Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

OVERSEAS REGULATORY ANNOUNCEMENT

(This overseas regulatory announcement is issued pursuant to Rule 13.10(B) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.)

Please refer to the attached announcement on the next page.

As at the date of this announcement, the board of directors of Guoco Group Limited comprises Mr. KWEK Leng Hai as Executive Chairman; Mr. CHEW Seong Aun as Executive Director; Mr. KWEK Leng San as Non-executive Director; Mr. David M. NORMAN, Mr. Lester G. HUANG, SBS, JP and Mr. Paul J. BROUGH as Independent Non-executive Directors.

News release

LEI: 213800TXKD6XZWOFTE12

1 February 2024

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

Interim results for the six months ended 31 December 2023

Revenue and profit growth across all businesses

Rank (LSE: RNK) is pleased to announce its interim results for the six months ended 31 December 2023.

Overview

- Like-for-like ('LFL') Net Gaming Revenue ('NGR') in H1 grew 9% year-on-year with all businesses in growth.
- LFL underlying operating profit increased to £21.7m (H1 2022/23: £2.7m), reflecting both the growth in NGR and the operating leverage of the Group.
- High wage inflation of 8% (£8.3m higher LFL employment cost in H1) was largely offset by declining energy prices (£5.4m LFL saving on the prior period).
- £120m of new debt facilities agreed in January 2024, comprising £30m Term Loan to October 2026 and £90m Revolving Credit Facility to January 2027.
- The Group's strong financial position is enabling ongoing investment in our venues and digital businesses and positions the Group to take full advantage of any future improvement in the macro-economic climate and the planned and much needed reforms in the UK Government's review of gambling legislation.
- Our UK facing casino, bingo and digital businesses successfully completed Gambling Commission compliance assessments in calendar year 2023. The UK digital business also successfully concluded a Gibraltar Commissioner assessment during the period.
- The Group's ESG strategy continues to make good progress, with the Net Zero plan significantly contributing to reduced energy usage in the period and further improvement in colleague engagement scores.
- Good performance during the Christmas and New Year trading period.
- Full year underlying LFL operating profit expected to be in line with our expectations.

Financial highlights

		H1 2023/24	H1 2022/23	Change
Financial KPIs	Group underlying LFL net gaming revenue (NGR)[1]	**£362.6m**	£332.6m	9%
	Venues underlying LFL NGR[1]	**£254.2m**	£231.8m	10%

	Digital underlying LFL NGR[1]	**£108.4m**	£100.8m	8%
	Underlying LFL operating profit[1,2]	**£21.7m**	£2.7m[3]	-
	Net cash pre IFRS 16	**£17.6m**	£6.5m[3]	-
	Underlying earnings / (loss) per share[2]	**2.9p**	(1.2)p[3]	-

		H1 2023/24	H1 2022/23	Change
Statutory performance	Reported NGR	**£362.6m**	£338.9m	7%
	Group operating profit / (loss)	**£16.2m**	£(103.0)m[3]	-
	Profit / (loss) before taxation	**£10.4m**	£(109.1)m[3]	-
	Profit / (loss) after taxation	**£8.8m**	£(102.9)m[3]	-
	Net free cash flow	**£23.5m**	£(5.7)m	-
	Net (debt)	**£(144.7)m**	£(162.7)m[3]	(11)%
	Basic earnings / (loss) per share	**1.9p**	(22.0)p[3]	-
	Dividend per share	**-**	-	-

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

- LFL underlying operating profit of £21.7m, up from £2.7m[3] in H1 2022/23 and £17.5m[3] in H2 2022/23.
- Statutory Group operating profit of £16.2m compared to an operating loss of £103.0m in H1 2022/23.
- Net cash pre IFRS 16 at 31 December 2023 was £17.6m.

Operational highlights

- Grosvenor venues LFL NGR grew 10% in H1 compared to the prior year as the business continued to improve the quality of its implementation of safer gambling measures and upgraded products and facilities.
- Grosvenor venues customer visits grew 8% with spend per customer visit up 2%. Active customers grew 2%.
- Mecca venues LFL NGR grew 9% on the prior year with spend per visit up 7% on visits up 2%. Active customers increased by 2%. Mecca's revenue and profitability continued to benefit from the active management of the estate with one additional closure in H1, taking the estate to 55 venues.
- Enracha venues grew LFL NGR 10% in the period with customer visit volumes up 9% and active customers growing by 9%. Spend per visit grew by 1%.
- Digital NGR grew by 8% with strong growth in Grosvenor and Mecca cross-channel customer revenues and in the Yo brand in Spain.
- The Spanish facing Yo and Enracha digital brands were successfully relocated to Ceuta in December 2023.
- The Group has continued to position itself for the UK Government's planned reforms in gambling legislation which are expected to be implemented during 2024.
- Strong three-year revenue growth and cost efficiency initiatives are in place across Rank to drive the continued transformation of the Group.

Current trading and outlook

The venues and digital businesses experienced a busy trading period through the Christmas and New Year holiday season with trading normalising throughout the rest of January.

Whilst it remains a challenging economic environment, we are positive about the future and expect LFL operating profit for the year ending 30 June 2024 to be in line with our expectations.

Dividend

The Board has not proposed an interim dividend but expects to recommence dividend payments as soon as circumstances permit.

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

"After what has been a very challenging few years for Rank due to a wide range of external macro factors, we are starting to build revenues and, with our strong operational leverage, we are improving our profitability, with the Group delivering revenue and operating profit growth across all businesses.

We are well positioned to optimise the opportunities afforded by the UK Government's planned land-based regulatory reforms which will hopefully be implemented through the passing of secondary legislation in the summer of 2024. These reforms cannot come soon enough in enabling us to modernise our proposition to better meet our customers' expectations.

We are making good progress with the strong pipeline of development initiatives in both our UK and Spanish digital brands to accelerate revenue and profit growth. Whilst we expect UK digital growth to be offset in the short term by the impact of new maximum online slot stakes and the impact of the statutory levy in the UK, we are confident in the opportunities of delivering a market leading cross channel experience for our Grosvenor and Mecca customers. We are also excited to grow our digital business in selected new markets, commencing later this calendar year with the launch of the YoBingo brand in Portugal.

I would like to express my considerable thanks to my colleagues across the Group who continue to excite, entertain and protect our customers, provide support to their local communities and contribute significantly to the progress we are making in the transformation of the Group. "

Definition of terms:

- Net gaming revenue ('NGR') is revenue less customer incentives;
- Underlying measures exclude the impact of amortisation of acquired intangibles; profit or loss on disposal of businesses; acquisition and disposal costs including changes to deferred or contingent consideration; impairment charges; reversal of impairment charges; restructuring costs as part of an announced programme; retranslation and remeasurement of foreign currency contingent consideration; discontinued operations, significant material proceeds from tax appeals and the tax impact of these, should they occur in the period. Collectively these items are referred to as separately disclosed items ('SDIs');
- EBIT is operating profit before SDIs;
- Underlying earnings per share is calculated by adjusting profit attributable to equity shareholders to exclude SDIs;
- 'H1 2023/24' refers to the six-month period to 31 December 2023 and 'H1 2022/23' refers to the six-month period to 31 December 2022;
- Like-for-like ('LFL') measures have been disclosed in this report to show the impact of club openings, closures, acquired businesses, foreign exchange movements and discontinued operations;
- Prior year LFL measures are amended to show an appropriate comparative for the impact of club openings, disposals, closures acquired businesses, foreign exchange movements and discontinued operations;
- The Group results make reference to 'underlying' results alongside our statutory results, which we believe will be more useful to readers as we manage our business using these adjusted measures. The directors believe that SDIs impair visibility of the underlying performance of the Group's business because these items are often material, non-recurring and do not relate to the underlying trading performance. Accordingly, these are excluded from our non-GAAP measurement of revenue, EBITDA, operating profit, profit before tax and underlying EPS. Underlying measures are the same as those used for internal reports. Please refer to APMs for further details; and
- Venues includes Grosvenor venues, Mecca venues and Enracha venues.

Enquiries

The Rank Group Plc

Sarah Powell, director of investor relations and communications (investor enquiries)	Tel: 01628 504 303
David Williams, director of public affairs (media enquiries)	Tel: 01628 504 295

FTI Consulting LLP

Ed Bridges	Tel: 020 3727 1067
Alex Beagley	Tel: 020 3727 1045

Photographs available from www.rank.com

Analyst meeting and webcast details:
Thursday 1 February 2024
There will be an analyst meeting at 9.30am, admittance to which is by invitation only. There will also be a simultaneous webcast of the meeting.

For the live webcast, please register at www.rank.com or on https://brrmedia.news/RNKIR2324. A replay of the webcast and a copy of the slide presentation will be made available on the website later. The webcast will be available for a period of six months.

Forward-looking statements

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

Business review

The six months to 31 December 2023 saw good revenue and profit growth across all of the Group's business units. In the UK, both Grosvenor and Mecca venues saw accelerated revenue growth with profit conversion benefitting from the high operating leverage and the year-on-year decline in energy prices, albeit attenuated by rising employment costs. In Spain, Enracha venues continues to trade very strongly with revenues above pre-pandemic levels. In Digital, the continued growth in revenue is driving much stronger profitability and, despite the impact of the upcoming regulatory changes, we anticipate further margin improvements in the medium term.

At Group level, underlying LFL NGR of £362.6m was up 9% against the prior year. All businesses were in LFL revenue growth year-on-year with Grosvenor venues +10%, Mecca venues +9%, Enracha venues +10% and Digital +8%.

Group underlying LFL operating profit of £21.7m compared with just £2.7m[1] in the first half of 2022/23 and £17.5m[1] in the second half, reflecting the continued improvement in revenues and the significantly reduced energy costs offsetting the impact of higher employment costs. The Group's LFL energy costs in H1 were £8.6m compared with £14.0m in the first half of 2022/23. LFL employment costs rose from £106.6m in H1 2022/23 to £114.9m in the first half of 2023/24. Total energy costs are expected to be c.£18.5m for the full year (£28.6m in 2022/23) with total employment costs expected to be up 7%.

With trading performance in line with expectations, no impairment charges or reversals were recognised in the half, compared with £95.4m of net impairment charges and reversals in the prior period.

NGR / £m	**H1 2023/24**	**H1 2022/23**	**Change**
Grosvenor venues	167.5	152.1	10%
Mecca venues	67.2	61.9	9%
Enracha venues	19.5	17.8	10%
Digital	108.4	100.8	8%
Underlying LFL[2] Group	**362.6**	**332.6**	9%
Impact of venues openings, closures and FX[3]	-	6.3	-
Underlying Group	**362.6**	**338.9**	7%
Operating profit / £m	**H1 2023/24**	**H1 2022/23**	**Change**
Grosvenor venues	14.0	4.7	198%
Mecca venues	0.1	(4.8)	-
Enracha venues	5.0	3.9	28%
Digital	10.1	5.4[1]	87%
Central costs	(7.5)	(6.5)	15%
Underlying[4] LFL[2] Group	**21.7**	**2.7[1]**	**-**
Impact of venues openings, closures, and FX[3]	(0.1)	(1.5)	-
Total Group	**21.6**	**1.2[1]**	**-**

1. Restated, refer to CFO review for further details.
2. 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.
3. A full analysis of these adjustments can be found in the Alternative Performance Measures ('APM') section.
4. Before the impact of separately disclosed items.

Grosvenor venues

Key financial performance indicators:

	H1 2023/24 £m	H1 2022/23 £m	Change
LFL[1] NGR	167.5	152.1	10%
London	56.4	52.4	8%
Rest of the UK	111.1	99.7	11%
Total NGR	167.5	153.4	9%
Underlying[2] LFL[1] operating profit	14.0	4.7	198%
Total profit / (loss)	13.7	(42.4)	-

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

Grosvenor venues' LFL NGR grew 10% versus the first half of 2022/23 to £167.5m. Compared with the second half of 2022/23 the growth was also 10%. Trading continues to slowly improve in line with the continued enhancements to customer risk management practices and investment in our colleagues, our products and our facilities. Visit volumes grew 8% on the same period last year, with spend per visit up 2%. The slow growth in spend per visit reflects the decline in high-net-worth tourists visiting the UK. This is partly driven by the absence of tax-free shopping post-Brexit and the lack of credit facilities available in other jurisdictions.

Average NGR per week in the period was £6.4m which compares with £5.8m in 2022/23. Our expectation is that revenues can at least reach £7.0m per week, excluding the impact of the Gambling Act Review, through continued improvements in customer risk management supported by technology and the skills of our venue management teams and with further improvements to products and facilities.

At a product level, Grosvenor continues to see good growth in electronic gaming with electronic roulette NGR growing 13% and gaming machine revenues growing 16% in the period. Table gaming revenues grew 7%. The growth in electronic gaming serves to further highlight the critical importance of being able to better meet the needs of today's customers through stronger supply and more choice of content through the proposed UK legislative changes.

The largely fixed and semi-fixed cost base of the Grosvenor business delivers high operating leverage as revenues grow. Underlying LFL operating profit nearly trebled from £4.7m in the first half of last year to £14.0m this year. Energy costs declined £2.4m, whilst employment costs were up £5.4m. At a statutory level, operating profit improved from a loss of £42.4m in the first half of 2022/23 to a profit of £13.7m this half. There were no impairment charges in the period, compared to net impairment charges of £43.1m in the same period last year, reflecting the continued improvements in the trading performance of the Grosvenor business.

The Group has continued to invest in the Grosvenor business to further improve the quality of the customer proposition and to prepare the estate for the implementation of the UK Government's policy proposals for casinos which it expects to implement this year. The material legislative changes are an increase in the number of gaming machines to up to 80 per casino (current restriction is just 20 machines per casino licence), and the introduction of sports betting and electronic payments for gaming within casinos. A detailed implementation plan has been developed with preparatory

investments planned for the enablement works across the estate commencing in the second half of this financial year.

£2.5m has been invested in property refurbishments and improvements in the period with major works completed at Grosvenor Northampton. £1.9m has been invested in product upgrades, notably new electronic gaming terminals, gaming machines, gaming tables and roulette wheels.

The current UK casino gaming machine market has two main suppliers, and we are seeking to extend the choice of machines and games available to UK consumers by broadening the supplier base. In recent months, Grosvenor has contracted with Aristocrat, the world's leading casino machine supplier, to introduce its machines and game packs to UK casino customers. The early results look very encouraging. Discussions are taking place with additional international gaming machine suppliers.

Mecca venues

Key financial performance indicators:

	H1 2023/24 £m	H1 2022/23 £m	Change
LFL[1] NGR	67.2	61.9	9%
Total NGR	67.2	67.0	0%
Underlying[2] LFL[1] operating profit / (loss)	0.1	(4.8)	-
Total (loss)	(1.0)	(61.8)	(98)%

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

The first half of 2023/24 has seen a continuation of the turnaround in performance of the Mecca business which got fully underway in 2022/23. The impact of the pandemic lockdowns resulted in a material step down in active customer numbers and visits across the UK land-based bingo sector. The industry emerged from the pandemic with excess supply and large numbers of loss-making venues. Bingo venues are important social amenities which play a key community role and the decision to permanently close is not taken lightly. Disappointingly, Mecca has been forced to closed 20 loss making venues since reopening to our customers in May 2021, with one further venue closing in the first half of 2023/24, reducing the estate to 55 venues. Two further closures are planned for the second half of the year.

The result of closures has been to migrate customers and bingo liquidity to stronger, more vibrant Mecca venues offering bigger prize boards at good value prices. Investment in this smaller estate includes improved gaming machine areas (eight Mecca venues completed in the period) and more modern and striking external presentation of the Mecca brand and offering (four Mecca venues completed in the period) has helped to further revitalise the business. £5.9m has been invested in developments and improvements in the first half of the year.

Mecca venues' LFL NGR grew 9% in the first half to £67.2m. LFL visit volumes grew 2% with active customers up 2% and spend per visit up 7% on the prior year.

LFL main stage bingo NGR grew 20% on the prior year, with LFL revenues now back in growth (+10%) compared with pre-pandemic 2019. Interval games grew 5% year on year with gaming machine revenues growing 9% on a like for like basis. Compared with 2019, LFL gaming machine revenues are flat, highlighting the vital importance of the UK Government's planned reform of the current 80/20 rule which requires at least 80% of gaming machines to be Category C machines with a maximum prize

of £100 and no more than 20% Category B3 machines which have a maximum prize of £500. Category B3 machines, which are typically more modern digital cabinets with stronger game packs and are popular with our customers, capture over 70% of machine play. A further consultation has been published by Government reviewing the relative merits of a two to one Category B3 to Category C machine ratio and a three to one ratio. Either would be beneficial changes, enabling bingo venues to better meet the needs of today's consumers.

With LFL NGR growing £5.3m in the first half, Mecca moved into an underlying LFL operating profit of £0.1m compared with a loss of £4.8m in the prior period. In terms of key costs within the business, LFL energy costs declined by £2.4m, with LFL employment costs increasing by £0.9m. With the positive momentum within the business, we expect Mecca to be profitable at the year end.

Enracha venues

Key financial performance indicators:

	H1 2023/24 £m	H1 2022/23 £m	Change
LFL[1] NGR	19.5	17.8	10%
Total NGR	19.5	17.7	10%
Underlying[2] LFL[1] operating profit	5.0	3.9	28%
Total profit	5.0	3.8	32%

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.

The Enracha estate of nine bingo, machine gaming and sports betting venues in Spain continued to perform strongly in the period with LFL NGR up 10% on the prior year to £19.5m. Visit volumes and active customers both increased 9%, with spend per visit up 1%.

Whilst customer visits remain behind pre-pandemic levels, LFL revenues in the period were up 21% on the same period in 2019.

Underlying LFL operating profit grew 28% to £5.0m.

Capital investment of £0.8m centred on the continued rollout of the Enracha customer loyalty card, a new CRM system to support customers within the loyalty programme and enhanced machine jackpot displays. A small refurbishment was concluded in Enracha Reus with two larger refurbishments planned for venues in Sabadell and Seville in the second half of the year.

Digital

Key financial performance indicators:

	H1 2023/24 £m	H1 2022/23 £m	Change
Total[1] NGR	108.4	100.8	8%
Mecca	39.8	36.0	11%
Grosvenor	33.5	27.8	21%
Other UK including Stride legacy brands	19.5	22.2	(12)%
Enracha/Yo	13.3	11.6	15%
Passion Gaming	2.3	3.2	(28)%

Underlying[2] LFL[1] operating profit	10.1	5.4[3]	87%
Total profit	6.3	0.7[3]	-

1. Digital NGR was not impacted by any LFL adjustments in the period.
2. Before the impact of separately disclosed items.
3. Restated, refer to CFO review for further details.

Good progress has continued in the development of the Group's digital business. LFL NGR grew 8% to £108.4m. The digital business delivered LFL operating profit of £10.1m, up 87% on the first half of 2022/23.

In the UK, digital NGR grew 8% to £92.8m with strong growth in Grosvenor (+21%) and Mecca (+11%) supported by the continued healthy growth levels seen in cross-channel customer revenues. Other UK facing brands, including the legacy Stride brands, saw revenues decline 12% with marketing investment levels reset to ensure effective returns.

As outlined in the November 2023 Capital Markets Day Event, the next phase of growth in the UK digital business is centred around four technology developments:

1. A single content management system, which will enable front end functionality and content to be built once and deployed across all of our UK facing brands, will be fully implemented by late summer 2024 with the Grosvenor and Mecca brands being deployed in Q3 and Q4 respectively. Once deployed across the legacy Stride brands, this will significantly improve the promotional content, functionality and capabilities of the customer offering;
2. We are well advanced with in housing the development of new apps with a new Grosvenor app expected to be ready for release in Q4. Currently, a relatively small proportion of our digital revenues is driven by our iOS and android apps, and we expect this to materially change with greater functionality and as we personalise the offering to better meet the needs of the cross-channel customer;
3. The development of the Group's central engagement platform has been completed and we are now building out increased real time data capabilities across our digital and venues businesses. This will support continued improvements to player risk management, more effective interactions with our customers and more personalised, timely and relevant content and promotions; and
4. The RIDE platform modernisation programme continues at pace with regular development releases enhancing the capabilities of the platform. We expect to complete the critical functionality and capability requirements by the end of the first half of 2024/25 which, supported by the single content management system and the central engagement platform, will result in a step change in the speed at which we can deliver site and service enhancements to our customers.

In Spain, the Yo and Enracha brands grew LFL NGR by 15% to £13.3m in the period. In December 2023, the Spanish business was successfully relocated to Ceuta.

The development of live bingo, a streamed video bingo service, has been soft launched to customers and we expect to go live with this market leading development in Q3.

The application to the Portuguese regulator, SRIJ, for a licence for YoBingo is nearing the final phase of the homologation programme and we expect to have launched this service by the end of this calendar year.

Recent changes in the local fiscal regulations in India have substantially increased the tax burden on the Group's Indian rummy business, Passion Gaming. Following a strategic review, the Group has decided to divest its controlling stake in Passion Gaming to its founder and non-controlling equity

stakeholder for an expected consideration of £0.2m. The divestment is expected to be completed in the second half of the current financial year and the business has been treated as an asset held for sale at the balance sheet date. Resulting in a £0.5m write down in assets to the fair value less cost of sale, as reflected in separately disclosed items.

Group liquidity

The Group ended the half with net cash pre IFRS 16 of £17.6m.

In January 2024, the Group successfully secured a new £120m club facility, comprising a £30m Term Loan and a £90m Revolving Credit Facility ('RCF'). The tenor for the Term Loan element is two years and nine months and the RCF is three years. Both the Term Loan and RCF have market typical tenor extension options which are at the lender's discretion.

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

Sustainability update

Rank remains committed to its sustainability strategy of building a more resilient and responsible business. In the first half, the Group has made good progress across all four focus areas of Customers, Colleagues, Environment and Communities.

Customers

The key activity in the first half of the year in further enhancing the protections we provide to our customers has been the completion of the build of the central engagement platform, a new platform which brings all our data together and provides stronger real time capabilities in responding to customer behaviour.

In Grosvenor venues the access to real time data via the central engagement platform is enabling regular enhancements to the risk app, a real time tool which provides prompts to colleagues for interactions with customers based upon their play patterns.

In Mecca venues the priority activity has been the development of the Playsafe system to remove manual tracking of customer dwell times on gaming machines and provide real time customer play data and alerts to our colleagues. We expect this to be fully operational in the second half of the year.

Within the UK digital business we are building out further real time use cases using the central engagement platform to identify potentially at risk behaviour to enable us to intervene in a more targeted way, providing support where required and avoiding unnecessary friction for customers playing happily within their means.

In the Spanish digital business priority has been implementing phase one measures within the Government's Safer Gambling Decree and preparing for the phase two measures which will be introduced in Q3.

During the calendar year 2023 our UK facing casino, bingo and digital businesses successfully completed Gambling Commission compliance assessments.

Colleagues

During the period, the Group continued the global roll out of its employee value proposition, Work.Win.Grow. This helps foster a culture that meets the expectations of our colleagues whilst improving the attraction, recruitment and retention of talented colleagues.

Significant preparation work has been undertaken readying the business for the launch of a new colleague communication and engagement app. Due to launch in the second half of the year, all our colleagues will for the first time have easy access to timely and relevant information and be able to engage with colleagues across the Group.

Environment

Good progress has been made in the period, with approximately 65% of the Group's targeted emission reductions for the current financial year already secured. Alongside ongoing energy efficiency initiatives, a programme of net zero audits has commenced in the UK. These will initially focus on the Group's top 20 energy consuming venues and will provide targeted and bespoke energy consumption reduction plans for each venue.

It is essential we encourage the right behaviours across all colleagues if the Group is meet its net zero ambitions. The Group completed the roll out of an energy consumption dashboard to 20 of its UK venues, providing rich real time energy usage information. We are now able to engage, challenge and share best practice regarding energy reduction strategies.

During the half, the Group also commenced a thorough review of its Spanish venues to create a local tailored net zero plan that aligns with the Group's overall objective of meeting its intermediate ambition of being net zero across scope 1,2 and some scope 3 emissions by 2035, and all scopes by 2050.

Communities

During the period, the Group continued to develop its community strategy of actively contributing to its local communities. Rank has a long history of volunteering and fundraising and launched a new volunteering policy which provides all colleagues with one day a year to volunteer for local worthy causes.

The Group continued to support our UK based charity partner, Carers Trust, raising over £144k in the period. Conscious of Rank's global footprint, the Group is focused on developing its community network across all its locations to ensure all colleagues have opportunities to better support their local communities.

Regulatory update

The UK Government published a white paper in April 2023 announcing a series of policy changes for gambling legislation and regulation. The legislative changes will be implemented by secondary legislation, following consultations conducted by the Department of Culture, Media and Sport ('DCMS'). The regulatory changes will be implemented by the UK Gambling Commission, again following public consultations. Those legislative changes requiring primary legislation are unlikely to be pursued by Government in the immediate term.

DCMS has carried out consultations on the key land-based gambling reforms outlined in the white paper which can be implemented by secondary legislation, with the expectation that this legislative process will be completed in summer 2024.

Subject to the outcome of the consultation process, we would expect the secondary legislation to:

- double the number of gaming machines in the Grosvenor Casino estate;
- enable sports betting, which will improve the accessibility of UK casinos;
- allow electronic payments in both casinos and bingo venues; and
- replace the current 80/20 rule restricting Category B3 machines to just 20% of the total number of machines in a bingo venue. DCMS has recently published a further consultation on two further options altering the current ratio to 2:1 or 3:1 Category B3 machines to Category C or D machines.

DCMS has also conducted consultations on a reduction in the maximum stakes permitted for online slot games with various options ranging from £2 to £15 and the possibility of a lower maximum stake for consumers under 25 years of age. The DCMS Select Committee recently concluded that the maximum should be set at £5 (£2 for under 25s) and, if this were the outcome, we would expect an impact to digital profitability of circa £4m.

The consultation on a new statutory levy for research, prevention and treatment of problem gambling proposed payment rates by gambling sector. When implemented, we would expect our payments to increase by £4m per year by 2027.

The UK land-based gambling industry's customer proposition is very largely determined by statute and gambling reviews offer a generational opportunity to modernise the offer to better compete with the digital market and with other hospitality and leisure options for consumers. It is clearly more difficult to quantify the financial impact of the land-based reforms which will enable casinos and bingo venues to better meet the expectations of today's consumers. However, we expect the anticipated reforms, both statutory and regulatory, will deliver a significant net upside for the Group from the Government's Gambling Review.

CFO's review

Within this section all prior year comparatives are to the six months ended 31 December 2022.

Reported net gaming revenue ('NGR')

For the six months ended 31 December 2023, total NGR increased by 7% to £362.6m with improved NGR performance across all of the Group's business units.

Operating profit

The Group delivered an operating profit of £16.2m for the period, compared to an operating loss of £103.0m[1] in the prior period. The improvement in operating profit was due to improved NGR performance across the Group and no impairment charges in the current period, compared to net impairment charges of £95.4m in the prior period.

Energy costs are significant for the Group and to provide the Group with some certainty it operates a Group 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%. 85% of the Group's energy costs have been fixed for H2 2023/24 and we expect energy costs to be approximately £18.5m. At current market prices, energy costs are expected to be broadly flat in 2024/25.

Separately disclosed items ('SDIs')

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

Total SDIs for the six months ended 31 December 2023 were £5.4m.

The key SDIs in the year were as follows:

- Amortisation costs of £3.2m relating to the acquired intangible assets of Stride and YoBingo;
- A £1.6m increase in the Group's property related provision relating to potential venue or property closures; and
- £0.5m in relation to the planned disposal of Passion Gaming.

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

Prior period restatement

These consolidated interim 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 interim income statements.

Unrecorded costs in Digital business

During the period, the Group identified an accumulated total of £4.4m of prior year adjustments comprising £3.2m of trading related costs which erroneously had not been recognised in the prior year financial statements, and £1.2m of excess releases to income which erroneously had been recognised in the prior year financial statements. Of the total value of £4.4m, £0.5m relates to 2022/23 which will be corrected as a prior period adjustment in the 2023/24 financial statements. With £1.7m relating to H1 2022/23 and £(1.2)m to H2 2022/23. The remaining £4.4m relates to pre 2022/23.

The adjustments to cash relate to the trading related costs being erroneously recognised as cash in transit.

Net financing charge

The £5.3m underlying net financing charge for the six months ended 31 December 2023 was slightly lower than the prior period's charge of £6.0m principally due to lower finance lease interest charges and slightly higher finance income in the current period. The underlying net financing charge includes £2.8m of lease interest calculated under IFRS 16.

Having concluded a refinancing of the business in January 2024, net finance charges for 2023/24 are expected to be circa £14m, including the accelerated write-off of historical fees. Based on current interest rates, net finance charges for 2024/25 are expected to be £12.5 – 13.0m.

Cash flow and net debt

As at 31 December 2023, net debt was £144.7m. Debt comprised £54.0m of drawn revolving credit facilities and £162.3m in finance leases, offset by cash at bank of £71.6m.

During the period, the Group repaid its outstanding term loan of £44.4m as part of the first phase of refinancing that was completed in August 2023.

The Group finished the year with net cash for covenant purposes of £2.1m.

	H1 2023/24 £m	**H1 2022/23 £m**
Operating profit from continuing operations	21.6	1.2[1]
Depreciation and amortisation	23.9	31.5
Working capital	20.6	18.3[1]
Other	1.2	0.4
Cash inflow from operations	**67.3**	**51.4**
Capital expenditure	(20.7)	(24.2)
Net interest and tax	2.9	(10.0)
Lease payments	(22.9)	(20.3)
Cashflows in relation to SDIs	(3.1)	(2.6)
Net free cash flow	**23.5**	**(5.7)**
Business acquisition and other	-	(0.3)
Total cash in/(out) flow	**23.5**	**(6.0)**
Opening net (debt)/cash pre IFRS 16	(5.9)[1]	12.5[1]
Closing net cash pre IFRS 16	17.6	6.5[1]
IFRS 16 lease liabilities	(162.3)	(169.2)
Closing net (debt) post IFRS 16	**(144.7)**	**(162.7)**[1]

1. Restated.

Taxation

The Group's underlying effective corporation tax rate in H1 2023/24 was 17.2% (H1 2022/23: (16.7)%) based on a tax charge of £2.8m on underlying profit before taxation.

The underlying effective corporation tax rate for 2023/24 is expected to be 17-19%.

On a statutory basis, the Group had an effective tax rate of 15.4% in H1 2023/24 (H1 2022/23: 5.7%) based on a tax charge of £1.6m on total profit of £10.4m. This is lower than effective tax rate on underlying profit due to the significant level of separately disclosed items which attract a tax credit.

Further details of the tax charge are provided in note 5.

Earnings per share ('EPS')

Basic EPS increased to 1.9p from a loss of 22.0p[1] in the prior period. Underlying EPS increased to 2.9p from a loss of 1.2p[1] in the prior period. For further details refer to note 7.

Cash tax rate

In the six months ended 31 December 2023, the Group had an effective cash tax rate of (43.3)% on total profit before taxation (H1 2022/23: (2.3)%). The cash tax rate differs from the standard rate of UK tax due to refunds of UK tax overpaid in prior years.

The Group is expected to have a cash tax rate of approximately (20)% for the year ended 30 June 2024. Similar to the position for H1, the cash tax rate is driven by the refunds of UK tax overpaid in prior years.

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 2025. In making such statement, the Directors highlight forecasting accuracy in relation to the level of trading performance achieved as the key sensitivity in the approved base case.

The Directors have considered two downside scenarios which reflects a reduced trading performance, inflationary impacts on the cost base and various management 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 2025 with scenario ii) requiring the implementation and execution of mitigating cost actions within the control of management.

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 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 2023/24), 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 2023/24**	H1 2022/23
Underlying LFL net gaming revenue (NGR)	**362.6**	332.6
Open, closed and disposed venues	**-**	6.4
Foreign exchange ('FX')	**-**	(0.1)
Underlying NGR – continuing operations	**362.6**	338.9

Calculation of comparative underlying LFL NGR

	H1 2022/23
Reported underlying LFL NGR	**337.4**
Reversal of H1 2022/23 closed venues	1.5
H1 2023/24 closed venues	(6.4)
H1 2023/24 FX	0.1
Restated underlying LFL NGR	**332.6**

£m	**H1 2023/24**	H1 2022/23
LFL underlying operating profit	**21.7**	4.7
Restatement of Digital costs	**-**	(2.0)
Restated underlying operating profit – continuing operations	**21.7**	2.7
Opened, closed and disposed venues	**(0.1)**	(1.5)
Underlying operating profit – continuing operations	**21.6**	1.2
Separately disclosed items	**(5.4)**	(104.2)
Operating profit / (loss) – continuing operations	**16.2**	(103.0)

Calculation of comparative underlying LFL operating profit

£m	**H1 2022/23**
Reported underlying LFL operating profit	**4.2**
Reversal of H1 2022/23 closed venues	(1.0)
H1 2023/24 closed venues	1.5

Restatement of Digital costs	(2.0)
Underlying LFL operating profit	**2.7**[1]

1 Restated.

£m	**H1 2023/24**	H1 2022/23[1]
Underlying current tax (charge)	**(1.5)**	(1.3)
Tax on separately disclosed items	**1.2**	7.0
Deferred tax	**(1.3)**	0.5
Tax (charge)/credit	**(1.6)**	6.2

1 Restated, refer to CFO review for further details.

P	**H1 2023/24**	H1 2022/23[1]
Underlying EPS	**2.9**	(1.2)
Separately disclosed items	**(1.0)**	(20.8)
Reported EPS	**1.9**	(22.0)

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

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 2023 and the Board of Directors confirm that they remain relevant for the remainder of the financial year. The principal risks are as follows:

- **Uncertain trading environment:** Consumers' discretionary expenditure continues to be impacted by inflationary pressures and higher interest rates, although these pressures are beginning to show signs of easing. 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. These pressures, alongside the changing political landscape in the UK, could impact our financial performance and ability to deliver on our strategic plans.

  Various cost pressures, including high wage inflation, are also impacting the operating margins of our venues businesses. 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.

- **Compliance with gambling law and regulations:** 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.

- **Safe and sustainable gambling:** 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.

- **People:** 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.

- **Strategic programmes:** Key projects and programmes could fail to deliver and/or take longer to deliver, resulting in missed market opportunities or missed synergies and savings for the Group.

- **Health and safety:** 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.

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

- **Cyber resilience:** 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.

  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.

- **Business continuity and Disaster Recovery:** 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.

- **Dependency on third parties and supply chain:** 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.

- **Taxation:** 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.

- **Liquidity and funding:** 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.

Emerging and evolving risks

Although rates of inflation and energy costs have now stabilised and shown early signs of easing, the current economic pressures are still a cause for concern for many consumers. The directors continue to be vigilant of the changing economic backdrop and the impact on the Group. This is further supported by horizon scanning work performed by executive management in conjunction with the Board, with regular debate on new and emerging risks taking place.

Additionally, the Group continues to evolve its analysis of climate-related risks and opportunities. However, climate risks are currently not regarded as a principal risk and the risk itself is currently considered low.

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:

Chew Seong Aun

Lucinda Charles-Jones

Richard Harris

Keith Laslop

Katie McAlister

John O’Reilly

Alex Thursby

Karen Whitworth

Signed on behalf of the board on 31 January 2024

John O’Reilly Chief Executive	Richard Harris Chief Financial Officer

Condensed Consolidated Income Statement
(unaudited)
for the six months ended 31 December 2023

		Six months ended 31 December 2023			Six months ended 31 December 2022 (restated)		
	Note	**Underlying £m**	**Separately disclosed items (note 3) £m**	**Total £m**	Underlying £m	Separately disclosed items (note 3) £m	Total £m
Continuing operations							
Revenue	2	**362.6**	**-**	**362.6**	338.9	-	338.9
Cost of sales	2	**(208.3)**	**-**	**(208.3)**	(208.4)	(95.4)	(303.8)
Gross profit (loss)		**154.3**	**-**	**154.3**	130.5	(95.4)	35.1
Other operating costs	2	**(132.7)**	**(5.4)**	**(138.1)**	(129.3)	(8.8)	(138.1)
Operating profit (loss)	2	**21.6**	**(5.4)**	**16.2**	1.2	(104.2)	(103.0)
Financing:							
– finance costs		**(5.9)**	**-**	**(5.9)**	(6.1)	-	(6.1)
– finance income		**0.4**	**-**	**0.4**	0.2	-	0.2
– other financial gains (losses)		**0.2**	**(0.5)**	**(0.3)**	(0.1)	(0.1)	(0.2)
Total net financing charge	4	**(5.3)**	**(0.5)**	**(5.8)**	(6.0)	(0.1)	(6.1)
Profit (loss) before taxation		**16.3**	**(5.9)**	**10.4**	(4.8)	(104.3)	(109.1)
Taxation	5	**(2.8)**	**1.2**	**(1.6)**	(0.8)	7.0	6.2
Profit (loss) for the period from continuing operations		**13.5**	**(4.7)**	**8.8**	(5.6)	(97.3)	(102.9)
Profit (loss) for the period		**13.5**	**(4.7)**	**8.8**	(5.6)	(97.3)	(102.9)
Attributable to:							
Equity holders of the parent		**13.5**	**(4.5)**	**9.0**	(5.6)	(97.3)	(102.9)
Non-controlling interests		**-**	**(0.2)**	**(0.2)**	-	-	-
		13.5	**(4.7)**	**8.8**	(5.6)	(97.3)	(102.9)
Earnings (loss) per share attributable to equity shareholders							
– basic	7	**2.9p**	**(1.0)p**	**1.9p**	(1.2)p	(20.8)p	(22.0)p
– diluted	7	**2.9p**	**(1.0)p**	**1.9p**	(1.2)p	(20.8)p	(22.0)p
Earnings (loss) per share – continuing operations							
– basic	7	**2.9p**	**(1.0)p**	**1.9p**	(1.2)p	(20.8)p	(22.0)p
– diluted	7	**2.9p**	**(1.0)p**	**1.9p**	(1.2)p	(20.8)p	(22.0)p

Condensed Consolidated Statement of Comprehensive Income (unaudited)

for the six months ended 31 December 2023

	Six months ended 31 December 2023	Six months ended 31 December 2022 (Restated)
	£m	£m
Comprehensive income:		
Profit (loss) for the period	**8.8**	(102.9)
Other comprehensive income:		
Items that may be reclassified to profit or loss:		
Exchange adjustments net of tax	**0.3**	1.3
Total comprehensive income (loss) for the period	**9.1**	(101.6)
Attributable to:		
Equity holders of the parent	**9.3**	(101.6)
Non-controlling interests	**(0.2)**	-

Condensed Consolidated Balance Sheet
(unaudited)
at 31 December 2023 and 30 June 2023

	Note	**As at 31 December 2023**	As at 30 June 2023 (restated)
		£m	£m
Assets			
Non-current assets			
Intangible assets		**454.5**	456.8
Property, plant and equipment		**99.6**	97.5
Right-of-use assets		**65.7**	64.1
Deferred tax assets		**8.1**	8.1
Other receivables		**5.1**	5.4
		633.0	631.9
Current assets			
Inventories		**2.4**	2.2
Other receivables		**27.7**	29.1
Income tax receivable		**6.0**	15.0
Assets classified as held for sale	8	**2.1**	-
Cash and short-term deposits		**69.7**	58.0
		107.9	104.3
Total assets		**740.9**	732.6
Liabilities			
Current liabilities			
Trade and other payables		**(142.2)**	(128.3)
Liabilities classified as held for sale	8	**(1.1)**	-
Lease liabilities		**(42.1)**	(42.2)
Income tax payable		**(2.5)**	(5.7)
Financial liabilities - loans and borrowings		**(54.4)**	(63.7)
Provisions	9	**(3.6)**	(7.3)
		(245.9)	(247.2)
Net current liabilities		**(138.0)**	(142.9)
Non-current liabilities			
Lease liabilities		**(120.2)**	(126.8)
Deferred tax liabilities		**(1.6)**	(1.5)
Provisions	9	**(34.5)**	(31.7)
Retirement benefit obligations		**(3.4)**	(3.4)
		(159.7)	(163.4)
Total liabilities		**(405.6)**	(410.6)
Net assets		**335.3**	325.6
Capital and reserves attributable to the Group'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		**14.3**	14.0
Retained earnings		**66.8**	57.2
Total equity before non-controlling interests		**335.2**	325.3
Non-controlling interests		**0.1**	0.3
Total shareholders' equity		**335.3**	325.6

Condensed Consolidated Statement of Changes in Equity (unaudited)

for the six months ended 31 December 2023

	For the six months ended 31 December 2023							
	Share capital £m	**Share premium £m**	**Capital redemption reserve £m**	**Exchange translation reserve £m**	**Retained earnings £m**	**Reserves attributable to the Group's equity shareholders £m**	**Non-controlling interests £m**	**Total equity £m**
At 1 July 2023	**65.0**	**155.7**	**33.4**	**14.0**	**61.6**	**329.7**	**0.3**	**330.0**
Impact of prior period error (note 1)					(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**

	For the six months ended 31 December 2022 (Restated)							
	Share capital £m	**Share premium £m**	**Capital redemption reserve £m**	**Exchange translation reserve £m**	**Retained earnings £m**	**Reserves attributable to the Group's equity shareholders £m**	**Non-controlling interests £m**	**Total equity £m**
At 1 July 2022 (as reported)	65.0	155.7	33.4	14.6	156.5	425.2	(0.1)	425.1
Impact of prior period error	-	-	-	-	(3.9)	(3.9)	-	(3.9)
At 1 July 2022 (as restated)	65.0	155.7	33.4	14.6	152.6	421.3	(0.1)	421.2
Comprehensive income:								
Loss for the period	-	-	-	-	(101.2)	(101.2)	-	(101.2)
Impact of prior period error	-	-	-	-	(1.7)	(1.7)	-	(1.7)
Other comprehensive income:								
Exchange adjustments net of tax	-	-	-	1.3	-	1.3	-	1.3
Total comprehensive profit (loss) for the period	-	-	-	1.3	(102.9)	(101.6)	-	(101.6)
Transactions with owners:								
Credit in respect of employee share schemes including tax	-	-	-	-	0.2	0.2	-	0.2
At 31 December 2022	65.0	155.7	33.4	15.9	49.9	319.9	(0.1)	319.8

Condensed Consolidated Cash Flow Statement
(unaudited)
for the six months ended 31 December 2023

	Note	**Six months ended 31 December 2023**	Six months ended 31 December 2022 (Restated)
		£m	£m
Cash flows from operating activities			
Cash generated from operations	11	**63.0**	48.6
Interest received		**0.5**	0.1
Interest paid		**(2.1)**	(7.6)
Tax received (paid)		**4.5**	(2.5)
Net cash generated from operating activities		**65.9**	38.6
Cash flows from investing activities			
Purchase of intangible assets		**(7.9)**	(4.4)
Purchase of property, plant and equipment		**(11.4)**	(19.8)
Payment of contingent consideration of business combination	12	**-**	(0.3)
Net cash used in investing activities		**(19.3)**	(24.5)
Cash flows from financing activities			
Repayment of term loans		**(44.4)**	-
Repayment of revolving credit facilities		**(52.0)**	-
Drawdown of revolving credit facilities		**88.0**	-
Lease principal repayments		**(22.9)**	(20.3)
Net cash used in financing activities		**(31.3)**	(20.3)
Net increase (decrease) in cash and short-term deposits		**15.3**	(6.2)
Effect of exchange rate changes		**(0.2)**	0.2
Cash and short-term deposits at start of period (as restated)		**56.5**	91.3
Cash and short-term deposits at end of period		**71.6**	85.3

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), Spain and India.

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 31 January 2024.

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 2023 were approved by the Board of Directors on 16 August 2023 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 2023 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 2023, which have been prepared in accordance with UK-adopted International Accounting Standards.

Going concern

Assessment

In adopting the going concern basis for preparing the condensed consolidated interim financial statements, the Directors have considered the circumstances impacting the Group during the last year, along with recent trading performance as detailed in the trading review section, the latest forecast for 2023/24 and the long range forecast up until 31 January 2025 approved by the Board. The Directors have also reviewed the Group's projected compliance with its banking covenants and access to funding options for the period until 31 January 2025; the going concern period.

The assumptions are consistent with the assumptions made as at the June 2023 Annual Report, which were approved by the Board. Key considerations are the assumptions on the levels of customer visits and their average spend in the venues-based businesses, 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 National Minimum Wage and pay rises in April 2024.
- Rent due 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, 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 new committed facilities which were executed on 22 January 2024:

- Revolving credit facilities ("RCF") of £90.0m, repayable in 3 years.
- Term loan of £30.0m with bullet repayment in 2 years 9 months.

In undertaking their assessment, the Directors also reviewed compliance with the banking covenants ("Covenants") which are tested bi-annually at June and December. In the base case scenario, the Group expects to meet the Covenants at June 2024 and December 2024 and have available cash to meet liabilities as they fall due.

Going concern (continued)

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 controllable 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 the Grosvenor and digital businesses fall by 5% from the base case scenario, with management taking no mitigating actions to reduce costs or capex.

Having modelled the downside scenario, the indication is that the Group would continue to meet its covenant requirements and have available cash to meet its liabilities.

(ii) a scenario explicitly designed to show under what revenue declines the Company would run out of liquidity, or the covenants would not be met. Revenues in Grosvenor fall by 39.5% in H2 FY24 and by 32% in FY25 with management taking actions including but not limited to: reduction in employment costs; reduction in marketing costs; no dividends paid. Management considers this scenario to be remote.

Having reviewed the stress test scenario, management are confident there are controllable mitigating actions as described under (ii) that they can put into place to prevent the scenario occurring.

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 2025. For these reasons, the Directors continue to adopt the going concern basis for the preparation of these condensed consolidated interim financial statements.

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 2025. In making such statement, the Directors highlight forecasting accuracy in relation to the level of trading performance achieved as the key sensitivity in the approved base case.

The Directors have considered two downside scenarios which reflects a reduced trading performance, inflationary impacts on the cost base and various management 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 to 31 January 2025, with scenario (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 2023, with the exception of the accounting policy in respect of assets held for sale and discontinued operations, which is a new policy applied by the Group for the six months ended 31 December 2023. The policy is discussed in further detail below.

There are no new or amended standards or interpretations that became effective in the period from 1 July 2023 which have had a material impact upon the values or disclosures in the condensed consolidated interim financial information.

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

Separately disclosed items ('SDIs')

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.

Separately disclosed items ('SDIs') (continued)

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;
- General dilapidations provision interest unwinding;
- General dilapidations asset depreciation;
- Discontinued operations and assets classified as held for sale;
- Significant, material proceeds from tax appeals, and
- 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.

Assets held for sale and discontinued operations

This is a new policy which the Group has applied for the first time, for the six months ended 31 December 2023.

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.

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 expenses, 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 2023.

Taxation
Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

Prior period restatement
These consolidated interim 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 interim income statements.

Unrecorded costs in the Digital business
During the period, the Group identified an accumulated total of £4.4m of prior year adjustments within the Digital business comprising £3.2m of trading related costs which erroneously had not been recognised in the prior year financial statements, and £1.2m of excess releases to income which erroneously had been recognised in the prior year financial statements. Of the total value of £4.4m, £0.5m relates to FY2022/23 which will be corrected as a prior period adjustment in FY23/24 financial statement. With £1.7m relating to H1 2022/23 and £(1.2)m to H2 2022/23. The remaining £3.9m relates to pre 2022/23.

The adjustments to cash relate to the trading related costs being erroneously recognised as cash in transit.

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

Income Statement
for the six months ended 31 December 2022

	As previously reported	**Adjustment**	**Unaudited and restated**
	£m	**£m**	**£m**
Revenue	338.9	-	338.9
Cost of sales	(303.8)	-	(303.8)
Gross profit	35.1	-	35.1
Other operating costs	(136.1)	(2.0)	(138.1)
Operating profit (loss)	(101.0)	(2.0)	(103.0)
Financing:			
- finance costs	(6.1)	-	(6.1)
- finance income	0.2	-	0.2
- other financial gains	(0.2)	-	(0.2)
Total net financing charge	(6.1)	-	(6.1)
Loss before taxation	(107.1)	(2.0)	(109.1)
Taxation	5.9	0.3	6.2
Loss profit for the period from continuing operations	(101.2)	(1.7)	(102.9)
Loss for the period	(101.2)	(1.7)	(102.9)

	As previously reported	**Adjustment**	**Unaudited and restated**
	£m	**£m**	**£m**
Total earnings per share attributable to equity shareholders			
- basic	(21.6)p	(0.4)p	(22.0)p
- diluted	(21.6)p	(0.4)p	(22.0)p
Underlying earnings per share attributable to equity shareholders			
- basic	(21.6)p	(0.4)p	(22.0)p
- diluted	(21.6)p	(0.4)p	(22.0)p

Prior period restatement (continued)

Balance Sheet
At 30 June 2023

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

Cash flow statement
for the six months ended 31 December 2022

	As previously reported £m	Adjustment £m	Unaudited and restated £m
Cash flows from operating activities			
Cash generated from operations	48.6	-	48.6
Net cash generated from operating activities	38.6	-	38.6
Net cash used in investing activities	(24.5)	-	(24.5)
Net cash used from financing activities	(20.3)	-	(20.3)
Net decrease in cash and short-term deposits	(6.2)	-	(6.2)
Cash and short-term deposit at the start of the period	95.7	(4.4)	(91.3)
Cash and short-term deposits at end of period	89.7	(4.4)	85.3

2. Segment information

	Six months ended 31 December 2023 (unaudited)					
	Digital	**Grosvenor Venues**	**Mecca Venues**	**Enracha Venues**	**Central Costs**	**Total**
	£m	**£m**	**£m**	**£m**	**£m**	**£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 gains						**(0.3)**
Profit before taxation						**10.4**
Taxation						**(1.6)**
Profit for the period from continuing operations						**8.8**

	Six months ended 31 December 2022 (unaudited and restated)					
	Digital	Grosvenor Venues	Mecca Venues	Enracha Venues	Central Costs	Total
	£m	£m	£m	£m	£m	£m
Segment revenue	100.8	153.4	67.0	17.7	-	338.9
Operating profit (loss)	5.4	4.3	(5.9)	3.9	(6.5)	1.2
Separately disclosed items	(4.7)	(46.7)	(55.9)	(0.1)	3.2	(104.2)
Segment result	0.7	(42.4)	(61.8)	3.8	(3.3)	(103.0)
Finance costs						(6.1)
Finance income						0.2
Other financial losses						(0.2)
Loss before taxation						(109.1)
Taxation						6.2
Loss for the period from continuing operations						(102.9)

2. Segment information (continued)

Under IFRS 8 – Operating Segments, segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision-Makers ("CODM").

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

	Six months ended 31 December 2023 (unaudited)					
	Digital	**Grosvenor Venues**	**Mecca Venues**	**Enracha Venues**	**Central Costs**	**Total**
	£m	**£m**	**£m**	**£m**	**£m**	**£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 SDI	**98.3**	**153.5**	**67.2**	**14.5**	**7.5**	**341.0**
Cost of sales						**208.3**
Operating costs						**132.7**
Total costs before SDI						**341.0**

	Six months ended 31 December 2022 (unaudited and restated)					
	Digital	Grosvenor Venues	Mecca Venues	Enracha Venues	Central Costs	Total
	£m	£m	£m	£m	£m	£m
Employment and related costs	14.9	62.5	22.9	8.5	3.9	112.7
Taxes and duties	24.2	33.5	12.8	1.0	0.3	71.8
Direct costs	27.5	14.3	10.7	1.4	-	53.9
Property costs	0.3	5.4	3.2	0.5	0.5	9.9
Marketing	17.6	3.4	2.8	1.1	0.1	25.0
Depreciation and amortisation	7.4	15.9	6.0	0.8	1.4	31.5
Other	3.5	14.1	14.5	0.5	0.3	32.9
Total costs before SDI	95.4	149.1	72.9	13.8	6.5	337.7
Cost of sales						208.4
Operating costs						129.3
Total costs before SDI						337.7

3. Separately disclosed items

	Six months ended 31 December 2023 (unaudited) £m	Six months ended 31 December 2022 (unaudited) £m
Separately disclosed items		
Amortisation of acquired intangible assets	**(3.2)**	(4.4)
Closure of venues	**(0.1)**	(7.3)
Property related provisions	**(1.6)**	-
Impairment of assets held for sale (note 8)	**(0.5)**	-
Impairment charges	**-**	(95.4)
Integration costs	**-**	(0.1)
Disposal provision	**-**	3.7
Business transformation costs	**-**	(0.7)
Impact on operating profit	**(5.4)**	(104.2)
Interest	**(0.5)**	(0.1)
Taxation (note 5)	**0.9**	7.0
Total separately disclosed items	**(5.0)**	(97.3)

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 £3.2m (2022: £4.4m) relating to the acquired intangible assets of Stride and YoBingo.

Closure of venues
During the period, the Group has recognised £0.1m 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. During the six months ended 31 December 2022, the Group closed a number of Grosvenor and Mecca venues at a cost of £7.3m.

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

Property related provisions
The Group recognised a dilapidation liability (and corresponding dilapidation asset) of £27.2m during the period ended 31 December 2022. As a result, the Group have recognised dilapidation asset depreciation of £0.7m (2022: £nil) and interest on dilapidation liability of £0.5m (2022: £nil) both recognised as separately disclosed items. During the period, the Group raised £0.8m in closure provisions for a number of Mecca venues which are already closed or due to close in the current financial year. Additionally, the Group created a £0.4m specific dilapidation provision for two of these venues. Concurrently, the Group released £0.4m from specific dilapidation provision for one Grosvenor venue.

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.

Impairment charges
During the period, the Group recognised £nil impairment charges. During the six months ended 31 December 2022, the Group recognised impairment charges of £95.4m relating to Grosvenor venues and Mecca clubs. This was following an assessment whereby further impairment charges were recognised 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.

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

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

During the six months ended 31 December 2022, £0.1m of costs were excluded from the underlying operating results of the Group.

3. Separately disclosed items (continued)

Disposal provision

In prior years, a provision was 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 six months ended 31 December 2022, the Group 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, in most cases, that the payment could be not determined as probable. It was therefore determined necessary to release the provision of £3.7m in the six months ended 31 December 2022.

Business transformation costs

This was a multi-year change programme for the Group focused around revenue growth, cost savings, efficiencies and ensuring the key enablers are in place. The transformation programme started in January 2019 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.

In the six months ended 31 December 2022, £0.7m of costs were excluded from the underlying performance of the Group.

4. Financing

	Six months ended 31 December 2023 (unaudited) £m	Six months ended 31 December 2022 (unaudited) £m
Finance costs:		
Interest on debt and borrowings	**(2.2)**	(2.2)
Amortisation of issue costs on borrowings	**(0.9)**	(0.7)
Interest payable on leases	**(2.8)**	(3.2)
Total finance costs	**(5.9)**	(6.1)
Finance income:		
Interest income on short-term bank deposits	**0.4**	0.2
Total finance income	**0.4**	0.2
Other financial gains (losses)	**0.2**	(0.1)
Total net financing charge before separately disclosed items	**(5.3)**	(6.0)
Separately disclosed items – interest	**(0.5)**	(0.1)
Total net financing charge	**(5.8)**	(6.1)

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 2023 (unaudited)	Six months ended 31 December 2022 (unaudited)
Current income tax	**£m**	£m
Current income tax – UK	**-**	0.3
Current income tax – overseas	**(1.5)**	(1.1)
Current income tax charge	**(1.5)**	(0.8)
Current income tax on SDI	**-**	3.0
Amounts over provided in previous periods	**-**	(0.5)
Total current income tax (charge) credit	**(1.5)**	1.7
Deferred tax		
Deferred tax – UK	**(1.1)**	-
Deferred tax – overseas	**(0.6)**	-
Deferred tax on SDI	**1.2**	4.0
Amounts over provided in previous year	**0.4**	0.5
Total deferred tax (charge) credit	**(0.1)**	4.5
Tax (charge) credit in the income statement	**(1.6)**	6.2

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

	Six months ended 31 December 2023 (unaudited) £m	Six months ended 31 December 2022 (unaudited) £m
Current tax credit on exchange movements offset in reserves	**0.1**	0.2
Total tax credit on items within other comprehensive income	**0.1**	0.2

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 25.0% (six months ended 31 December 2022: 20.5%) 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 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.

Deferred tax

At 31 December 2023, there is a net deferred tax asset of £6.3m 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.

5. Taxation (continued)

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 asset recognised on tax losses is expected to be recovered by 2028.

6. Dividends

No interim dividend in respect of the period ended 31 December 2023 (31 December 2022: £nil) has been declared.

7. Underlying earnings per share

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

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

	Six months ended 31 December 2023 (unaudited)	Six months ended 31 December 2022 (unaudited and restated)
	£	£
Profit (loss) attributable to equity shareholders	**9.0m**	(102.9)m
Adjusted for:		
Separately disclosed items after tax	**4.5m**	97.3m
Underlying earnings (loss) attributable to equity shareholders	**13.5m**	(5.6)m
Continuing operations	13.5m	(5.6)m
Weighted average number of ordinary shares in issue	**468.4m**	468.4m
Underlying earnings (loss) per share – basic	**2.9p**	(1.2)p
Continuing operations	2.9p	(1.2)p
Underlying earnings (loss) per share – diluted	**2.9p**	(1.2)p
Continuing operations	2.9p	(1.2)p

8. Assets and liabilities of disposal group classified as held for sale

At 31 December 2023 the Group had a detailed plan, which was largely complete, to sell its controlling equity stake in Passion Gaming Private Limited ("Passion Gaming"), its online operator of digital card games in India, to its founders and non-controlling equity stakeholders, for an expected consideration of £0.2m. The consideration is payable in cash on completion subject to customary adjustments. The sale is conditional on a limited number of conditions usual for this type of transaction and is expected to complete in the first quarter of 2024. The Passion Gaming business is included in the Digital segment.

The divestment is driven by the change in the local fiscal regulations which substantially increased the tax burden on Passion Gaming. These tax changes were announced at the beginning of August 2023 and came into effect on 1 October 2023. The Group conducted a review of its strategic options and concluded that divestment was the appropriate option.

8. Assets and liabilities of disposal group classified as held for sale (continued)

The assets and liabilities at 31 December 2023 of Passion Gaming have been reclassified as a disposal group held for sale. The major classes of assets and liabilities held for sale, after adjustment for impairment, which relate to Passion Gaming consist of the following:

	As at 31 December 2023
	£m
Intangible assets	-
Property, plant and equipment	-
Trade and other receivables	0.2
Cash and cash equivalents	1.9
Assets classified as held for sale	**2.1**
Trade and other payables	0.8
Provisions	0.3
Liabilities classified as held for sale	**1.1**

As at the date of reclassification of the Passion Gaming disposal group to held for sale on 31 December 2023, the fair value less cost to sell was less than the carrying amounts. The impairment loss arising on measurement to fair value less cost to sell was £0.5m which has been included as a separately disclosed item in other operating expenses within continuing operations in the income statement for the six months ended 31 December 2023 and includes expected transaction and completion costs.

The impairment loss of £0.5m arising on measurement to fair value less costs to sell has been applied to reduce the carrying amounts of intangible assets by £0.1m to £nil, property, plant and equipment by £0.1m to £nil with additional provisions of £0.3m being recognised.

Prior to disposal Passion Gaming will settle its outstanding intercompany liabilities of £0.8m in cash from the £1.9m cash balance included in the asset disposal group. The loss on disposal that will be recognised as a separately disclosed item on completion of the transaction will also include historical foreign exchange gains and losses previously recognised in equity which at 31 December 2023 amounted to a cumulative loss of £0.1m.

9. Provisions

	Property related provisions	Disposal provisions	Indirect tax provisions	Pay provisions	Warranty provisions	Total
	£m	£m	£m	£m	£m	£m
At 1 July 2023 (audited)	**37.3**	**0.2**	**1.2**	**0.1**	**0.2**	**39.0**
Charge to income statement – SDI	1.7	-	-	-	-	1.7
Released to the income statement - SDI	(0.4)	-	-	-	-	(0.4)
Utilised in period	(1.0)	-	(1.2)	-	-	(2.2)
At 31 December 2023 (unaudited)	**37.6**	**0.2**	**-**	**0.1**	**0.2**	**38.1**
Current	**3.1**	**0.2**	**-**	**0.1**	**0.2**	**3.6**
Non-current	**34.5**	**-**	**-**	**-**	**-**	**34.5**
At 31 December 2023 (unaudited)	**37.6**	**0.2**	**-**	**0.1**	**0.2**	**38.1**

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 lease 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,

9. **Provisions (continued)**

insurance and other directly related costs. As at 31 December 2023, property related provisions include £34.7m (31 December 2022: £36.5m) provision for dilapidations and £2.9m (31 December 2022: £3.0m) onerous contracts provision.

Provisions for dilapidations are recognised where the Group has the obligation to make good its leased properties. The Group re-considered the basis of the general dilapidation provision estimate and recognised an additional asset and liability of £27.2m in financial year 2022-23 as general dilapidation provisions. Following the closures of venues in last three financial years, the possibility of future closures, together with a hardening position from landlords and recessionary environment making certain properties less attractive. These provisions are recognised based on historically settled dilapidations claims 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 to 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 about the ability to either exit or sublet a property until a position is contractually agreed.

Disposal provisions
In prior years, a provision was 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.

As at 31 December 2023, the balance of the disposal provision is £0.2m (31 December 2022: £0.2m), relating to one individual claim where the Group continues to pay.

Indirect tax provisions
The indirect tax provision relates to an amusement machine licence duty claim by HMRC. Rank was required to settle the claim from HMRC and accordingly a payment of £1.2m was made in August 2023. The balance is £nil at 31 December 2023 (31 December 2022: £1.2m).

Pay provisions
The balance of £0.1m (31 December 2022: £0.1m) relates to the remaining settlements associated with the National Minimum Wage (NMW) Regulations for those employees for whom the Group is still in contact for payment details.

Warranty provisions
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 ended 30 June 2023, the Group recognised £0.3m additional profit on sale within the SDI of the Group income statement (30 June 2022: £0.2m). The release represents Rank's best estimate of liability that have now passed due to the passage of time in which the purchaser can no longer claim.

As at 31 December 2023, the balance of the warranty provision is £0.2m.

10. Borrowings to net debt reconciliation

Accrued interest and unamortised facility fees are classified as loans and borrowings. A reconciliation of loans and borrowings disclosed in the balance sheet to the Group's net debt position is provided below:

	At 31 December 2023 (unaudited) £m	At 31 December 2022 (unaudited and restated) £m
Total loans and borrowings	**(54.4)**	(78.4)
Adjusted for:		
Accrued interest	**0.4**	0.4
Unamortised facility fees	**-**	(0.8)
	(54.0)	(78.8)
Cash and short-term deposits from operations	**69.7**	85.3
Cash and short-term deposits from assets held for sale	**1.9**	-
Net cash excluding IFRS16 lease liabilities	**17.6**	6.5
IFRS 16 lease liabilities	**(162.3)**	(169.2)
Net debt	**(144.7)**	(162.7)

11. Cash generated from operations

	Six months ended 31 December 2023 (unaudited) £m	Six months ended 31 December 2022 (unaudited and restated) £m
Profit (loss) for the year	**8.8**	(103.2)
Adjustments for:		
Depreciation and amortisation	**23.9**	31.5
Amortisation of arrangement fees	**0.9**	-
Share-based payments	**0.5**	0.2
Net financing charge	**5.3**	6.0
Income tax charge	**2.8**	1.1
Separately disclosed items	**4.8**	97.3
	47.0	32.9
Increase in inventories	**(0.2)**	(0.3)
Decrease (increase) in other receivables	**8.2**	(3.2)
Increase in trade and other payables	**11.1**	21.8
	66.1	51.2
Cash utilisation of provisions	**(2.3)**	(1.8)
Payments in respect of separately disclosed items	**(0.8)**	(0.8)
Cash generated from operations	**63.0**	48.6

12. Contingent liabilities

Property arrangements
The Group has certain property arrangements under which rental payments revert to the Group in the event of default by the third party. At 31 December 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 party were to default on these arrangements, the obligation for the Group would be £0.8m on a discounted basis.

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

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

Disposal claims
As a consequence of historic sale or closure of previously owned businesses, the Group may be liable for 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, 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 was provisionally recognised for the contingent consideration and is dependent upon the date a competing online gaming operation is established.

During the six months ended 31 December 2023, the Group settled £nil (year ended 30 June 2023: £0.4m) of the contingent consideration leaving a balance of £0.4m.

13. Related parties 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 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 2023, entities controlled by GuoLine owned 57.4% (31 December 2022: 57.5%) of the Company's shares, including 53.3% (31 December 2022: 53.4%) 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.

14. Post balance sheet events

The Group has signed a total debt facility of £120.0m on 22 January 2024. The new debt facility comprises £90.0m of a revolving credit facility ("RCF") with a maturity of three years and £30.0m of a term loan with a maturity of two years and nine months. Upon the commencement of the new loan, £2.3m of unamortised fees will be written off in January 2024. The estimated arrangement fees for the new debt facility are approximately £1.8m and these fees will be amortised over the length of the £120.0m facility.