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News release

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30 January 2025

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

Interim results for the six months ended 31 December 2024

Continued strong momentum with revenue and profit growth across all businesses and strong returns on investment

Rank (LSE: RNK) is pleased to announce its interim results for the six months ended 31 December 2024 ('H1').

Financial highlights

		H1 2024/25	H1 2023/24	Change
Financial KPIs	Group underlying LFL net gaming revenue (NGR)[1]	**£401.8m**	£356.0m	13%
	Venues underlying LFL NGR[1]	**£281.6m**	£250.9m	12%
	Digital underlying LFL NGR[1]	**£120.2m**	£105.1m	14%
	Underlying LFL operating profit[1,2]	**£32.9m**	£21.2m	55%
	Net cash pre IFRS 16	**£24.2m**	£17.6m	38%
	Underlying earnings per share[2]	**4.8p**	2.9p	66%

		H1 2024/25	H1 2023/24	Change
Statutory	Reported NGR	**£401.8m**	£362.6m	11%
	Total Group operating profit	**£40.2m**	£16.2m	148%
	Profit before taxation	**£34.7m**	£10.4m	234%
	Profit after taxation	**£28.9m**	£8.8m	228%
	Net free cash flow	**£4.3m**	£23.5m	(82)%
	Net debt	**£(111.8)m**	£(144.7)m	23%
	Basic earnings per share	**6.2p**	1.9p	226%
	Dividend per share	**0.65p**	-	-

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

Continued improvement in financial performance

- Like-for-like ('LFL') Net Gaming Revenue ('NGR') of £401.8m, up 13% year-on-year with all businesses reporting growth.
- Underlying LFL operating profit increased 55% to £32.9m (H1 2023/24: £21.2m).
- Group underlying LFL operating margin of 8.2%, up from 6.0% in the prior year.
- Statutory Group operating profit of £40.2m compared to £16.2m in H1 2023/24.
- Net free cash flow of £4.3m in the period (£23.5m in H1 2023/24), with net cash pre IFRS 16 of £24.2m.
- The Board has proposed an Interim dividend of 0.65 pence per share.

Further progress against the strategic plan supported by targeted investments

- Focused investment has driven revenue growth in all businesses, with particularly strong growth seen in Grosvenor (+15)% and Digital (+14)%.
- Grosvenor delivered £7.3m average NGR per week in H1, ahead of our expectations. We now expect Grosvenor to deliver c. £8.0m average NGR per week in the medium term, excluding the impact of land-based reforms, supported by continued improvements in our customer risk management systems, product offering and further enhancements in the quality of the customer experience.
- A rationalised Mecca venues estate grew NGR by 6% on a LFL basis in H1, supported by

selected investments in gaming machine areas and external signage schemes.

- In Digital, the launch of our in-house developed Grosvenor and Mecca apps is driving strong revenue growth. Our expectation remains that the Digital business will grow LFL NGR by 8-12% CAGR and improve LFL operating margin by at least 600bps in the medium term, despite the negative financial impact of online reforms in the Gambling Act review.
- Successful disposal of the UK digital non-proprietary ('multi-brand') business in December for a total consideration of £7.5m, with £3.0m received up front and the £4.5m deferred consideration payable over 3 years.
- Preparations continue at pace to take full advantage of the legislative reforms for the UK's land-based casinos which are expected to be implemented in the summer of this year.
- Safer gambling improvements delivered through better use of technology, improved risk management processes and the further development of colleague skillsets.
- £100m of the current £120m bank facility extended for a further 12 months, ensuring the Group retains an appropriate financing structure.
- Overall employee engagement score increased by 0.2 points to 8.1, a reflection of the continued investment in our colleagues.

Current trading and outlook

All our businesses experienced strong trading through the Christmas and New Year holiday period and revenue has been in line with our expectations throughout January. Some trading variance is anticipated in Q3, followed by increased cost pressures in Q4 with Gambling Act measures, including the statutory levy and maximum online slot stakes, as well as the increase in employer national insurance contributions and the National Living Wage, impacting from April.

Trading performance is encouraging, and the Board is confident about the Group's ability to deliver on its strategic goals. Underlying LFL operating profit for the year ending 30 June 2025 is now expected to be slightly ahead of current expectations. We expect the benefits of the land-based legislative reforms to be seen in our next financial year.

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

"We are pleased to deliver another good set of results as we continue to take advantage of the growth opportunities available to us and maintain a strong momentum across all of our businesses.

Customers are responding positively to the investment we are making and to the experiences we are delivering both online and in our venues.

The second half will see inflationary employment cost headwinds and the negative financial impact of some of the measures in the Gambling Act, but we are confident that our ability to both grow revenues and secure further cost efficiencies will help us to sustain our positive profit trajectory.

We are readying ourselves to take full advantage of the benefits of the land-based legislative reforms which we expect to see implemented from summer 2025. A programme of venue and product improvements is well advanced as we prepare to better meet the needs of our customers when the time comes.

The benefit of our digital proprietary platforms is increasingly evident in our performance, as we continue to focus on product innovation and investment in our technology. Our vision to optimise a seamless and tailored cross channel offering for our customers continues to be our priority with some key initiatives landing in H2.

Thanks to my colleagues across the Rank Group whose commitment to delivering experiences that excite and entertain our customers has delivered this strong set of results."

Definition of terms:

- Net gaming revenue ('NGR') is revenue less customer incentives;
- Underlying measures exclude the impact of amortisation of acquired intangibles; profit or loss on disposal of businesses; acquisition and disposal costs including changes to deferred or contingent consideration; impairment charges; reversal of impairment charges; restructuring costs as part of an announced programme; retranslation and remeasurement of foreign currency contingent consideration; discontinued operations, significant material proceeds from tax appeals and the tax impact of these, should they occur in the period. Collectively these items are referred to as separately disclosed items ('SDIs');
- Underlying earnings per share is calculated by adjusting profit attributable to equity shareholders to exclude SDIs;
- 'H1 2024/25' refers to the six-month period to 31 December 2024 and 'H1 2023/24' refers to the six-month period to 31 December 2023;
- Like-for-like ('LFL') measures have been disclosed in this report to show the impact of club openings, closures, acquired businesses, foreign exchange movements and discontinued operations;
- Prior year LFL measures are amended to show an appropriate comparative for the impact of club openings, disposals, closures acquired businesses, foreign exchange movements and discontinued operations;
- The Group results make reference to 'underlying' results alongside our statutory results, which we believe will be more useful to readers as we manage our business using these adjusted measures. The directors believe that SDIs impair visibility of the underlying performance of the Group's business because these items are often material, non-recurring and do not relate to the underlying trading performance. Accordingly, these are excluded from our non-GAAP measurement of revenue, EBITDA, operating profit, profit before tax and underlying EPS. Underlying measures are the same as those used for internal reports. Please refer to APMs for further details;
- Venues includes Grosvenor venues, Mecca venues and Enracha venues.

Enquiries

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Photographs available from www.rank.com

Analyst meeting and webcast details:

Thursday 30 January 2025

There will be an analyst meeting at 9.30am, admittance to which is by invitation only. There will also be a simultaneous webcast of the meeting.

For the live webcast, please register at www.rank.com or on https://brrmedia.news/RNK_HY_25

A replay of the webcast and a copy of the slide presentation will be made available on the website later. The webcast will be available for a period of six months.

Forward-looking statements

This announcement includes 'forward-looking statements'. These statements contain the words 'anticipate', 'believe', 'intend, 'estimate', 'expect' and words of similar meaning. All statements, other than statements of historical facts included in this announcement, including, without limitation, those regarding the Group's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to the Group's products and services) are forward-looking statements that are based on current expectations. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance, achievements or financial position of the Group to be materially different from future results, performance, achievements or financial position expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's operating performance, present and future business strategies, and the environment in which the Group will operate in the future. These forward-looking statements speak only as at the date of this announcement. Subject to the Listing Rules of the Financial Conduct Authority, the Group expressly disclaims any obligation or undertaking, to disseminate any updates or revisions to any forward-looking statements, contained herein to reflect any change in the Group's expectations, with regard thereto or any change in events, conditions or circumstances on which any such statement is based. Past performance cannot be relied upon as a guide to future performance.

Group performance review

Financial Summary	H1 2024/25 £m	H1 2023/24 £m	Change %
Total Net Gaming Revenue	**401.8**	**362.6**	**11%**
LFL Net Gaming Revenue	**401.8**	**356.0**	**13%**
Grosvenor Venues	192.8	167.5	15%
Mecca Venues	68.6	64.5	6%
Enracha Venues	20.2	18.9	7%
Digital	120.2	105.1	14%
Underlying operating profit	**32.9**	**21.6**	**52%**
Underlying LFL operating profit	**32.9**	**21.2**	**55%**
Grosvenor Venues	20.6	14.0	47%
Mecca Venues	0.3	-	-
Enracha Venues	5.4	4.8	13%
Digital	14.2	9.9	43%
Corporate costs	(7.6)	(7.5)	(1%)
Separately disclosed items	6.9	(5.9)	-
Underlying net financing charge	(5.1)	(5.3)	4%
Statutory profit before taxation	**34.7**	**10.4**	**234%**
Taxation	(5.8)	(1.6)	-
Statutory profit after taxation	**28.9**	**8.8**	**228%**

Statutory profit after taxation	**28.9**	**8.8**	**228%**
Underlying earnings per share	4.8p	2.9p	66%
Interim dividend per share	0.65p	-	-
Net debt	**(111.8)**	**(144.7)**	23%
Net cash pre IFRS16	**24.2**	**17.6**	38%
Net free cash flow	**4.3**	**23.5**	(82)%
Capital expenditure	**27.3**	**19.3**	41%

A strong H1 trading period saw Group LFL revenues grow 13%, with continued momentum in all businesses and good progress against the strategic priorities of sustained growth in our Grosvenor venues, accelerating growth and driving scale in digital, and maximising cash in our bingo businesses. At a statutory level, reported NGR was up 11%.

Our venues businesses have been impacted in recent years by elevated levels of inflation, with Grosvenor and Mecca having to absorb cost rises in energy, supply chain and, most notably, employment costs. Unlike many other hospitality businesses, gambling companies cannot readily pass these cost increases on to the consumer. Whilst many of the cost pressures have now eased, employment costs have risen sharply in recent years.

LFL employment costs rose from £118.9m in H1 2023/24 to £133.6m, and we expect total FY 2024/25 employment costs to be up c. 10% as a result of the announced changes to employer national insurance contributions and the National Living Wage from April 2025.

Despite these cost pressures, the strong growth in NGR saw underlying LFL operating profit increasing 55% to £32.9m (H1 2023/24: £21.2m).

Separately disclosed items in the period totalled a £6.9m credit, (H1 2023/24: £5.9m cost) including the profit on the sale of the UK digital non-proprietary business and credits associated with the historic closure of venues, offset by costs associated with the amortisation of intangible assets and property related provisions.

Statutory total Group operating profit for the period was £40.2m (£16.2m in H1 2023/24).

Underlying net financing charge

The £5.1m underlying net financing charge for the six months ended 31 December 2024 was lower than the prior period's charge of £5.3m due to lower loan amortisation costs and lower drawings in the period. The underlying net financing charge includes £3.0m of lease interest calculated under IFRS 16.

Underlying net finance charges for 2024/25 are now expected to be £10.0m-£10.5m. The finance charge associated with the full year lease interest calculated under IFRS 16 is expected to be c. £6m.

Taxation

The Group's underlying effective corporation tax rate in H1 2024/25 was 19.8% (H1 2023/24: 17.2%) based on a tax charge of £5.5m on underlying profit before taxation.

The underlying effective corporation tax rate for 2024/25 is expected to be 19.0-21.0%.

On a statutory basis, the Group had an effective tax rate of 16.7% in H1 2024/25 (H1 2023/24: 15.4%) based on a tax charge of £5.8m on total profit of £34.7m. This is lower than the effective tax rate on underlying profit due to some of the separately disclosed items not attracting a tax charge.

In the six months ended 31 December 2024, the Group had an effective cash tax rate of 0.9% on total profit before taxation (H1 2023/24: (43.3)%). The cash tax rate differs from the standard rate of UK tax due to refunds of UK tax paid in prior years from loss carry back claims.

The Group is expected to have a cash tax rate of approximately 0-2% for the year ended 30 June 2025. The cash tax rate is driven by the H1 refunds of UK tax paid in prior years from loss carry back claims and an expected refund in H2 of Maltese tax paid in prior years from dividend refund claims.

Earnings per share ('EPS')

Basic EPS increased to 6.2p from 1.9p in the prior period. Underlying EPS increased to 4.8p from 2.9p in the prior period driven by the improvement in underlying LFL operating profit and lower net financing charges. For further details refer to note 7.

Cash flow and net debt

As at 31 December 2024, net debt was £111.8m. Debt comprised £30.0m of term loan, £14.0m of drawn revolving credit facilities and £136.0m in finance leases, offset by cash at bank of £68.2m.

On 9 January 2025, the Group extended £100.0m of its £120.0m revolving credit facility for a further 12 months, ensuring appropriate financing is in place for the next 3 years. We have significant headroom against all of the financial covenants associated with our financing.

	H1 2024/25 £m	**H1 2023/24[1] £m**
Operating profit from continuing operations	32.9	21.6
Depreciation and amortisation	25.4	23.9
Working capital and others	(3.9)	16.3
Cash inflow from operations	**54.4**	**61.8**
Capital expenditure	(27.3)	(19.3)
Net interest and tax	(2.2)	2.9
Lease payments	(18.9)	(18.8)
Cashflows in relation to SDIs	(1.7)	(3.1)
Net free cash flow	**4.3**	**23.5**
	3.0	

Business disposal	3.0	-
Dividend paid	(4.0)	-
Total cash inflow	**3.3**	**23.5**
Opening net cash / (debt) pre IFRS 16	20.9	(5.9)
Closing net cash pre IFRS 16	**24.2**	**17.6**
IFRS 16 lease liabilities	(136.0)	(162.3)
Closing net debt post IFRS 16	**(111.8)**	**(144.7)**

1. Restated

Capital Allocation Policy and Dividend

It is the Board's primary intention to ensure the Group maintains a strong balance sheet position and has appropriate financing in place to manage operational requirements.

The Group will continue to invest capital in a disciplined manner to further improve the customer proposition and to maximise the opportunity presented by the forthcoming land-based reforms. This includes addressing the historical backlog of infrastructure investment that is required to ensure our venues can operate effectively.

Growth capital expenditure is subject to strict hurdle rates, typically with a payback of 3 years or less. We will prioritise investment in venues based on competitive potential in local markets, clearest growth opportunities and investments that allow us to quickly assess the impacts of the land-based reforms.

We will make returns to shareholders by way of an ordinary dividend, operating a progressive dividend policy, with a payout ratio that is expected to grow to over 35%.

After consideration of inorganic growth opportunities that align with the Group's strategic plan, any surplus capital will be returned to shareholders through supplementary returns at the Board's discretion.

As at 31 December 2024, the Group had a closing net cash balance (excluding leases) of £24.2m. On 9 January 2025, the Group extended £100m of the current £120m bank facility for a further 12 months, ensuring we retain an appropriate financing structure for the medium term.

In line with the above dividend policy, the Board has announced an Interim dividend of 0.65 pence per share. The dividend will be paid on 13 March 2025 to shareholders on the register as at 14 February 2025.

Business Review

Grosvenor venues

Key financial performance indicators:

	H1 2024/25 £m	H1 2023/24 £m	Change
LFL[1] NGR	192.8	167.5	15%
London	62.7	56.8	10%
Rest of the UK	130.1	110.7	18%
Total NGR	192.8	167.5	15%
Underlying[2] LFL[1] operating profit	20.6	14.0	47%
Total operating profit	19.8	13.7	45%

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

Delivering sustained growth is the strategic priority of the Grosvenor venues business. We have emerged from our prolonged recovery phase, are activating key growth levers and are identifying efficiencies in our operations to continue to drive revenue and profitable growth.

Our average NGR for H1 2024/2025 grew 15% to £7.3m per week, with continued investment in product and in selected properties, further improvements in safer gambling measures and a strengthened management team driving further customer experience enhancements.

The revenue growth, which was ahead of our expectations, resulted from a 7% growth in visitor numbers and an 8% growth in spend per visit. London venues grew NGR 10% with the rest of the UK growing 18%.

We are investing in product and venues improvements, while continuing to prepare our venues and teams for the benefits of the land-based legislative reforms, expected to be implemented from summer 2025.

At a product level, we have improved our table gaming offer with continued investment in roulette wheels and gaming tables and the further roll out of our table management system which optimises table opening plans, game mix and staking levels. Table gaming revenues grew 23%, benefitting from a stronger than average table gaming margin in the period. Our strong focus on poker across the estate continued in H1 and included Goliath, an 11-day event at the Grosvenor Casino in Coventry, the largest ever poker tournament held outside North America, with entries totalling nearly 12,000 players competing for a prize pool of £1.9m.

We are nearing the completion of our electronic roulette terminal upgrade. In H1, we upgraded 341 terminals, taking the total number of new machines to 600 since 2022, and added 322 electronic baccarat licences to the existing electronic terminals in 33 venues, further enhancing the offer as we look to give Grosvenor customers the best electronic gaming experience in the market. Electronic gaming revenues grew 16% on prior year.

Gaming machine revenues grew 6%, with growth constrained by the supply of machines not meeting customer demand during key playing periods of the week. We have increased the number of gaming machine manufacturers to five, providing a broader choice of machines for customers to enjoy. The breadth of machine suppliers in our estate will be particularly important once the land-based reforms are implemented.

Our trial of sports betting at Grosvenor Luton gives encouragement ahead of the legislative reforms.

Planning for development works in our venues has accelerated in readiness for the land-based legislative reforms. The criteria for determining where we are targeting investment centres around venues where we identify the most competitive potential, the clearest growth opportunities, and where we will be able to quickly assess the impacts of the land-based reforms when implemented. Our approach is to invest at levels which are supported by our confidence in the results of the land-based reforms.

The refurbishment of Grosvenor Leicester completed in H1 at a total cost of £4.0m and the early signs are that the return on investment is strong. Work began in H1 on the refurbishment work at our flagship casino, The Vic (on London's Edgware Road), and is due to complete towards the end of H2, ahead of the important summer trading period, at a total capital cost of c. £15m. We expect payback on our growth investment to be around 3 years.

The ongoing refinement of our approach to safer gambling and management of customer risk revolves around better use of technology, improved processes for identifying and addressing potentially harmful play, developing the skillsets of our colleagues to achieve high quality customer interactions, and supporting colleagues in improving the experience for those customers who are required to undergo financial checks.

During H1, we have further rolled out our cultural transformation programme ("*From Like To Love*") for the leadership teams of all our casinos, with some 470 managers now having been through the programme. Our employee opinion survey in November 2024 returned strong results, with an engagement score of 8.2, up from 7.9 at the 2023/24 year end.

The increase in the National Living Wage, changes to employer national insurance contributions (the rate and the threshold) and the new statutory levy for research, prevention and treatment (RPT) of problem gambling rate of 0.5% of gross gambling yield ("GGY") will combine to create significant cost headwinds from the final quarter of this financial year. We are targeting further operational efficiencies and initiatives to enhance productivity with a view to offsetting some of the impact of these headwinds.

Underlying LFL operating profit of £20.6m in H1, up 47% on the prior year (£14.0m in H1 2023/24), highlights the strong operating leverage of the Grosvenor business.

At a statutory level, operating profit improved to £19.8m, up from £13.7m in the prior year period.

As a result of the strong trading performance in the first half, we are now rebasing our expectations that, through organic growth and excluding the benefits of the land based legislative reforms, we can grow Grosvenor's revenues to c. £8.0m per week in the medium term.

With a clear roadmap for performance improvements, venue optimisation and product enhancements, we are confident that Grosvenor customers can look forward to an even more exciting and entertaining experience in our casinos in H2 and beyond.

We will be hosting a Capital Markets Event in the summer of 2025, focusing on the Grosvenor venues business, to showcase the progress made to date and the medium-term opportunities.

Mecca venues

Key financial performance indicators:

	H1 2024/25 £m	H1 2023/24 £m	Change
LFL[1] NGR	68.6	64.5	6%
Total NGR	68.6	67.2	2%
Underlying[2] LFL[1] operating profit	0.3	-	-
Total operating profit (loss)	3.5	(1.0)	-

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

Maximising cash is the strategic aim of our Mecca venues business. In H1, we largely completed the rightsizing of the estate, with one further venue closure resulting in an estate of 51 clubs. This rationalisation has resulted in more competitive venues with higher liquidity and stronger prize boards and, as a result, a more vibrant business.

Mecca LFL NGR grew 6% versus prior year, driven by 5% growth in spend per visit and a 1% growth in visits.

We continue to invest in the mainstage bingo game which is the primary driver for customers visiting a venue. Locally, we are ensuring strong competitive prize boards at value for money prices. Consequently, mainstage bingo GGR was up 5%, with NGR flat following the deduction of added prize money. However, with stronger visit numbers as a result of attractive bingo prizes, Mecca saw an 8% increase in bingo interval game revenue and a 9% growth in gaming machine revenue.

In product terms, we deployed 1,500 new Mecca Max units as bingo customers continue to gradually migrate to tablet-based play. 235 new Novomatic machines, including the first VIP Galaxy units, were launched in 44 clubs, as part of a wider focus on upgrading our machine offering. An agreement with Light & Wonder to renew 1,495 machines has been concluded and the rollout has now commenced.

Investment in our machine areas is also continuing and delivering fast returns.

A growing confidence across the Mecca business is evident with a record colleague engagement score of 8.5 in our most recent employee opinion survey.

In H1, employment costs were up £3.0m and these costs will also represent the most significant H2 headwind.

Underlying LFL operating profit of £0.3m in H1 (£nil in H1 2023/24) shows a positive trajectory. Ensuring Mecca continues to improve its contribution to Group profitability and cash generation remains our priority, alongside helping to drive scale in our digital business by leveraging the cross-channel opportunities.

Enracha venues

Key financial performance indicators:

	H1 2024/25 £m	H1 2023/24 £m	Change
LFL[1] NGR	20.2	18.9	7%
Total NGR	20.2	19.5	4%
Underlying[2] LFL[1] operating profit	5.4	4.8	13%
Total operating profit	5.4	5.0	8%

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. Before the impact of separately disclosed items.

Like Mecca, cash maximisation is the strategic priority for the Enracha estate of nine well-invested flagship bingo, machine gaming and sports betting venues in Spain. Enracha continued to build on the strong revenue growth seen in recent years, with LFL NGR up 7% on the prior year to £20.2m, driven by customer visits up 7%.

Underlying LFL operating profit grew 13% to £5.4m.

Following the completion of the refurbishment of our Seville venue in H1 which saw 20% NGR growth and 7% growth in visits in the subsequent period, we plan to refurbish our Sabadell venue in H2, increasing the availability of both gaming machines and electronic roulette.

Digital

Key financial performance indicators:

	H1 2024/25 £m	H1 2023/24 £m	Change
LFL[1] NGR	120.2	105.1	14%
Mecca	48.1	39.8	21%
Grosvenor	41.0	33.5	22%
Other proprietary brands	11.6	10.9	6%
Non proprietary brands	6.0	8.0	(25)%
Enracha/Yo	13.5	12.9	5%
Total NGR	120.2	108.4	11%
Underlying[2] LFL[1] operating profit	14.2	9.9	43%
Total operating profit	19.2	6.3	205%

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. Before the impact of separately disclosed items.

Accelerating growth and driving scale remains our strategic priority for the digital business, and the strong H1 performance demonstrates the returns we are seeing on the investments we have made in our proprietary platforms, in particular the pipeline of product and customer experience improvements.

In H1, LFL NGR grew 14% to £120.2m with average revenue per customer up 16%.

In the UK, digital NGR grew 16% to £106.7m, building on the momentum with which we exited last year, with very strong growth in our two cross-channel brands, Grosvenor (+22%) and Mecca (+21%).

Our other UK facing digital brands, including Stride legacy brands, grew 6%.

Strong revenue growth in the half was driven by initiatives including the launch of our new proprietary app in Mecca, featuring an enhanced bingo offering with new slots content and bonus tools. The Grosvenor app offers new live tables from our Grosvenor venues and a number of product enhancements which are driving app penetration amongst our customer base. We have invested in our reward and loyalty programmes for both Grosvenor and Mecca as we work towards our ambition of delivering a seamless and tailored cross-channel experience for our customers.

We disposed of the non-proprietary business in December 2024 for a total consideration of £7.5m. Prior to its disposal the non-proprietary business had seen a 25% decline in LFL revenues year on year.

Safer gambling remains at the heart of our approach to customer sustainability and in H1 we completed our work to bring together Safer Gambling and Customer Due Diligence into a single operational team using our proprietary Hawkeye system to monitor customer behaviour. We were delighted that Rank Interactive was awarded EGR's 'Safer Gambling Operator of the Year' in H1 which, in part, recognises how we have used our central engagement platform to build out real time data capabilities to support improvements to risk management and more effective interactions with our customers.

H2 will see the delivery of cross-channel single membership for Mecca customers, enabling us to provide a more personalised experience with tailored customer rewards. We will also roll out automatic bank transfer functionality for digital customers, enabling funds to be returned immediately into a customer's bank account rather than via a payment card.

In Spain, digital revenues grew 5%. The consistent strong growth in the Yo digital business in Spain stalled in Q2 as we are reaching the capacity for concurrent players in a single bingo game. This restricts our ability to deliver regular big prize rooms, which are a key driver of visits to YoBingo. We have been developing a new bingo platform for the Yo business which, when launched, will provide much needed additional capacity. The development is code complete and we are currently undertaking performance testing with an intention of launching the platform later this year. Plans are also in place to launch new mobile apps in Spain for YoCasino, YoSports and YoBingo during H2.

The application to the Portuguese regulator, SRIJ, for a licence for YoBingo remains in progress. It continues to take longer than we had anticipated, but we believe the final stage of the regulator's software testing process is currently underway and we hope to now complete the final phase of the homologation programme in the coming few months.

Underlying LFL operating profit for the digital business in H1 was £14.2m, a growth of 43%.

In the UK, the new statutory levy for research, prevention and treatment (RPT) of problem gambling will apply from April 2025. For our UK digital business, the rate will be set at 1.1% of GGY, with an impact on digital profitability in Q4 of £0.7m and an annualised impact of £2.8m.

We are working alongside our industry peers, the credit reference agencies and the Gambling Commission on the trial of frictionless financial risk assessments in line with the policy proposal in the Gambling Act Review white paper.

Our previous guidance of 8-12% NGR CAGR and 600bps of margin improvement relative to 2022/23 accounts for the impact of the Gambling Act Review, notably the anticipated impact of the maximum slot staking limits which will be implemented in H2. Given the current momentum within the UK digital business and the strong pipeline of initiatives, we would anticipate operating towards the upper end of this range in the medium term.

Sustainability update

Rank is committed to its sustainability strategy of being a resilient and responsible business. The Group drives its sustainability strategy through four focus areas: Customers, Colleagues, Environment and Communities.

Customers

In Grosvenor venues, we continued to focus on enabling our colleagues to better track play and ensure customers are not experiencing harm. Launching a comprehensive data dashboard for our colleagues in H1 was an important step forward. Our customer-facing colleagues now have a consolidated, accurate and timely view of the customer's play. We also appointed local dedicated Player Protection managers who understand the local customer base and can provide accessible and appropriate support to our in-venue teams.

In Mecca venues, we continued to develop the skills of our colleagues across our venues with 23 venues participating in the latest wave of bespoke safer gambling training. Improvements to our safer gambling technologies remain a priority and work continues to deliver efficiencies through automation and by improving the quality of the data available to our Mecca colleagues.

In the UK digital business, we have continued to prepare teams for the impact of the introduction of regulatory changes resulting from the Gambling Act Review. In H1, we introduced the new financial vulnerability checks and have also implemented the mandated in-game changes aimed at reducing harmful play. We have successfully completed the technology development required to restrict maximum staking for online slots to £5 (£2 for under 25 year olds) and await confirmation of the implementation date, expected to be April 2025.

Colleagues

A key highlight in H1 was measuring the impact of our people strategy through the latest employee opinion survey.

Our overall engagement score increased by 0.2 points to 8.1.

We have clear plans to further develop our colleague engagement through improving our training and development programme, by refining the right behaviours around Equality, Diversity & Inclusion ("ED&I"), by engaging and rewarding the right colleague behaviours, and through prioritising the wellbeing of our colleagues.

Environment

We continue to deliver net zero reductions in line with our net zero plan. In H1, we achieved 32% of our 2024/25 reduction target, with our gas and electricity emissions reducing by c. 17%. We anticipate that all electricity for our UK and Spanish operations will be from zero emission sources in the second half, a significant step to removing emissions from our operations.

We have focused on ensuring that we have a full view of our scope three emissions. As this works nears its conclusion, a detailed scope three reduction plan will be devised in H2, with reduction strategies in place by the end of 2024/25.

Communities

Our ambition is to make a positive impact within the community both nationally and locally, either through our UK charitable partnership with Carers Trust or through local initiatives that directly impact a venue's local community. In H1, we raised over £177k for Carers Trust and are now approaching our £4m total fundraising target.

Regulatory update

The UK Government's review of gambling legislation and regulation commenced in December 2020 and appeared likely to be implemented for land-based casinos in the autumn of 2024, but these reforms were inevitably put on hold by the calling of an early general election.

The new Government has confirmed that a statutory levy for research, prevention and treatment ('RPT') of gambling-related harm will take effect from 6 April 2025, with payment rates set at 0.2% of GGY for UK land-based bingo, 0.5% for UK land-based casinos and 1.1% for UK digital. We expect the gross impact for the Group to be c. 4.5m on an annualised basis.

The Government is yet to confirm a commencement date for the slot staking limits (set at £5, with customers under 25 set at £2), but we expect these to be in place from the start of Q4 FY2024/25 with an anticipated impact on digital revenue of c. £8m on an annualised basis.

We are confident that the Government recognises that changes to legislation are vital to modernise the proposition and support the jobs and tax revenues that businesses like ours provide.

Baroness Twycross, the Gambling Minister, has expressed her support for the specific legislative reforms for casinos outlined in the previous government's white paper, commenting in a speech made in December 2024: "*I am very aware of the relatively modest changes being asked for by the casino sector. I support the measures outlined in the white paper and I will provide an update as soon as possible on their progress*."

The Minister also outlined her support for the land-based bingo sector: "*I also want to work closely with other parts of the land-based sector, such as bingo clubs … to understand what we can do to support them. They are a vital and vibrant part of many communities and I want to see them thrive, not just survive*."

We expect the secondary legislation permitting the casino reforms to be completed during H2 2024/25, in time for the rollout of improvements to begin this summer. These reforms will enable us to more than double the number of gaming machines across the Grosvenor estate and will permit sports betting in casinos which will help to further broaden the customer base and provide additional reasons to visit.

We anticipate that other proposed changes, including reforms to electronic payments in venues and the current 80/20 rule restricting Category B3 machines to just 20% of the total number of machines in bingo clubs and replacing it with a 2:1 ratio of Category B3 machines to Category C or D machines, will follow later in the calendar year or early 2026.

The ability to offer side bets on the main stage game of bingo, one of the policies presented in the white paper, would help venues to thrive, delivering additional fun and excitement to the game and providing more customers with more opportunities to enjoy a win.

We believe that the modernising reforms will help us to better meet the expectations of today's consumers in our venues and, although it is difficult to quantify the likely upside of the land-based reforms, we expect the Group to be a significant net beneficiary of the Government's Gambling Act Review.

Board update

On 2 December 2024, we announced the appointment of Mr. Christian Nothhaft as a non-independent non-executive director. The appointment coincided with the retirement from the Board of Mr. Chew Seong Aun. The Board wishes to reiterate its gratitude for the valuable contribution to the Group made during Mr. Chew's tenure of office.

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 and meet covenant requirements as they fall due for the period up to 31 January 2026. In making such statement, the Directors highlight forecasting accuracy in relation to the level of trading performance achieved as the key sensitivity in the approved base case.

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

In each of the downside scenarios the Group will generate sufficient cash to meet its liabilities as they fall due and meet its covenant requirements to the period 31 January 2026 with a downside scenario requiring the implementation and execution of mitigating cost actions within the control of management.

Principal risks and uncertainties

Key business risks are reviewed by the executive directors, other senior executives and the Board on a regular basis and, where appropriate, actions are taken to mitigate the key risks that are identified. We have a Group wide enterprise risk management framework and approach in place, integrated into our organisational management structure and responsibilities, with the Board having overall responsibility for risk management in the Group.

The principal risks and uncertainties that could impact the Group are detailed in the Group's Annual Report and Accounts 2024 and the Board of Directors confirm that they remain relevant for the remainder of the financial year.

Alternative performance measures

When assessing, discussing and measuring the Group's financial performance, management refer to measures used for monitoring internal performance. 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-corporate 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 • Corporate cost reallocation
Underlying earnings / (loss) 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 separately disclosed items • 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 3.

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

In the current period (H1 2024/25), the Group closed one Mecca venue. 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.

£m	H1 2024/25	H1 2023/24

£m	H1 2024/25	H1 2023/24
Underlying LFL net gaming revenue (NGR)	**401.8**	356.0
Open, closed and disposed venues	**-**	5.6
Foreign exchange ('FX)	**-**	1.0
Underlying NGR - continuing operations	**401.8**	362.6

Calculation of comparative underlying LFL NGR

	H1 2023/24
Reported underlying LFL NGR	**362.6**
H1 2024/25 closed venues	(5.6)
H1 2024/25 FX	(1.0)
Restated underlying LFL NGR	**356.0**

£m	H1 2024/25	H1 2023/24
Underlying LFL operating profit	**32.9**	21.2
Opened, closed and disposed venues	**-**	0.1
Foreign exchange ('FX)	**-**	0.3
Underlying operating profit - continuing operations	**32.9**	21.6
Separately disclosed items	**7.3**	(5.4)
Operating profit - continuing operations	**40.2**	16.2

Calculation of comparative underlying LFL operating profit

£m	H1 2023/24
Reported underlying LFL operating profit	**21.7**
Reversal of H1 2023/24 closed venues	(0.1)
H1 2024/25 closed venues	(0.1)
H1 2024/25 FX	(0.3)
Underlying LFL operating profit	**21.2**

£m	H1 2024/25	H1 2023/24
Underlying current tax charge	**(2.1)**	(1.5)
Tax on separately disclosed items	**(0.3)**	1.2
Deferred tax	**(3.4)**	(1.3)
Total tax charge	**(5.8)**	(1.6)

P	H1 2024/25	H1 2023/24
Underlying EPS	**4.8**	2.9
Separately disclosed items	**1.4**	(1.0)
Reported EPS	**6.2**	1.9

Directors' Responsibility Statement

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

- The condensed consolidated financial statements, prepared under UK-adopted IAS 34 'Interim Financial Reporting', give a true and fair view of the assets, liabilities, financial position and profit of the Company and the undertakings included in the consolidation taken as a whole; and
- The management report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the risk and uncertainties that they face.

The directors of The Rank Group Plc are:

Lucinda Charles-Jones

Richard Harris

Keith Laslop

Katie McAlister

Christian Nothhaft

John O'Reilly

Alex Thursby

Karen Whitworth

Signed on behalf of the board on 29 January 2025

John O'Reilly Richard Harris
Chief Executive Chief Financial Office

Condensed Consolidated Income Statement
for the six months ended 31 December 2024

		Six months ended 31 December 2024 (unaudited)			Six months ended 31 December 2023 (unaudited)		
			Separately disclosed items			Separately disclosed items	
		Underlying	(note 3)	Total	Underlying	(note 3)	Total
	Note	£m	£m	£m	£m	£m	£m
Continuing operations							
Revenue	2	**401.8**	**-**	**401.8**	362.6	-	362.6
Cost of sales	2	**(229.1)**	**-**	**(229.1)**	(208.3)	-	(208.3)
Gross profit		**172.7**	**-**	**172.7**	154.3	-	154.3
Other operating costs	2,3	**(139.8)**	**(2.1)**	**(141.9)**	(132.7)	(5.4)	(138.1)
Other operating income	3	**-**	**9.4**	**9.4**	-	-	-
Operating profit (loss)	2	**32.9**	**7.3**	**40.2**	21.6	(5.4)	16.2
Financing:							
- finance costs		**(5.4)**	**-**	**(5.4)**	(5.9)	-	(5.9)
- finance income		**0.6**	**-**	**0.6**	0.4	-	0.4
- other financial (losses) gains		**(0.3)**	**(0.4)**	**(0.7)**	0.2	(0.5)	(0.3)
Total net financing charge	4	**(5.1)**	**(0.4)**	**(5.5)**	(5.3)	(0.5)	(5.8)
Profit (loss) before taxation		**27.8**	**6.9**	**34.7**	16.3	(5.9)	10.4
Taxation	5	**(5.5)**	**(0.3)**	**(5.8)**	(2.8)	1.2	(1.6)
Profit (loss) for the period		**22.3**	**6.6**	**28.9**	**13.5**	**(4.7)**	**8.8**
Attributable to:							
Equity holders of the parent		**22.3**	**6.6**	**28.9**	13.5	(4.5)	9.0
Non-controlling interests		**-**	**-**	**-**	-	(0.2)	(0.2)
		22.3	**6.6**	**28.9**	**13.5**	**(4.7)**	**8.8**
Earnings (loss) per share attributable to equity shareholders							
- basic	7	**4.8p**	**1.4p**	**6.2p**	2.9p	(1.0)p	1.9p
- diluted	7	**4.8p**	**1.4p**	**6.2p**	2.9p	(1.0)p	1.9p
Earnings (loss) per share - continuing operations							
- basic	7	**4.8p**	**1.4p**	**6.2p**	2.9p	(1.0)p	1.9p
- diluted	7	**4.8p**	**1.4p**	**6.2p**	2.9p	(1.0)p	1.9p

Condensed Consolidated Statement of Comprehensive Income
for the six months ended 31 December 2024

	Six months ended 31 December 2024 (unaudited)	Six months ended 31 December 2023 (unaudited)
	£m	£m
Comprehensive income:		
Profit for the period	**28.9**	8.8
Other comprehensive income:		
Items that may be reclassified to profit or loss:		
Exchange adjustments net of tax	**(0.6)**	0.3
Total comprehensive income for the period	**28.3**	9.1
Attributable to:		
Equity holders of the parent	**28.3**	9.3
Non-controlling interests	**-**	(0.2)

Condensed Consolidated Balance Sheet
at 31 December 2024 and 30 June 2024

	Note	As at 31 December 2024 (unaudited)	As at 30 June 2024 (audited and restated)
		£m	£m
Assets			
Non-current assets			
Intangible assets		**442.6**	446.4

Property, plant and equipment		**123.9**	112.5
Right-of-use assets		**57.9**	64.1
Deferred tax assets		**4.5**	8.3
Other receivables		**7.1**	5.2
		636.0	636.5
Current assets			
Inventories		**2.2**	2.0
Other receivables		**21.1**	19.1
Income tax receivable		**5.2**	8.5
Cash and short-term deposits		**72.6**	66.1
Assets classified as held for sale		**-**	0.3
		101.1	96.0
Total assets		**737.1**	**732.5**
Liabilities			
Current liabilities			
Trade and other payables		**(145.9)**	(149.0)
Lease liabilities		**(32.4)**	(32.6)
Income tax payable		**(2.7)**	(4.2)
Financial liabilities - loans and borrowings		**(4.6)**	(3.3)
Provisions	9	**(1.1)**	(3.6)
		(186.7)	(192.7)
Net current liabilities		**(85.6)**	(96.7)
Non-current liabilities			
Lease liabilities		**(103.6)**	(120.8)
Financial liabilities - loans and borrowings		**(42.7)**	(40.6)
Deferred tax liabilities		**(2.8)**	(2.8)
Provisions	9	**(33.7)**	(33.2)
Retirement benefit obligations		**(3.3)**	(3.4)
		(186.1)	(200.8)
Total liabilities		**(372.8)**	**(393.5)**
Net assets		**364.3**	**339.0**
Capital and reserves attributable to the Company's equity shareholders			
Share capital		**65.0**	65.0
Share premium		**155.7**	155.7
Capital redemption reserve		**33.4**	33.4
Exchange translation reserve		**13.3**	13.9
Retained earnings		**96.9**	71.0
Total equity before non-controlling interests		**364.3**	**339.0**
Total shareholders' equity		**364.3**	**339.0**

Condensed Consolidated Statement of Changes in Equity

for the six months ended 31 December 2024

For the six months ended 31 December 2024 (unaudited)

	Share capital £m	**Share premium £m**	**Capital redemption reserve £m**	**Exchange translation reserve £m**	**Retained earnings £m**	**Reserves attributable to the Company's equity shareholders £m**	**Non-controlling interests £m**	**Total equity £m**
At 1 July 2024	**65.0**	**155.7**	**33.4**	**13.9**	**71.0**	**339.0**	**-**	**339.0**
Comprehensive income:								
Profit for the period	**-**	**-**	**-**	**-**	**28.9**	**28.9**	**-**	**28.9**
Other comprehensive income:								
Exchange adjustments net of tax	**-**	**-**	**-**	**(0.6)**	**-**	**(0.6)**	**-**	**(0.6)**
Total comprehensive (loss) profit for the period	**-**	**-**	**-**	**(0.6)**	**28.9**	**28.3**	**-**	**28.3**
Transactions with owners:								
Credit in respect of employee share schemes including tax	**-**	**-**	**-**	**-**	**1.0**	**1.0**	**-**	**1.0**
Dividends paid to equity holders	**-**	**-**	**-**	**-**	**(4.0)**	**(4.0)**	**-**	**(4.0)**
At 31 December 2024	**65.0**	**155.7**	**33.4**	**13.3**	**96.9**	**364.3**	**-**	**364.3**

For the six months ended 31 December 2023 (unaudited)

	Share	Share	Capital redemption	Exchange translation	Retained	Reserves attributable to the Company's equity	Non-controlling	Total

	capital £m	premium £m	reserve £m	reserve £m	earnings £m	shareholders £m	interests £m	equity £m
At 1 July 2023 (as previously reported)	65.0	155.7	33.4	14.0	61.6	329.7	0.3	330.0
Impact of prior period error	-	-	-	-	(4.4)	(4.4)	-	(4.4)
At 1 July 2023 (as restated)	65.0	155.7	33.4	14.0	57.2	325.3	0.3	325.6
Comprehensive income:								
Profit (loss) for the period	-	-	-	-	9.0	9.0	(0.2)	8.8
Other comprehensive income:								
Exchange adjustments net of tax	-	-	-	0.3	-	0.3	-	0.3
Total comprehensive profit (loss) for the period	-	-	-	0.3	9.0	9.3	(0.2)	9.1
Transactions with owners:								
Credit in respect of employee share schemes including tax	-	-	-	-	0.6	0.6	**-**	0.6
At 31 December 2023	65.0	155.7	33.4	14.3	66.8	335.2	0.1	335.3

Condensed Consolidated Cash Flow Statement

for the six months ended 31 December 2024

	Note	**Six months ended 31 December 2024 (unaudited) £m**	Six months ended 31 December 2023 (unaudited and restated) £m
Cash flows from operating activities			
Cash generated from operations	11	**52.7**	58.9
Interest received		**0.5**	0.5
Interest paid		**(2.4)**	(2.1)
Tax paid		**(0.3)**	4.5
Net cash from operating activities		**50.5**	61.8
Cash flows from investing activities			
Purchase of intangible assets		**(4.8)**	(7.9)
Purchase of property, plant and equipment		**(22.5)**	(11.4)
Proceeds on sale of business		**3.0**	-
Net cash used in investing activities		**(24.3)**	(19.3)
Cash flows from financing activities			
Dividends paid to equity holders	6	**(4.0)**	-
Repayment of revolving credit facilities		**(60.5)**	(52.0)
Drawdown of revolving credit facilities		**63.0**	88.0
Lease principal and interest payments		**(18.9)**	(18.8)
Repayment of term loans		**-**	(44.4)
Net cash used in financing activities		**(20.4)**	(27.2)
Net increase in cash, cash equivalents and bank overdrafts		**5.8**	**15.3**
Effect of exchange rate changes		**-**	(0.2)
Cash and cash equivalents at start of period[1]		**62.4**	56.5
Cash and cash equivalents at end of period[1]		**68.2**	71.6

1. General information, basis of preparation and accounting policies

General information

The Rank Group Plc ('the Company') and its subsidiaries (together 'the Group') operate gaming services in Great Britain (including the Channel Islands) and Spain.

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

This condensed consolidated interim financial information was approved for issue on 29 January 2025.

This condensed consolidated interim financial information does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the 12-month period ended 30 June 2024 were approved by the Board of Directors on 14 August 2024 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement made under Section 498 of the Companies Act 2006.

This condensed consolidated interim financial information has been reviewed but not audited.

Basis of preparation

This condensed consolidated interim financial information for the six months ended 31 December 2024 has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and with UK-adopted International Accounting Standards (IAS 34) 'Interim Financial Reporting'. The condensed consolidated interim financial information should be read in conjunction with the financial statements for the 12-month period ended 30 June 2024, which have been prepared in accordance with UK-adopted International Accounting Standards.

Going concern

Assessment

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, including the latest forecast for 2024/25 ('the Base case') and long range forecast approved by the Board, and recent trading performance, and have reviewed the Group's projected compliance with its banking covenants and access to funding options for the 12 months ending 31 January 2026 for the going concern period.

The Directors have reviewed and challenged management's assumptions for the Group's Base case view for the going concern period. Key considerations are the assumptions on the levels of customer visits and their average spend in the venues-based businesses, and the number of first time and returning depositors in the digital businesses, and the average level of spend per visit for each. The Base case view contains certain discretionary costs within management control that could be reduced in the event of a revenue downturn. These include reductions to overheads, reduction to marketing costs, reductions to the venues' operating costs and reductions to capital expenditure.

The committed financing position in the Base case within the going concern assessment period is that the Group have access to the following newly extended committed facilities, which were executed in January 2025:

- Revolving credit facilities ("RCF") of £90.0m, repayable as £15.0m in January 2027 and £75.0m in January 2028.
- Term loan of £30m with repayment of £5m in October 2026 and £25m in October 2027

In undertaking their assessment, the Directors also reviewed compliance with the banking covenants ("Covenants") which are tested bi-annually at June and December. The Group expects to meet the Covenants throughout the going concern period and at the test dates, being June 2025 and December 2025, and have sufficient cash available to meet its liabilities as they fall due.

Sensitivity Analysis

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

The two downside scenarios modelled are:

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

(ii) a reverse stress test, revenues in Grosvenor fall by 23.5% and revenues in Rank Interactive fall by 15% in the next half year and 28% and 21.6% respectively thereafter, with management taking actions as for scenario (i) but with further mitigating actions on employment costs and marketing costs.

Going concern (continued)

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

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 January 2026.

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 January 2026. In making such statement, the Directors highlight forecasting accuracy in relation to the level of trading performance achieved, as the key sensitivity in the approved Base case.

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

In each of the downside scenarios, the Group will generate sufficient cash to meet its liabilities as they fall due and will meet its covenant requirements for the period to 31 January 2026 with scenarios i) and ii) requiring the implementation and execution of mitigating cost actions within the control of management.

Accounting policies

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

The accounting policies and methods of computation adopted in the condensed consolidated interim financial information are consistent with those followed in the Group's financial statements for the year ended 30 June 2024 except for the change set out below.

There is one new amended standard or interpretations that became effective in the period from 1 January 2024 which have had a material impact upon the values or disclosures in the condensed consolidated interim financial information. This relates to the classification of loans as current or non-current (IAS 1) as a result of the amendments issued in IAS 1 which has led to a prior year adjustment for the period ended 30 June 2024. See below for further details.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Separately disclosed items (SDI)

The Group incurs costs and earns income that is non-recurring in nature or that, in the Directors' judgement, need to be disclosed separately by virtue of their size and incidence in order for users of the condensed consolidated interim financial information to obtain a proper understanding of the financial information and the underlying performance of the business. These items 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;
- Discontinued operations;
- Significant, material proceeds from tax appeals;
- General dilapidations provision interest unwinding;
- General dilapidation asset depreciation;
- The tax impact of all the above.

Determining whether an item is part of specific adjusting items requires judgement to determine the nature and the intention of the transaction.

Estimates and judgements

In preparing this condensed consolidated financial information, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense, including inflationary cost pressures impacting the cost of living and customer sentiment and behaviour. Actual results may differ from these estimates. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 30 June 2024 including the additional significant estimates for the interim period ending 31 December 2024.

Dilapidations provision

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

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

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

Prior period restatement

These consolidated interim financial statements include a prior period restatement in relation to the presentation and classification of the RCF facility in accordance with IAS 1 amendments. This saw the RCF facility reclassified from current liabilities to non-current. The adjustment reduces current liabilities by £11.5m and increases non-current liabilities by £11.5m as at 30 June 2024.

In addition to the above, the consolidated statement of cash flow includes a prior year restatement in relation to leases. During the period, the Group identified that the lease principal payments incorrectly included £2.5m of property-related VAT and £1.6m of property service charges. Cash flows from lease-related VAT and property service charges should have been disclosed within cash flows from operating activities. This restatement results in a reduction of £4.1m in both net cash generated from operating activities and net cash used in financing activities in the cash flow statement for six months ended 31 December 2023. As discussed in the 2024 Annual Report, the restatement was identified following a review of the 2023 Annual Report by the Financial Reporting Council.

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

Balance Sheet
At 30 June 2024

	As previously reported	Adjustment	Audited and restated
	£m	£m	£m
Current liabilities			
Financial liabilities - loans and borrowings	(14.8)	11.5	(3.3)
Non-current liabilities			
Financial liabilities - loans and borrowings	(29.1)	(11.5)	(40.6)
Total liabilities	(393.5)	-	(393.5)
Net assets	**339.0**	**-**	**339.0**
Equity			
Total shareholders' equity	**339.0**	**-**	**339.0**

Cash Flow Statement
for the six months ended 31 December 2023

	As previously reported	Adjustment and	Unaudited restated
	£m	£m	£m
Cash generated from operations	63.0	(4.1)	58.9
Net cash generated from operating activities	65.9	(4.1)	61.8
Net cash used in investing activities	(19.3)	-	(19.3)
Net cash used from financing activities	(31.3)	4.1	(27.2)
Net increase in cash and bank overdrafts	15.3	-	15.3
Cash and cash equivalents at start of period	56.5	-	56.5
Effect of exchange rate changes	(0.2)	-	(0.2)
Cash and cash equivalents at end of period	**71.6**	**-**	**71.6**

2 Segment information

	Six months ended 31 December 2024 (unaudited)					
	Digital	Grosvenor Venues	Mecca Venues	International Venues	Corporate Costs	Total
	£m	£m	£m	£m	£m	£m
Segment revenue	**120.2**	**192.8**	**68.6**	**20.2**	**-**	**401.8**
Operating profit (loss)	**14.2**	**20.6**	**0.3**	**5.4**	**(7.6)**	**32.9**

	Digital	Grosvenor Venues	Mecca Venues	International Venues	Corporate Costs	Total
Separately disclosed items	**5.0**	**(0.8)**	**3.2**	**-**	**(0.1)**	**7.3**
Segment result	**19.2**	**19.8**	**3.5**	**5.4**	**(7.7)**	**40.2**
Finance costs						**(5.4)**
Finance income						**0.6**
Other financial losses						**(0.7)**
Profit before taxation						**34.7**
Taxation						**(5.8)**
Profit for the period from continuing operations						**28.9**

	Six months ended 31 December 2023 (unaudited)					
	Digital £m	Grosvenor Venues £m	Mecca Venues £m	International Venues £m	Corporate Costs £m	Total £m
Segment revenue	108.4	167.5	67.2	19.5	-	362.6
Operating profit (loss)	10.1	14.0	-	5.0	(7.5)	21.6
Separately disclosed items	(3.8)	(0.3)	(1.0)	-	(0.3)	(5.4)
Segment result	6.3	13.7	(1.0)	5.0	(7.8)	16.2
Finance costs						(5.9)
Finance income						0.4
Other financial losses						(0.3)
Profit before taxation						10.4
Taxation						(1.6)
Profit for the period from continuing operations						8.8

2 Segment information (continued)

	Six months ended 31 December 2024 (unaudited)					
	Digital £m	**Grosvenor Venues £m**	**Mecca Venues £m**	**International Venues £m**	**Corporate costs £m**	**Total £m**
Employment and related costs	**17.6**	**78.7**	**24.7**	**9.0**	**3.6**	**133.6**
Taxes and duties	**26.5**	**40.8**	**12.8**	**1.0**	**1.1**	**82.2**
Direct costs	**31.4**	**16.0**	**11.4**	**2.5**	**-**	**61.3**
Property costs	**0.1**	**5.3**	**1.9**	**0.3**	**0.2**	**7.8**
Marketing	**20.0**	**4.2**	**3.1**	**1.1**	**-**	**28.4**
Depreciation and amortisation	**6.5**	**13.5**	**3.9**	**0.8**	**0.7**	**25.4**
Other	**3.9**	**13.7**	**10.5**	**0.1**	**2.0**	**30.2**
Total costs before separately disclosed items	**106.0**	**172.2**	**68.3**	**14.8**	**7.6**	**368.9**
Cost of sales						**229.1**
Operating costs						**139.8**
Total costs before separately disclosed items						**368.9**

	Six months ended 31 December 2023 (unaudited)					
	Digital £m	Grosvenor Venues £m	Mecca Venues £m	International Venues £m	Corporate costs £m	Total £m
Employment and related costs	16.5	67.9	22.7	9.4	3.4	119.9
Taxes and duties	24.4	35.1	12.3	1.0	1.8	74.6
Direct costs	26.4	15.2	10.6	1.7	-	53.9
Property costs	0.3	5.2	2.3	0.3	0.1	8.2
Marketing	19.3	4.1	2.3	1.4	-	27.1
Depreciation and amortisation	7.1	11.9	2.7	0.7	1.5	23.9
Other	4.3	14.1	14.3	-	0.7	33.4
Total costs before separately disclosed items	98.3	153.5	67.2	14.5	7.5	341.0
Cost of sales						208.3
Operating costs						132.7
Total costs before separately disclosed items						341.0

3 Separately disclosed items

	Six months ended 31 December 2024 (unaudited) £m	Six months ended 31 December 2023 (unaudited) £m

	£m	£m
Separately disclosed items		
Amortisation of acquired intangible assets	**(1.9)**	(3.2)
Closure of venues	**2.3**	(0.1)
Property related provisions	**(0.2)**	(1.6)
Gain on disposal of subsidiary (note 8)	**6.6**	-
VAT refund from HMRC (in relation to a disposed business)	**0.5**	-
Impairment of assets held for sale	**-**	(0.5)
Impact on operating profit	**7.3**	(5.4)
Interest	**(0.4)**	(0.5)
Taxation (note 5)	**(0.3)**	1.2
Total separately disclosed items	**6.6**	**(4.7)**

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 £1.9m (2023: 3.2m) relating to the acquired intangible assets of Stride and YoBingo.

Closure of venues

During the period, the Group has surrendered six leases in Mecca for closed sites, resulting in a lease liability write-off of £2.7m. There were no corresponding lease assets outstanding at the time of the write-off, due to historical impairments.

The group also recognised £0.4m of closure costs, related to a number of Mecca venues and additional incidental closure costs that could not be provided for at the year-end. Upon initial recognition of closure provisions, management uses its best estimates of the expected relevant costs to be incurred, as well as expected closure dates. These estimates are reviewed periodically to ensure they remain reasonable. In the prior period, the Group closure cost was £0.1m.

These are material, unrelated to the underlying trading activities of the Group and is considered non-recurring. Accordingly, they have been classified as an SDI.

Property related provisions

The Group recognised a dilapidation liability (and corresponding dilapidation asset) of £28.7m during the period ended 31 December 2022. As a result, the Group have recognised dilapidation asset depreciation of £0.9m (2023: £0.7m) and interest on dilapidation liability of £0.4m (2023: £0.5m) both recognised as separately disclosed items. Concurrently, the Group released £0.6m from specific dilapidation provision and £0.2m general dilapidation provision for a number of Mecca venues.

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.

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

Gain on disposal of subsidiary

During the period, the Group disposed its non-proprietary business to a third-party and generated a profit of £6.6m. This includes a total sales consideration of £6.9m, comprising £3.0m in cash consideration and the present value of an agreed £4.5m deferred consideration, valued at £3.9m. This is partially offset by £0.3m for assets held for sale. See note 8.

VAT refund from HMRC (in relation to a disposed business)

During the period, the Group received a refund of £0.5m related to historical VAT overpayments related to a disposed business of the Group.

The refund relates to a historical matter outside the Group's ongoing operations and therefore it has been classified as an SDI.

3 Separately disclosed items (continued)

Impairment of assets held for sale

An impairment loss of £0.5m arose on the reclassification of the Passion Gaming disposal group to "held for sale" as of 31 December 2023, where the fair value less cost to sell was lower than the carrying amount. This loss, which includes expected transaction and completion costs, has been classified as a separately disclosed item SDI due to its connection to the ongoing disposal of the business, representing a non-recurring event outside the Group's regular operational activities. This was then disposed of in June 2024 and thus does not appear on the Balance Sheet as at 30 June 2024.

4 Financing

	Six months ended 31 December 2024 (unaudited) £m	Six months ended 31 December 2023 (unaudited) £m
Finance costs:		
Interest on debt and borrowings	**(2.1)**	(2.2)
Amortisation of issue costs on borrowings	**(0.3)**	(0.9)
Interest payable on leases	**(3.0)**	(2.8)
Total finance costs	**(5.4)**	(5.9)
Finance income:		
Interest income on short-term bank deposits	**0.6**	0.4
Finance income	**0.6**	0.4

Other financial (losses) gains	**(0.3)**	0.2
Total net financing charge before separately disclosed items	**(5.1)**	(5.3)
Separately disclosed items - interest	**(0.4)**	(0.5)
Total net financing charge	**(5.5)**	**(5.8)**

5 Taxation

Income tax is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial period.

	Six months ended 31 December 2024 (unaudited)	Six months ended 31 December 2023 (unaudited)
	£m	£m
Current income tax		
Current income tax - overseas	**(2.1)**	(1.5)
Total current income tax charge	**(2.1)**	(1.5)
Deferred tax		
Deferred tax - UK	**(2.3)**	(1.1)
Deferred tax - overseas	**(1.1)**	(0.6)
Deferred tax on separately disclosed items	**(0.3)**	1.2
Amounts over provided in previous year	**-**	0.4
Total deferred tax charge	**(3.7)**	(0.1)
Tax charge in the income statement	**(5.8)**	(1.6)

The tax effect of items within other comprehensive income was as follows:

	Six months ended 31 December 2024 (unaudited)	Six months ended 31 December 2023 (unaudited)
	£m	£m
Current tax credit on exchange movements offset in reserves	**-**	0.1
Deferred tax charge on exchange movements offset in reserves	**(0.3)**	**-**
Total tax (charge) credit on items within other comprehensive income	**(0.3)**	0.1

The credit in respect of employee share schemes included within the Statement of Changes in Equity includes a deferred tax credit of £0.1m (six months to 31 December 2023: £nil).

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

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

5 Taxation (continued)

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

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

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

Deferred tax

At 31 December 2024, there is a net deferred tax asset of £3.8m in respect of the UK. Deferred tax assets are recognised on tax losses to the extent that it is probable that future taxable profits will be available against which they can be used.

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. In assessing the probability of recovery, the Directors have reviewed the Group's 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 Strategic Plan, the deferred tax recognised on tax losses is expected to be recovered by 2029 even if the impact of future taxable profit from the reversal of taxable temporary differences is ignored.

6 Dividends

	Six months ended 31 December 2024 (unaudited)	6 months ended 31December 2023 (unaudited)
	£m	£m
Dividends paid to equity holders		
Final dividend for 2023/24 paid on 25 October 2024 - 0.85p per share	**4.0**	-
Total	**4.0**	-

The Board has declared an Interim dividend of 0.65p per share. The dividend will be paid on 13 March 2025 to shareholders on the register as at 14 February 2025. The financial information does not reflect this dividend.

7 Underlying earnings per share

	Six months ended 31 December 2024 (unaudited)	Six months ended 31 December 2023 (unaudited)
	£m	£m
Profit attributable to equity shareholders	**28.9**	9.0
Adjusted for:		
Separately disclosed items (after tax)	**(6.6)**	4.5
Underlying earnings attributable to equity shareholders	**22.3**	13.5
Continuing operations	22.3	13.5
Weighted average number of ordinary shares in issue	**468.4m**	468.4m
Underlying earnings per share (p) - basic	**4.8p**	2.9p
Continuing operations	4.8p	2.9p
Underlying earnings per share (p) - diluted	**4.8p**	2.9p
Continuing operations	4.8p	2.9p

8 Profit on disposal of the non-proprietary ('multi-brand') business

The Group completed the sale of the Digital non-proprietary business to Broadway Gaming UK Limited on 18 December 2024.

The major classes of assets and liabilities disposed relating to the non-proprietary business was as follows:

	Six months ended 31 December 2024 (unaudited)
	£m
Intangible fixed assets	(0.3)
Total assets	**(0.3)**

Trade and other payables	-
Total liabilities	**-**
Net assets disposed	**(0.3)**
Consideration received	6.9
Disposal costs and completion adjustments	-
Separately disclosed items - profit on disposal	**6.6**

Total gross consideration due of £7.5m comprised £3.0m in cash on completion and £4.5m of deferred consideration discounted to £3.9m. The deferred consideration will be settled on a Revenue Share basis phased over the course of 39 months, subject to a minimum of £0.1m per month over 45 months, as per the terms agreed. A discount rate of 10.05% was used to calculate the present value. The total profit on disposal in separately disclosed items is £6.6m (see note 3).

9 Provisions

	Property lease provisions £m	**Disposal provisions £m**	**Pay provisions £m**	**Total £m**
At 1 July 2024 (audited)	**36.5**	**0.2**	**0.1**	**36.8**
Created	0.1	-	0.4	0.5
Charge to the income statement - SDI	0.4	-	-	0.4
Release to the income statement - SDI	(0.8)	-	-	(0.8)
Utilised in period	(2.1)	-	-	(2.1)
At 31 December 2024 (unaudited)	**34.1**	**0.2**	**0.5**	**34.8**
Current	**0.9**	**0.2**	**-**	**1.1**
Non-current	**33.2**	-	**0.5**	**33.7**
At 31 December 2024 (unaudited)	**34.1**	**0.2**	**0.5**	**34.8**

Provisions have been determined 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 31 December 2024, property related provision includes £32.3m (2024: £34.0m) provision for dilapidations and £1.8m (2024: £2.5m) onerous contracts provision.

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

Where the Group is able to exit lease contracts before the expiry date or agree sublets, this results in the release of any associated property provisions. Such events are subject to the agreement of the landlord, therefore the Group makes no assumptions on the ability to either exit or sublet a property until a position is contractually agreed.

Disposal provisions

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

During the prior period, the Group re-considered this provision by reviewing the historic claims and any final settlements made. The nature and timing of any personal injury claims is uncertain and therefore, in most cases, the payment could not be determined as probable. It was therefore determined necessary to release the majority of the provision and recognise the possible settlement of legacy industrial disease and personal injury claims as a contingent liability (see note 12).

Pay provisions

During the period, the Group recognised an additional provision of £0.4m relating to a compliance audit.

The opening balance provision of £0.1m, relates to the historical remaining settlements associated with NMW regulations.

10 Borrowings to net debt reconciliation

	As at 31 December 2024 (unaudited) £m	As at 31 December 2023 (unaudited) £m

Total loans and borrowings	**(47.3)**	(54.4)
Adjusted for:		
Accrued interest	**0.3**	0.4
Unamortised facility fees	**(1.4)**	-
	(48.4)	(54.0)
Cash and short-term deposits from operations	**72.6**[1]	69.7
Cash and short-term deposits from assets held for sale	**-**	1.9
Net cash excluding IFRS16 lease liabilities	**24.2**	17.6
IFRS 16 Lease liabilities	**(136.0)**	(162.3)
Net debt	**(111.8)**	(144.7)

[1] Excludes overdraft of £4.4m

11 Cash generated from operations

	Six months ended 31 December 2024 (unaudited) £m	Six months ended 31 December 2023 (unaudited and restated) £m
Profit for the year	**28.9**	8.8
Adjustment for		
Depreciation and amortisation	**25.4**	23.9
Amortisation of arrangement fees	**0.3**	0.9
Share-based payments	**1.0**	0.5
Underlying net financing charge	**4.8**	5.3
Income tax charge	**5.5**	2.8
Gain on lease surrender	**(0.6)**	-
Separately disclosed items	**(6.6)**	4.8
	58.7	47.0
Increase in inventories	**(0.2)**	(0.2)
(Increase) decrease in other receivables	**(3.1)**	8.2
(Decrease) increase in trade and other payables	**(1.0)**	7.0
	54.4	62.0
Cash utilisation of provisions	**(2.0)**	(2.3)
Receipt (payments) in respect of separately disclosed items	**0.3**	(0.8)
Cash generated from operations	**52.7**	58.9

12 Contingent liabilities

Property arrangements

The Group had certain property arrangements under which rental payments revert to the Group in the event of a default by the third party. It is not considered probable that the third party will default. As such no provision has been recognised. At 31 December 2024, the maximum obligation for the Group is £0.4m on a discounted basis.

Legal and regulatory landscape

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

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

There are currently no additional regulatory reviews that would suggest that Rank has a financial exposure.

Disposal claims

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

Contingent consideration

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

The contingent consideration will be equivalent to a percentage of the net gaming revenue generated from the acquired customer database, until Aspers Group launches a competing online operation or until a £2m brand fee is reached. A present value of £0.8m was recognised on 30 June 2022.

The Group has settled £0.6m of the contingent consideration up to date, leaving a balance of £0.2m. This balance is deemed sufficient to cover payments until the end of financial year 2026.

13 Related party transactions and ultimate parent undertaking

Guoco Group Limited (Guoco), a company incorporated in Bermuda, and listed on the Hong Kong stock exchange has a controlling interest

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 31 December 2024, entities controlled by GuoLine owned 60.3% (30 June 2024: 60.3%) of the Company's shares, including 56.2% (30 June 2024: 56.2%) through Guoco's wholly-owned subsidiary, Rank Assets Limited, the Company's immediate parent undertaking.

14 Post balance sheet events

On 9 January 2025, the Group extended £100.0m of its £120.0m committed facilities for a further 12 months. This results to amends the Group's current Revolving Credit Facility ('RCF') totalling to £90.0m, of which £15.0m is being repayable in January 2027 and the remaining £75.0m now in January 2028. Additionally, the Group holds a £30.0m term loan in which £5.0m is repayable in October 2026 and the remaining £25.0m now in October 2027.

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