £nil. If the acquisition had occurred at the beginning of the year, the continuing statutory revenues of the entity in the 12 months to 30 June 2022 would have been £6.1m and loss before tax would have been £0.2m.

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

35 Post balance sheet events

In August 2023, the Group secured a financing package which totalled £100m of revolving credit facilities. £25m is committed until November 2024 and the remaining £75m is committed until February 2025. The Group subsequently repaid the remaining term loan of £44.4m.

Five year review

	Year ended 30 June 2023 £m	Year ended 30 June 2022 (restated) £m	Year ended 30 June 2021 (restated) £m	Year ended 30 June 2020 £m	Year ended 30 June 2019 £m
Continuing operations					
Revenue	**681.9**	644.0	329.6	629.7	695.1
Operating profit (loss) before separately disclosed items	**19.1**	38.5	(85.4)	49.1	75.7
Separately disclosed items	**(128.9)**	42.3	(8.4)	(27.6)	(36.7)
Group operating profit (loss)	**(109.8)**	80.8	(93.8)	21.5	39.0
Total net financing charge	**(12.9)**	(7.8)	(14.4)	(8.1)	(4.4)
Profit (loss) before taxation	**(122.7)**	73.0	(108.2)	13.4	34.6
Taxation	**27.1**	(16.9)	10.4	(5.2)	(7.0)
Profit (loss) after taxation from continuing operations	**(95.6)**	56.1	(97.8)	8.2	27.6
Discontinued operations	**0.3**	8.8	24.9	1.2	1.5
Profit (loss) for the year	**(95.3)**	64.9	(72.9)	9.4	29.1
Basic earnings (loss) per ordinary share	**1.2p**	4.0p	(20.5)p	7.0p	15.3p
Total ordinary dividend (including proposed) per ordinary share	**0.00p**	0.00p	0.00p	2.80p	7.65p
Group funds employed					
Intangible assets, property, plant and equipment and right-of-use assets	**618.4**	708.3	750.6	810.7	609.3
Provisions	**(39.0)**	(12.4)	(21.4)	(18.9)	(46.8)
Other net liabilities	**(76.5)**	(106.0)	(111.3)	(128.4)	(166.2)
Total funds employed at year-end	**502.9**	589.9	617.9	663.4	396.3
Financed by					
Ordinary share capital and reserves	**330.0**	425.1	360.3	365.9	398.1
Net (cash) debt	**172.9**	164.8	257.6	297.5	(1.8)
	502.9	589.9	617.9	663.4	396.3
Average number of employees (000s)	**7.2**	7.6	7.9	8.4	9.0

Shareholder information

2023/24 financial calendar

Not applicable	Record date for 2022/23 final dividend
19 October 2023	Annual general meeting and trading update
Not applicable	Payment date for 2022/23 final dividend
1 February 2024	Interim results announcement

Annual General Meeting

The 2023 Annual General Meeting ('AGM') will be held on 19 October 2023, 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 (quoting reference number 1235) and clearly state the registered shareholder's name and address. Please write to The Rank Group Plc registrar, Equiniti Limited, Aspect House, Spencer Road, Lancing, BN99 6DA. Tel: +44 (0)371 384 2098[1]. If calling from overseas please ensure you are using the correct country code.

1. Lines are open 08:30 to 17:30, Monday to Friday (excluding public holidays in England and Wales).

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;
- 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.

It is easy and free to set up a portfolio – shareholders will just need the shareholder reference printed on their proxy form or dividend stationery. Please visit the following website for more details: www.shareview.co.uk.

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:

Asha Magnus, Company Secretary
Sarah Powell, Director of Investor Relations & ESG

Registered office

The Rank Group Plc,
TOR, Saint-Cloud Way,
Maidenhead SL6 8BN
Tel: 01628 504 000

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Company number: 03140769

For more information, visit our website.

www.rank.com

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