Growing through investment in the customer experience

Hollywood Bowl Group plc
Annual report and accounts 2024

We continuously invest in the customer experience

Our unique purpose-led culture and proven customer-driven investment strategy is enabling us to further develop our market-leading position and capitalise on the growth opportunities in the territories we operate in.

Financial performance

Revenue
£230.4m

2024	230.4
2023	215.1
2022	193.7

Total revenue growth
+7.1%

2024	7.1
2023	11.0
2022	169.5

LFL revenue growth[1]
+0.2%

2024	0.2
2023	4.5
2022	28.3

Total average spend per game
£11.05

2024	11.05
2023	10.82
2022	10.68

Group adjusted EBITDA[1]
£87.6m

2024	87.6
2023	82.7
2022	77.5

Profit after tax
£29.9m

2024	29.9
2023	34.2
2022	37.5

Adjusted profit after tax[1]
£32.3m

2024	32.3
2023	36.6
2022	39.4

Earnings per share
17.42p

2024	17.42
2023	19.92
2022	21.91

Adjusted earnings per share[1]
18.82p

2024	18.82
2023	21.37
2022	23.07

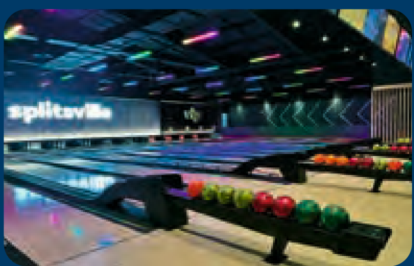
Total ordinary dividend per share
12.06p

2024	12.06
2023	11.81
2022	11.53

Net cash
£28.7m

2024	28.7
2023	52.5
2022	56.1

1 Definitions for these measures are in the key performance indicators section (pages 36 and 37). A reconciliation between key adjusted and statutory measures, as well as notes on alternative performance measures, is provided in the Chief Financial Officer's review (pages 38 to 42). Management believes providing these specific financial highlights gives valuable supplemental detail regarding the Group's results, consistent with how management and investors evaluate the Group's performance.



Canadian growth

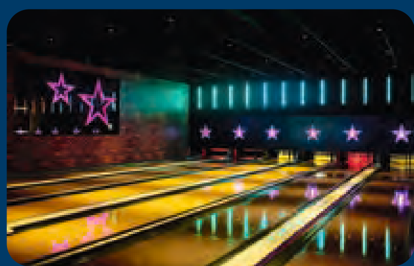
Find out how we are utilising our proven Group operating model to develop our business in Canada.

Read more on **pages 16 to 19**

Career development

Find out how our training and development programmes are delivering career opportunities for our team members.

Read more on **pages 52 to 53**



Energy saving

Find out how we are installing solar panels and energy-efficient technology to reduce our carbon footprint.

Read more on **pages 54 to 55**

Our collective purpose drives us

We bring families and friends together to enjoy affordable fun and safe, healthy competition.

Our strategy...

Driving revenue growth	Active asset refurbishment	New centres and acquisitions	Focus on our people	International expansion

Read more on **pages 30 to 36**

is underpinned by our commitment to sustainable growth...

Safe and inclusive leisure destinations	Outstanding workplaces	Sustainable centres

Read more on **pages 48 to 59**

and strong market fundamentals...

UK

Rise of competitive socialising	Retail and leisure combining

Read more on **page 15**

Canada

Under investment in the sector	Sector consolidation

Read more on **page 19**

enabling us to create value for our stakeholders

Continually enhancing our customers' experience through service excellence, and innovative products and technology	Building energetic and engaging teams who share our values and are proud to be part of our culture	Maintaining the support of our investors to help us grow the business and consistently deliver returns

Read more on **pages 28 to 29**

Investment case

Hollywood Bowl Group is the UK's established market leader with national scale and the second largest operator of ten-pin bowling centres globally. We operate a high-quality, well-invested estate with diverse revenue streams and multiple growth levers, including our expansion into Canada.

1

Clear strategy and market-leading position

As the leader in the UK ten-pin bowling and competitive socialising markets, and the Canadian ten-pin bowling market, we are well positioned to capitalise on the available growth opportunities.

Read more on **pages 30 to 35**

8

Centres added to the Group estate in FY2024.

2

Strong customer proposition

Our centres provide fun and safe environments for customers. We continually enhance their experience through a focus on feedback insights, service excellence, and innovative products and technology.

Read more on **pages 12 to 19**

70%

UK net promoter score.

3

People and leadership

Our highly motivated and engaged operational teams deliver customer-focused experiences, led by a stable and experienced management team committed to sustainable growth.

Read more on **pages 26 to 27**

2*

Our UK high-quality employee experience rating from WorkL.

4

New centre growth pipeline

Alongside our ongoing centre refurbishment programme, we are targeting more new centres for our Hollywood Bowl and Splitsville brands, supported by our rigorous and disciplined location selection process.

Read more on **page 33**

130

Target of total Group centres by the end of FY2035.

5

Highly cash generative with strong liquidity

By driving revenues, achieving healthy margins, and maintaining a strong balance sheet, we continue to invest appropriately in enhancing and scaling our business.

Read more on **pages 141 to 179**

£28.7m

Net cash at year end.

Market leading
entertainment experiences

We are market leaders in the UK and Canada in the inclusive competitive socialising activity of ten-pin bowling.

Our centres feature bowling lanes, a licensed bar, a diner, and an amusement zone with the latest games to ensure that everyone is entertained. We continuously enhance our customers' experience through a focus on responding to customer insights, delivering service excellence, and offering innovative products and technology.

Canada

splitsville

Canada's largest ten-pin bowling operator

Our fast-growing Canadian family entertainment brand with high-quality centres located in standalone locations, or co-located with mixed retail or leisure units.

Read more on pages 16 to 19

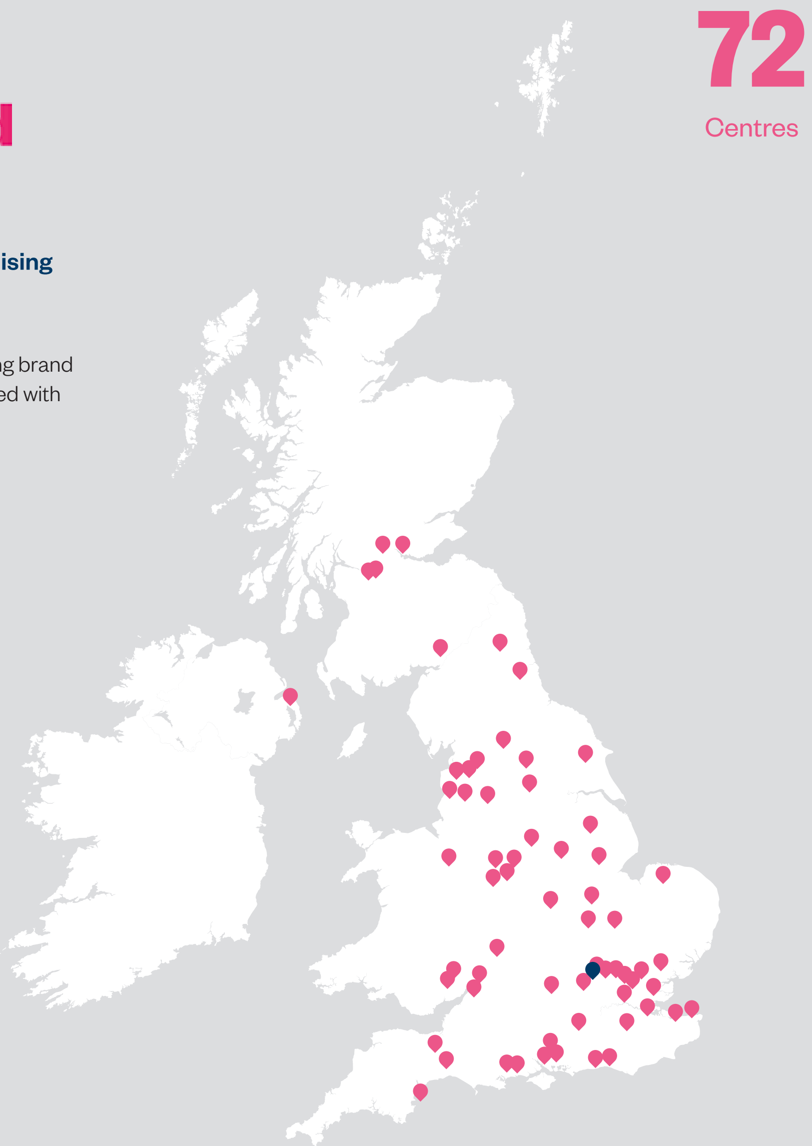
13
Centres

Splitsville centres (including Stoked)

Central support office

UK

Hollywood Bowl



The UK's competitive socialising market leader

Our long-established ten-pin bowling brand with high-quality centres co-located with mixed retail or leisure units.

Read more on pages 12 to 15

Hollywood Bowl centres (including mini-golf centres)

Central support office

Another year of record performance

"Our performance is testament to the dedication of our team members and proof of their hard work in delivering outstanding customer experiences."

Peter Boddy, Non-Executive Chair

Read full biography on page 84

Hollywood Bowl Group has had another successful year, delivering further revenue growth and making excellent strategic progress, enhancing the quality of our estate and expanding our footprint in the UK and Canada.

The successful execution of our growth strategy, underpinned by our customer-focused, value-for-money proposition, is strengthening our position as a market-leader in both the ten-pin bowling market and the wider competitive socialising market.

Group revenue grew by 7.1 per cent to £230.4m and 0.2 per cent on a LFL basis, as we achieved another year of record revenues, in line with expectations, against the very strong prior year comparative and previous two years of exceptional growth. Our continued focus on operational excellence and customer experience supported our growth in Group adjusted EBITDA to £87.6m and delivered profit after tax of £29.9m.

The strong performance in FY2024 is a testament to the continued dedication of our team members and proof of their hard work in delivering outstanding customer experiences, as demonstrated by our record customer satisfaction levels achieved during the year.

We made further progress in our ESG strategy and our collective efforts to embed a sustainable and responsible approach across all of our operations are a real source of pride.

FY2024 was a year of further investments supporting the Group's growth strategy, including the record ongoing investment into our existing assets and growing our estate, supported by our strong liquidity. We have invested more than £50m into the estate in the past year, maintaining the current centres, continuing to roll out Pins on Strings, opening and acquiring new centres as well as completing 12 refurbishments across the UK and Canada. We added eight centres to our estate during the year, bringing our total to 85, with 72 in the UK and 13 in Canada.

We have also continued to invest in technology to support our next stage of growth, and in July launched a new modern and flexible reservation platform. The system has been rolled out in the UK with excellent results including improved usability, reliability, speed and reduced operational costs. Already being piloted, we will be rolling this system out in our Canadian operations in FY2025.

Further growth in the UK

UK families continue to face cost of living challenges, and against that backdrop, delivering high-quality experiences that can be enjoyed for great value is even more important. Our resilience to inflationary pressures means that we have been able to keep our prices affordable, a family of four being able to enjoy a game of bowling with us for under £26. Our bowling prices in the UK rose by just 20 pence in FY2024, well below inflation, to an average of £7.15 for adults and £6.21 for children, and with food, drink and amusement price increases also kept low, meaning that, in real terms, it was cheaper than the previous year for our customers to enjoy an outing to Hollywood Bowl.

UK LFL performance was driven by increased spend per game in all areas of the business and an overall spend per game increase of 3.3 per cent. Game volumes declined marginally, primarily as a result of the difference in trading conditions compared to FY2023 when unseasonal weather conditions during key trading periods drove people indoors, compounded by the impact of a summer of major sporting events in FY2024.

We are constantly innovating and improving our customer experience, trialling new initiatives which, if successful, are introduced to our centres as part of our ongoing refurbishment programme. We completed ten UK centre refurbishments in the year, some of which are now entering their second or third-generation cycle. We continue to deliver impressive returns on investment for all generations of refurbishments as well as receiving excellent customer feedback.

We have continued to grow our UK estate, adding four centres during the year, including one acquisition, Lincoln Bowl, which has since been rebranded and refurbished and is trading in line with expectations.

Excellent progress in Canada

Our Canadian business continues to go from strength to strength. Since entering the market in May 2022, through the acquisition of Splitsville and its five centres, we have more than doubled the size of our estate to 13 centres. In FY2024, we added four new centres through the three acquisitions and opening of our first new, state-of-the-art development in Waterloo, Ontario.

The refurbishment programme is progressing well and we completed two during the year, leveraging our customer-led operating expertise, technology and brand experience from the UK. We continue to test and seek feedback when developing new ways to evolve the offer for customers in Canada, allowing us to attract a wider customer base. We have so far transferred four UK team members to Canada, demonstrating the importance we place on the sharing of knowledge between our UK and Canadian teams.

85

Group centres
(FY2023: 79)

70%

UK net promoter score in FY2024

Excellent progress in Canada continued

Splitsville is already the largest single branded operator in the territory and, as the market remains under-invested and highly fragmented, we are excited about the significant opportunity to grow and add value to the Splitsville business. We have a pipeline of acquisition opportunities and new development centres and by the end of FY2025, we expect to have tripled our original size.

Capital allocation policy

Given our financial position and cash balance at year end, the Board is pleased to declare a final ordinary dividend of 8.08 pence per share in line with our capital allocation policy of 55 per cent of adjusted profit after tax. Together with the interim dividend of 3.98 pence per share, this represents 2.1 per cent growth in the ordinary dividend compared to the prior year. Total shareholder returns for FY2024 will amount to £20.7m.

Social and environmental responsibility

We are progressing with our environmental and social agenda, with oversight from the Corporate Responsibility Committee which we established in FY2023. To support our wider pathway to achieving net zero, we installed more solar panels in our centres, with 42 per cent of our UK estate now fitted with nearly 15,000 solar panels, providing clean energy to our centres and reducing our reliance on bought-in energy and exposure to energy prices. We have also made progress with our waste recycling levels, our responsible construction approach and our supplier engagement programme. Furthermore, we have also begun to introduce our sustainability strategy to our Canadian operations and have set targets for FY2025.

Our people are our most important asset and are critical to our customers receiving a consistently high-quality experience in our centres. We are proud to support all our team members through our industry-leading training and development programmes, as well as financially through comprehensive bonus and incentive schemes. We have made further progress through our updated employer brand which was relaunched last year, enabling us to attract the best talent but also to give our team members the opportunity to progress and develop their careers. Our UK operation has a low staff turnover rate compared to the wider hospitality sector, and we are delighted that 58 per cent of management appointments in FY2024 were filled by internal talent. The efforts of our people team were recognised once again, as the Group was named one of The UK's Best Big Companies to Work For.

We were pleased to continue to support the communities where we operate, including increasing the number of concessionary discount games played to over 1m and breaking our charity fundraising target for our partner Macmillan by raising £85,000.

Board changes

Nick Backhouse, who served as the Group's Senior Independent Director (SID), retired by rotation from the Board at the Annual General Meeting (AGM) in January 2024. Consequently, Rachel Addison, appointed to the Board in July 2023, has stepped up as SID and also taken on the position of Chair of the Audit Committee.

In line with the Group's succession planning, I too will be retiring by rotation from the Board after ten years as Non-Executive Chairman, Chair of the Nomination Committee and member of the Corporate Responsibility Committee at the AGM in January 2025.

Darren Shapland has been appointed as an independent Non-Executive Director and Chair Designate, as well as a member of the Nomination and Corporate Responsibility Committees, effective 1 December 2024. Darren brings extensive experience from his 40-year career in retail and consumer businesses and I am confident he is the right person to lead the Board as the Group enters its next stage of growth.

I am very proud of the Group's many achievements since I joined in 2014, up to and including its inclusion in the FTSE 250 in March 2024, and look forward to following the Group's continued growth.

Long-term growth

Our continued strong performance demonstrates the robust demand for fun, affordable, family-friendly leisure activities.

We remain resilient to inflationary pressures with over 70 per cent of Group revenue not subject to cost-of-goods inflation, enabling us to continue to meet this demand while reinforcing our reputation for delivering high-quality, great value-for-money experiences.

The new measures announced by the UK Government in the October Budget will disproportionately impact the hospitality industry as a result of the significantly increased employment costs for a sector powered by people. Even with these new changes, Hollywood Bowl remains well positioned for future growth and to mitigate the significantly increased labour costs while keeping our bowling offer affordable for our customers.

The Group has a successful, proven strategy focused on growing and improving the quality of the estate in the UK and Canada, and enhancing the customer experience. The highly cash generative nature of the business and strength of our balance sheet mean that we are well placed to pursue opportunities to invest in our future growth and meet our target of 130 centres by 2035, whilst continuing to make returns to shareholders.

I would like to take the opportunity in this, my final Annual Report as Chairman, to thank every team member and my fellow Board members, past and present, for ten memorable and exciting years. I also wish to thank the many and varying stakeholders for the support and contributions they have made over the past ten years. It has been a privilege to serve as the Group's Chairman.

Hollywood Bowl Group has a very promising future, and I wish it every success.

Peter Boddy
Non-Executive Chair
16 December 2024

Q&A with Peter

We ask Chair Peter Boddy about his highlights of FY2024 and future ambitions for the Group

Q **What were the key achievements in the year?**

A Our teams have once again delivered an outstanding performance. Even after two years of exceptional performances, underpinned by favourable trading conditions, we have continued to again drive performance from within our centres, without relying on price-led growth, keeping the customer experience at the heart of everything we do. This is largely due to the dedication and hard work of our team members which is evidenced by the positive customer feedback and record service levels achieved in the year.

As a gateway employer, the fact that Hollywood Bowl has one of the lowest staff turnover rates in our industry is a continual source of pride, as is the quality of our recruitment, training and talent development programmes. This year saw 58 per cent of management appointments filled by internal talent, as well as some of our UK team members taking on new roles in our Canadian business.

Q **What have been your highlights in your ten years as Chairman of the Board?**

A There are too many to count! It has been a pleasure working with such fantastic people over the past ten years. At the time of the IPO in 2016, I said that I firmly believed that Hollywood Bowl Group had a very promising future. How true that was. There have been many challenges along the way, not least a global pandemic, but I am proud of the way we have consistently risen to the occasion and emerged in a stronger position.

Since the IPO, we have grown the Group estate from 54 to 85 centres, all the while continuing to innovate and enhance our customer experience, creating value for both institutional and employee shareholders. Entering Canada, our first international steps, was a significant milestone for the business and it is exciting to see the Group at the early stages of its growth potential in this market.

Finally, spending time on the lanes and enjoying some friendly competition with colleagues, investors and my own family has been a major advantage of this role, meeting our teams and getting to witness first hand our amazing customer offer.

Q **Where would you like to see the business in ten years time?**

A I look forward to seeing the business continually evolve and innovate its customer proposition, and grow the size of the estate. Already the market leader in the UK and Canada, the Group is well positioned to meet its growth targets of at least 130 centres in those two markets, which would be a significant achievement.

There may be opportunities to develop the business in new ways, perhaps in new countries with attractive market dynamics and returns potential. I am confident that the Board will continue to weigh up any potential risks and maintain its prudent approach. However, for now, the Group has plenty of work to do in the UK and Canada.

Our growth story

The Group was created in 2010 with 41 UK ten-pin bowling centres. It has since significantly grown its presence and scale in the UK market and, more recently, in the Canadian market.

41
Centres

Merger of selected AMF and Hollywood Bowl centres

2010

2016

Acquisition of 11 Bowlplex locations (rebranded to Hollywood Bowl) growing the estate to 54 centres

Group lists on LSE Main Market

£240m
Market capitalisation

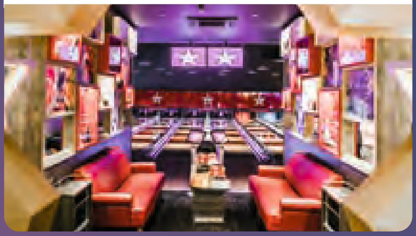
Launch of Puttstars mini-golf brand

2020

2021

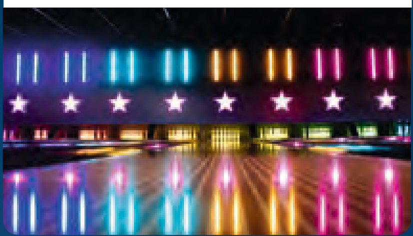
Launch of Group sustainability strategy

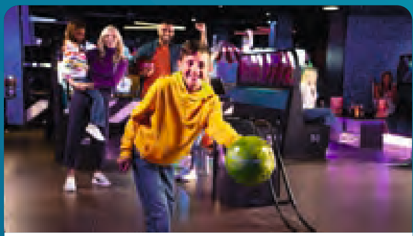
Estate investment continues during COVID-19 closure



2022

Acquisition of Splitsville – a Canadian bowling operator with five centres





2023

£215m
Revenue

Splitsville becomes Canada's market-leading ten-pin bowling brand

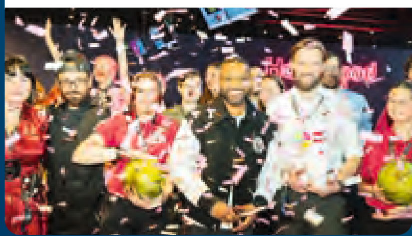
2024

85
Centres

Group admitted to FTSE 250

Record levels of Group capital investment

Launch of new customer booking system



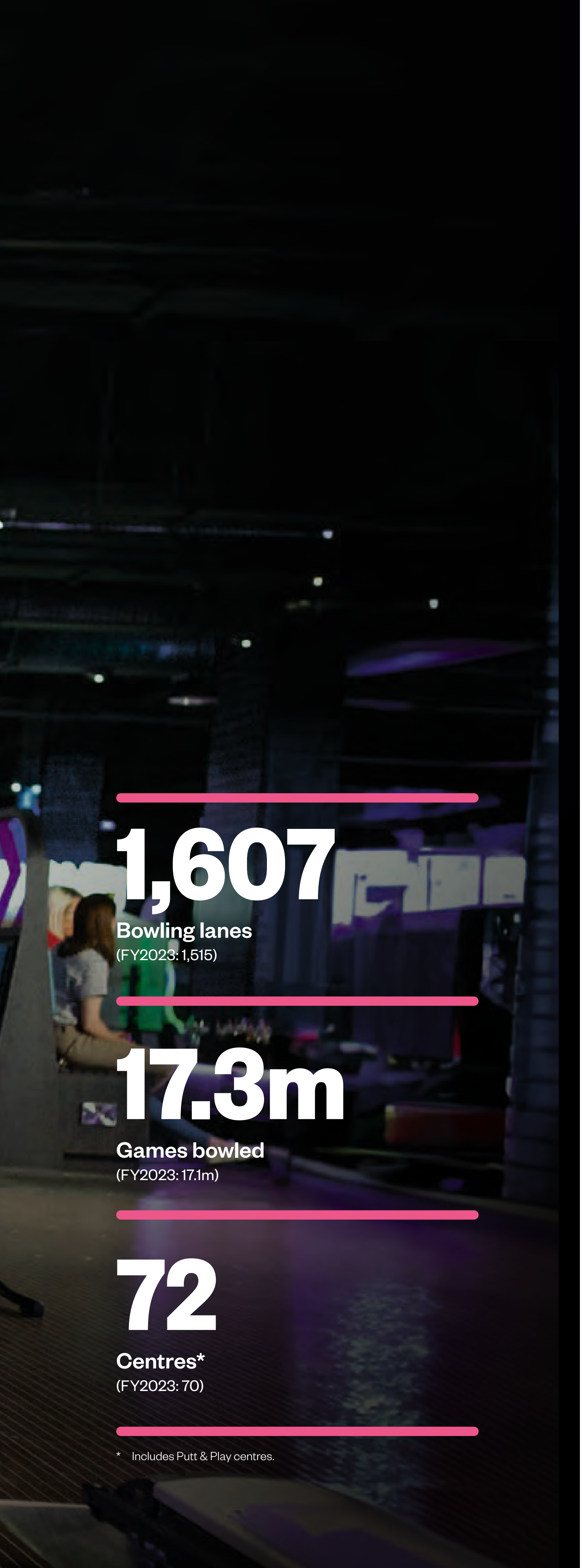
2035

130
Centres

Target combined estate scale for the UK and Canada

United Kingdom

The complete entertainment experience



1,607
Bowling lanes
(FY2023: 1,515)

17.3m
Games bowled
(FY2023: 17.1m)

72
Centres*
(FY2023: 70)

* Includes Putt & Play centres.

Hollywood Bowl

The clear market leader

Ten-pin bowling is a key constituent of the UK's growing and diverse competitive socialising sector, offering an inclusive, fun, and affordable experience for friends, families, and work colleagues.

Hollywood Bowl is the market-leading brand in the UK, specialising in operating large, high-quality bowling centres.

Our centres are predominantly located in prime 'out-of-town' multi-use leisure parks alongside cinemas and casual dining sites.

The complete entertainment experience

In addition to bowling, we offer food, drink, and amusements, providing a complete entertainment experience that encourages longer visits and increased secondary spending.

Our popular and simplified food menu offers value and quality meals, snacks and sharer options, all served quickly. This has helped achieve a 6.0 per cent increase in diner spend per game vs prior year.

Our comprehensive drinks range also offers great value for money and we saw a 0.6 per cent increase in bar spend per game vs prior year supported by our at-lane drink ordering technology which allows customers to order from their phones.

Our best-in-class family-friendly games and amusements areas are constantly evolving with innovations and the introduction of new game formats.

A rolling machine upgrade programme allows us to continue to improve the quality of our amusement offering, with 578 new machines being introduced into the estate in FY2024. Most amusements can still be played for as little as £1, with Nayax 'tap to play' providing digital coin credit and cash payment options.

Overall we saw a 6.1 per cent increase in amusement spend per game vs prior year.

Focusing on the elements our customers value

Our customer service is a true point of differentiation in a competitive leisure market.

We focus on four critical customer satisfaction drivers: value for money, cleanliness, team friendliness, and service speed.

Our customer experience feedback programmes provide valuable insights into our customers' preferences by digitally capturing satisfaction levels following each visit.

We carefully monitor customer satisfaction and net promoter scores, ready to react quickly to any operational issues or customer feedback.

Team members' bonuses are linked to these satisfaction drivers, helping enhance centre performance, revenues, and yields.

Maintaining an affordable, value-for-money proposition

Offering 'affordable fun' is core to the Group's purpose, and management is focused on keeping price levels accessible.

The relative price of a game at Hollywood Bowl has fallen since 2021 relative to inflation and National Living Wage increases, with only small annual increases applied to bowling and food and drink in recent years.

Value-for-money customer feedback scores were at record levels in FY2024, up four percentage points compared to FY2023, and Hollywood Bowl remains the lowest-priced branded bowling operator, with a family of four able to bowl for under £26.

Utilising marketing and technology

Our ongoing investment in technology and in-house specialist marketing and development teams continues to enhance the digital customer journey from pre-booking, to in-centre experience, to post-booking communications.

We have evolved our digital brand and content, social media activity, sales activation, and CRM campaigns, all which help drive our website sales, with online bookings accounting for 61 per cent of bowling revenue. We drive yields through dynamic pricing and customer demand through targeted digital sales and marketing.

We increase engagement and dwell time in our centres with digital content, such as our popular live leaderboards, and vary in-centre content to target specific customers with relevant content and sales messaging. For example, daytime content is more family focused compared to evening content.

In H2 FY2024, we launched our new customer booking system, designed to meet the needs of our growing and diverse business.

Delivered on time and on budget, this significant investment in a modern and flexible technology platform supports the future development and growth of the Group in multiple territories (see case study opposite).

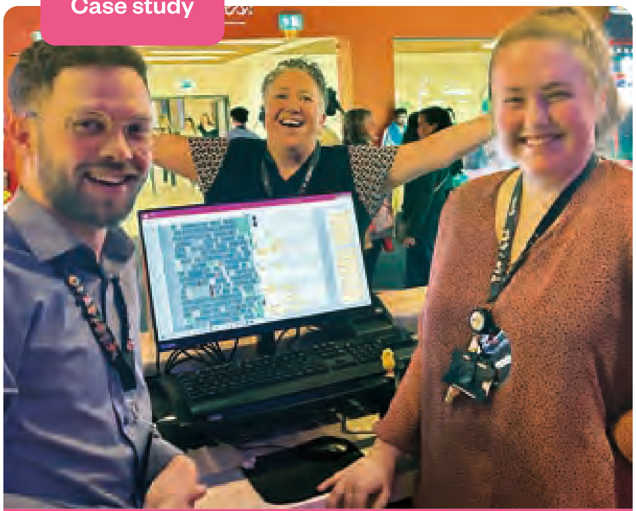
70%

Net promoter score
(FY2023: 64%)

£24.5m

Expansionary capital in FY2024
(FY2023: £13.8m)

Case study



New customer booking system

This scalable and flexible platform offers enhanced security and is integrated with both operational and marketing systems, serving as a core enabler of the Group's growth plans and enhanced digital capabilities.

Following a successful rollout in the UK, the system has delivered increased performance and reliability, improved the speed of interactions for both customers and team members, and reduced processing and hosting costs.

The future roadmap includes rollout to Canada in FY2025, and plans to test and refine new functionalities, such as self-service features, and integration with best-of-breed external software.

Ongoing investment in the core offer

Bowling is our core product and we continue to invest in improving the customer experience at the lanes. Pins on Strings technology is now in 91 per cent of the UK estate and has helped improve the customer experience by increasing the number of games between faults, in addition to reducing our energy usage and operational costs.

In our new centres we have enhanced the bowling experience further with an upgraded music system, digital screens and impact lighting to enhance and vary the bowling atmosphere by time of day.

Optimising our assets

When refurbishing centres, we also reconfigure floor areas to maximise revenue and centre yields.

Examples of this have included combining bar, diner and reception areas to improve operational efficiency and create a better customer journey in the centre.

We also look to extend our amusement areas to allow the inclusion of more, and larger format machines.

Space reconfiguration can also sometimes provide an opportunity to extend the number of bowling lanes in a centre or to add an additional leisure offering to our range.

In FY2024, we added six duck-pin bowling lanes at London O2, and added five extra bowling lanes at Stockton, further enhancing the customer experience and encouraging longer stays and increased spending.

Evolving our mini-golf offer

We launched the Puttstars mini-golf brand in FY2020 operating five centres with a diverse entertainment experience, including nine-hole mini-golf courses, bar, diner, and amusements area.

We have gathered some excellent insights from operating the five centres, which have led us to evolve the customer offer and optimise space returns.

This has been achieved through the addition of duck-pin bowling lanes in Leeds, extending amusements areas in Harrow and Rochdale, and adopting a single operating approach in York, which had Puttstars as a standalone business above a Hollywood Bowl centre.

To better reflect the extended offer, leverage the Hollywood Bowl brand association and marketing channels, and provide operational efficiencies, the remaining Puttstars centres have been rebranded as 'Putt & Play from Hollywood Bowl'.

Whilst bowling centres are the Group's first choice when entering new locations due to their heightened returns, the customer appetite for other activities remains strong.

We have consequently introduced mini-golf as a fourth offer in our Hollywood Bowl centres in Leeds and Stockton, as well as including in our new centre in Colchester, to extend the venue appeal and increase customer dwell time.

Market trends in the UK

The rise of competitive socialising

Consumers are prioritising social experiences over material possessions, influencing how they allocate their discretionary budgets and leisure time.

Opportunity

The 'competitive socialising market' has evolved due to a strong consumer appetite for unique and inclusive experiences, including modern takes on traditional activities such as bowling, mini-golf, table tennis and bingo.

Response

Through our active refurbishment programme, high service standards, and the introduction of innovations such as advanced scoring systems and leaderboards, we continue to set the standard for competitive socialising in the UK. This enables us to successfully compete with the fast-growing number of recent entrants in the market.

Link to strategy 1 2 3 4

Retail and leisure combining

Traditional high street and out-of-town retail outlets are under increasing pressure from online channels and the rise of the 'experience economy'.

Opportunity

Many retail property landlords and developers are expanding their leisure offerings to create a broader destination experience, aiming to increase footfall and extend dwell time.

Response

Our strong track record of successful partnerships with landlords and our unique customer offering position us as a key tenant. This is either alongside other leisure and casual dining operators or as a stand-alone leisure proposition in high-footfall, predominantly retail schemes.

See case study on **page 33**

Link to strategy 1 2 3 4

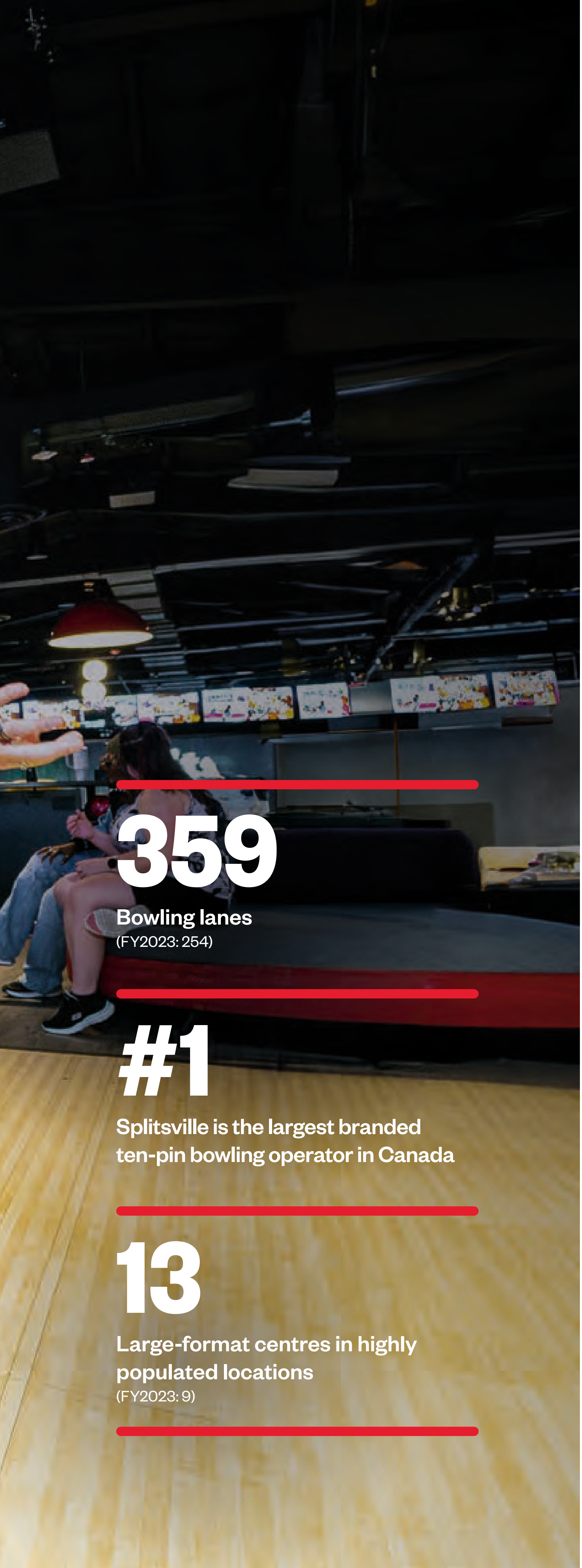
Key to strategy

1. Driving revenue growth
2. Active asset refurbishment
3. New centres and acquisitions
4. Focus on our people
5. International expansion

See our strategy on **pages 30 and 35**

Canada

A significant growth opportunity



359

Bowling lanes
(FY2023: 254)

#1

Splitsville is the largest branded ten-pin bowling operator in Canada

13

Large-format centres in highly populated locations
(FY2023: 9)

splitsville

Excellent progress in a new market

Hollywood Bowl Group took its first steps into international markets with the acquisition of the Splitsville business in May 2022.

Extensive customer research confirmed that the Canadian market is ready for an upgraded, branded, family-friendly leisure proposition similar to Hollywood Bowl's UK model.

Since its acquisition, Splitsville has grown significantly from originally operating five centres to now comprising 13 large family entertainment centres spread across the country.

In a short period of time, it is now established as the ten-pin bowling market leader in Canada, with the estate now including centres in Ontario, British Columbia, Alberta and Saskatchewan.

Each centre features ten-pin bowling lanes, a large bar and diner, and an amusements area, with some also offering laser tag and indoor mini-golf.

Estate investment

FY2024 has been an exciting growth year, including several existing centre acquisitions being made, and our first newly built centre being opened in Waterloo.

The Splitsville brand framework has been further evolved and all acquired centres (excluding Stoked - see case study) have now been rebranded to Splitsville.

Our centre refurbishment programme has continued, with Kingston and Glamorgan completed in FY2024 and five centres scheduled for completion in FY2025.

These renovations incorporate many features already established in the UK such as VIP lanes, bowling lane lighting, and enhanced bar and reception environments.

Since the FY2023 refurbishment (and market relaunch under the Splitsville brand), of our large-scale centre in Richmond Hill, it has exceeded revenue and profitability expectations.

Importantly, Richmond Hill has also provided some excellent operational and customer feedback insights which have been taken into account in subsequent centre refurbishments.

Exciting property pipeline

The Group has a robust new centre development and existing centre acquisition pipeline across the Canadian market.

The opportunity for market consolidation is clear with almost 200 single-owned or multi-site Group-owned ten-pin bowling centres across Canada.

The opportunity for new builds in prime footfall leisure and retail locations is also significant. Overall we aim to expand the Splitsville estate to 30 centres by 2035.

At the start of FY2025, we are on site with two new builds and negotiating several other new build sites.

We maintain strict expansion criteria, with all acquisitions and developments needing to adhere to the same return on investment hurdle rate.

Strengthening operational foundations

As we have gained a more detailed understanding of the Canadian operation, it has become clear that there are opportunities to improve operational processes and help enhance the customer experience through the introduction of many of the ways of working from our UK business.

In FY2024 we started a significant programme to look to leverage the experience and operational practices from the UK to help drive a more consistent and structured approach.

Many operational practices from the UK business have now been introduced to Splitsville, with the programme set to continue into FY2025.

Key initiatives that were implemented in FY2024 were;

- the launch of a management development programme for centre managers and assistant managers in training;
- a behavioural wheel and pin badge rewards programme;
- performance management training for all centre managers and heads of departments;
- monthly 1:1's for all team members and feedback sessions with senior management;
- a new and improved benefits programme;
- a new careers website and employer brand;
- an annual centre manager and support centre conference;
- a new customer feedback programme which has helped identify the key drivers of customer satisfaction; and
- new centre and refurbishment project management framework

Group support functions

Alongside the introduction of some UK ways of working, we have extended our UK Hemel-based departments to provide support for Canada, which in turn is helping us generate synergies and implement best practice across the Group.

These include finance, recruitment, digital marketing, data and business intelligence, IT support and development, as well as using the Customer Contact centre to take customer calls for the Canadian centres.

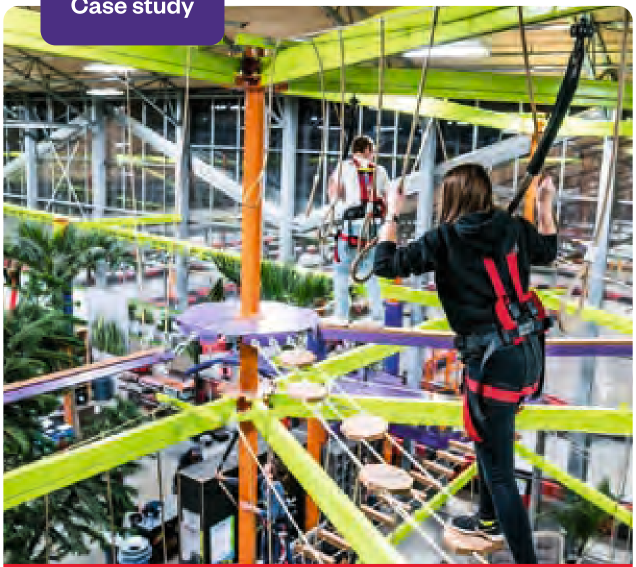
5.9%

Increase in LFL Splitsville revenue
(FY2023: 15.1%)

4

New centres added to the estate
(FY2023: 3)

Case study



Stoked - a multi-leisure offer

The Group continued its growth in Canada with the acquisition of an entertainment centre in Saskatoon, Saskatchewan, in June 2024.

In a centre measuring in excess of 55,000 sq. ft, 'Stoked' features an exciting line-up of activities including bowling, arcade, indoor electric go-karts, ropes course and ziplines, and offers guests an elevated dining experience in the Stoked Kitchen & Bar.

The centre will be operated as a proof of concept to understand the opportunity for Splitsville to add value and assess the viability for future rollout of larger-scale multi-offer entertainment centres in the Canadian market, alongside smaller bowling-focused centres.

Where appropriate, we have moved to standard IT systems across areas like finance, reporting, customer data and marketing which will help to create a consistent approach across the Group.

The next phase will see our new customer booking system being rolled out in Canada in FY2025 and further sustainability initiatives being introduced.

Investing in our people

Alongside the introduction of new talent development programmes, we have also invested in the Canadian team.

We have established the structural foundations to support a fast-growing business over the coming years, including forming a new senior leadership team and upskilling centre managers to drive sales and service superiority.

Notably, several key roles have been filled by senior UK team members, including a new VP of Splitsville, centre managers, an HR Business Partner, and two Regional Managers.

Product innovation

We are starting to trial some product innovation in selected centres in the Splitsville operation to see if the UK approach has relevance to Canadian customers.

Thi includes testing the removal of compulsory bowling shoes (wear your own shoes), game formats, dynamic pricing, new group party packages and a simplified food menu.

Supporting the national bowling sector

Our Striker Bowling Solutions (SBS) operation continues to support the wider Canadian bowling industry as a primary supplier and installer of bowling equipment across the country.

SBS is an important asset to the Group in Canada as it supports Splitsville's installation and equipment requirements when we are refurbishing existing centres and opening new centres.

Additionally, its established national network provides us with access to a large section of Canadian operators in the regional markets, giving SBS an unmatched insight into wider industry trends and developments.

Market trends in Canada

Under investment in the sector

Many bowling centres in Canada have historically suffered from low levels of investment leading to a decline in the standard of the customer experience.

Opportunity

Existing centre environments and customer experience are ripe for upgrading to attract a new leisure clientele, following the approach taken by recent entrants into the broader Canadian leisure market.

Response

We are investing in upgrading the centre environments through refurbishments and new centre builds, introducing features like VIP lanes and digital signage. Our team member development programmes are also aimed at improving the service experience.

Link to strategy 1 2 3 4 5

Sector consolidation

With over 170 single-owned or small multi-site ten-pin bowling operators, the opportunity for market consolidation under a single brand is significant.

Opportunity

Well capitalised businesses like Hollywood Bowl Group can increase their share of the ten-pin bowling and wider leisure market as smaller operators become financially challenged, unable to invest in capital projects, or seek to exit the market.

Response

Our centre acquisition model focuses on acquiring existing centres in prime locations and adopting the subsequent rebrand and refurbishment strategy that we have employed in the UK.

Link to strategy 1 2 3 4 5

Key to strategy

1. Driving revenue growth
2. Active asset refurbishment
3. New centres and acquisitions
4. Focus on our people
5. International expansion

See our strategy on **pages 30 and 35**

Our proven strategy has again delivered excellent results

"Our highly cash generative model and a strong balance sheet underpin our ability to drive returns through investment in our growth strategy."

Stephen Burns, Chief Executive Officer

Read full biography on page 84

Hollywood Bowl Group delivered another excellent performance in FY2024. The continued investment in the quality and expansion of the estate in the UK and Canada, as well as further innovation of the customer experience, led to impressive operational and financial performance.

Group revenue grew 7.1 per cent to £230.4m and 0.2 per cent on a LFL basis, with adjusted profit before tax of £45.0m, and adjusted profit after tax of £32.3m. Statutory profit before tax was £42.8m (FY2023: £45.1m) and profit after tax £29.9m (FY2023: £34.2m). This includes the impact of an impairment in the year of £5.3m (FY2023: £2.2m) in relation to the mini-golf centres.

Our continued growth has been achieved by executing our clear and consistent customer-led strategy to provide great value-for-money, family-friendly experiences in well-invested venues, and to grow the size of our estate.

The Group's robust financial position, characterised by a highly cash generative model and no bank debt drawn, underpins our ability to drive returns through investment in our growth strategy. The Group's capital investment in new centres, acquisitions and refurbishments in FY2024 was over £50m. The Group grew to 85 centres, opening four new centres in the UK and four in Canada, as well as completing ten UK and two Canada refurbishments in FY2024. Net cash at the end of FY2024 was £28.7m.

In the UK, we are the established market leader delivering a best-in-class experience while remaining the best value of the branded bowling operators. Our progress in Canada means we are now the largest branded bowling operator and, leveraging our Group expertise, we are enhancing the standard of experience for our customers.

None of this would be possible without our highly talented, enthusiastic and motivated teams. I thank them for the hard work that goes into providing our customers with an excellent customer experience each day as evidenced by the record UK customer satisfaction levels achieved during the year.

Outstanding UK performance

We delivered another outstanding result in the UK, particularly in the context of the two previous years of exceptional performances.

Our FY2024 performance demonstrates the robust demand for family-friendly, affordable leisure activities, as well as the success of our growth strategy. As a result of our customer-focused operating model, we grew average spend per game by 2.1 per cent to £11.05.

Total UK revenue grew 3.8 per cent year on year, with LFL revenue flat year on year, with growth of 0.3 per cent in the Hollywood Bowl centres offset by the decline seen in the Puttstars trial centres. Adjusted EBITDA on a pre-IFRS 16 basis in the UK increased to a record £62.3m and there is more detail on this in the Chief Financial Officer's review.

Value for money

UK families remain under pressure from cost-of-living challenges and we are proud that we can still offer a family of four a game of bowling for £26, even at peak times. Headline bowling prices have increased by a CAGR of just 2.6 per cent since 2021, well below inflation and National Living Wage increases. Our dynamic pricing allows us to offer even better value for customers at non-peak periods, helping to drive incremental volume alongside carefully controlled yield enhancement.

Our simplified food menu and the focus on speed, quality, consistency and value for money have supported a 2.4 per cent increase in bar and diner spend per game, with value-for-money scores also up compared to FY2023.

Our market-leading amusements continues to be key to our attractiveness to customers. In FY2024 we saw spend per game grow by 6.1 per cent with investment in new machines, as well as the use of seamless payment technology, being fundamental in this performance. Our play for prizes machines are a great way for our customers to play and win, which provides an unmatched value-for-money experience.

Refurbishments

Our rolling refurbishment programme remains on track. Ten UK centre refurbishments were completed during the year, some of which are on their second or third generation refurbishment, benefiting from the continuous learnings made over the last cycle of investment.

This constant innovation of our customer offer is a key driver of higher spend in our centres. In addition to introducing the latest digital signage and new brand environments, we are finding new opportunities to optimise our space that complement our core bowling offer and increase the yield per sq ft potential. This includes increasing the density and range of our amusements, as well as introducing new payment options, helping drive amusement SPG by more than 6 per cent. In some centres, where space allows, we have introduced extra full-size or compact-format bowling lanes, such as duck-pin and five-pin, as well as including mini-golf courses.

£230.4m

Group revenue
(FY2023: £215.1m)

£87.6m

Group adjusted EBITDA
(FY2023: £82.7m)

Outstanding UK performance continued

Refurbishments continued

All of the completed refurbishments are trading in line with or above our expectations since the investment.

We have continued the roll out of Pins on Strings with eight installed in the year and a further four have been completed since the end of the financial year, meaning that all but two of our UK centres benefit from this cost-saving and experience-enhancing technology at the time of writing.

New centres

We added four centres in the UK during the year, taking our total UK estate to 72. We acquired Lincoln Bowl in the first half of the year, and opened three new centres in the second half, in Dundee, Westwood Cross (Kent) and Colchester. We are pleased with the performance of all the new centres, demonstrating the strength of our new centre pipeline and our ability to secure opportunities in prime locations in line with our strict investment criteria.

The highly anticipated Westwood Cross centre, which saw a former department store transformed into an anchor leisure destination, set trading records in its opening weekend in August 2024 following a two-year development.

The success of our recent openings is also helping to evolve our framework of what creates a prime new centre location. This has been demonstrated by the new Merry Hill and Westwood Cross centres which are both located in high-footfall shopping centre schemes and are trading ahead of expectations. It was disappointing to have to close our centre in Surrey Quays as part of a landlord redevelopment, but we have added capacity to our centre at London O2 as part of its refurbishment and are confident this will be appealing to those customers.

We have an exciting pipeline of new opportunities with a further four expected to open in FY2025 and we remain on track to meet our target of six new UK centres by FY2026.

Puttstars

In FY2020, we launched a mini-golf leisure brand called Puttstars, testing the concept in five centres. Whilst we have seen some good performance, it has become clear that bowling centres offer higher returns potential and will remain the Group's first choice when entering new locations.

The significant insights gained from the Puttstars centres have allowed us to evolve our mini-golf customer offer and optimise space returns through the addition of complementary duck-pin bowling and amusement activities in four of the five centres. To better reflect the extended offer, leverage the Hollywood Bowl brand association and marketing channels, and deliver greater operational efficiencies, these four Puttstars centres have now been rebranded as 'Putt and Play from Hollywood Bowl'. The fifth centre in York, which had Puttstars as a standalone offer above a Hollywood Bowl, was integrated into the Hollywood Bowl unit and operated as a combined single unit, from July 2024.

Investment in technology

We have invested significantly in our customers' digital journey over the last year, developing our own new, modern and flexible technology platform that we can further evolve and which will support our next stage of growth.

We successfully launched the system in July 2024, resulting in a more scalable, reliable and usable reservation system that integrates with our marketing and data platforms. We are delighted with the results so far. The booking experience has been significantly improved for our customers and team members, with increased usability, reliability, speed and an uptick in online conversion rates, as well as reduced operational costs.

We have direct control of the system, having developed the technology in-house, and therefore we can enhance functionality over time. Following the success of this launch in the UK, we are piloting the system in Canada and will make any locally relevant adjustments before beginning the roll out in FY2025.

Exciting Canada opportunity

Our business in Canada performed well, with total revenue increasing by 42.2 per cent to CAD 53.0m (£30.7m) and LFL revenue on a constant currency basis up by 6.3 per cent. Adjusted EBITDA on a pre-IFRS 16 basis increased by CAD 2.1m to CAD 9.5m (£5.4m).

Acquisitions and new centre developments

The Canadian market remains highly fragmented and underinvested, creating a significant opportunity for us to acquire existing businesses that fit our strict criteria or extend our geographic presence through new centre developments in well-populated urban areas that are currently under-served by family entertainment offers.

We added four new sites during the year, taking the total size of the estate to 13 centres and making the Group the single largest branded bowling operator in Canada.

We acquired two centres, Woodlawn Bowl in Ontario and Richmond Riverport (Lucky 9) in British Columbia, in the first half, and Stoked in Saskatchewan in June 2024, all of which are performing in line with expectations.

Woodlawn Bowl is a 36,000 sq ft centre acquired for CAD 4.7m (£2.8m). It offers 24 lanes of ten-pin and 8 lanes of five-pin bowling, a large amusements area and a bar and diner. Richmond Riverport was acquired for a total consideration of CAD 425k and included the assets and lease of a family entertainment centre featuring 34 ten-pin and 6 five-pin lanes, a large bar and diner, and a small amusements area.

Woodlawn Bowl and Richmond Riverport have had signage installed rebranding them to Splitsville and essential maintenance capital invested, prior to their full refurbishments which are due to be completed in FY2025.

The Saskatoon centre is a high-quality indoor entertainment complex operating as 'Stoked', a well-established brand in the local area. In addition to 15 bowling lanes, the centre offers multiple activities, including high ropes, zipline, go karting, arcade and a bar and dining area. The centre, which will remain under the management of its existing local team with support from the Splitsville team, provides us with the opportunity to trial an enhanced entertainment offer and other competitive socialising activities in the Canadian market.

We were delighted to open our first custom-built centre in Waterloo, Ontario, in July. Located in the heart of this tri-university city, benefitting from a large local student population, the 43,000 sq ft state-of-the-art Splitsville Waterloo is the first family entertainment bowling centre in the area. Offering 24 bowling lanes, an arcade, a bar and lounge, pool tables and sports games, it is well on its way to

achieving its return targets. Given the infancy of the Splitsville brand, we expect new centres in Canada to take a little longer to get to maturity than in the UK.

As we continue to open new centres in Canada, we are leveraging our development expertise gained in the UK to ensure that future construction and refurbishment projects are delivered on budget and on time. We have exchanged on a further three new sites, two of which are in Alberta and one in Ottawa; at least two of these are expected to open in FY2025.

In addition to our organic growth pipeline, we continue to see opportunity to grow the estate through the acquisition of single-owned centres or small group-owned businesses.

Refurbishments

Our refurbishment programme has also progressed well, delivering strong returns and excellent customer feedback. We completed the refurbishment of two centres in FY2024, at Kingston and Glamorgan, introducing new signage, upgraded environments, new technologies and yield-enhancing space optimisations. We are confident these investments will hit our 25 per cent hurdle rate for refurbishments in Canada.

Leveraging our expertise

Our success to date demonstrates our ability to increase our market share, enhance the customer offer through refurbishments and innovation, and provide an industry-leading competitive socialising experience to a wide customer demographic. As we continue to learn more about our Canadian customers, we can do more to apply our insights alongside our proven UK operating model to this market.

This will be evident in a number of different ways. We have already begun sharing our best practice and knowledge, not least through a number of our UK team taking up a variety of operational roles in our Canada business. We are moving to align our technology and Group support functions, increasing our operational efficiency and further enhancing our returns in Canada.

Striker

Our Striker business continues to perform well and grow in line with increased investment into bowling centres. Revenues in FY2024 totalled CAD 7.7m (£4.5m), with a good order book for multiple installation and maintenance projects in FY2025.

Our ability to invest in bowling equipment and technology at cost has significantly reduced our capital expenditure and lead times for centre upgrades as we invest in the quality of the estate in Canada.

An industry-leading team

Our teams are at the heart of delivering an excellent customer experience and key to the Group's success.

We take great pride in our industry-leading, in-house training and development programme. For the third year running, we ranked among the UK's Best Big Companies to Work For. We also retained the top 3* ranking for our working practices at our Hemel Hempstead Group support office.

This year, we achieved record attendance on our management development programmes, and we were delighted that 58 per cent of internal management positions were achieved through internal appointments. These results explain why we have relatively low team member turnover rates compared to the wider leisure market and illustrate our record in home-growing talent.

For FY2024 we paid out over £1.0m in centre-level management bonuses and £0.6m to hourly rate team members measured against financial, environmental and customer satisfaction criteria.

Growing sustainably

Running and growing our business in a sustainable manner remains a key focus for the Group, and we are making good progress against our sustainability strategy and targets. We have recycled more waste than ever before, an achievement supported by behavioural programmes and the application of standard operating procedures. The rollout of solar panels in the UK continues with 30 centres benefiting from solar arrays at the year end, and two more currently in progress.

Discussions with landlords and identifying opportunities to increase the number of centres using renewable energy is a key priority as we continue to seek to reduce our centre level carbon footprint and reliance on purchased electricity. We are also installing more low-carbon materials and energy-efficient technologies in refurbishments and new centre builds.

Growing sustainably continued

Our centres continue to play an important social role in our local communities, and we were pleased to have beaten our targets for concessionary discount and school games played and for charity fundraising for our new charity partner, Macmillan.

We will be more closely aligning our Canadian operations with our UK sustainability strategy from FY2025, so that we can further improve our environmental and social performance.

Resilient to inflationary pressures

Our unrelenting focus on service and delivering value for our stakeholders, alongside managing costs, has continued and we have hedged our energy costs through FY2027. In addition, we are well insulated from inflationary pressures with over 70 per cent of our revenue not subject to cost-of-goods inflation. We also have relatively low exposure to National Living Wage increases compared to other leisure operators, given our labour cost in the UK is less than 20 per cent of revenue at centre level.

Update following UK Government Budget

The recent changes announced by the Government in the Budget to Employers' National Insurance contributions and threshold levels, coupled with ongoing wage increases will have a significant impact on the hospitality industry. It will be felt most keenly by smaller operators across the country for whom the increased costs will be unsustainable and therefore could be at risk of closure. There are likely to be further consequences following the Government changes with potential for higher inflation, and future job creation, and growth investment at risk.

While we are not immune from these changes, as a bowling business with an average customer frequency of around once a year, significant scale advantages, strong cost culture and a relatively low labour-to-revenue ratio of under 20 per cent in the UK, we are in a better position than many to mitigate the effect of increased costs.

The Employers National Insurance cost for an average UK hourly paid team member working 20 hours per week, on national living wage, will increase from just under £400 per annum, to £1,155 per annum. We expect the cost impact to be c. £1.2m on an annualised basis from when the changes are implemented in April 2025.

As a people-led business, our success hinges on having great people who deliver the best possible experience to our customers. We are working to mitigate the cost challenges presented by the Chancellor's recent budget, and our commitment to prioritising investment in attracting and retaining top talent won't change as a result of these new measures.

Outlook

The recent changes announced by the Chancellor to employers' National Insurance, coupled with ongoing wage increases, pose challenges for many businesses. We had expected the increase to wages, but the increased tax burden now falls heavily on labour-intensive sectors, like hospitality.

The competitive socialising market has evolved in recent years due to a strong consumer appetite to share unique and inclusive experiences, shaping how consumers spend their discretionary income. Whilst many new and different concepts have launched in recent years, we believe that bowling retains its unique position with its ability to appeal to a wide demographic with anyone able to take part.

In a growing market, and against the backdrop of upcoming inflationary pressures off the back of the new Government measures, customer service and great value for money will be a true point of differentiation. We are committed to supporting our teams to deliver outstanding customer service, whilst maintaining an affordable price point for our customers.

Our performance in FY2024 demonstrates our ability to execute our customer-led strategy and generate attractive returns through investment, supported by our strong balance sheet and highly cash generative business model.

We have ten refurbishments planned across the UK and Canada in FY2025 as we continue to prioritise maintaining our well-invested estate with further innovation of our customer offer, setting industry standards.

The Group is on track to reach our target of 130 centres by FY2035 and plan to open four new centres in the UK and at least two in Canada, in FY2025.

We are in an excellent position for future growth, with our strong UK and international pipeline, capital investment programme and our highly resilient business model. We remain confident in the outlook for the business as the market leader in competitive socialising in both the UK and Canada, and we are well positioned for another successful year ahead.

Stephen Burns
Chief Executive Officer
16 December 2024

7.1%
Group revenue growth

100
Hollywood Bowl centre estate target opportunity by 2035

30
Splitsville centre estate target opportunity by 2035

Q&A with Stephen

We ask CEO Stephen Burns about performance in FY2024 and future growth opportunities.

Q How do you see the use of technology evolving for the Group?

A We are always thinking about how we can enhance the customer experience and keep our offer fresh and relevant – and technology of course plays a key role in this. We are extremely excited about our new customer booking system, which has been our biggest technology investment yet. We built this in house and rolled this out in July across our UK centres. We are already seeing excellent results and, crucially, it gives us additional resilience and future development flexibility. Our next step is to roll this out in Canada next year, following the completion of the pilot phase.

Technology has really helped us increase engagement in our centres and it has been fantastic to see how much our digital content adds to the customer experience, for example our live leaderboards which promote friendly competition. Similarly, we are always making enhancements to our ordering systems – customers can have food and drink delivered directly to their lane so that there are no interruptions during a crucial game!

Q With increased competition from other indoor leisure operators, what plans do you have to offer additional or new experiences?

A It is a positive time for the industry, with consumers continuing to prioritise high-quality experiences rather than buying material items. We are pleased to continue to set the standard for competitive socialising and we know that by remaining true to our core purpose, bringing families and friends together for affordable and fun competition, we will deliver strong results.

However, this does not mean that we are standing still! Our refurbishment programme keeps our centres looking their best, whether that is through improving the quality of our amusement machines or introducing mini-golf in an existing Hollywood Bowl to give customers more reasons to stay with us for longer. We are starting to share our customer innovations with our Canadian colleagues as we continue to build a recognisable brand in this new and exciting market.

Q What are you looking forward to in the coming year?

A As always, we have a busy year ahead and our main focus will be on our ambitious growth plans both in the UK and Canada.

We have learnt a great deal from our expansion in Canada and we will be further integrating our UK ways of working within our Canadian operations. One of the best parts of my job is working with such dedicated, enthusiastic colleagues and we were very pleased to sponsor more UK team members to move to Canada to take up a variety of operational management roles.

I am excited about the pipeline of opportunities ahead and working to capture these with our outstanding team members who work hard each day to deliver the best possible experiences for our customers.

Our people and culture

Company culture

Our culture defines the environment in which our teams work. It encompasses our mission, values, expectations, and goals. At Hollywood Bowl Group, we are a purpose-led, performance-driven business that places our people at the heart of everything we do.

When asked to describe our culture, our team members say they love working with colleagues in a respectful, welcoming environment that creates great memories for our customers, offers lots of development opportunities, feels like family, treats everyone as equal, and is enjoyable, honest, and supportive.

Ways of working

In 2010, we developed our ways of working models centred around service. By 2013, we introduced our behavioural "Wheel", which has become fundamental to our DNA and culture. Post COVID-19, we took the opportunity to retrain all of our team members on our cultural and behavioural ways of working, resulting in improved service scores. This year, we extended our ways of working to the Splitsville teams in Canada, leading to further increases in service scores.

Diversity and inclusion

Embedding our Diversity and Inclusion (D&I) strategy is crucial to Hollywood Bowl Group because it ensures that every team member feels valued, respected, and included, which in turn fosters a positive and productive work environment.

Supported by five dedicated D&I champions, our strategy promotes a culture of equality and belonging, which is essential for attracting and retaining top talent, driving innovation, and enhancing customer experiences. As a result of these efforts, D&I has become one of our highest-rated categories on external review sites, reflecting our commitment to creating an inclusive workplace where everyone can thrive.

Engagement and development

We ensure our culture is embedded in everything we do by checking in with our team members at least once per month in 1:1 meetings.

Developing our teams is also extremely important and in FY2024, 11 per cent of our team members participated in one of our top talent programmes.

Communication

We use Fourth Engage to communicate regularly, celebrate success, and bring our culture to life on a daily basis. This year we shared over 8,500 pieces of content with our team.

WorkL FOR BUSINESS HIGH QUALITY EMPLOYEE EXPERIENCE ★★ 2024

Case study

Celebrating success

We love to celebrate success and recognise team members displaying the right behaviours through our pin badge programme. In FY2024, we issued over 1,500 pin badges in the UK and more than 250 in Canada which are proudly displayed on team member lanyards. Over 60 per cent of UK hourly paid team members received an additional 50 pence bonus per hour worked, for meeting monthly service standards, marking a 9 per cent increase from last year.

Case study

Recognition and achievement

We measure team engagement twice a year to ensure we are providing fun, supportive, and rewarding careers. In 2024, we were recognised as the 12th Best Big Company to Work For and the 19th Best Company in Leisure by Best Companies. More recently, we received a 2* high-quality employee experience rating from WorkL in the UK, and celebrated a 4 percentage point improvement in team engagement scores in Canada.

Q&A with Mel

We ask CPO Melanie Dickinson about her highlights in FY2024 and future areas of focus

Q What were some of your highlights over the past 12 months?

A Our team members are our greatest asset, and as a people-led business, our success hinges on having great people. This year, we've enhanced our learning journey by introducing a more engaging and interactive learning management system to support our team's ongoing development. We continued to invest in our top talent programmes, with 11 per cent of our team members benefiting from a development programme last year. This investment led to 58 per cent of all UK management appointments being made internally, a record-breaking achievement for us!

The evolution of our employer brand has resulted in a 33 per cent increase in job applications through social media channels. We were thrilled to launch our employer brand in our Canadian business, receiving very positive feedback.

Our focus on team engagement has kept us in the UK Best Companies rankings as the 12th Best Big Company To Work For and we received a 2* high-quality employee experience rating from WorkL. We've also made significant progress in launching our development programmes and training every team member on our culture and ways of working in Splitsville.

Q What does the people strategy look like for the year ahead?

A Recruiting, developing, engaging, and retaining top talent remains a top priority at Hollywood Bowl Group in both the UK and Canada. To support this, we've strengthened our People Partner teams in both countries, ensuring consistent delivery of our people strategy across all centres. In light of the New Deal for Working People in the UK, we're focusing on preparing for these changes and ensuring we have the right processes and ways of working in place. Our diversity strategy also remains a top priority, with significant progress made in establishing diversity working groups and champions last year.

Q What initiatives do you have to ensure continuous employee engagement?

A To keep our teams engaged and ensure their job satisfaction, we actively seek their input at every opportunity. We conduct bi-annual engagement surveys in both the UK and Canada and hold listening groups led by our CEO.

Every team member has a monthly 1:1 with their manager to regularly check in on what's working well and where improvements can be made. We also gather feedback informally through team meetings, centre visits, and by fostering an open culture where feedback is welcomed and encouraged.

Each centre and support department in both the UK and Canada has an engagement action plan that we review monthly to continuously improve team engagement. This year, we've partnered with a new external engagement partner, WorkL, to further enhance our team engagement and workplace happiness.

Value creation
through continuous investment in enhancing the customer experience

What sets us apart

Our successful brands
We operate an extensive portfolio of bowling centres across the UK and Canada under our Hollywood Bowl and Splitsville brands.

A high-quality estate
Our centres are predominantly located in prime out-of-town, multi-use leisure and retail parks, alongside cinemas and casual dining sites.

Motivated and engaged teams
Our teams are the face of our business, dedicated to delivering the best brand experience for our customers.

The customer experience
Our entire operation is focused towards delivering a memorable experience for customers every time they visit.

Our landlord relationships
We maintain excellent relationships with developers, agents, and landlords, ensuring a strong pipeline of potential new high-quality sites.

High levels of cash generation
By driving revenues and achieving healthy margins in all of our product areas.

A strong balance sheet
By maintaining a strong cash and liquidity postion, we can invest appropriately in all areas of our business, creating value for our stakeholders.

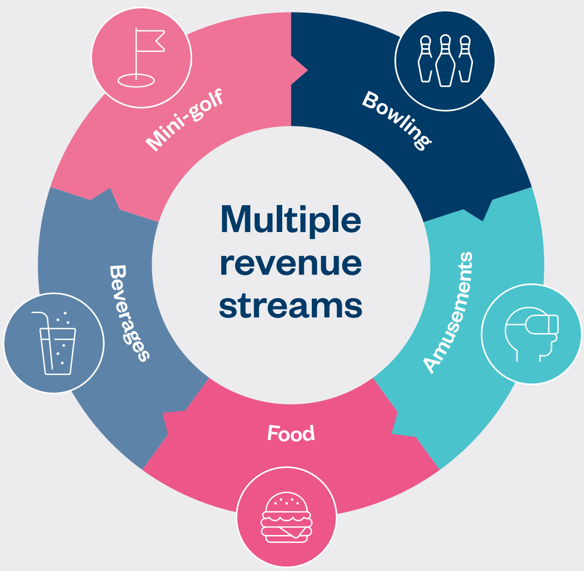
See our strategy on **pages 30 to 35**

What we do

Our centres offer a complete entertainment experience for customers of all ages.

In addition to our core offering of ten-pin bowling, customers can enjoy amusements, food and drink, and in some centres mini-golf or duck-pin bowling.

These additional offerings not only enhance their experience and provide more reasons to visit, but also increase dwell time and secondary spending.



Where we invest

The customer experience

- Safe and secure environments
- Technology to enhance the customer journey
- Centre maintenance and upgrades
- Centre refurbishments and reconfigurations
- Customer insight programmes

Link to strategy

1 Delivering revenue growth

2 Actively refurbishing our assets

Our people

- Attracting and retaining the best people in the leisure industry
- A fair deal for our team members with comprehensive bonus and incentive schemes
- Extensive training and development
- Team engagement and wellbeing programmes

Link to strategy

4 Focusing on our people

Enabling growth

- New centre developments
- Broadening the appeal to new and existing customers through digital marketing programmes and environment upgrades
- Centre acquisitions
- UK and international market expansion

Link to strategy

3 Developing new centres and acquisitions

5 International expansion

The value we create

Our customers

We are committed to delivering exceptional experiences through outstanding service in unique, contemporary, safe, and exciting environments, all at a highly accessible price point.

70%

UK net promoter score

Our people

Our team is dedicated to achieving commercial success, customer satisfaction, and operating in a sustainable manner.

We implement management programmes to attract, retain, and nurture top talent, ensuring our customers receive the best possible experience.

58%

Of UK management vacancies filled internally

Our partners

We support a diverse ecosystem of partners and suppliers through commercial arrangements designed to foster mutually beneficial long-term relationships.

8

New centres added to the Group estate in FY2024

Our communities

Alongside community employment opportunities, the inclusive nature of bowling significantly contributes to social wellbeing. To facilitate greater access, we provide subsidised rates for concessionary users and educational groups.

1m+

Discounted concession games played

Our investors

We focus on sustainable, profitable growth by driving revenues and managing our margins and cash position to deliver attractive returns.

£20.7m

Total shareholder returns in FY2024

Our proven growth strategy

1. Driving revenue growth
2. Active asset refurbishment
3. New centres and acquisitions
4. Focus on our people
5. International expansion

See our principal risks on pages 75 to 79
See our markets on pages 12 to 19

1 Driving revenue growth

We drive revenue growth by attracting new customers, increasing the frequency of visits, and encouraging higher ancillary spending.

Our approach:

- **Sales, service, and safety excellence:** We focus on superior sales, service, and safety to improve centre performance.
- **Outstanding customer experience:** We prioritise four key drivers of customer satisfaction: value for money, cleanliness, team friendliness, and service speed.
- **Extended dwell time:** We offer a diverse entertainment experience to increase customer dwell time.
- **Technology investment:** We invest in technology to enhance the digital customer journey, driving sales and engagement.
- **Targeted digital marketing:** We maximise customer awareness and engagement through targeted digital marketing campaigns.
- **Enhanced food and beverage:** We evolve our menus and remove barriers to ordering.
- **Accessible amusement options:** We enhance our amusement offer and focus on making them affordable and accessible.
- **Minimised downtime:** We reduce bowling-lane downtime through the rollout of Pins on Strings technology.

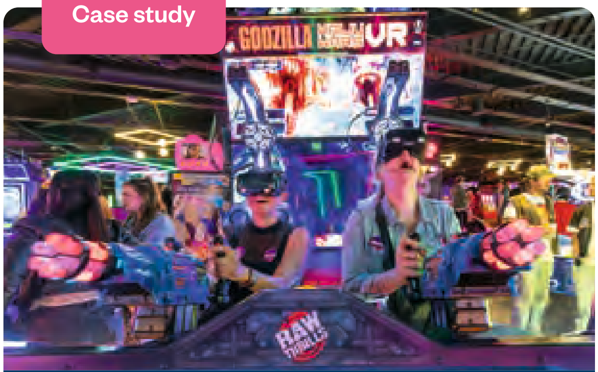
Achievements in FY2024:

- **Net Promoter score:** Achieved a record score of 70% in the UK.
- **Customer satisfaction:** 62% of UK customers were highly satisfied.
- **Team member incentives:** Bonus schemes linked to our four critical customer satisfaction drivers.
- **New booking system:** Launched our new customer booking system to support further growth in the UK and Canada.
- **Marketing:** Drove customer engagement rates and revenue generation through our customer data platform.
- **Online experience:** Refined functionality to simplify the customer website journey and improve product presentation, promotions, and dynamic pricing.
- **Food and beverage:** Enhanced our value snacks and sharers menu, increasing at-lane orders.
- **Space optimisation:** Added extra bowling lanes and extended amusement areas where possible in our refurbishments.

Future plans:

- **Refurbishment programme:** Continue refurbishments in the UK (approx. 33% ROI) and Canada (approx. 25% ROI).
- **Innovation and technology:** Maintain focus on product innovation and technology investment.
- **Data-driven marketing programmes:** Continue to utilise data and technology solutions to further optimise marketing campaign performance.

Case study



Best in class amusements

A £5.5m investment across the UK estate has enhanced the quality of our offer with many new machines introduced. We have introduced new payment options and increased the price of play on selected machines. Additionally, we have improved the standards and reliability of our games areas through our amusement training academies. This has resulted in an increase in UK amusements spend per game of 6.0 per cent compared to FY2023.

Links to risks

1. Economic environment
5. Food and drink suppliers
6. Amusement supplier
7. Management recruitment and retention

0.3%
UK LFL Hollywood Bowl revenue growth

5.9%
Canada LFL Splitsville revenue growth

7.1%
Total Group revenue growth

2 Active asset refurbishment

Investment in our centres enhances the customer experience and drives sales, satisfaction levels and profitability.

Our approach:

- **Refurbishment programme:** We run a five-to-seven-year refurbishment programme in the UK with an average spend of c.£400k per centre, ensuring our centres remain in top condition and allow us to introduce upgrades. Canada refurbishments are costing more initially as we combine upgrades with required maintenance spend to save time and further disruption.
- **Space optimisation:** We reconfigure centres to optimise space and drive revenues, such as combining bar and diner areas to create more amusement space and introducing mini-golf courses in under-utilised areas.
- **Enhanced amusement offerings:** We increase the space, density, and quality of family games and amusement machines, driving ancillary revenues.
- **Digital content upgrades:** We upgrade in-centre digital content systems to improve customer engagement and encourage food and beverage spending.
- **Sustainability investment:** We invest in solar panels and Pins on Strings to reduce our environmental impact

Achievements in FY2024:

- **Centre refurbishments:** Completed the refurbishment or rebranding of 12 centres (ten in the UK and two in Canada), investing £11.5m in improvements.
- **Amusement space expansion:** Added extra amusement space during refurbishments, creating more ways for our customers to spend, as well as higher pricepoint machines, dirving spend per game.
- **Digital installations:** Continued the rollout of in-centre digital screens.
- **Nayax 'Tap to Play':** Continued the rollout of Nayax 'Tap to Play'.
- **Pins on Strings:** Completed the rollout of Pins on Strings in eight more centres, now in 64 UK centres at the end of FY2024.
- **Solar panel installation:** Installed solar panels at three more centres in FY2024, bringing the UK total to 30 centres.
- **Brand updates:** New brand framework introduced for Hollywood Bowl and new Canadian centres migrated to the Splitsville brand.

Future plans:

- **Upcoming refurbishments:** Complete at least seven refurbishments in FY2025.
- **Pins on Strings rollout:** Continue the rollout of Pins on Strings in the UK to improve games per stop (GPS).
- **Solar panel expansion:** Ongoing negotiations with landlords to continue the solar panel rollout.

Case study

Stockton centre expansion

We secured a new lease and extended the centre into an adjacent building. The investment included refurbishment of the exterior and interior, extra bowling lanes, a mini-golf course and an expanded amusements offer.

At a cost of £1.9m and with a 12-week fit-out, the project completed in March 2024. Since completion, we have experienced record trading levels for the centre.

Links to risks

1 Economic environment
6 Amusement supplier
11 Climate change

10
UK centres refurbished or rebranded in FY2024

8.5%
LFL spend growth in first year after refurbishment

33%
Target average ROI on UK refurbishment capital expenditure

3 New centres and acquisitions

We actively pursue growth opportunities in new local markets by building additional centres and acquiring existing sites.

Our approach:
- **Quality openings:** We focus on high-quality locations, setting a minimum 19 per cent ROI on net capital expenditure.
- **Strategic acquisitions:** We seek acquisitions that meet strict investment criteria, both overseas and in the UK, where we can add value and achieve sustainable, profitable growth.

Achievements in FY2024:
- **New centres:** Opened three new Hollywood Bowl centres and one new Splitsville centre.
- **Acquisitions:** Acquired one centre in the UK and three centres in Canada.
- **Construction:** Commenced construction on four new centres in the UK and two new centres in Canada.

Future plans:
- **Expansion:** Open at least four additional centres in the UK and two in Canada, by the end of FY2025.
- **Value addition:** Leverage our customer-led operating model, technology, and digital marketing expertise to further enhance expansion of the Canadian business.
- **Pipeline development:** Continue to build the pipeline of new Canadian site opportunities, with plans for more than ten additional sites or acquisitions before FY2030.

Case study

Transforming retail space

Merry Hill Shopping Centre near Birmingham, met our strict investment criteria, with excellent local demographics, a high-performing cinema and a new leisure area under development in ex-retail space.

This centre was the first to feature our new brand identity and is projected to achieve a 40 per cent ROI on gross capital spend. It has been credited with increasing footfall levels in the wider Merry HIll scheme.

Links to risks
1. Economic environment
2. Covenant breach
3. Expansion and growth
7. Management recruitment and retention

4
New centres added in the UK in FY2024

4
Centres added in Canada in FY2024

6
New Group centres targeted by end of FY2025

4 Focus on our people

Our dedicated, dynamic, and diverse teams are key to fulfilling the Group's purpose.

Our approach:

- **Positive culture:** We foster a positive, inclusive, fun, and high-performance culture.
- **Clear purpose:** We ensure our purpose is well understood and underpins the way our teams work.
- **Training and development:** We provide industry-leading training and development programmes.
- **Career progression:** We offer all team members opportunities to progress and develop their careers.
- **Competitive compensation:** We offer competitive pay, benefits, and bonus schemes.
- **Engagement and communication:** We actively engage and regularly communicate with all team members.

Achievements in FY2024:

- **Increased remuneration:** Raised salaried centre teams' remuneration by 5.3 per cent.
- **Performance bonuses:** Rewarded more than 60 per cent of our hourly paid team members with performance-related bonuses.
- **Employer brand:** Promoted our employer brand to attract top talent, a more diverse workforce, and increase job applicants.
- **Careers website:** Increased visits by 26 per cent YOY.
- **Training programmes:** Increased the number of Assistant Centre Manager and Centre Manager in Training programmes, and held talent programmes for technicians and contact centre teams.
- **Leadership development:** 14 team members completed the Senior Leadership Development Programme.
- **Internal promotions:** Filled 58 per cent of management vacancies from our internal talent pipeline.
- **Recognition:** Ranked 12th in the UK's Top 25 Best Big Companies to Work For in 2024 and achieved a 2* high-quality employee experience rating from WorkL.

Future plans:

- **Incentive schemes:** Continue to run market-leading incentive schemes for our teams.
- **Canada development programmes:** Continue to extend the UK framework of team member programmes to Splitsville.
- **Graduate training programme:** Welcome our second cohort of graduates onto our graduate training programme.
- **Employer brand:** Continue to develop and utilise our employer brand in the Canadian operation.

Case study

Top talent attraction

Over the past twelve months, we have continued to build up the visibility of our employer brand by externally promoting to prospective employees about what it is like to work at Hollywood Bowl Group.

Our social media campaigns have led to more than 25% of our applications coming directly through these channels, and our workplace review site ratings have seen year-over-year rating increases.

Links to risks

1 Economic environment

4 Core systems

7 Management recruitment and retention

58%

UK management vacancies filled internally

60%+

UK hourly paid team members receiving bonuses

£1.6m

Bonuses paid to UK centre teams

5 International expansion

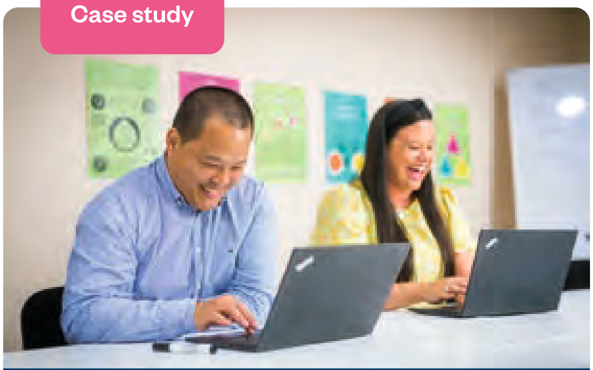
We explore and evaluate international growth opportunities in the indoor leisure sector.

Our approach:
- **Extensive research:** We undertake customer and market research to evaluate market opportunities.
- **Investment criteria:** We target fragmented and underinvested international markets that are ripe for consolidation and apply strict investment criteria before entering new markets.
- **Trials:** We conduct trials to test centre environments and customer propositions.

Achievements in FY2024:
- **Expansion of the Splitsville brand:** From nine to 13 centres consolidating its position as the largest branded ten-pin bowling operator in Canada.
- **Refurbishments and rebrands:** Refurbished two Canadian centres and rebranded acquired centres to Splitsville.
- **Strengthened the senior leadership team:** Expanded the Canadian leadership team and initiated an ongoing upskilling programme for Centre Managers.
- **UK team members:** Recruited to support roles in the Canadian team, facilitating cross-learning and improved ways of working.

Future plans
- **Customer-led operating model:** Continue to leverage our technology and operating model to add value to the Canadian business.
- **Canadian estate expansion:** Continue to develop a pipeline of new centre opportunities with plans for more than ten additional sites or acquisitions over the next five years.
- **Multi-leisure centre trial:** Gain insights from the 'Stoked' centre trial in Canada to evaluate a wider range of leisure offers in a single facility.
- **International market expansion:** Evaluate further opportunities in new territories through the acquisition of high-quality indoor leisure operators.

Case study



Guest contact centre

We were able to utilise the UK contact centre to help support our Canadian centres.

Sales and enquiry calls were historically taken in the Splitsville centres, but by directing them to the UK team we allowed our local reception teams to better focus on serving our customers.

We have subsequently opened a small contact centre in Canada to allow us to extend the call coverage when the UK contact centre is closed.

Links to risks

2 Covenant breach

3 Expansion and growth

4 Core systems

4

Canadian centres added to the portfolio in FY2024

30

Target size of the Canadian estate by 2035

#1

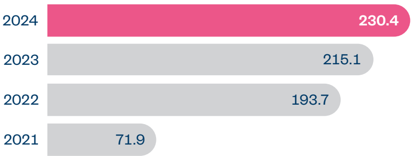
Splitsville is the market-leading ten-pin bowling brand in Canada

We systematically monitor our performance through regular reviews of key performance indicators (KPIs). This approach enables us to gain a comprehensive understanding of the factors influencing our performance, operational efficiency, and financial health.

Financial KPIs

Revenue
(£m)

+7.1%

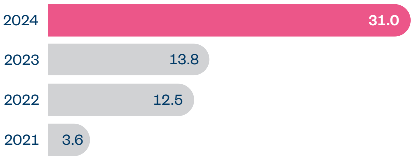


Definition
Revenue is generated from customers visiting our centres to bowl or play mini-golf, and spending money on one of the ancillary offers, amusements, diner or bar. It also includes revenue generated by our Striker Installations business in Canada.

Comment
Revenue increased by 7.1 per cent, to £230.4m, driven through LFL growth and new centres.

Revenue generating capex
(£m)

+124.5%

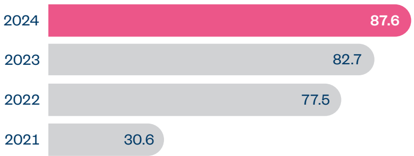


Definition
Capital expenditure on refurbishments, rebrands and new centres (excluding maintenance capex).

Comment
Revenue generating capex increased to £31.0m, due to a higher spend on completing more refurbishments and new centres in the year than FY2023.

Group adjusted EBITDA
(£m)

+5.9%

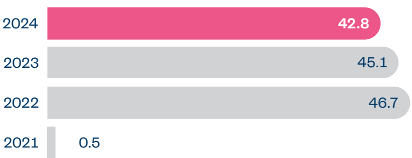


Definition
Group adjusted EBITDA is calculated as operating profit before depreciation, impairment, amortisation, loss on disposal of property, plant, equipment and software and exceptional items. A reconciliation between Group adjusted EBITDA and statutory operating profit is on page 40.

Comment
Group adjusted EBITDA increased by £4.9m to £87.6m, largely due to revenue growth.

Profit before tax
(£m)

-5.2%

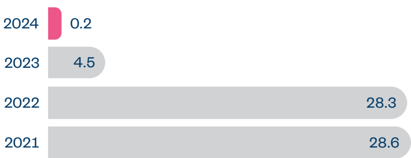


Definition
Profit before tax as shown in the financial statements.

Comment
Profit before tax decreased to £42.8m due to a higher depreciation, impairment and amortisation charge, offset in part by higher revenues in centres.

Like-for-like revenue growth
(%)

+0.2%pts

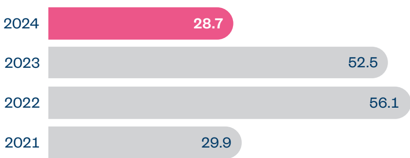


Definition
LFL revenue growth is total revenue excluding any new centres and closed centres. New centres are included in the LFL revenue growth calculation for the period after they complete the calendar anniversary of their opening date. Closed centres are excluded for the full financial year in which they were closed.

Comment
LFL revenue has increased 0.2 per cent when compared to FY2023.

Net cash/(debt)
(£m)

-45.3%

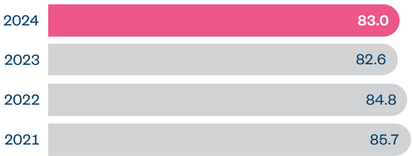


Definition
Net cash/(debt) is defined as cash and cash equivalents (£28.7m) less borrowings from bank facilities (£nil) excluding issue costs.

Comment
Net cash reduced in FY2024 compared to the prior year due to the significant capital investment in the year as well as the dividends paid.

Gross profit margin on cost of goods sold (%)

+0.4%pts

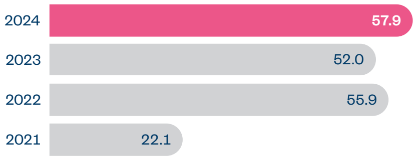


Definition
Gross profit margin on cost of goods sold is calculated as revenue minus the cost of good sold (COGS) and any irrecoverable VAT, divided by revenue. COGS excludes any labour costs. This is how gross profit margin is reported monthly by the Group and how Centres are managed.

Comment
Adjusted gross profit margin increased year on year due to a combination of higher margin in UK amusements, as well as a stronger margin in the Canadian business as Splitsville revenue represented a larger proportion of the business in FY2024.

Group adjusted operating cash flow (£m)

+11.2%

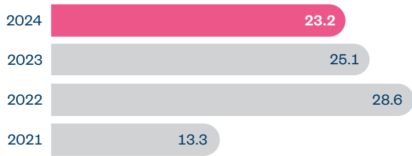


Definition
Group adjusted operating cash flow is calculated as Group adjusted EBITDA less working capital, maintenance capital expenditure and corporation tax paid. A reconciliation of Group adjusted operating cash flow to net cash flow is provided on page 41.

Comment
Group adjusted operating cash flow increased due to a higher Group adjusted EBITDA combined with lower maintenance capital, netted off in part by higher tax in the year.

Group operating profit margin (%)

-1.9%pts

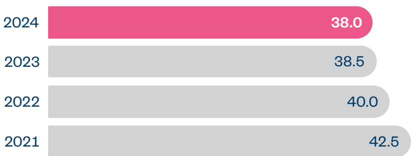


Definition
Operating profit margin is calculated as operating profit per the Financial Statements divided by revenue.

Comment
Operating profit margin decreased year on year to 23.2 per cent, due in the main to a higher depreciation, impairment and amortisation charge, offset in part by higher revenues.

Group adjusted EBITDA margin (%)

-0.5%pts

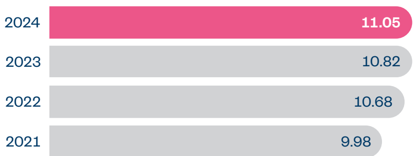


Definition
Group adjusted EBITDA margin is calculated as Group adjusted EBITDA divided by total revenue.

Comment
Group adjusted EBITDA margin was 38.0 per cent (FY2023: 38.5 per cent), in line with management expectations. Group adjusted EBITDA margin on a pre-IFRS 16 basis was 29.4 per cent (FY2023: 30.2 per cent) declining year on year given the greater impact of the Canadian centres as well as the inflationary cost increases in the year.

Total average spend per game (£)

+2.1%



Definition
Total average spend per game is defined as total revenue in the year, excluding any exceptional items, divided by the number of bowling games and golf rounds played in the year.

Comment
Average spend per game increased by 2.1 per cent, to £11.05, due to customers continuing to spend more during their visits.

1 Some of the measures described are not financial measures under Generally Accepted Accounting Principles (GAAP), including International Financial Reporting Standards (IFRS), and should not be considered in isolation or as an alternative to the IFRS Financial Statements. These KPIs have been chosen as ones which represent the underlying trade of the business and which are of interest to our shareholders.

Continued growth
and strong returns

On the back of record revenues in FY2023, it was encouraging to continue to see revenue growth in both the UK and Canada in FY2024.”

Laurence Keen, Chief Financial Officer

Read full biography on page 84

Group financial results

	FY2024	FY2023	Movement FY2024 vs FY2023
Revenue	**£230.4m**	£215.1m[5]	+7.1%
Gross profit on cost of goods sold[1]	**£191.2m**	£177.6m	+4.5%
Gross profit margin on cost of goods sold[1]	**83.0%**	82.6%	+40bps
Administrative expenses[1]	**£137.7m**	£123.5m	+11.5%
Group adjusted EBITDA[2]	**£87.6m**	£82.7m	+5.9%
Group adjusted EBITDA[2] pre-IFRS 16	**£67.7m**	£64.9m	+4.3%
Group profit before tax	**£42.8m**	£45.1m	-5.2%
Group profit after tax	**£29.9m**	£34.2m	-12.4%
Group adjusted profit before tax[3]	**£45.0m**	£47.5m	-5.2%
Group adjusted profit after tax[3]	**£32.3m**	£36.6m	-11.8%
Free cash flow[4]	**£16.9m**	£29.5m	-42.6%
Total ordinary dividend per share	**12.06p**	11.81p	+2.1%

1 Gross profit on cost of goods sold is calculated as revenue less directly attributable cost of goods sold and excludes any payroll costs. This is how we report in the business monthly and at centre level, as labour costs are judged as material and thus reported separately within administrative expenses. Administrative expenses also includes a settlement payment from the landlord resulting from the closure of Hollywood Bowl Surrey Quays (£0.6m).

2 Group adjusted EBITDA (earnings before interest, tax, depreciation and amortisation) is calculated as statutory operating profit plus depreciation, amortisation, impairment, loss on disposal of property, right-of-use assets, plant and equipment and software and any exceptional costs or income, and is also shown pre-IFRS 16 as well as adjusted for IFRS 16. These adjustments show the underlying trade of the overall business which these costs or income can distort. The reconciliation to operating profit is set out below.

3 Adjusted group profit before /after tax is calculated as group profit before/after tax, adding back acquisition fees of £0.9m (FY2023: £0.7m), the non-cash expense of £1.9m (FY2023: £2.0m) related to the fair value of the earn out consideration on the Teaquinn acquisition in May 2022 and deducting the £0.6m received in compensation for the closure of our Surrey Quays centre. Also, in FY2023 it included the removal of the reduced rate (TRR) of VAT benefit on bowling of £0.3m.

4 Free cash flow is defined as net cash flow pre-exceptional items, cost of acquisitions, debt facility repayment, RCF drawdowns, dividends and equity placing.

5 Group revenue in FY2023 includes £0.2m in respect of TRR of VAT.

6 Revenues in GBP based on an actual foreign exchange rate over the relevant period, unless otherwise stated.

Following the introduction of the lease accounting standard IFRS 16, the Group continues to maintain the reporting of Group adjusted EBITDA on a pre-IFRS 16 basis, as well as on an IFRS 16 basis. This is because the pre-IFRS 16 measure is consistent with the basis used for business decisions, a measure that investors use to consider the underlying business performance as well as being a measure contained within the group's available loan facility. For the purposes of this review, the commentary will clearly state when it is referring to figures on an IFRS 16 or pre-IFRS 16 basis.

All LFL revenue commentary excludes the impact of TRR of VAT on bowling. New centres in the UK and Canada are included in LFL revenue after they complete the calendar anniversary of their opening date. Closed centres are excluded for the full financial year in which they were closed.

Further details on the alternative performance measures used are at the end of this report.

Revenue

On the back of record revenues in FY2023, it was encouraging to continue to see revenue growth in both the UK and Canada. Total Group revenue for FY2024 was £230.4m, 7.1 per cent growth on FY2023.

UK centre LFL revenue growth was flat with spend per game growth of 3.3 per cent, taking LFL average spend per game to £11.19, and a 3.2 per cent decline in LFL game volumes. The LFL revenues, alongside the performance of the new UK centres, resulted in record UK revenues of £199.7m and growth of 3.8 per cent compared to the very strong underlying revenues in the prior year. Since FY2019 the UK business has seen 5.9 per cent compound annual revenue growth.

Canadian LFL revenue growth, when reviewing in Canadian Dollars (CAD) to allow for the disaggregation of the foreign currency effect (constant currency), was 6.3 per cent. Alongside this strong LFL revenue growth, new centres performed well and resulted in total revenue of CAD 53.0m (£30.7m), growth year on year in Canada of 42.2 per cent on a constant currency basis. Splitsville bowling centre revenue was up CAD 15.2m (50.4 per cent) to CAD 45.3m.

Gross profit on cost of goods sold

Gross profit on cost of goods sold is calculated as revenue less directly attributable cost of goods sold and does not include any payroll costs. Gross profit on cost of goods sold was £191.2m, 7.7 per cent growth on FY2023 with gross profit margin on cost of goods sold at 83.0 per cent in FY2024, up 40bps on FY2023.

Gross profit on cost of goods sold for the UK business was £167.6m with a margin of 83.9 per cent, up 20 bps on FY2023.

Gross profit on cost of goods sold for the Canadian business was in line with expectations at CAD 40.7m (£23.6m), with a margin of 76.8 per cent (FY2023: 73.6 per cent). This margin increase is due in part to the significant revenue growth seen in the Splitsville bowling centres which make up a significantly larger proportion of total revenue in Canada versus our Striker equipment business. Splitsville had a gross profit margin on cost of goods sold of 84.8 per cent, in line with expectations. Striker generated revenue of CAD 7.7m (FY2023: CAD 7.1m) in the year.

Administrative expenses

Following the adoption of IFRS 16 in FY2020, administrative expenses exclude property rents (turnover rents are not excluded) and include the depreciation of property right-of-use assets.

Total administrative expenses, including all payroll costs, were £138.3m. On a pre-IFRS 16 basis, administrative expenses were £144.3m, compared to £130.0m in FY2023.

Administrative expense continued

Employee costs in centres were £45.7m, an increase of £5.0m when compared to FY2023, due to a combination of the impact of the higher than inflationary national minimum and living wage increases seen compared to the prior year, the impact of higher LFL revenues, new UK centres, as well as the significant revenue growth in Canadian centres.

Total centre employee costs in Canada were CAD 13.6m (£7.8m), an increase of CAD 4.1m (£2.2m), whilst UK centre employee costs were £37.9m, an increase of £2.9m when compared to FY2023.

Total property-related costs, accounted for under pre-IFRS 16, were £42.0m, with £37.4m for the UK business (FY2023: £33.9m). Rent costs account for nearly 50 per cent of total property costs in the UK and increased to £18.3m (FY2023: £17.6m) and were up less than one per cent on a LFL basis. We received business rates rebates in the second half, in relation to claims made in respect of the 2023 revaluation being agreed. These rebates resulted in business rates in the UK being flat year on year, at £5.6m. Underlying business rates for H2 FY2025 are expected to increase by 1.7 per cent on a LFL basis.

Canadian property centre costs were in line with expectations at CAD 7.9m (£4.6m), an increase of CAD 3.4m due to the increased size of the estate when compared to FY2023.

Utility costs increased compared to the same period in FY2023, by £1.9m, with UK centres accounting for £1.7m of this increase due to a combination of an increase in the cost per unit and the hedge sell off during FY2023, with the balance in relation to the increased number of centres in Canada.

Total property costs, under IFRS 16, were £47.6m, including £13.8m accounted for as property lease assets depreciation and £11.6m in implied interest relating to the lease liability.

Total corporate costs decreased marginally year on year, by £0.4m, to £24.9m. UK corporate costs reduced by £2.0m to £20.6m. As we continue to build out our support team in Canada for growth, corporate costs increased to CAD 6.5m (£3.8m) from CAD 3.9m (£2.4m).

The statutory depreciation, amortisation and impairment charge for FY2024 was £32.2m compared to £26.1m in FY2023. This increase is in part due to the continued capital investment programme, including new centres and refurbishments.

We undertook detailed impairment testing which resulted in an impairment charge in the year of a total of £5.3m (FY2023: £2.2m). This impairment primarily relates to our Puttstars mini-golf centres.

Whilst these centres were intended to explore customer interest in mini-golf based entertainment alongside a food, drink and amusement offering, the results have indicated that customer demand for mini-golf centres is lower than anticipated. These results support the decision to focus on the continued expansion of our Hollywood Bowl and Splitsville locations, as well as rebranding of Puttstars mini-golf centres to 'Putt & Play from Hollywood Bowl'.

The impairment reflects a discounted cash flow analysis of future cash flows, resulting in a reassessment of the carrying value of property, plant and equipment (PPE) and right-of-use (ROU) assets associated with the mini-golf centres on the balance sheet. The discount rate used for the weighted average cost of capital (WACC) was 12.4 per cent pre-tax (FY2023: 12.7 per cent) in the UK.

See note 12 to the Financial Statements for more information.

Canadian performance

The Group has continued to grow its footprint in Canada, with 13 centres at the end of FY2024 (FY2023: 9). During FY2024 the Group acquired three centres – in November 2023 it acquired Woodlawn Bowl in Ontario and Lucky 9 Bowling Centre Limited as well as its associated restaurant and bar, Monkey 9 Brewing Pub Corp ('Riverport') in British Columbia. Both of these centres will benefit from investment in FY2025, with Riverport having a significant refurbishment costing over CAD 3.0m, which will include, but not be limited to, the introduction of a full amusement offer as well as the installation of Pins on Strings.

In June 2024, the Group acquired Stoked, a multi-activity family entertainment centre in Saskatoon. All three acquisitions are trading in line with management expectations. We were also pleased to open our first greenfield centre, in Waterloo, Ontario.

The Canadian business continues to trade strongly, with total revenues in Canada of CAD 53.0m (£30.7m), and just over CAD 9.4m (£5.4m) of EBITDA on a pre-IFRS 16 basis. Bowling centres contributed CAD 45.3m of revenues with EBITDA on a pre-IFRS 16 basis of CAD 14.7m, an increase of CAD 4.4m on the same period in FY2023.

Exceptional costs

Exceptional costs in FY2024 totalled £2.3m (FY2023: £2.4m) and relate to three areas. The first is the acquisition costs in relation to the acquisition of four centres – one in the UK and three in Canada, which totalled £0.9m. The second is the earn out consideration for Teaquinn President Pat Haggerty, which is an exceptional cost of £1.9m, of which £1.5m is in administrative expenses and £0.4m is in interest expenses. See the table below for the exceptional items included in the Group adjusted EBITDA and operating profit reconciliation. We also received £0.6m in compensation for the closure of our Surrey Quays centre. More detail on these exceptional costs is shown in note 5 to the Financial Statements.

Group adjusted EBITDA and operating profit

Group adjusted EBITDA pre-IFRS 16 increased 4.3 per cent, to £67.7m. The increase is due to a combination of LFL revenue performance in both the UK and Canada as well as the new centre growth across both territories when compared to the same period in FY2023. The reconciliation between statutory operating profit and Group adjusted EBITDA on both a pre-IFRS 16 and under-IFRS 16 basis is shown in the table below.

	FY2024 £'000	FY2023 £'000
Operating profit[1]	53,506	54,085
Depreciation	25,919	23,107
Impairment	5,316	2,210
Amortisation	935	820
Loss on property, right-of-use assets, plant and equipment and software disposal	88	306
Exceptional costs excluding interest	1,823	2,203
Group adjusted EBITDA under IFRS 16	87,587	82,731
IFRS 16 adjustment	(19,838)	(17,799)
Group adjusted EBITDA pre-IFRS 16	67,749	64,932

1 IFRS 16 adoption has an impact on EBITDA, with the removal of rent from the calculation. For Group adjusted EBITDA pre-IFRS 16, it is deducted for comparative purposes and is used by investors as a key measure of the business. The IFRS 16 adjustment is in relation to all rents that are considered to be non-variable and of a nature to be captured by the standard.

Segmentation

	Year ended 30 September 2024		
	UK £'000	Canada £'000	Total £'000
Revenue	**199,696**	**30,703**	**230,399**
Group adjusted EBITDA[1] pre-IFRS 16	**62,308**	**5,441**	**67,749**
Group adjusted EBITDA[1]	**79,715**	**7,872**	**87,587**
Depreciation and amortisation	**23,490**	**3,364**	**26,854**
Impairment of PPE and ROU assets	**5,316**	**—**	**5,316**
Loss on property, right-of-use assets, plant and equipment and software disposal	**88**	**—**	**88**
Exceptional costs /(income) excluding interest	**(591)**	**2,414**	**1,823**
Operating profit	**51,412**	**2,094**	**53,506**
Finance (income)	**(1,580)**	**(142)**	**(1,722)**
Finance expense	**10,425**	**2,045**	**12,470**
Profit before tax	**42,567**	**191**	**42,758**

Share-based payments

During the year, the Group granted further Long-Term Incentive Plan (LTIP) shares to the senior leadership team as well as starting a new save as you earn (SAYE) scheme for all team members. The LTIP awards vest in three years providing continuous employment during the period, and attainment of performance conditions as outlined in the FY2024 Annual Report. The Group recognised a total charge of £1.8m (FY2023: £1.2m) in relation to the Group's share-based arrangements. Share-based costs are not classified as exceptional costs.

Financing

Finance costs (net of finance income) increased to £12.5m in FY2024 (FY2023: £10.4m) comprising mainly of implied interest relating to the lease liability under IFRS 16 of £11.6m.

During the year, the Group agreed a 12-month extension to the £25m RCF and £5m accordion, resulting in a margin rate reduction to 1.65 per cent above SONIA effective from 22 March 2024. The RCF term now runs to the end of December 2025 and remains fully undrawn.

Cash flow and liquidity

The liquidity position of the Group remains strong, with a net cash position of £28.7m as at 30 September 2024. Detail on the cash movement in the year is shown in the table opposite.

Capital expenditure

During the financial year, the Group invested a record net capex of £52.7m, including £13.8m on the acquisition of four centres, one of which, Lincoln Bowl, was in the UK.

On 2 October 2023, the Group purchased the assets, including the long leasehold, of Lincoln Bowl for total of £4.5m, of which £2.0m was allocated to the long leasehold.

In Canada, three centres were acquired in FY2024. The first was a family entertainment centre in Guelph, Ontario, for CAD 4.7m (£2.8m), on 7 November 2023. The second was the acquisition of the assets and lease of a centre in Vancouver, for consideration of CAD 0.4m (£0.3m). The final acquisition was 'Stoked' in Saskatchewan, for a total consideration of CAD 10.8m (£6.2m).

More information on all of these acquisitions is provided in note 32 to the Financial Statements.

A total of £11.5m was invested into the refurbishment programme, with ten UK centres refurbished as well as investments into the Canadian estate.

A significant proportion of the refurbishment spend in the UK, £1.9m, was in relation to the extension and refurbishment of our centre in Stockton. This centre was already one of the most successful in the estate and we have now increased its potential. In conjunction with a new lease for a period of 15 years and investment into the existing space, the Group also extended into the adjacent unit, adding an extra five lanes, a Puttstars mini-golf course and a large amusements area. The refurbishment was completed in time for Easter trading and results are very encouraging.

Despite inflationary pressures, returns on the UK refurbishments continue to exceed the UK hurdle rate of 33 per cent return on investment.

New centre capital expenditure was a net £19.5m.

The Group's strong liquidity ensures it can continue to invest in profitable growth with plans to open more locations during FY2024 and beyond.

The Group spent £8.0m on maintenance capital, including continued spend on the rollout of Pins on Strings technology (£1.8m) and solar panels as well as extensions of current installations (£1.0m).

We expect total capital expenditure for FY2025 to be in the region of £40m to £45m.

Cash flow and net debt

	FY2024 £'000	FY2023 £'000
Group adjusted EBITDA under IFRS 16	**87,587**	82,731
Movement in working capital	**1,097**	(1,103)
Maintenance capital expenditure	**(7,973)**	(9,072)
Taxation	**(10,536)**	(9,100)
Payment of capital elements of leases	**(12,305)**	(11,419)
Adjusted operating cash flow (OCF)[1]	**57,870**	52,037
Adjusted OCF conversion	**66.1%**	62.9%
Expansionary capital expenditure[2]	**(30,952)**	(13,786)
Disposal proceeds	**—**	10
Net bank interest received	**1,616**	1,008
Lease interest paid	**(11,615)**	(9,808)
Free cash flow (FCF)[3]	**16,919**	29,461
Exceptional items	**(436)**	(343)
Acquisition of centres in Canada	**(9,283)**	(7,716)
Cash acquired in acquisitions	**78**	319
Acquisition of centres in UK	**(4,474)**	—
Share (buyback)/issue	**(378)**	6
Dividends paid	**(26,180)**	(25,338)
Net cash flow	**(23,754)**	(3,611)

1 Adjusted operating cash flow is calculated as Group adjusted EBITDA less working capital, maintenance capital expenditure, taxation and payment of the capital element of leases. This represents a good measure for the cash generated by the business after considering all necessary maintenance capital expenditure to ensure the routine running of the business. This excludes exceptional items, net interest paid, debt drawdowns and any debt repayments.

2 Expansionary capital expenditure includes refurbishment and new centre capital expenditure.

3 Free cash flow is defined as net cash flow pre-exceptional items, cost of acquisitions, debt facility repayment, debt drawdowns, dividends and equity placing.

Taxation

The Group's tax charge for the year is £12.8m arising on the profit before tax generated in the period. The increase in the Group's tax charge is due to the increase in the UK corporation tax rate from 19 per cent to 25 per cent from April 2023.

Earnings

Statutory profit before tax for the year was £42.8m (FY2023: £45.1m), with an impairment charge of £5.3m, which was higher by £3.1m than the previous year.

The Group delivered profit after tax of £29.9m (FY2023: £34.2m) and basic earnings per share was 17.42 pence (FY2023: 19.92 pence).

Group adjusted profit before tax is £45.0m, whilst Group adjusted profit after tax is £32.3m and basic adjusted earnings per share of 18.82 pence per share (FY2023: 21.37 pence per share).

These adjustments are adding back the exceptional costs highlighted earlier in the report. For more detail see note 5 to the Financial Statements.

It is also noteworthy to highlight Group adjusted profit before tax adding back impairments, is £50.3m (FY2023: £49.9m).

Dividend and capital allocation policy

In line with the Group's capital allocation policy, the Board has declared a final ordinary dividend of 8.08 pence per share.

Subject to approval at the AGM, the ex-dividend date will be 30 January 2025, with a record date of 31 January 2025 and a payment date of 21 February 2025.

Going concern

As detailed in note 2 to the Financial Statements, the Directors are satisfied that the Group has adequate resources to continue in operation for the foreseeable future, a period of at least 12 months from the date of this report.

UK Government Budget

As outlined in the Chief Executive Officer's review, the changes to Employers National Insurance Contributions and Thresholds will result in significantly increased employment costs, impacting the hospitality industry in particular.

We expect to see an increase in employee costs in UK LFL centres in excess of 8 per cent for the second half of FY2025 given the National Living and Minimum Wage announcement, with the National Insurance increase costing in excess of £1.2m on an annualised basis.

Laurence Keen
Chief Financial Officer
16 December 2024

Note on alternative performance measures (APMs)

The Group uses APMs to enable management and users of the financial statements to better understand elements of the financial performance in the period. APMs referenced earlier in the report are explained as follows. These are not intended to replace statutory financial measures

UK like-for-like (LFL) revenue for FY2024 is calculated as:

- Total Group revenues £230.4m, less
- New UK centre revenues for FY2024 that have not annualised £7.8m, less
- Closed centres for the full year of £3.1m, less
- Canada revenues for FY2024 of £30.7m (CAD 53.0m)

Canada like-for-like (LFL) revenue for FY2024 is calculated as:

- Total Canada revenues CAD 53.0m, less
- New Canada centre revenues for FY2024 that have not annualised CAD 13.4m

New centres are included in the LFL revenue after they complete the calendar anniversary of their opening date. Closed centres are excluded for the full financial year in which they were closed. LFL UK comparatives for FY2023 are £188.8m. LFL Canada comparatives for FY2023 are CAD 37.3m

Gross profit on cost of goods sold is calculated as revenue less directly attributable cost of goods sold and excludes any payroll costs. This is how we report in the business monthly and at centre level, as labour costs are judged as material and thus reported separately within administrative expenses. These amounts are presented separately on the consolidated income statement for ease of reconciliation.

Group adjusted EBITDA (earnings before interest, tax, depreciation and amortisation) reflects the underlying trade of the overall business. It is calculated as statutory operating profit plus depreciation, amortisation, impairment, loss on disposal of property, right-of-use assets, plant and equipment and software and any exceptional costs or income, and is also shown pre-IFRS 16 as well as adjusted for IFRS 16. The reconciliation to operating profit is set out in this report.

Free cash flow is defined as net cash flow pre-dividends, exceptional items, acquisition costs, bank funding and any equity placing. Useful for investors to evaluate cash from normalised trading.

LFL spend per game is defined as LFL revenue in the year divided by the number of bowling games and golf rounds played.

Adjusted operating cash flow is calculated as Group adjusted EBITDA less working capital, maintenance capital expenditure, taxation and payment of the capital element of leases. This represents a good measure for the cash generated by the business after considering all necessary maintenance capital expenditure to ensure the routine running of the business. This excludes exceptional items, acquisitions, share buyback/issue, dividends paid, net interest paid, debt drawdowns and any debt repayments.

Expansionary capital expenditure includes all capital on new centres, refurbishments and rebrands only. Investors see this as growth potential.

Group adjusted profit after tax is calculated as statutory profit after tax, adding back the acquisition fees of £0.9m (FY2023: £0.7m), the non-cash expense of £1.9m (FY2023: £2.0m) related to the fair value of the earn out consideration on the Canadian acquisition in May 2022 and deducting the £0.6m in compensation received for the closure of our Surrey Quays centre. This adjusted profit after tax is also used to calculate adjusted earnings per share.

Constant currency exchange rates are the actual periodic exchange rates from the previous financial period and are used to eliminate the effects of the exchange rate fluctuations in assessing certain KPIs and performance.

Effective stakeholder engagement and collaboration

Engaging and collaborating with all stakeholder groups is crucial to the Board's strategic decision-making process. Aligning stakeholder engagement with our culture and supporting our goal of maintaining industry leadership is essential for the Group's long-term sustainable success.

Section 172 of the Companies Act 2006 mandates that directors act in good faith and in a manner most likely to promote the company's success for the benefit of its stakeholders.

Consequently, the Board must consider how decisions balance the needs of various stakeholders and their impact on long-term performance. Operating a large-scale business often involves making decisions amidst competing stakeholder priorities, where positive outcomes for all stakeholders may not always be achievable.

Our stakeholder engagement processes enable us to understand stakeholder priorities, consider all relevant factors, and choose the best course of action for the Group's long-term success.

Our key stakeholders

The Board identifies the Group's key stakeholders as:

- **Customers**
- **Team members (employees)**
- **Communities**
- **Investors**
- **Environment**
- **Suppliers and partners**
- **Lending banks**

For more information, refer to:

- Business model on **pages 28 and 29**
- Sustainability on **pages 48 to 59**
- Governance on **pages 82 to 131**

S172(1) statement:

In accordance with section 172(1) of the Companies Act 2006, a director of a company must act in the way he or she considers, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole and, in doing so, have regard, amongst other matters, to:

a. the likely consequences of any decision in the long term;

b. the interests of the Group's employees;

c. the need to foster the Group's business relationships with customers and suppliers;

d. the impact of the Group's operations on the community and the environment;

e. the desirability of the Group maintaining a reputation for high standards of business conduct; and

f. the need to act fairly between members of the Group.

The following disclosure describes how the Directors of the Group have taken account of the matters set out in section 172(1) (a) to (f) and forms the Directors' statement required under section 172 of the Companies Act 2006.

How we engage with our key stakeholders

Here, we outline the Board and Group's approach to considering and engaging with our key stakeholder groups. In addition to our ongoing engagement activities, we regularly receive and respond to specific feedback and provide updates on important issues to our stakeholders.

The Board reserves certain matters for its own decision-making, as outlined on page 86.

We take steps to enhance our communication, collaboration, and information sharing with stakeholders regarding our actions and their potential impacts. This approach has been adopted in the UK, and we are starting to extend these engagement and collaboration methods to our Canadian operations as our Group's ways of working become more embedded in this business.

On the following pages we outline the details of the activities we undertook in FY2024 and the outcomes of our engagement with stakeholder groups.

Customers

Our core focus is providing a great experience every visit, with ongoing feedback serving as the best indicator of our success

What is important to them
- A great value visit every time
- A clean and safe environment
- Correct pace of experience in all centre areas
- Excellent customer service from friendly team members
- Fully working, fault-free equipment

How the Board considers their interests
- Reviews customer satisfaction scores at every Board meeting
- Includes customer satisfaction scores in bonus schemes from team members to senior leadership
- Uses customer feedback to identify improvements to operational ways of working and to guide investment in new centres and refurbishments

Engagement in FY2024
- Conducted post-visit customer satisfaction surveys
- New customer feedback programme introduced in Canada
- Monitored social media and customer queries submitted via the contact centre
- Regular feedback and monitoring to meet safety standards and expectations

Outcomes of this engagement
- Record number of customer surveys returned
- Record levels of customer satisfaction scores in UK
- Further enhancements to the Hollywood Bowl and Splitsville brand and service propositions

Team members

Our team members are essential to our business success and the driving force behind our fun-filled customer experiences

What is important to them
- Regular, relevant, and clear communication
- Engagement with all levels of management
- Opportunities to provide feedback
- Career and skills development pathways
- Attractive salary, benefits, and opportunities to share in the Group's success
- Working for an inclusive employer that embraces diversity at all levels

How the Board considers their interests
- Directors visit multiple new, refurbished and existing centres, each year
- Attendance at the annual management conference
- Bi-annual feedback sessions between management and team members
- Diversity is a key consideration in the Board's succession planning

Engagement in FY2024
- New training system, Thrive, introduced based on team member feedback
- Used Fourth Engage to communicate key messages, enabling team interaction (over 8,500 internal social posts in the year) and delivering wellbeing initiatives
- Conducted employee engagement surveys and pulse surveys
- Maintained a Whistleblowing policy, with all cases reported at every Board meeting
- Published our annual Gender Pay Gap report

Outcomes of this engagement
- Team member monthly 1:1s
- Updated our learning platform to include more user-generated content and encourage self-led learning
- The Board and senior leadership considered team member engagement survey outputs resulting in identified actions
- Recognised as one of the UK's Top Best Big Companies to Work For in 2024 and achieved a 2* high-quality employee experience score from WorkL.

Communities

We are proud to be an active part of our communities as an employer and provider of leisure amenities

What is important to them

- Positive contributions to local communities through employment and amenity provision
- Ongoing support for local and national charities

How the Board considers their interests

- Considers the impact of local operations as part of its sustainability strategy

Engagement in FY2024

- New national charity partner appointed
- Over 100 new jobs created in our new centre openings
- Progress with our ESG strategy and initiatives (Sustainability report on pages 48 to 59)

Outcomes of this engagement

- Increased uptake of UK concessionary discounts compared to FY2023
- Supported Macmillan as our UK national charity partner and other community-based charities
- Made further progress in our ESG strategy and initiatives

Investors

Our investors provide valuable feedback on our business model and future growth plans

What is important to them

- Relevant and timely information on Group performance and strategic plans
- Regular engagement with management
- Growth of share price and dividend returns
- Capital allocation policy
- Information on ESG strategy and performance
- Information on Remuneration policy

How the Board considers their interests

- Receives feedback from shareholder meetings and through the Group's brokers, Investec and Berenberg
- Welcomes questions from shareholders at any time
- The Remuneration Committee Chair consults shareholders on any major policy changes (Report on pages 105 to 118)
- Focuses on the Group's ESG initiatives (Sustainability report on pages 48 to 59, Corporate governance on pages 86 to 92)

Engagement in FY2024

- Held the AGM in January 2024
- Conducted investor relations meetings with current and prospective shareholders and presented annual and interim results
- Attended and presented at investor conferences
- Disclosed climate reduction performance via CDP

Outcomes of this engagement

- Outlined the Board's view on dividends in the Chief Financial Officer's review (pages 38 to 43)
- Made further progress with our ESG strategy (pages 48 to 59)
- Won the Investor Relations Society Best Practice Award for Small Cap PLC Website

Environment

We always consider the environmental impacts of our operations and strategy

What is important to them
- Energy efficiency and minimising environmental impacts of our direct operations and supply chains
- Sustainable building and refurbishment practices

How the Board considers their interests
- Considers the impact of the Group's direct operations and supply chains as part of its sustainability strategy
- Focuses on improving energy efficiency in the estate

Engagement in FY2024
- Supplier engagement programme launched to gain increased understanding of net zero ambitions and access to primary data
- Canadian climate risks and opportunities analysis undertaken

Outcomes of this engagement
- Continued investment in solar panels, with three installations completed
- Energy-efficient Pins on Strings technology is now in 91% of our UK bowling centres
- Launched a supplier engagement programme

Suppliers and partners

Our partnerships include landlords, construction companies, suppliers of amusements and food and beverage

What is important to them
- Clear and concise communication that demonstrates integrity and reliability
- Strong listed covenant
- Responsible tenancy holders

How the Board considers their interests
- Commitment to high ethical standards
- Expectation of high ethical standards from all suppliers and partners
- Regular discussions between Executive Directors and main suppliers
- Zero-tolerance approach to bribery, corruption, and modern slavery, with regular reviews of supplier and partner policies

Engagement in FY2024
- Executive Directors engaged closely with landlords to agree on extensions and revised terms as needed
- Actively managed supplier relationships to handle costs and supply chain disruptions
- Published the Payment Practices Report twice in the year
- Conducted annual audits of suppliers for compliance with modern slavery and human trafficking legislation
- Communicated with key suppliers as part of our ESG supplier engagement programme

Outcomes of this engagement
- Maintained positive relationships with major suppliers and landlords
- Gained access to increased supplier primary data for Scope 3 emissions

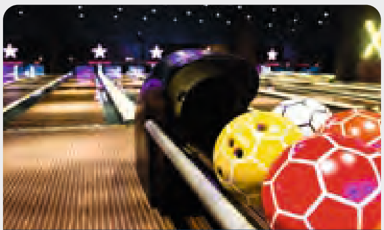
Lending banks

Our lending banks provide funds for growth and working capital when required

What is important to them
- Regular monthly reporting, including rolling 12-month forecasts
- Invitations to new openings and refurbishment launches

How the Board considers their interests
- Bank representatives attend half-year and full-year results presentations
- Forward-looking forecasts provided at every monthly Board meeting to ensure covenant compliance

Engagement in FY2024
- Provided regular monthly updates on company performance and debt covenant forecasts
- Attended half yearly meetings with lending bank as well as others interested in future lending



Outcomes of this engagement
- The £25m revolving credit facility (RCF) remains available to the Group until Decmber 2025

A responsible and sustainable business

At Hollywood Bowl Group, we are committed to placing sustainability at the heart of everything we do.

"We are always looking for ways to make a positive difference – for our team, our customers, our communities and our planet."

As a people-focused business, we prioritise employment and community engagement at our centres. We are dedicated to reducing our environmental impact both locally and globally as we continue to grow.

We take our responsibility seriously, with a strong track record of supporting our teams, our communities, and implementing a variety of carbon-saving initiatives.

Introduction to the sustainability report

As the Chair of the Corporate Responsibility Committee (see page 104), I am immensely proud to be part of a business that prioritises sustainability.

We are always looking for ways to make a positive difference – for our team, our customers, the communities in which we operate and our planet. We have always conducted our operations with integrity because what we do, and how we do it, really matters.

The Group is committed to building on the strong foundations that we have established with our three sustainability pillars, including the introduction of these into our Canadian operations.

Our teams have set challenging targets and built operational initiatives to deliver them, and we are pleased to share an update on our progress in the following pages.

We recognise that there is still much to accomplish, but we are confident in our ability to make a significant impact for all our stakeholders.

Ivan Schofield
Chair of the Corporate Responsibility Committee

This report refers to UK operations only unless otherwise stated.

Investing in people and the planet

Our purpose:

Bringing families and friends together for affordable fun and safe, healthy competition

Safe and inclusive leisure destinations

Our ambition

We create welcoming centres where health and safety, responsible eating and drinking, accessibility for all, and positive community relations are prioritised.

Read more on **pages 50 to 51**

Strategic objectives

1 Driving revenue growth
2 Active asset refurbishment
4 Focusing on our people
5 International expansion

3 GOOD HEALTH AND WELL-BEING
10 REDUCED INEQUALITIES

Outstanding workplaces

Our ambition

We focus on developing and training our team members, supporting their wellbeing, and fostering a diverse and inclusive company culture where they can thrive.

Read more on **pages 52 to 53**

Strategic objectives

1 Driving revenue growth
4 Focusing on our people

5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH

Sustainable centres

Our ambition

Our centres are designed to be energy-efficient, low-emission, sustainably sourced, and recycling-oriented places for playing, working, and socialising.

Read more on **pages 54 to 55**

Strategic objectives

2 Active asset refurbishment
3 New centres and acquistions

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

1

2

Safe and inclusive destinations

Our centres are important social venues for the local communities they serve

1 Local investment

As we grow our business, our commitment to positively impacting the local communities in which we operate remains a priority.

Each new centre we open represents a significant investment in the region of £3 million into the local economy, enhancing footfall to the wider location and significantly benefiting surrounding leisure and retail businesses.

Additionally, we create approximately 30 jobs per centre, contributing to local employment, and importantly providing a gateway first job to many of our team members. In FY2024 we opened four new centres in the UK creating in excess of 100 new jobs.

2 Inclusivity and community relations

We are dedicated to providing inclusive and enjoyable activities that bring families and friends of all ages and abilities together in a welcoming environment.

Participation in ten-pin bowling promotes wellbeing and social interaction through its unique blend of healthy competition.

Our centres are designed to be accessible to everyone, featuring disabled access, moveable ramps for lane access, bowling assistance, and disabled toilet facilities.

We work hard to create strong community relations through initiatives like offering concessionary discounts and active local engagement, including charity fundraising events, junior sports team sponsorship and local school partnerships.

For the first time in FY2024, more than 1 million discounted concession games were bowled in a year. This highlights the importance that our safe and inclusive venues and activities plays in the lives of these groups of customers.

We were delighted to partner with Macmillan as our new national UK charity in FY2024 following a selection process driven by team member voting for their favourite charity causes.

This new partnership has already resulted in a record £85,000 being raised through our local centre teams and central Hemel support office team. We have extended the partnership into FY2025.

Target progress

£85k

Raised for national charity partner Macmillan

FY2024 target	£50,000
FY2023	£58,000
FY2022	£28,000

1m+

Concessionary discount games played

FY2024 target	950k
FY2023	963k
FY2022	750k

170k

Schools games played

FY2024 target	160k
FY2023	155k
FY2022	132k

49%

Of soft drinks sold were sugar free

FY2024 target	50%
FY2023	50%
FY2022	48%

3 Health and safety

The health and safety of our teams and customers is paramount. We continuously measure and monitor performance across all of our locations to ensure that we provide safe and healthy environments in all aspects of our operations, which is a crucial foundation to our business performance and customer experience.

Our policies and practices are regularly reviewed with external agencies to ensure compliance with safety legislation. All incidents involving customers or team members are reported and addressed promptly. Internal audits, including safety reviews, are conducted and reviewed by the Board.

4 Responsible food and beverage

We are committed to providing transparent information to help customers make informed choices about our food and beverage choices, including providing allergen details.

In collaboration with our suppliers, we offer menu options with reduced salt and sugar content in our food and beverage ranges. We also promote a variety of sugar-free soft drinks which account for just under half of our soft drink sales (a ratio which has been consistent in the last three years), and ensure fresh water is readily available to our customers.

We continue to review and streamline our supply chain and ordering practices to further reduce the number of food and drink deliveries to our centres.

Health and safety are integral to our daily hospitality operations, with team members undergoing food safety and allergen awareness training.

Our centres consistently achieve high food hygiene ratings through regular audits by internal food safety auditors or external environmental health officers.

Case study

Macmillan meet-ups

We were delighted to launch a new initiative this year with Macmillan. Cancer Community Meet-ups are an opportunity to meet with other people living with cancer from the local area in a relaxed and comfortable space, and to connect over a free game of bowling.

These events are giving people the opportunity to express what they are going through and can offer reassurance to meet others with similar thoughts and feelings.

Following a successful pilot the scheme is being rolled out to more centres in FY2025.

Outstanding workplaces

Our team members are key to delivering great customer experiences and we strive to provide them with a great work experience

1 Attracting and retaining top talent

Our team members are the centre of our business and key to delivering our purpose of bringing friends and family together for affordable fun and safe, healthy competition.

They have been instrumental to our performance in FY2024 which can be demonstrated through the achievement of record customer satisfaction scores. Our strategic pillar; "focusing on our people" reinforces our recognition of our people as a key driver of our ongoing success.

Our people focused activities are designed to attract and retain the best talent in a competitive labour market. Despite the ongoing challenges of recruitment and retention in our sector, our industry-leading training programmes and limited exposure to EU labour and the London market enable us to continue to outperform our hospitality and leisure peers in terms of team turnover rates.

We foster a high-performance, purpose-led culture that recognises individual contributions which are often promoted through our internal social media channels and in our annual awards programme.

Our generous perks and benefits programme includes team member discounts, top talent development programmes, and performance-related pay. We paid out £636k in bonuses to centre teams, with 60.3% of our hourly paid team members receiving an additional 50 pence per hour bonus in recognition of excellence.

With inflation impacting team members' finances, we increased average pay in April by 9.2% for salaried team members and by 5.3% for Centre Managers and Assistant Centre Managers. We are committed to paying a living wage to our hourly-rate team members.

2 Training and development

Working with us is more than just a job – we have a high-performance culture where teams are nurtured through exceptional training and where defined behaviours are rewarded. We know that some of these jobs will turn into long-term careers in leisure and hospitality, and we support our people to grow with us and become future leaders.

Target progress

58%
Of our management appointments from internal candidates

FY2024 target	47%
FY2023	45%
FY2022	40%

11%
Of our team members participating in development programmes

FY2024 target	7%
FY2023	11%
FY2022	5.6%

94%
Team members completing online development modules

FY2024 target	92%
FY2023	94%
FY2022	97%

2 star
High-quality employee experience rating from WorkL

FY2024 target	1 star
FY2023	1 star
FY2022	1 star

We believe that anyone with the right drive and training can become progress in our organisation. In FY2024 we saw record attendance on our team development programmes with 11% of our team participating in one of our top talent programmes.

Our graduate training programme will see graduates develop into Centre Managers within three years. Additionally, our Senior Leadership Development Programme (SLDP), which equips future leaders with the management skills and business knowledge to join the senior leadership team, has 12 colleagues enrolled.

With many roles filled internally in FY2024 and with our planned new centre openings, we again increased the number of Assistant Manager in Training and Centre Manager in Training programmes. We were delighted that a record 58% of management vacancies were filled internally in FY2024.

We launched a new training portal called Thrive to further improve our ongoing team member training, compliance and professional development.

3 Team wellbeing

Team member wellbeing is of vital importance to us, and we have well-established initiatives in place. This includes Mental Health First Aiders, regular communications on Fourth Engage (our internal social media platform) to highlight events such as World Mental Health Day, wellbeing modules in our training programmes, and our Employee Assistance Programme (EAP), which provides free support services and resources for physical and mental health, wellbeing, financial, legal, or bereavement issues.

Team engagement has further improved, and we received a WorkL 2* high quality employee experience in our centres, 3* rating for the support centre and increased scores on employee review websites.

4 Diversity and inclusion

We value and celebrate differences, reflecting the people and communities we serve, and ensuring we provide experiences that are relevant, accessible, and welcoming. We promote a culture that fosters diversity and inclusion, committing to non-discrimination on the grounds of gender, race, ethnicity, religious belief, political affiliation, sexual orientation, age, or disability. Our careers website and marketing activity is designed to reach and appeal to a broad range of talent and we saw a 69 per cent increase in applications being originated from social media activity.

Case study

International careers

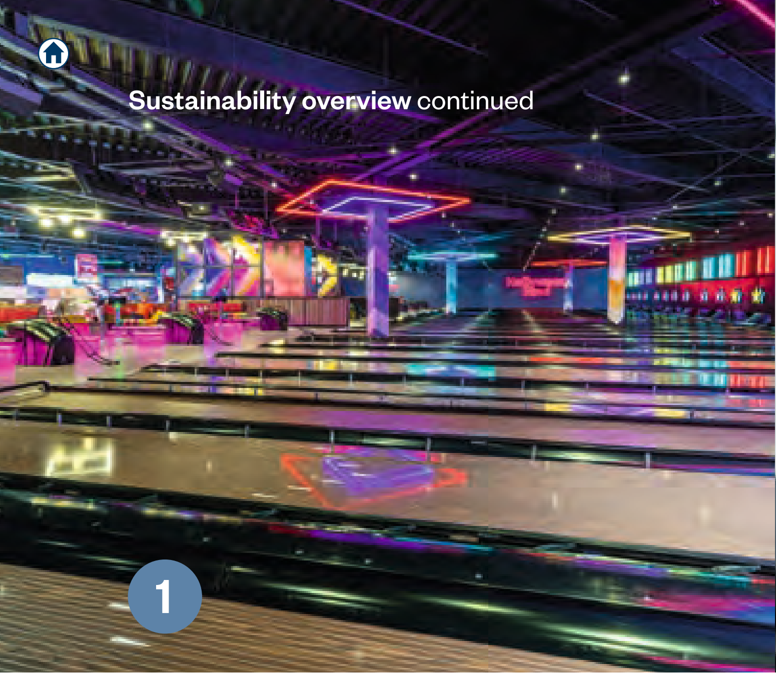
To help develop the culture and ways of working in our Canadian business, we have sponsored a number of experienced UK Hollywood Bowl team members to take up roles in the Splitsville business.

To date these have included regional support roles (including Regional Manager; Adam West pictured above), centre managers, human resources and executive management.

In addition we are centralising some Group support functions which gives UK based team members the opportunity to support our Canadian business.

We continue to host focus groups to make our business more attractive to a diverse workforce. Team members are invited to join and lead these groups, resulting in highly productive sessions focused on age, gender, heritage, ethnicity, the LGBTQ+ community, and culture. Feedback from these sessions is helping us to continue to evolve our diversity strategy, and we have representatives for each group who publish updates in our D&I newsletters.

We continue to encourage women to apply for senior roles by offering flexible working structures and enhanced maternity, paternity, or shared parental leave. Our approach has resulted in a significant increase in females on our talent programme, with 51 Assistant Managers in Training, 8 Centre Managers in Training, and 4 on our SLDP.



Sustainable centres

Building, refurbishing and operating our centres to minimise their impact on the environment is a priority

1 Increasingly efficient centres

We understand that our business has an impact on climate, the environment and nature; including land, forests and water ecosystems and we are committed to reducing the impacts from operations.

We also recognise biodiversity loss as an emerging risk, so protecting this is important to ensure the resilience of our business and the communities where we operate.

The burning of fossil fuels is damaging to the environment, and we seek to reduce our impact through reducing the energy we consume in our centres, on-site generation of renewable electricity and improving energy efficiency through a variety of initiatives:

- Our directly purchased electricity in UK and Canada is from 100% renewable sources (backed in the UK by REGOs and from 1 October 2024 in Canada by RECs)
- Promoting energy saving behavioural change within our centre teams
- Implementing energy-efficient air handling systems
- In FY2024, we installed solar panels in three more UK centres, with our estate now having 5,918 kWp of solar power, producing 5,020,003 kWh per year
- We continue to negotiate with landlords to add extra solar arrays where possible
- Continuing the roll out of energy efficient Pins on Strings technology, now in 91% of the UK estate
- Our teams have also played their part with our recent travel survey showing a reduction in commuting petrol and diesel miles and an increase in bus usage

2 Waste, plastics and water

We are committed to enhancing waste reduction and recycling through team member behavioural change incentives, including linking waste management performance to team members' bonus allocations.

In our UK operations we have increased the percentage of waste recycled in the centres we manage, from 67.3% in FY2019 to 82.9% in FY2024, with all waste diverted from landfill.

Target progress

82.9%
Of waste recycled, with 100 per cent diverted from landfill

FY2024 target	82%
FY2023	82.7%
FY2022	77.7%

100%
Of our UK directly purchased energy from renewable sources

FY2024 target	100%
FY2023	100%
FY2022	0%

30
UK centres with solar arrays installed

FY2024 target	30
FY2023	27
FY2022	17

56.8
UK Intensity ratio Scope 1 and 2 emissions

FY2024 target	58.0
FY2023	61.0
FY2022	61.7

We have a strong track record in minimising food and drink wastage, targeting less than 1% of food and drink waste as a percentage of revenue. In FY2024, we achieved 0.6%, demonstrating our progress.

We are committed to changing the way we use, and reuse plastics in line with the three principles of a circular economy for plastics: eliminate, innovate, and circulate. We reduced the amount of plastic in our food and drink packaging by over 61% compared to 2019 and the total weight of food and drink packaging by over 13%.

We are also reducing the amount of water each centre uses – in the UK down from 3.38m³ per centre per day in FY2023 to 3.21m³ in FY2024, but also looking at the wastewater that we emit.

We have now installed grease traps into 84% of centres which reduce the fats and grease emitted from our centres.

3 Building sustainable centres

Our development teams prioritise sustainability in estate additions and upgrades, partnering with contractors to deliver greener and more efficient buildings.

The challenge to reach net zero intensifies our focus on "building better", from adopting a re-use, re-cover, and recycle approach to fitting carbon-neutral carpets and 100% recycled vinyl flooring in refurbishments.

All the timber used for refurbishments and new builds is FSC accredited.

For new builds, we fit out all our new centres using 100% renewable energy, adopt a fabric-first approach to enhance energy efficiency and improve EPC ratings, and install technologies that reduce long-term environmental impacts.

4 Climate change and Net Zero

We were pleased to become a member of the Zero Carbon Forum (ZCF) in FY2024 which is enabling us to better understand our strategy and performance when benchmarked to similar hospitality businesses.

We are also working with ZCF on a number of future carbon reduction initiatives. We have also continued our participation in the UK Hospitality Sustainability Committee.

The Group has made progress this year in further reducing our Scope 1 and 2 intensity ratios in the UK. We are gaining a more accurate understanding of our Scope 3 emissions in the UK with the use of more primary data which has been accessed as a result of our supplier engagement programme.

Case study

Building better

For new builds, contractors use 100% renewable energy for fit-outs and we have transitioned from gas-fired to direct electric water heating to generate fewer emissions. All LED lights are on timers, large fixtures and fittings are manufactured off-site, and design occupancy has been reduced to lower ventilation and cooling requirements. Additionally, the cooled area in cellars has been minimised by introducing plastic curtains or cold-rooms.

For the first time we are reporting Scope 3 emissions for our Canadian business which has helped us to establish a baseline as we start to evolve our climate action plan in Canada.

Details of Group climate-related risks and mitigations under TCFD are provided on pages 60 to 69.

Our climate transition plan continues to evolve. It will help guide us on a process of transition over the coming years and is outlined on pages 58 and 59.

Net zero is defined in this report as the point where the Group can reduce its net GHG emissions to zero.

If it is not feasible to completely abate Scope 1, 2, and 3 emissions by 2050, the Group will offset residual emissions through actions like carbon removals or ecosystem restoration.

UK performance against sustainability targets

Safe and inclusive leisure destinations

	FY2023 actual	FY2024 target	FY2024 actual	FY2024 vs target	FY2025 target
Concessionary discount games played	963,161	>750,000	**1,088,000**	+45.0%	1,000,000
Funds raised for national charity partner	£58,220	£40,000	**£85,000**	+14.6%	£100,000*
Centres passed food and drink audit	100%	100%	**97%**	-3pts%	100%
Soft drinks sold that are sugar free	50.5%	50%	**49.3%**	+0.7pts%	50%
Team in food and drink-related roles to have completed food safety and allergen training within three months of passing probation	97.7%	97%	**97.7%**	+0.7pts%	97%

Outstanding workplaces

	FY2023 actual	FY2024 target	FY2024 actual	FY2024 vs target	FY2025 target
Management appointments from internal candidates	45%	45%	**58%**	47%	47%
Team members participating in development programmes	11%	5%	**11%**	+6.0pts%	10%
Team members completing online development modules	94%	92%	**94.5%**	2.5pts%	96%
Rating in externally verified team survey (WorkL from FY2025)	1*	1*	**1***	1*	2*
Annual team wellbeing survey score		70%	**73%**	3pts%	70%

Outstanding workplaces – background data

	Male %	Female %
Board	67	33
Senior managers	67	33
Centre managers	67	33
Assistant managers/technicians	49	51
Contact centre team	45	55
Hemel team	63	37
Team members	47	53
Total	**47**	**53**

Sustainable centres

	FY2023 actual	FY2024 target	FY2024 actual	FY2024 vs target	FY2025 target
Waste recycled percentage with 100% diversion from landfill	82.7%	82%	**82.9%**	+0.9pts%	82%
Food and drink wastage as a percentage of food and drink revenue	0.65%	1%	**0.6%**	-0.4pts%	1%
Number of centres with solar arrays	27	30	**30**	0	33
Electricity usage generated from on-site renewables	12%	15%	**12.7%**	—	N/A
Directly purchased electricity from renewable sources	100%	100%	**100%**	—	100%
UK estate percentage of bowling centres with Pins on Strings	83.1%	100% by FY2028	**90%**	-10pts%	N/A
Scopes 1 and 2 intensity ratio (tCO2e/number of centres)	61.0	58.0	**56.8**	-1.2pts%	55.0

Sustainable centres – background data

UK waste

	General waste volume	Recycled waste volume	Total waste volume	Percentage of total waste recycled	Waste intensity (total waste/centre)
FY2019	7,096.24	14,577.34	21,673.58	67.3%	361.23
FY2020*	4,160.00	8,775.86	12,935.86	67.8%	202.12
FY2021*	2,536.16	6,387.16	8,923.32	71.6%	139.43
FY2022	4,517.24	15,713.02	20,230.26	77.7%	293.19
FY2023	3,824.22	18,334.74	22,158.96	82.7%	316.55
FY2024	**3,922.52**	**19,888.92**	**23,811.44**	**82.9%**	**332.05**

Waste data is supplied by Biffa for the UK only and excludes data from centres where the landlord manages waste streams.

* Impacted by COVID-19 shutdowns.

Solar Installs

The 30 roof arrays that we currently have 5918.29 kWp and have a yield of 5,020,003 kWh.

Greenhouse Gases

Greenhouse Gas (GHG) emissions for FY2024 have been measured as required under the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended in 2013. The GHG Protocol Corporate Accounting and Reporting standards (revised edition) and the electricity and gas consumption data has been provided by IMServ Datavision, Schneider Electric and Total. Conversion factors taken from: https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2024

The conversion factors for Canada are taken from: https://www.canada.ca/en/environment-climate-change/services/climate-change/pricing-pollution-how-it-will-work/output-based-pricing-system/federal-greenhouse-gas-offset-system/emission-factors-reference-values.html#toc5. For Canada, the 2024 emission factors have been used.

UK – Scope 1 + 2

This is made up of natural gas, company cars (there are no ICE company cars in the UK), refrigerant gas losses (F gas losses), electricity, electric company vehicles and solar export.

Natural Gas:

Total natural gas consumption = 1,876,123 kWh.

Emission factor = 0.1829 kgCO_2e per kWh.

Emissions = 343.14 tCO_2e.

F Gas Losses:

Emissions = 52.75 tCO_2e.

Total Scope 1:

Emissions = 395.90 tCO_2e

Electricity (location-based):

Total electricity consumption = 18,805,491 kWh (this excludes electricity consumption at our Hemel support centre where data was not available).

Emission factor = 0.20705 kgCO_2e per kWh. In the 2024 update, the UK Electricity CO_2e factor has remained at a similar level to the factor for 2023.

Emissions = 3,893.68 tCO_2e.

Electric Company Vehicles:

Total mileage is 247,912 miles and the electric company vehicles are classed as 'luxury battery electric vehicles'.

247,912 x 0.08501 = 21.08 tCO_2e.

247,912 x 0.00751 = 1.86 tCO_2e.

Emissions = 22.94 tCO_2e.

Solar Export:

1,311,379 kWh electricity exported back to the grid as a result of the solar arrays on our roofs. This equates to a saving of 271.52 tCO_2e.

Total Scope 2:

Emissions = 3,645.09 tCO_2e

Total Scope 1 + 2:

Emissions = 4,040.99 tCO_2e

Location based		Market based	
Category	tCO_2e	Category	tCO_2e
Gas (Scope 1)	343.13	Gas (Scope 1)	343.13
F Gas (Scope 1)	52.75	F Gas (Scope 1)	52.75
Total (Scope 1)	395.9	Total (Scope 1)	395.9
Elec (Scope 2)	3,893.68	Elec (Scope 2)	28.59
Elec Cars (Scope 2)	22.94	Elec Cars (Scope 2)	22.94
Solar (Scope 2)	-271.52	Solar (Scope 2)	-271.52
Total (Scope 2)	3,645.09	Total (Scope 2)	-219.99
Total (Scope 1 + Scope 2)	4,040.99	Total (Scope 1 + Scope 2)	175.90

UK – Scope 3

We have calculated Scope 3 emissions for all Scope 3 categories applicable to Hollywood Bowl Group. This includes a total of 11 categories in addition to water supply and wastewater treatment.

Category	Category Name	tCO_2e
C01	Purchased Goods and Services	20,035.55
C02	Capital Goods	7,001.75
C03	Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2 (Transmission and Distribution Losses)	1338.65
C04	Upstream Transportation and Distribution	586.46
C05	Waste Generated in Operations	13.52
C06	Business Travel	263.89
C06	Business Travel (Hotel Stays - Optional)	33.41
C07	Employee Commuting	1,558.14
C07	Employee Commuting (Homeworking – Optional)	17.74
C10	Processing of Sold Products	20.23
C11	Use of Sold Products	2.46
C12	End-of-life Treatment of Sold Products	83.22
C15	Investments	420.00
Other	Wastewater Treatment	14.85
Other	Water Supply	12.88
FY2024	**Total Scope 3**	**31,402.75**
FY2023	Total Scope 3	40,760.71

FY2024	**Scope 3 intensity ratio**	**438**
FY2023	Scope 3 intensity ratio	590

Greenhouse Gases continued

UK – Scope 3 continued

In FY2024, 86% of our total UK Scope 3 emissions were in categories 1 and 2 (Purchased Goods & Services and Capital Goods). In FY2023, we calculated all emissions from these two categories using a spend-based method. However, in FY2024, we calculated 22% of our emissions from categories 1 and 2 using a supplier-specific method due to improved data quality from some of our suppliers. We envisage that as we move towards a 100% supplier-specific method over the years, our Scope 3 footprint will become more accurate as data quality will continue to improve. We are not restating prior years data (FY2023) until we achieve 100% supplier-specific data, and we will then review which year we use as our base year.

Excluded Categories:

- C08 Upstream Leased Assets – Hollywood Bowl Group does not have any upstream leased assets, and therefore reporting for this category is not required.
- C09 Downstream Transportation and Distribution – Hollywood Bowl Group does not carry out any downstream transportation and distribution, and therefore reporting for this category is not required.
- C13 Downstream Leased Assets – Hollywood Bowl Group does not have any downstream leased assets, and therefore reporting for this category is not required.
- C14 Franchises – Hollywood Bowl Group does not own or operate any franchises, and therefore reporting for this category is not required.

UK Scope 3 Intensity Ratio:

Total Scope 3 emissions =31,402.75 tCO_2e

Total Centres =71.71

Scope 3 Intensity Ratio = 437.9 tCO_2e per centre

Verification and assurance

The UK greenhouse gas inventory has undergone a third-party verification, with methodology checked, aligned, and verified by the Zero Carbon Forum. Key material areas within the carbon footprint were closely scrutinised and estimation techniques and assumptions were validated for consistency and transparency. Limited assurance has been provided on the accuracy and integrity of the reported data.

Canada – Scope 1 + 2

The conversion factors for Canada are taken from: https://www.canada.ca/en/environment-climate-change/services/climate-change/pricing-pollution-how-it-will-work/output-based-pricing-system/federal-greenhouse-gas-offset-system/emission-factors-reference-values.html#toc5

Note: Canadian data for emissions is provided in CO_2 for gas and no data is provided that make up the other greenhouse gases so this number is also used as CO_2e. Also, the emission factors for natural gas and electricity varies by province.

Total natural gas consumption = 319,748 m³ = 3,373,344 kWh (assuming 1 m³ = 10.55 kWh)

Emissions =619.81 tCO_2e.

Total Scope 1:

Emissions =619.81 tCO_2e

Electricity (location-based):

Total electricity consumption =5,050,583 kWh

Emissions =744.31 tCO_2e.

Total Scope 2:

Emissions =744.31 tCO_2e

Total Scope 1 + 2:

Emissions =1,364.12 tCO_2e

Canada	FY2024
Total (Scope 1 + Scope 2) (tCO_2e)	**1,364.12**
Number of centres	**11.08**
Intensity Ratio (tCO_2e per centre)	**123.1**

Canada – Scope 3

We have calculated Scope 3 emissions for 11 Scope 3 categories applicable to Hollywood Bowl Group's operations in Canada, in addition to water supply and wastewater treatment.

Category	Category Name	tCO_2e
C01/2	Purchased Goods and Services and Capital Goods	19,564.85
C03	Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2 (Transmission and Distribution Losses)	255.69
C04	Upstream Transportation and Distribution	199.06
C05	Waste Generated in Operations	10.56
C06	Business Travel	180.95
C06	Business Travel (Hotel Stays - Optional)	11.57
C07	Employee Commuting	417.95
C07	Employee Commuting (Homeworking – Optional)	4.61
C09	Downstream Transportation and Distribution	615.59
C11	Use of Sold Products	3,026.42
C12	End-of-life Treatment of Sold Products	0.58
C15	Investments	323.0
Other	Wastewater Treatment	7.98
Other	Water Supply	6.93
Total		**24,625.73**

Excluded Categories:

- C08 Upstream Leased Assets – Hollywood Bowl Group's Canadian operations does not have any upstream leased assets, and therefore reporting for this category is not required.
- C10 Processing of Sold Products – No data available
- C13 Downstream Leased Assets – Hollywood Bowl Group's Canadian operations does not have any downstream leased assets
- C14 Franchises – Hollywood Bowl Group's Canadian operations does not own or operate any franchises

Canada Scope 3 Intensity Ratio:

Total Scope 3 emissions = 24,625.73 tCO_2e

Total Centres = 11.28

Scope 3 Intensity Ratio = 2,183.8 tCO_2e per centre

Canada Scope 3 – split by Xtreme Bowling Entertainment, Striker Installations Inc, Striker Bowling Solutions

	Total Scope 3 Emissions (tCO_2e)	tCO_2e per centre
Xtreme Bowling Entertainment	15,054.20	1,335
Striker Installations Inc	8,890.65	
Striker Bowling Solutions	680.88	
Total	24,625.73	2,183.8

Group totals tCO_2e.

Scope	UK	Canada	Total
Scope 1	395.90	619.81	1,015.71
Scope 2	3,645.09	744.31	4,389.40
Scope 1+2	4,040.99	1,364.12	5,405.11
Scope 3	31,402.75	24,625.73	56,028.47
Total	35,443.74	25,989.84	61,433.58

Electricity and Gas Usage

UK

	Electricity (kWh)	Gas (kWh)
FY2016	17,380,346	4,866,065
FY2017	18,581,702	4,384,837
FY2018	18,849,729	5,260,995
FY2019	19,573,573	4,104,855
FY2020*	11,560,010	2,830,792
FY2021*	12,192,555	1,932,559
FY2022	17,857,086	2,945,207
FY2023	16,713,202	2,415,585
FY2024	**18,805,491**	**1,876,123**

- Electricity excludes solar generated electricity exported to grid and electricity from our Hemel support office where data is unavailable.
- FY2020 and FY2021 were impacted by COVID-19 shutdowns.
- We have seen our electricity consumption naturally increase compared to FY2023 due to the opening of new centres (Dundee, Lincoln, Merry Hill, Westwood Cross, Colchester). We have also included data from 3 x landlord centres in FY2024 which has previously not been included (Belfast, Bracknell and London O_2).

	Scope 1	Scope 2	Scope 1+2	Intensity Ratio
FY2016	895.7	8,195.0	9,090.7	162.3
FY2017	807.5	6,532.6	7,340.1	132.9
FY2018	967.8	5,335.6	6,303.4	113.7
FY2019	773.6	5,003.0	5,776.6	102.6
FY2020*	568.4	2,695.0	3,263.4	55.1
FY2021*	560.0	2,588.8	3,148.8	50.8
FY2022	541.5	3,373.8	3,915.3	61.7
FY2023	647.45	3,377.00	4,024.44	61.0
FY2024	**395.90**	**3,645.09**	**4,040.99**	**56.8**

FY2020 and FY2021 were impacted by Covid shutdowns.

Canada

	Electricity (kWh)	Gas (kWh)
FY2022	953,709	248,467
FY2023	3,619,113	2,589,139
FY2024	**5,050,583**	**3,373,344**

	Scope 1	Scope 2	Scope 1+2	Intensity Ratio
FY2022	45.20	26.90	72.10	34.30
FY2023	473.76	402.64	876.40	97.40
FY2024	**619.81**	**744.31**	**1,364.12**	**123.08**

Electricity Usage

Our commitment to efficiently and ethically use natural resources is ongoing.

In the UK, all our directly purchased electricity is 100% renewable and is fully backed by REGOs (Renewable Energy Guarantees of Origin). In Canada, all directly purchased electricity starting from 1 October 2024 is 100% renewable and is fully backed by RECs (Renewable Energy Certificates).

We have reduced our UK Intensity Ratio for Scope 1+2 by 45.8 tCO_2e per centre or by 44.6% for FY2024 compared to FY2019.

The original target that we set was to bring the UK Intensity Ratio down below 100 and this has now been achieved. The target is now to bring down below 55 tCO_2e per centre by FY2025.

UK Waste Recycling

We recycle the waste that we produce as this is part of our commitment to mitigate against the environmental impacts of our operations. In FY2019 we recycled 67.3% of our waste and this has increased to 82.9 % for FY2024. All of our waste is 100% diverted from landfill.

* Waste volumes were impacted by the COVID-19 lockdown for FY2020 and FY2021.

	General	Glass	Mixed Recycling / Organic
FY2016	7,334.14	1,477.80	11,164.04
FY2017	7,443.72	1,621.44	12,695.88
FY2018	6,770.04	1,652.26	12,978.86
FY2019	7,096.24	1,831.92	12,745.42
FY2020*	4,160.00	1,215.12	7,560.74
FY2021*	2,536.16	914.40	5,472.76
FY2022	4,581.06	2106.72	13,542.48
FY2023	3,824.22	2,107.44	16,227.30
FY2024	**3,922.52**	**2,298.62**	**17,590.30**

	General	Recycling	Total Waste	Recycling Percentage
FY2016	7,334.14	12,641.84	19,975.98	63.3%
FY2017	7,443.72	14,317.32	21,761.04	65.8%
FY2018	6,770.04	14,631.12	21,401.16	68.4%
FY2019	7,096.24	14,577.34	21,673.58	67.3%
FY2020*	4,160.00	8,775.86	12,935.86	67.8%
FY2021*	2,536.16	6,387.16	8,923.32	71.6%
FY2022	4,581.06	15,649.20	20,230.26	77.4%
FY2023	3,824.22	18,334.74	22,158.96	82.7%
FY2024	**3,922.52**	**19,888.92**	**23,811.44**	**82.9%**

All waste data supplied by Biffa

This excludes data from centres where the landlord manages the waste streams.

Waste data is for UK only

Transitioning to net zero

There is a clear case for action to address climate change across the entire economy, and this is equally relevant for Hollywood Bowl Group.

By implementing effective decarbonisation strategies, we can help safeguard our stakeholders from risks and contribute to society's goal of achieving net zero. Additionally, we can leverage our influence to collaborate with our team members, suppliers, and industry bodies to drive broader systemic change.

2025 -2030

2025

Targets

S3

50%
Of UK supplier spend to suppliers committed to SBTi pathway or have net zero climate transition plans in place

S1 S2

100%
Renewable energy in UK (directly purchased gas and electricity)

100%
Renewable electricity in Canada (directly purchased)

2026

S1 S2

100%
UK centres with Pins on Strings

S3

50%
Of Canada supplier spend to suppliers committed to SBTi pathway or have net zero climate transition plans in place

Actions

Scope 1 and 2 planned actions

1. Commitment to SBTi and validation of 1.5°C pathway targets
2. UK Solar panel rollout (subject to landlord agreements)
3. Increased efficiency of plant in new builds
3. Extended centre manager eco-efficiency incentive scheme
4. Team member behavioural change training in Canada
5. Contracting 100% renewable electricity across the Group (currently backed in the UK by REGOs and from 1 October 2024 in Canada by RECs)
6. Evaluation of Canadian solar panel introduction
7. Contracting 100% renewable gas in UK
8. Achieve carbon neutrality in UK (based on market-based intensity ratio)
9. Modelling cost of Scope 1+2 climate action plan
10. Rollout of energy efficient equipment in Canada

Progress in FY2024

Continued UK solar panel roll out
We now have solar panels in 30 of our UK centres and have also increased the volume of solar arrays in a number of previously installed centres.

UK intensity ratio reduction
Our UK centre intensity ratio fell to 56.8 in FY2024 (from 61 in FY2023), and is on a trajectory to achieve our short term target of 55 in FY2025.

UK supplier engagement programme
We have engaged with all of our major suppliers in the UK and are developing an increased understanding of their carbon reduction plans and access to primary data.

Climate action plan

Our goal is to become a net zero business by 2050 in line with the goals of the Paris Agreement.

We are currently in the early stages of this important journey and recognise that our understanding and strategy will evolve over the coming years. We are committed to working with our stakeholders to achieve this goal and have established a number of targets and initiatives to reduce Scope 1, 2 and 3 emissions across our operations and supply chain, which are outlined in our climate action transition plan.

S1 Scope 1 S2 Scope 2 S3 Scope 3

2030

2050

S1 S2 S3

Zero

2035 Gas usage in estate

42%

2030 Target reduction versus 2023 base

S1 S2 S3

90%

2045 Target reduction versus 2023 base

90%

2045 Target reduction versus 2023 base

S1 S2 S3

Net zero

Achieved by 2050

Scope 3 planned actions

1. Commitment to SBTi and validation of 1.5°C pathway targets
2. Ongoing UK supplier engagement programme to encourage increased participation in SBTi and commitments to net zero transition plans
3. Commencement of Canadian supplier engagement programme
4. Improved accuracy of Scope 3 data evaluation and target setting (subject to improved supplier data availability)
5. Cross industry intiatives and implemetation of best practice supply chain management via Zero Carbon Forum membership
6. Modelling costs of delivering Scope 3 climate action plan
7. Review of calculation models to ensure Group best practice
8. Evaluating offsetting activity to mitigate residual emissions

Climate action plan dependencies

The delivery of our climate action transition plan depends upon comprehensive system-wide changes including electrifying national grids, supporting decarbonisation policies, advancing carbon markets, commercialising climate technologies and materials, sourcing alternative materials like recycled plastics, and adapting to shifts in consumer preferences.

Canadian initiatives underway

Whilst we are still at the start of our journey in Canada, we have started our programme with team member energy saving training and the installation of Pins on Strings in two centres.

Canadian Scope 3 emmissions

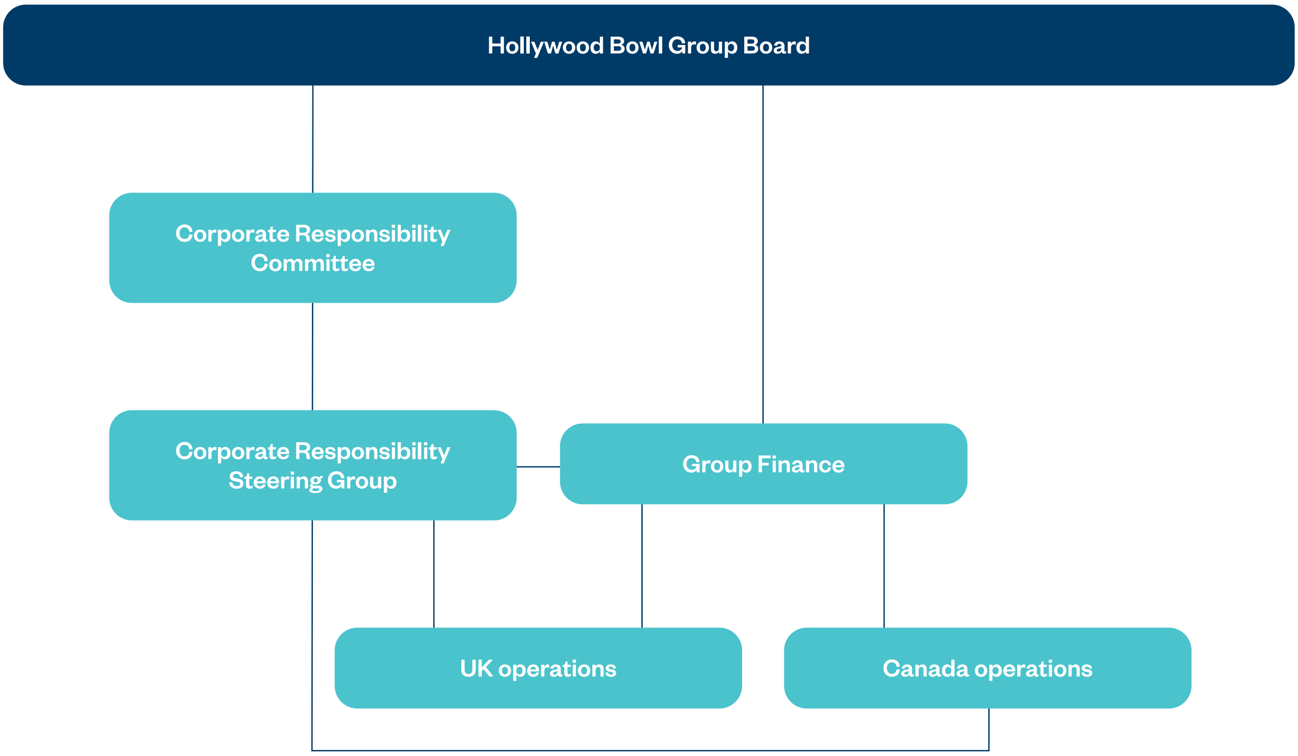
We were pleased to be able to report on our Canadian Scope 3 emissions for the first time in FY2024.

UK Scope 3 measurement

Greater access to supplier primary data has given us a more accurate picture of our UK Scope 3 emissions than achieved in prior years.

Climate action transition plan - Group governance, organisation and reporting

The Board has overall accountability for the Group's climate action transition plan. It is supported by the Corporate Responsibility Committee who oversees the Group's environmental and social sustainability strategy.



How we partner

Collective action is key to making progress on the journey to Net Zero. We are working ever more closely with a wide range of our stakeholder groups to set ourselves up for success in overcoming the climate challenges we are facing together.

Our suppliers

Scope 3
With 91 per cent of our total emissions coming from Scope 3, it is imperative that we work closely with our supply chain to reduce these in line with our Net Zero targets

Engagement programmes
We have launched a supplier engagement programme in the UK, initially targeting our biggest suppliers in food and drink, amusements and construction. This will be extended to a wider range of suppliers and our Canadian operations.

Primary data
We have gained access to more supplier primary data in FY2024 and we expect this to continue over the coming years, allowing us to develop a more accurate understanding of our Scope 3 emissions.

Our industry

Shared challenges
Many of the climate challenges we face are mirrored by other businesses in the leisure sectors and we have shared insights into the success of our climate initiatives with members of the UKTBO (Ten pin bowling operators trade body)

The Zero Carbon Forum (ZCF)
Hollywood Bowl Group is a member of the ZCF, which is a non-profit organisation, empowering hospitality industry members to reach sustainability targets with more speed, efficiency, and profit as a united effort.

ZERO CARBON FORUM

Our team members

Behavioural change
We equip and empower our team members to help reduce the energy used in our operations through behavioural change programmes in the UK and Canada

Incentives
Energy and waste measures are included in team member incentive schemes with monthly league tables published of centre level performance.

Reward and recognition
Our leading centres are recognised at our annual conference with a sustainability award which looks at performance across a variety of measures including climate impact. In FY2024 the award went to our Springfield Quay centre in Glasgow.

Task Force on Climate-related Financial Disclosures statement

This climate-related financial disclosure report has been prepared to meet the requirements outlined by the Task Force on Climate-related Financial Disclosures (TCFD) and the mandatory reporting requirements set out in the Companies Act related to Climate-related Financial Disclosures (CFD).

In accordance with the LSE Listing Rule 9.8.6R(8), and the Companies (Strategic report) (Climate-related Financial Disclosure) Regulations 2022, we present our 2024 TCFD compliance statement and confirm that we have made climate-related financial disclosures for the year ended 30 September 2024 which are:

a) consistent with the following TCFD recommendations and recommended disclosures:
- governance – (a) and (b);
- strategy – (a) and (c);
- risk management (a), (b) and (c);
- metrics and targets (a); and

b) partially consistent with the following TCFD recommendations and recommended disclosures:
- strategy – (b);
- metrics and targets (b) and (c).

A summary of our TCFD compliance statement is set out in the following table.

Further details regarding how we have aligned to the TCFD recommendations are set out in the subsequent pages and in relevant sections of this Annual Report.

TCFD summary disclosure

TCFD pillar	Recommended disclosure	Relevant section within this report
Governance		
Board oversight	Describe the board's oversight of climate-related risks and opportunities	page 66
Management's role	Describe management's role in assessing and managing climate-related risks and opportunities	page 66
Risk management		
Risk identification and assessment process	Describe the organisation's processes for identifying and assessing climate-related risks	page 67
Risk management process	Describe the organisation's processes for managing climate-related risks	page 67
Integration into overall risk management	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	page 67
Strategy		
Climate-related risks and opportunities	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	pages 68 to 71
Impact on the Company's businesses, strategy, and financial planning	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	pages 68 to 71
Resilience of the Company's strategy	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	page 70
Metrics and targets		
Climate-related metrics in line with strategy and risk management process	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	pages 56 to 59 and 72
Scope 1 and 2, (and 3) GHG metrics and the related risks	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks	pages 56 to 59 and 68 to 71
Climate-related targets and performance against targets	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	pages 72 to 73

Disclosure consistent with the TCFD recommendation

Disclosure consistent with the TCFD recommendation but with improvement opportunities for FY2025

TCFD progress

FY2022-2023	FY2024	Coming in FY2025
• First TCFD disclosure and associated scenario analysis on material areas for our business developed with external partner • First CDP submission • Formation of Corporate Responsibility Committee (CRC) • Board member workshop and climate training sessions • Climate related targets included in Executive incentive plans	• The Group joined the Zero Carbon Forum (UK hospitality orientated alliance) • CDP submission • The Board reviewed Canadian climate-related matters • We undertook a qualitative scenario analysis on selected Canadian climate risks and opportunities • Detailed analysis of our Canadian business including Scope 3 emissions, • Board review and approval of updated climate action transition plan and associated targets • Launched a UK supplier engagement programme to better understand our major suppliers commitments to net zero and to gain access to primary Scope 3 data • Launched an operational behavioural change programme for our Canadian team members • Continued to roll out energy efficient Pins on Strings technology.	• Validation of climate targets by SBTi • CDP submission • Update scenario analysis for UK operations • Conduct first quantitative scenario analysis for Canadian operations • Increase use of supplier primary data to improve understanding of Scope 3 emissions • Increased reporting on plastics strategy • Develop financial modelling to include Canada, the cost of transitioning to net zero and linkages to our climate action transition plan • Board review of the cost of transitioning to net zero in line with outputs of planned financial modelling and agreement of any strategic changes required • Consideration of Group business impacts on nature and biodiversity and evaluation of use of TNFD framework

Governance

Board oversight

The Board has overall responsibility for climate-related matters and gives full and close consideration of ESG factors, including climate-related factors, when assessing the impact of decisions it makes.

Our governance structures support the PLC Board, committees and senior management to ensure that climate change is integrated into our strategy, business process and decision making. For more information on climate governance, see the Risk Management section on page 74

The Corporate Responsibility Committee (CRC), chaired by Non-Executive Director Ivan Schofield (see page 104) is responsible for updating the Board on climate issues on a bi-annual basis.

As part of the bi-annual 'climate change' agenda item at the Board meeting, the Board discussed climate change topics, including progress against relevant pre-existing goals (e.g. renewable energy sources) and future planned activities and targets. It also considered whether strategic decisions needed to be made as a result of climate scenario analysis performed in FY2022 on the most significant climate risks to the business, namely changing customer behaviour, business interruption and damage to assets, carbon taxes, cost of transitioning operations to net zero and energy sources.

It was agreed, based on the findings of the scenario analysis, that the Group had limited short-term risk exposure at this time but agreed to keep this under periodic review. The cost of transitioning to net zero risk was discussed and it was agreed that this would stay under closer review in line with greater future visibility provided by the ongoing Scope 3 emissions analysis and the ongoing development of a Group climate transition plan.

Two CRC meeting were held in the year, the first in April where updates were given on performance against H1 FY2024 metrics and targets and progress with the ongoing analysis of Scope 3 emissions in the UK and Canada.

The second CRC meeting was held in September, where the Committee reviewed progress against FY2024 targets and set targets for FY2025.

With the expansion of our Canadian business, the Committee discussed the differences in the energy usage and efficiency versus the UK operations and approved the completion of a qualitaitve risk and opportunity scenario analysis using an external partner.

The Chair of the CRC provides updates to the main Board on the discussions, decisions and actions arising from these meetings. Minutes of the meetings are also made available to all Board members through our electronic Board portal.

A climate-related target is included in Executive Long Term Incentive Plans, relating to the achievement of UK emission intensity ratios for Scope 1 and 2. For more detail see pages 120 to 121 and 127.

Priorities for FY2025

- Board review of refreshed quantitative scenario analysis, which will include Canadian operations
- Board review of performance against FY2025 climate targets
- Board review of cost of transitioning to net zero in line with outputs of planned financial modelling and agree any strategic changes required.
- Board review and approval of updated Group climate action transition plan and associated targets.

Management's role

Responsibility for climate change issues at a management level sits with our Chief Marketing and Technology Officer, Mathew Hart, who chairs the Corporate Responsibility Steering Group (CRSG).

Members of the CRSG also include the Chief Operating Officer, Chief People Officer, Energy & Safety Manager and relevant heads of department.

The CRSG is responsible for the identification, management and reporting of climate-related risks and opportunities. The CRSG meets on a quarterly basis to discuss environmental and social strategies and performance against targets, including climate change, and updates the CRC on a bi-annual basis.

Following the launch of a supplier engagement programme in the UK, we have been able to access primary data from some of our key suppliers which has given us a more accurate picture of our UK scope 3 emissions data.

Scope 3 emissions were also calculated for Canadian operations for the first time.

Now that we have started to gather more climate-related data for our expanding Canadian operations, it is now resultantly forming a greater part of the CRSG priorities with Canadian management attending the CRSG from Q2 FY2024.

We made progress this year towards our climate-related operational and capital investment targets for our UK business. Additionally, we successfully delivered increasingly energy-efficient builds of our new centres.

Priorities for FY2025

- More detailed analysis of our Canadian business including Scope 3 emissions, with the ambition to have Canadian climate targets integrated into a Group transition plan
- Continued operational energy saving behavioural change programme for our Canadian team members
- Continue to roll out energy efficient Pins on Strings technology.
- Validation of our UK climate transition plan targets from SBTi.
- Financial modelling to include Canada, to evaluate the cost of transitioning to net zero and linkages to our climate transition plan.
- Launch a Canadian supplier engagement programme to promote the adoption of science-based targets among our key suppliers.
- Further analysis of Scope 3 emissions data as more primary data becomes available from our suppliers.

Climate risk - Group governance, organisation and reporting

Risk management

The Board is ultimately responsible for ensuring that a robust risk management process is in place and that it is being adhered to, including for climate risk. The significance of climate risk is aligned with other risks, given climate risk is identified and assessed in line with the existing risk processes and is included in our principal risks register. More information on our risk management process is to available in the Risk management section on pages 74 to 75.

Identifying, assessing and managing climate-related risks and opportunities

In FY2022 we conducted a detailed climate risk assessment, across our UK business. Climate scenario analysis was performed on selected potentially material climate risks and opportunities to assess the potential quantitative financial impact on the UK business. External experts, PwC UK, were engaged to support and assist us with this process; however, we retained ownership over the assessment, process and output.

As our expanding Canadian business is now considered material in size, in FY2024 we conducted a climate risk identification and assessment exercise across the Canadian business. As part of this exercise, qualitative scenario analysis was performed on selected potentially material climate risks and opportunities.

The Board reviews identified climate risks and impacts on a bi-annual item basis. Following a presentation from the CRSG at the Board meeting in June 2024, the Board determined that as there had been no material changes to the UK business since the FY2022 scenario analysis was undertaken and therefore the UK climate risk profile identified then was still relevant to the Group and could therefore be relied on for FY2024 reporting.

This climate risk assessment has been complemented by subsequent horizon scanning to identify external trends, such as legal and regulatory developments, and emerging science/expert opinion.

The Group plans to update its quantitative climate scenario analysis on a three-yearly basis, with the next assessment planned for FY2025. This analysis will include a refresh of the FY2022 analysis performed for the UK, and an update to the qualitative scenario analysis performed this year for the Canadian business.

Priorities for FY2025

Review the identified climate risks and opportunities and climate transition plan and update where necessary. This will be done in line with our wider risk management and monitoring processes.

Further integrate Canadian operations into the climate risks and opportunities analysis, and develop an ongoing processes for monitoring specific risks relating to the Canadian business.

Strategy

Climate-related risks and opportunities have the potential to impact our business over the short, medium and long term. In considering our climate risks and opportunities, we define short, medium and long-term horizons as follows:

Short term (0–5 years):
aligns to the Group's financial planning and modelling horizon

Medium term (5–15 years):
represents the interim period between the Group's financial planning horizon and the longest centre leases

Long Term (15+ years):
aligns with the longest time frame for the Group's leasing agreements for properties

We face potential physical risks including extreme weather events as well as risks resulting from the transition to a lower carbon economy including the cost of transitioning products and services to lower emissions options.

The following climate risks and opportunities have been identified to be those that have the potential to be material for the UK and/ or the Canadian business over the short, medium and long term horizons.

Climate-related risks and opportunities

The climate risk profile identified for the UK in FY2022 is still relevant to the business and therefore continues to be relied on for FY2024 reporting. We undertook analysis for Canada in FY2024 and have considered this when assessing the overall climate risk profile for the Group.

Risk/opportunity	TCFD category	Geography	Potential impact/outcomes for the Group
Risk **Change in customer behaviours and preferences away from indoor leisure in reaction to increasingly warm summers**	Physical Chronic	UK and Canada	**Outcome** Typically 'busy' seasons become shorter with shoulder periods becoming less busy Increased number of high temperature days lasting for an extended period of time Greater variability in rainfall leading to more dry days **Impact** Loss of boosted revenues during winter period to make up for slower summer months The fixed energy costs associated with keeping centres open remain irrespective of lower footfall that may be experienced Reduced footfall as customers prioritise outdoor leisure activities in fair weather conditions **Financial impact** Revenue loss/Increased costs
Risk **Business interruption and damage to assets due to increased frequency and severity of extreme weather events (e.g. flooding/ extreme heat)**	Physical Acute	UK	**Outcome** While the type and severity of hazards will vary by location and season, and change over time, it is expected that the frequency and severity of events such as flood events will increase **Impact** These extreme events may impact the Group in three ways: 1) physical damage to operating sites which require repair; 2) disruption to business operations due to temporary closure; and 3) inability of customers to get to the sites These events may also have further financial impacts, for example, via increased insurance premiums **Financial impact** Revenue loss/Increased costs
Risk **Carbon taxes increasing costs due to pricing of GHG emissions being applied to own operations and embodied carbon in supply chain and transportation/ distribution**	Policy and legal	UK	**Outcome** The scope and level of carbon pricing to date have had little impact on the Group but this could lead to increased costs in the future **Impact** 1) increasing energy and other operating costs; 2) leading the Group to retire assets or investment to reduce emissions; and 3) increasing supply chain costs as carbon prices are passed on by suppliers **Financial impact** Revenue loss/Increased costs

Key to time horizon: Short Medium Long

Adaptation and mitigation or promotion strategies	Financial metrics and targets	Time horizon
Scenario analysis was conducted in the UK and Canada to assess the extent to which changing customer behaviours, as a result of changing weather patterns caused by climate, will impact revenue. It was found that the impacts of this climate risk were relatively low across all scenarios. In FY2024 revenues were deflated due to a prolonged unseasonable period of dry weather in the UK school summer holidays, but the Group holds the current view that on a rolling basis the impacts of unseasonable wet or hot weather present a low risk as identified in the scenario analysis. The Group does targeted marketing and offers discounts in order to attract more customers during warmer periods. Despite customers potentially shifting to outdoor activities, Canada has the benefit that bowling leagues are more prevalent, which provides some level of footfall stability where weather becomes more variable. We will continue to monitor this risk going forward and our annual financial planning will take these findings into account.	Metric – internally monitored revenue reduction in high-temperature periods No material revenue impacts identified in FY2024	
Scenario analysis was conducted to assess the extent to which our UK sites are at risk of business interruption and damage as a result of extreme events such as flooding. Overall, it was found that only a low number of sites were assessed to be at risk of flooding under a 4°C scenario. These sites will continue to be monitored and further assessments will be conducted to explore mitigation options. Furthermore, our wide location base limits the scale of exposure caused by localised events. In FY2024 no centres suffered business interruption or damage due to flood events and no new UK centres were developed in areas of high flood risk.	Metric – proportion of revenue located in areas subject to flooding No flood impacts in FY2024 and no new centres opened in flood risk areas	
Scenario analysis was conducted to assess the extent to which our UK operations are at risk of increased costs with the potential introduction of carbon pricing. Overall, it was found that there was limited exposure to carbon pricing as the Group continues to address our operational emissions through our investments in energy efficient equipment, the installation of solar panels where possible at our sites and renewable energy contracts. We are working with suppliers to further reduce the emissions of our supply chain and we launched an engagement programme in FY2024 to encourage more of our major partners to adopt SBTi or develop transition plans and provide us with access to primary data. We have subsequently undertaken further analysis of our UK Scope 3 emissions in FY2024 using more supplier primary data. Our regular schedule of contract renewals and reviews allows us the opportunity to benchmark and adjust suppliers based on their carbon intensity and stated transition plans if appropriate.	Metric – % of directly purchased energy from renewable sources Target – 100% by end of FY2025 Achieved 100% in UK in FY2024	

Climate-related risks and opportunities continued

Risk/opportunity	TCFD category	Geography	Potential impact/outcomes for the Group
Risk **Cost of transitioning operations to net zero in order to be compatible with the UK and Canada's net zero carbon targets**	Technology	UK and Canada	**Outcome** The UK and Canada's commitments to reach net zero emissions by 2050 has several implications for the Group. Namely, as regulations and standards are adopted to support this ambition, there may be direct and indirect impacts on our operations. Regulatory or reputational pressures may increase to reduce Scope 1 , 2 and 3 emissions. **Impact** Installation of new technologies may cause disruption or even temporary closure to facilities. Increased operational costs associated with upgrading buildings and assets to incorporate more energy efficient technology. Engagement with supply chain to encourage emissions reduction, or find suppliers with lower emissions **Financial impact** Revenue loss/Increased costs
Opportunity **Energy sources: increased investment in and use of lower emission sources of energy,**	Energy source	UK and Canada	**Outcome** As the UK and Canada shifts to a low-carbon economy and transitions away from fossil fuels, it is expected that prices for these energy sources will increase with the introduction of carbon taxes and become more volatile. **Impact** Reduced exposure to volatility in fossil fuel and energy prices, and future carbon taxes **Financial impact** Reduced costs

Resilience to climate change
The climate-related risks and opportunities analysis indicates that our business is not at high risk of significant financial impacts arising from climate-related risks in the short-term to mid-term. Any climate-related risks with a medium-risk financial impact are either projected to occur in the long-term or are being addressed through our mitigating actions. As a result, we do not anticipate the need for major changes to our strategy in order to respond to these risks. In the medium and long-term, we will need to consider transition risks. The transition to a low-carbon economy could have financial implications for the Group. However, these risks can be mitigated if we achieve our carbon reduction targets across all scopes.

Climate-related scenario analysis
Climate-related scenario analysis has helped us evaluate the potential impacts of climate-related risks and opportunities. In FY2022, we conducted our first quantative analysis to better understand these risks and opportunities and their effects on our existing UK business model. The insights gained from this analysis have informed our strategy and planning. We undertook a qualitative scenario analysis for our Canadian business in FY2024 using the same scenarios as per the UK analysis in FY2022. The Publicly available climate scenarios, sourced from the Network for Greening the Financial System (NGFS) and the Intergovernmental Panel on Climate Change (IPCC), were selected for our analysis as outlined in the adjoining table.

Assumptions made in the analysis:
Current mitigating actions were not included in any of the scenarios. Each scenario was modeled independently, with no assumed correlation between different risks and opportunities.

Investment costs required to realise opportunities were not considered. While many scenario models and techniques are advanced, we acknowledge that this field is continually evolving. We anticipate that models and pathways will improve over time. However, models have limitations, and certain areas remain challenging to model accurately.

Key to time horizon: Short Medium Long

Adaptation and mitigation or promotion strategies	Financial metrics and targets	Time horizon
Scenario analysis was conducted to assess the extent to which our UK and Canadian operations are at risk of increased costs associated with achieving Net Zero The highest impacts are expected to be in the medium term, where there will be pressure to decarbonise the Group's Canadian centres. This could include additional costs for purchasing and installing low carbon technology as well as other investments in training, and the collection and monitoring of additional emission data. Our purchased goods and services (Scope 3 category 1) accounts for 91 per cent of our UK Scope 3 emissions and for 79 per cent of our Canadian Scope 3 emissions, and it is essential that we align our supply chain with the required transition to a low carbon economy, as demonstrated with our target of suppliers committed to a SBTi pathway or a net zero transition plan This Scope 3 analysis is enabliing us to evolve a pathway to net zero transition plan with the ultimate ambition to achieve net zero in 2050. Further details of the targets and initiatives to help us achieve this are outlined on pages 60 to 61 and 72 to 73. We will continue to gather Scope 3 data in both the UK and Canada as more detailed primary data becomes available from our suppliers and update our targets and financial modelling including the requirement for residual offsetting in meeting our long-term ambitions.	Metric – Scope 1 and 2 emissions intensity ratio Target – 55 by end of FY2025 Achieved 56.8 in FY2024 Metric – % of goods for resale supply chain expenditure that have a carbon reduction plan and net zero target defined Target – 50% of UK supplier spend to suppliers committed to SBTi pathway or with net zero transition plans in place by end of FY2025	Long
Scenario analysis was conducted to assess the extent to which our UK and Canadian operations have an opportunity to reduce costs through the use of lower emission sources of energy. The Group has already installed operational solar panels in 30 of our UK centres and contracted renewable energy for our UK operations which helps to mitigate exposure the energy price volatility. If the Group implements solar panels at its Canadian centres, on-site generation of renewable energy (as well as purchased renewable energy) will reduce its exposure to energy price volatility from fossil fuels in the medium to long term.	Metric – % of total UK electricity generated from on-site renewables Achieved 12.7% in FY2024 Metric – % of UK directly purchased energy from renewable sources Target – 100% by end of FY2025	Short

Climate risk/opportunity	Scenarios	Data sources
Transition risk/opportunity		
Energy sources	NGFS scenarios: **Scenario 1:** Early action **Scenario 2:** Late action **Scenario 3:** No additional action	IEA[1] – Carbon intensities NGFS[2] – Carbon prices
Physical risk		
Business interruption and damage to assets Changing customer behaviours	IPCC pathways: **Scenario 1:** SSP1 – 2.6 (<2°C) **Scenario 2:** SSP2 – 4.5 (2–3°C) Scenario 3: SSP5 – 8.5 (>4°C)	We obtained localised climate data to a 90m² resolution based on the latest IPCC CMIP6 global climate models, providing projections for each of our scenarios and time horizons for flood exposure World Meteorological Organization[3] – temperature, wind speed and precipitation (historical data) Climate Analytics[4] – temperature, wind speed and precipitation (scenario data)

1 International Energy Agency (2022), Global Energy and Climate Model, IEA, Paris https://www.iea.org/reports/global-energy-and-climate-model, Licence: CC BY 4.0.

2 Network for Greening the Financial System (NGFS) (2021), NGFS Scenario Data Downscaled National Data V2.0, https://www.ngfs.net/ngfs-scenarios-portal.

3 World Meteorological Organization (2022), https://public.wmo.int/en.

4 Climate Analytics (2022), Climate Impact Explorer, https://climate-impact-explorer.climateanalytics.org.

The scenarios were selected due to their prominence within climate change discourse. This enables the selected risks and opportunities to be assessed in line with scenarios that represent the collective market's understanding of the range of possible outcomes as a result of the effects of climate change and society's response.

Metrics and targets

The Group has a range of climate-related metrics and targets in the table below.

Due to the estate growth plans of the Group, we set our GHG emissions targets on an intensity ratio basis allowing a meaningful comparison of performance on a centre level basis.

Climate-related metrics

TCFD cross-industry metric category	Unit of measure	Metric	Geography	Metric target set and reported?	Linked to identified climate risks and opportunities
GHG emissions	Total tCO_2e/centre	Scope 1+2 emissions average carbon energy intensity ratio by centre	UK	Yes – UK 55 by end of FY2025 **56.8** achieved in FY2024 FY2023 61 FY2022 61.7	Carbon taxes and cost of transitioning operations to net zero
			Canada	Target under review for FY2026 and beyond due to estate expansion plans in multi-province locations. **123.1** achieved in FY2024 FY2023 97.40	
GHG emissions	tCO_2e	Scope 3 emissions average carbon energy intensity ratio by centre	UK	Yes – UK reduction targets in line with SBTi pathway, leading to net zero in 2050. 42% reduction from FY2024 baseline by 2030, 90% reduction by 2045	Carbon taxes and cost of transitioning operations to net zero
			Canada	Scope 3 stated for the first time in FY2024. Canada reduction targets to be developed so they fall in line with SBTi pathway, leading to net zero in 2050.	
GHG emissions	% of spend with suppliers of good and services	% of supplier spend with suppliers committed to SBTi pathway or have net zero transition plans in place	UK	Yes - 50% of UK supplier spend with suppliers committed to SBTi pathway or have net zero transition plans in place by end FY2025	Carbon taxes and cost of transitioning operations to net zero
			Canada	Will look to follow same approach with our Canadian suppliers – target year TBC	

TCFD cross-industry metric category	Unit of measure	Metric	Geography	Metric target set and reported?	Linked to identified climate risks and opportunities
Transition risks	%	% of total directly purchased electricity from renewable sources	UK	**100%** achieved in FY2024 FY2024 target 100% FY2023 0%	Energy sources
			Canada	Yes – 100 % of total Canada directly purchased electricity from renewable sources in FY2025	
Transition risks	%	% of total electricity generated from onsite renewable sources	UK	No target – monitoring total UK electricity generated from on-site renewable sources **12.7%** achieved in FY2024	Energy sources
			Canada	No – no solar arrays are currently installed in Canada. Under review for FY2026 and beyond.	
Transition risks	%	% of total gas directly purchased in the UK from renewable sources	UK	Yes - 100% directly purchased renewable gas in UK by FY2025 **100%** achieved in FY2024 FY2023 0	Energy sources
			Canada	No – Under review for FY2026 and beyond.	
Transition risks	kWh	Gas usage	UK	Yes – zero by end of FY2030	Energy sources
			Canada	No - target year under review	Energy sources
Transition risks	%	% of estate using energy efficient pins on strings technology	UK	Yes – 100% by end of FY2028 **91%** achieved in FY2024 FY2023 83	Cost of transitioning operations to net zero
			Canada	Two Pins on Strings centres currently in Canada. Target under review for FY2026 and beyond.	
Physical risks	% of annual revenue	% of UK revenue located in an area subject to high risk of flooding	UK	No target – periodic monitoring to feed into risk assessment process	Business interruption and damage to assets
			Canada	No target – periodic monitoring to feed into risk assessment process	

Risk management

Our approach to risk

The Board and senior management take their responsibility for risk management and internal controls very seriously, and for reviewing their effectiveness at least bi-annually. An effective risk management process balances the risks and rewards as well as being dependent on the judgement of the likelihood and impact of the risk involved. The Board has overall responsibility for ensuring there is an effective risk management process in place and to provide reasonable assurance that it is fully understood and managed.

When we look at risk, we specifically consider the effects it could have on our business model, our culture and therefore our ability to deliver our long-term strategic purpose.

Read more on **pages 28 and 29**

We consider both short and long-term risks and split them into the following groups: financial, social, operational, technical, governance and environmental risks.

Risk appetite

This describes the amount of risk we are willing to tolerate as a business. We have a higher appetite for risks accompanying a clear opportunity to deliver on the strategy of the business.

We have a low appetite for, and tolerance of, risks that have a downside only, particularly when they could adversely impact health and safety or our values, culture or business model.

Our risk management process

The Board is ultimately responsible for ensuring that a robust risk management process is in place and that it is being adhered to. The main steps in this process are:

1 Department heads

Each functional area of the Group maintains an operational risk register, where senior management identifies and documents the risks that their department faces in the short term, as well as the longer term. A review of these risks is undertaken on at least a bi-annual basis to compile the department risk register. They consider the impact each risk could have on the department and overall business, as well as the mitigating controls in place. They assess the likelihood and impact of each risk.

2 The Executive team

The Executive team reviews each departmental risk register. Any risks which are deemed to have a level above our appetite are added to/retained on the Group risk register (GRR) which provides an overview of such risks and how they are being managed. The GRR also includes any risks the Executive team is managing at a Group level. The Executive team determines mitigation plans for review by the Board.

3 The Board

The Board challenges and agrees the Group's key risks, appetite and mitigation actions at least twice yearly and uses its findings to finalise the Group's principal risks. The principal and emerging risks are taken into account in the Board's consideration of long-term viability as outlined in the Viability statement.

Read more on pages 80 and 81

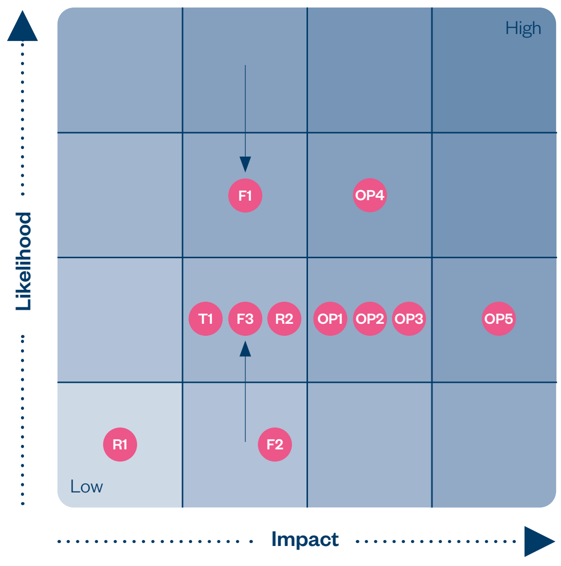
Risk management activities

Risks are identified through operational reviews by senior management; internal audits; control environments; our whistleblowing helpline; and independent project analysis.

The internal audit team provides independent assessment of the operation and effectiveness of the risk framework and process in centres, including the effectiveness of the controls, reporting of risks and reliability of checks by management.

We continually review the organisation's risk profile to verify that current and emerging risks have been identified and considered by each head of department.

Each risk has been scaled as shown on the risk heat map.



Financial risks
F1 – Economic environment
F2 – Covenant breach
F3 – Expansion and growth

Operational risks
OP1 – Core systems
OP2 – Food and drink suppliers
OP3 – Amusement supplier
OP4 – Management retention and recruitment
OP5 – Food safety

Technical risks
T1 – Cyber security & GDPR

Regulatory risks
R1 – Compliance
R2 – Climate change

The Board has identified 11 principal risks which are set out on page 74. These are the risks which we believe to be the most material to our business model, which could adversely affect the revenue, profit, cash flow and assets of the Group and operations, which may prevent the Group from achieving its strategic objectives.

We acknowledge that risks and uncertainties of which we are unaware, or which we currently believe are immaterial, may have an adverse effect on the Group.

Key to risk change

- Increasing ▲
- Decreasing ▼
- Unchanged ▶

Key to strategy

1. Revenue growth
2. Active asset refurbishment
3. New centres and acquisitions
4. Focus on our people
5. International expansion

Financial risks

1. Economic environment

Links to strategy: 1 2 3 4 5

Risk and impact

- Change in economic conditions, in particular a recession, as well as inflationary pressures from the wars in Ukraine and the Middle East. Macroeconomic growth in the UK and Canada is low and could turn into a recession.
- Adverse economic conditions, including but not limited to, increases in interest rates/inflation may affect Group results.
- With an abundance of empty retail units across the UK, this provides opportunities for less focused operators to open new locations in Hollywood Bowl markets which impacts on the revenue of its centres.
- A decline in spend on discretionary leisure activity could negatively affect all financial as well as non-financial KPIs.

Mitigating factors

- There is still a risk of a contraction on disposable income levels, impacting consumer confidence and discretionary income. The Group has low customer frequency per annum and also the lowest price per game of the branded operators in the UK. Therefore, whilst it would suffer in such a recession, the Board is comfortable that the majority of centre locations are based in high-footfall locations which should better withstand a recessionary decline.
- The impacts of the UK Government's Budget national insurance and living wage increases have been considered and factored into the Group's financial planning.
- Continued focus on value for money as well as appealing to all demographics.
- Along with appropriate financial modelling and available liquidity, a focus on opening new centres and acquiring sites in high-quality locations only with appropriate property costs, as well as capital contributions, remains key to the Group's new centre-opening strategy.
- Electricity prices are hedged in the UK until September 2027. Plans are developed to mitigate many cost increases, as well as a flexible labour model, if required, in an economic downturn.
- The new customer booking system will provide more detailed customer data and trends which should allow for further enhancement of offers in both the UK and Canada.

Risk change

▼

2. Covenant breach

Links to strategy: 1 2 3

Risk and impact

- The banking facility, with Barclays Plc, has quarterly leverage covenant tests which are set at a level the Group is comfortably forecasting to be within.
- Covenant breach could result in a review of banking arrangements and potential liquidity issues.

Mitigating factors

- Financial resilience has always been central to our decision making and will remain key for the foreseeable future.
- The current RCF is £25m, margin of 165ps above SONIA as well as an accordion of £5m. The facility is currently undrawn, which under the agreement, results in a cost of less than £200k per annum.
- Net cash position was £28.7m at the end of September 2024.
- Appropriate financial modelling has been undertaken to support the assessment of the business as a going concern. The Group has headroom on the current facility with leverage cover within its covenant levels, as shown in the monthly Board packs. We prepare short-term and long-term cash flow, Group adjusted EBITDA (pre-IFRS 16) and covenant forecasts to ensure risks are identified early. Tight controls exist over the approval for capital expenditure and expenses.
- The Directors consider that the combination of events required to lower the profitability of the Group to the point of breaching bank covenants is unlikely.

Risk change

▶

Financial risks continued

3. Expansion and growth

Links to strategy: 1 2 3 4 5

Risk and impact
- Competitive environment for new centres results in less new Group centre openings.
- New competitive socialising concepts could appear more attractive to landlords.
- Higher rents offered by short-term private groups.
- Given the success of Hollywood Bowl, other operators are prepared to enter its markets for a slice of the demographic, in less desirable locations, but still splits the revenue opportunity.

Mitigating factors
- The Group uses multiple agents to seek out opportunities across the UK and Canada.
- Keep future opportunities confidential until launch and continue with non-compete clauses where appropriate.
- Strong financial covenant provides forward-looking landlords with both value and future letting opportunities.
- Continued focus with landlords on initial investment, innovation, as well as refurbishment and maintenance capital.
- Attended key property conferences in the UK and Canada, with positive feedback and a number of opportunities in negotiation.
- Demographic modelling to be enhanced with new customer reservation data as becomes available, to ensure as up to date as possible.

Risk change

Operational risks

4. Core systems

Links to strategy: 1 2 3 4 5

Risk and impact
- Failure in the stability or availability of information through IT systems could affect Group business and operations.
- Technical or business failure in a critical IT partner could impact the operations of IT systems.
- Customers not being able to book through the website is a bigger risk given the higher proportion of online bookings compared to prior years.
- Inaccuracy of data could lead to incorrect business decisions being made.

Mitigating factors
- All core UK systems are operated in Microsoft 365 & Azure with external back-up to immutable storage in an independent security domain.
- Microsoft Azure and Amazon AWS are robust organisations with the highest levels of security, compliance and resilience guarantees, as is our chosen payment services provider.
- Our Compass reservations system is deployed to the whole UK estate and in trial in Canada. This system has been built in house and has improved performance, resilience and future development flexibility. The system is hosted in Azure.
- The CRM/CMS and CDP system is hosted by a third party utilising cloud infrastructure with data recovery contingency in place.
- Our core Canadian systems are continuing to evolve to towards parity in with UK systems.
- All Group technology changes which affect core systems are subject to authorisation and change control procedures with steering groups in place for key projects.

Risk change

5. Food and drink suppliers

Links to strategy: 1 2 3

Risk and impact
- Operational business failures from key suppliers.
- Unable to provide customers with a full experience.
- The cost of food and drink for resale increase due to changes in demand, legislation or production costs, leading to decreased profits.

Mitigating factors
- The Group has key food and drink suppliers under contract with tight service level agreements (SLAs). Alternative suppliers that know our business could be introduced, if needed, at short notice. UK centres hold between 14 and 21 days of food and drink product. Canadian centres hold marginally more food and drink stock due to their supplier base and potential for missed deliveries.
- Regular reviews and updates are held with external partners to identify any perceived allergen risks and their resolutions. A policy is in place to ensure the safe procurement of food and drink within allergen controls.
- Regular reviews of food and drink menus are also undertaken to ensure appropriate stockturn and profitability.
- Key food and drink contracts have cost increase limits negotiated into them and full contract.
- Splitsville uses Xtreme Hospitality (XH), a group buying company, and Molson Coors, to align itself with tier one suppliers in all service categories including food and drink. If XH is unable to provide a service or product, Splitsville is able to source directly itself.

Risk change

6. Amusement supplier

Links to strategy: 1 2 3 4 5

Risk and impact

- Any disruption which affects Group relationship with amusement suppliers.
- Customers would be unable to utilise a core offer in the centres.
- Any internal failure of data cabling or WiFi could impact on the customer and their ability to play unhindered. This is most notable in Canada where it is a "non-cash" playcard system.

Mitigating factors

- Namco is a long-term partner that has a strong UK presence and supports the Group with trials, initiatives and discovery visits.
- In the UK, regular key supplier meetings are held between Hollywood Bowl's Head of Amusements and Namco. There are half-yearly meetings between the CEO, CFO and the Namco UK leadership team.
- Namco also has strong liquidity which should allow for a continued relationship during or post any consumer recession.
- Appointment of a Head of Amusements in Canada in late FY2024 to ensure a focus and accountability for a growing part of the business in Canada.
- The Canadian supplier is Player 1.
- New connectivity has been rolled out to all centres in Canada in the past financial year and this will continue to be tested on a frequent basis.

Risk change

▶

7. Management retention and recruitment

Links to strategy: 1 2 3 4 5

Risk and impact

- Loss of key personnel – centre managers.
- Lack of direction at centre level with effect on customer experience.
- More difficult to execute business plans and strategy, impacting on revenue and profitability.
  - Increase in Team Member absence impacting on operational delivery.
- Impact of employment law changes.

Mitigating factors

- The Group runs Centre Manager In Training (CMIT) and Assistant Manager In Training (AMIT) programmes annually in the UK, which identify centre talent and develop team members ready for these roles. Centre managers in training run centres, with assistance from their regional support manager as well as experienced centre managers from across the region, when a vacancy needs to be filled at short notice. The AMIT programme was also run in Canada in FY2024 and the CMIT is being launched in FY2025.
- The bonus schemes are reviewed each financial year in the UK and Canada, to ensure they are still a strong recruitment and retention tool.
- The hourly bonus scheme has paid out to over 60 per cent of the UK team in each month in FY2024.
- Increased the People Partner support in the UK in FY2024 to provide further support to our centres improving engagement and retention. Also recruiting in Canada to double the headcount in this areas.

Risk change

▶

8. Food safety

Links to strategy: 1 2 3 4 5

Risk and impact

- Major food incident including allergen or fresh food issues.
- Loss of trade and reputation, potential closure and litigation.

Mitigating factors

- Food and drink audits are undertaken in all centres based upon learnings of prior year and food incidents seen in other companies.
- UK – allergen awareness is part of our team member training matrix which needs be completed before team members can take food or drink orders. Information is regularly updated and remains a focus for the centres. This was enhanced further in the latest menu, along with an online allergens list which is available for all customers. A primary local authority partnership is in place with South Gloucestershire covering health and safety, as well as food safety.
- In conjunction with the supply chain risk the Allergen Control Policy has been reviewed and updated (August 2024).
- All food menus in the UK have an allergen disclaimer as well as QR code, linking the customer to up-to-date allergen content for each product, updated through the 'Nutritics' system.
- Canada – all food menus have an allergen disclaimer. Allergen checks are undertaken with all customers when they order and are also audited as part of the Food and Drink audits.

Risk change

▶

Technical risks

9. Cyber security and GDPR

Links to strategy: 1 2 3 4 5 6

Risk and impact

- Risk of cyber-attack/terrorism could impact the Group's ability to keep trading and prevent customers from booking online.
- Non-accreditation can lead to the acquiring bank removing transaction processing.
- Data protection or GDPR breach. Theft of customer email addresses, staff emails and other personal information – all of which can impact on brand reputation in the case of a breach.

Mitigating factors

- The area is a key focus for the Group and it adopts a multi-faceted approach to protecting its IT networks through protected firewalls and secure two-factor authentication passwords, as well as the frequent running of vulnerability scans to ensure the integrity of the firewalls.
- An external Security Operations Centre is in place to provide 24/7/365 monitoring and actioning of cyber security alerts and incidents. We have additional retained services via our Cyber Insurers and Broker to work with the Group on a priority basis to provide proactive incident response services should a breach occur. As noted below, full integration of Canada into the SOC is planned.
- Advancements in the internal IT infrastructure have resulted in a more secure way of working. By leveraging Microsoft technologies such as AI threat intelligence and NCSC recommended baselines, our overall IT estate utilises widely accepted security solutions and configurations. The Group website is hosted in Amazon Web Services which enforces a high level of physical security to safeguard its data centres, with military grade perimeter controls.
- The website and booking site are protected by Cloudflare WAF with DDoS (Distributed Denial of Service) protection.
- We have achieved PCI compliance across our payment channels, with robust controls in place externally audited and verified through the submission of the annual PCI Report on Compliance (ROC) to both the PCI Council and our acquiring bank. We maintain compliance through a rigorous, ongoing program of continuous improvement and continuous development to address new and emerging risks.
- Canadian systems, including identities, applications and devices will move towards a managed state in FY2025, in line with UK operations for centralised control, including full integration with the UK 24/7 SOC (Security).
- Cyber Essentials Plus certification achieved, verifying controls such as secure access and vulnerability management.
- A Data Protection Officer has been in position for several years in the UK and we have a newly appointed Head of IT Security and Compliance who oversees our strategy, applications and activity in this area with periodic updates given to the Board.
- GDPR controls and documentation have been externally assessed and validated assuring us of no areas of non-compliance.
- Broad cyber insurance coverage policy is in place which extends cover for Canadian systems.

Risk change

▶

10. Compliance

Links to strategy: 1 2 3 4 5

Risk and impact	Mitigating factors	Risk change
• Failure to adhere to regulatory requirements such as listing rules, taxation, health and safety, planning regulations and other laws. • Potential financial penalties and reputational damage.	• Expert opinion is sought where relevant. We run regular training and development for appropriately qualified staff. • The Board has oversight of the management of regulatory risk and ensures that each member of the Board is aware of their responsibilities. • Compliance documentation for centres to complete for health and safety, and food safety, are updated and circulated twice per year. Adherence to Company/legal standards is audited by the internal audit team.	▶

11. Climate change

Links to strategy: 1 2 3 4 5

Risk and impact	Mitigating factors	Risk change
• Utility non-commodity cost increases. • Business interruption and damage to assets. • Cost of transitioning operations to net zero. • Increased environmental legislation.	• Significant progress already made with UK solar panel installations, transitioning energy contracts to renewable sources and improving the energy efficiency of our existing centres and new builds. We will be extending our UK sustainability strategy and initiatives into our Canadian operations where appropriate. • The range of climate-related targets has been extended for FY2025 to include Canada. • We have commenced a supplier engagement programme with key suppliers to understand their carbon reduction plans, access data specific to our purchased goods and increase visibility of likely price increases and supply challenges over time. • The CRC monitors and reports on climate-related risks and opportunities. • Our TCFD disclosure includes scenario planning which was undertaken to understand materiality of risks. This did not identify any material short to mid-term risks for the Group.	▶

Going concern

In assessing the going concern position of the Group for the consolidated financial statements for the year ended 30 September 2024, the Directors have considered the Group's cash flow, liquidity, and business activities, as well as the principal risks identified in the Annual Report.

As at 30 September 2024, the Group had cash balances of £28.7m, no outstanding loan balances and an undrawn RCF of £25m.

The Group has undertaken a review of its liquidity using a base case and a severe but plausible downside scenario.

The base case is the Board approved budget for FY2025 as well as the first three months of FY2026 which forms part of the Board approved five-year plan. Under this scenario there would be positive cash flow, strong profit performance and the Group would continue to have sufficient cash balances such that the RCF would remain undrawn. Furthermore, it is assumed that the Group adheres to its capital allocation policy.

The most severe downside scenario stress tests for reasonably adverse variations in the economic environment leading to a deterioration in trading conditions and performance. Under this severe but plausible downside scenario, the Group has modelled revenues dropping by four per cent for FY2025 quarter 2 onwards and FY2026 from the assumed base case, and inflation continues at an even higher rate than in the base case, specifically around cost of labour. The model still assumes that investments into our four new UK centres and two Canada centres would continue, whilst refurbishments in FY2025 would be reduced. These are mitigating factors that the Group has in its control. Under this scenario, the Group will still be profitable and would continue to have sufficient cash balances such that the RCF would remain undrawn.

Taking the above, and the principal risks faced by the Group into consideration, the Directors are satisfied that the Group has adequate resources to continue in operation for the foreseeable future, a period of at least 12 months from the date of this report.

Accordingly, the Group and Parent Company continue to adopt the going concern basis in preparing these Financial Statements.

Viability statement

In accordance with the 2018 UK Corporate Governance Code, the Directors have assessed the prospects of the Group over a period significantly longer than 12 months and have made this assessment over a five-year period to 30 September 2029. The Directors have determined that a five-year period is an appropriate period over which to assess viability, as it aligns with the Group's investment plans and gives a greater certainty over the forecasting assumptions used.

The Directors are mindful of the uncertainty driven by external factors such as a rise in inflation and slowing GDP growth impacting all areas of the business, and accept that forecasting across this time frame remains challenging and have, therefore, also focused on understanding the level of headroom available before the Group reaches a position of financial stress.

In making this viability statement, the Directors have reviewed the overall resilience of the Group and have specifically considered a robust assessment of the impact, likelihood and management of both the principal, and emerging, risks facing the Group, as at 30 September 2024 and looking forward over the next five-year period, including consideration of those risks that could threaten its business model, future performance, liquidity or sustainability.

The assessment of viability has specifically considered risks that could threaten the Group's day to day operations and existence. This assessment considered how risks could affect the business now and how they may develop and impact the Group's financial forecasts over five years.

The Group's business model and strategy are central to an understanding of its prospects, with further details found in the Strategy section of the Annual Report.

Context

The Group established a base case model of financial performance over the five-year assessment period and a viability scenario upon which the Board has made its assessment of the Group's ongoing viability, and which reflects prudent expectations of future customer demand and the successful execution of the Group's strategic plans.

The Group undertook a review of the previously approved financial plan and forecasts in light of the uncertainty caused by the recent Labour Budget, potential increase in inflation and slowing GDP growth. This would have a negative impact on the forecasts included in the base case.

Assessment process

The Directors subsequently made a robust consideration of the key risks and uncertainties that could impact the future performance of the Group and the achievement of its strategic objectives, as discussed on pages 30 to 35 of this Annual Report. Particular regard was paid to the potential impacts of a rise in inflation, holding of interest rates, slowing wage inflation and increased unmployment in FY2025 and FY2026.

When considering climate scenario analysis, and modelling severe but plausible downside scenarios, we have used the NGFS 'Early Action' scenario as the most severe case for climate transition risks, and the IPCC's SSP5-8.5 as the most severe case for physical climate risk. Whilst these represent situations where climate could have a significant effect on the operations, these do not include our future mitigating actions which we would adopt as part of our strategy.

The viability scenario also takes into account the principal risks and uncertainties facing the Group across the five-year period in order to assess its ability to withstand multiple challenges. The impacts of a rise in inflation and slowing GDP growth have been built into the scenario, but the impact of further one-off events that cannot be reasonably anticipated has not been included.

Key assumptions

The base case forecast, which is prepared on a prudent basis, assumes low single-digit LFL revenue increases for FY2025 and FY2026 compared with FY2024. The process undertaken considers the Group's adjusted EBITDA, capital spend, cash flows and other key financial metrics over the projection period.

The base case assumes no significant change in gross margin percentage and that dividend payments will continue into FY2025, in line with the Group's dividend policy.

Assessment of viability

Although the viability scenario reflects the Board's best estimate of the future prospects of the Group, the Board has also tested the potential impact of a severe but plausible downside scenario, by quantifying the financial impact and overlaying this on the detailed financial forecasts in place.

This severe but plausible downside scenario includes a reduction in revenue of four percentage points on the base case for FY2025 and FY2026 and an increase in operating costs to reflect higher inflation. It is then forecasted that revenue will return to base case forecasts for FY2027 onwards. The impact of inflation in FY2025 and FY2026 is a three percentage point increase in operating costs above our base assumptions, excluding rent, with higher labour costs per hour offset partially by a reduction in the number of hours worked due to lower revenues.

Whilst these assumptions of a significant increase in inflation above our base assumption and slowing economic growth in this scenario is plausible, it does not represent our view of the likely out-turn in the FY2025 and FY2026 base case scenario. However, the results of this scenario help to inform the Directors' assessment of the viability of the Group.

Viability statement

The Board has a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due, retain sufficient available cash and not breach any covenants under any drawn facilities over the remaining term of the current facilities.

Non-financial and sustainability information statement

The Group has complied with the requirements of sections 414CA and 414CB of the Companies Act 2006 by including certain non-financial information within the Strategic report. The following table constitutes our non-financial information and sustainability statement, and includes cross references to where more detailed disclosures of non-financial information can be found.

Reporting requirement	Principal locations in this Annual Report	Page	Summary of relevant policies
Business model	Business model	28-29	An explanation of the Group's business model is given on pages 28 and 29
Principal risks	Principal risks and uncertainties	75-79	The Board has a process for considering the principal risks as outlined on pages 75-79
Non-financial KPIs	Strategic report	1-79	The Board approves relevant non-financial KPIs against which operational performance is measured. These are disclosed in the Strategic report
Environmental and climate-related financial disclosures	Sustainability overview TCFD disclosure statement	54-63 64-73	Our environmental strategy and climate transition plan is set out on pages 54-63
Employees	Chief Executive Officer's statement S172 statement/stakeholder engagement Sustainability overview Principal risks and uncertainties	20-25 45-47 48-59 75-79	Our employee related policies and procedures which include our privacy notice and all work-related policies, are available to all employees on our intranet Our social sustainability strategy is set out on pages 50-53
Human rights, anti-corruption and anti-bribery	Sustainability overview S172 statement/stakeholder engagement	46-59 45-47	Our Anti-Bribery and Corruption policy and Modern Slavery policy set out relevant policies and expected standards. The Group has a zero-tolerance approach to human rights abuses, bribery and corruption We also have a Whistleblowing policy
Social matters	Sustainability overview S172 statement/stakeholder engagement	46-59 45-47	Our social sustainability strategy is set out on pages 50-53

Supporting the delivery of our strategy

"High standards of corporate governance support long-term success."

Peter Boddy, Non-Executive Chair

Read full biography on **page 84**

Dear shareholders,

On behalf of the Board, I am pleased to present our Corporate governance report for the year ended 30 September 2024, and my last as Chair of the Board. I have thoroughly enjoyed my time chairing the Hollywood Bowl Board, and have been fortunate to work with an exceptional management team and be supported by a group of highly experienced and capable Non-Executive Directors. I am confident that the governance framework we have established will support a seamless transition of Chair responsibilities to Darren Shapland, and I wish him all the best in the role.

This section of the Annual Report describes how we have applied the principles of the Code, and highlights the key activities of the Board and its Committees in the period.

FY2024 has been another good year for the business, with continued delivery against our key strategic pillars (which are the subject of regular monitoring and discussion by the Board). We have continued to make good progress on the expansion of our Canadian business, strengthening its core team and continuing to integrate and embed its systems with the UK business. Our programme of investment into, and development of, our UK estate has delivered ten refurbishments and four new centre openings in the year, and our focus on our team and creating an outstanding workplace has supported the business with us being ranked 12 in the Best Big Companies to Work For survey, and also achieving a 2* high-quality work experience by WorkL.

We were also pleased to reach the important milestone of admission to the FTSE 250 during the year. The Board considered the implications of entering the FTSE 250 from a corporate governance and reporting perspective. I'm pleased to report that our governance framework was already meeting the standards of a FTSE 250 business. There are some areas (e.g. audit tendering) where we are now required to include additional mandated disclosures (set out in the Audit Committee report on pages 99 to 103, and we are also aware that some institutional investor diversity targets are higher for FTSE 250 businesses than they are for smaller cap companies. We therefore recognise that we are not currently meeting the Investment Association's target for gender diversity at Executive Committee level, but as noted in the Nomination Committee report on pages 93 to 98, we are pleased with the levels of gender diversity across the business and are aware of our responsibility to promote a diverse pipeline of future senior leaders.

Following our move into the FTSE 250, we have also increased the priority on identifying candidates from an ethnic minority background in our next round of Non-Executive Director recruitment

Our continued focus on high standards of corporate governance supports this strategic delivery and the long-term success of the Group. During FY2024, key areas of focus in terms of our governance framework have included:

- progressing our Board succession with the search for my own successor (the process being led by Rachel Addison in her role as SID in accordance with good governance practice, and described in the Nomination Committee report on page 98);
- developing a Board skills and experience matrix to support future Board succession, and whole Board training and development requirements (summarised in the Nomination Committee report on page 97).
- reviewing (through the Remuneration Committee led by Julia Porter) our Directors' Remuneration Policy, and proposing amendments to ensure that our high-performing executive team continues to be motivated and incentivised in a way which supports their retention and the long-term success of the business. The review of our Remuneration Policy is described in detail in the Directors' Remuneration Report on page 106; and
- reviewing the changes to the UK Corporate Governance Code which will apply to us from FY2026.

Our FY2024 Board evaluation (summarised on page 90) was conducted internally by way of individual meetings between me and each of the Directors. I'm pleased that the responses were again positive, showing good relationships at Board level and an overall view the Board is effective in providing constructive support and challenge to the executive.

As noted above, we have conducted a successful process to identify my own successor as Chair (described in detail in the Nomination Committee report on page 98). We were delighted to welcome Darren Shapland to the Board at the beginning of December, and I will be working closely with Darren in the period up to our 2025 AGM to ensure an effective handover for when he assumes the role as Chair.

Peter Boddy
Non-Executive Chair
16 December 2024

Peter Boddy

Non-Executive Chair

N CR

Appointment

Peter joined the Group as Non-Executive Chair in 2014.

Skills and experience

Peter has extensive non-executive experience at board level, including roles at Thwaites plc (SID and Chair of Remuneration Committee 2007–2015), Novus Ltd (Chair 2015–2018), Xercise4less (Chair 2013–2019) and the Harley Medical Group (Chair 2012–2019).

Previously, he held the position of CEO or Managing Director in a number of successful private equity-backed leisure sector companies including Fitness First UK, Megabowl Group Limited and Maxinutrition Limited.

He is currently Chair of Impact Food Group (a school caterer) and a Non-Executive Director of Just Pay Ltd (a payments aggregator). Peter has a degree in economics from De Montfort University and an MBA from Warwick Business School.

Top bowling score

220

Stephen Burns

Chief Executive Officer

CR

Appointment

Stephen joined the Group as Business Development Director in 2011. He was promoted to Managing Director in 2012 and became Chief Executive Officer in 2014.

Skills and experience

Before joining the Group, Stephen worked within the health and fitness industry, holding various roles within Cannons Health and Fitness Limited from 1999. He became Sales and Client Retention Director in 2007 upon the acquisition of Cannons Health and Fitness Limited by Nuffield Health, and became Regional Director in 2009.

In 2011, Stephen was appointed to the operating board of MWB Business Exchange, a public company specialising in serviced offices, meeting and conference rooms, and virtual offices.

Stephen is Chair of the Inn Collection Group.

Top bowling score

189

Laurence Keen

Chief Financial Officer

Appointment

Laurence joined the Group as Finance Director in 2014.

Skills and experience

Laurence has a first-class degree in business, mathematics and statistics from the London School of Economics and Political Science. He qualified as a Chartered Accountant in 2000 and has been an ICAEW Fellow since 2012.

Previously, Laurence was UK Development Director for Paddy Power from 2012. He has held senior retail and finance roles for Debenhams plc, Pizza Hut (UK) Limited and Tesco plc. He was also a Non-Executive Director of Tortilla Mexican Grill PLC from its IPO until May 2023.

Top bowling score

191

Melanie Dickinson

Chief People Officer

CR

Appointment

Melanie joined the Group as Talent Director in October 2012.

Skills and experience

Melanie has over 20 years of HR experience across the leisure and hospitality sectors.

Starting her career in retail operations before moving into HR, Melanie has held HR roles at Pizza Express, Holmes Place Health Clubs and Pizza Hut UK, as well as obtaining a postgraduate diploma in personnel and development.

Most recently, she headed the People function at Zizzi Restaurants, part of the Gondola group.

Top bowling score

144

Committee key

A Audit Committee · N Nomination Committee · R Remuneration Committee · CR Corporate Responsibility Committee · Committee Chair

Darren Shapland

Independent Non-Executive Director and Chair Designate

N CR

Appointment

Darren joined the Group as an Independent Non-Executive Director and Chair Designate in December 2024.

Skills and experience

Darren has 40 years experience in retail and consumer businesses serving in leadership, executive and Non-Executive positions.

He held both financial and general management roles at Burton Group plc including Supply Chain Director for the fashion brands, Finance Director for Top Shop/Top Man and Managing Director for the Home Shopping business. Subsequently he was Chief Financial Officer for Superdrug, Carpetright plc and then Sainsburys plc. He completed his executive career as Chief Executive of Carpetright plc.

More recently Darren has been a Non-Executive Director and Chair at a number of public, venture capital and private equity backed businesses. Darren's public Chair roles have included Poundland plc and Topps Tiles plc. He was also Audit Committee Chair at Ladbrokes plc and Ferguson plc. He is currently a Non-Executive Director at JD Sports plc where he chairs the ESG Committee.

Top bowling score

139

Rachel Addison

Senior Independent Non-Executive Director

A N R

Appointment

Rachel joined the Group as an Independent Non-Executive Director in September 2023.

Skills and experience

A member of the Institute of Chartered Accountants in England and Wales, Rachel has held senior financial, operational and board level roles throughout her career. She was Chief Financial Officer at both Future plc and TI Media Limited; Managing Director for Reach Regionals; both CFO and Chief Operating Officer for Local World Limited and Northcliffe Media Limited; and Head of Risk Management at Boots the Chemist.

Rachel is currently a Non-Executive Director of Marlowe plc, a business-critical services provider; Watkin Jones plc, a housing developer and manager of student and build-to-rent accommodation; Gamma Communications plc, a leading supplier of Unified Communications as a Service (UCaaS) into Western European markets; and Wates Group, the UK's leading family-owned development, building and property services company.

Top bowling score

130

Julia Porter

Independent Non-Executive Director

A N R CR

Appointment

Julia joined the Group as an Independent Non-Executive Director in September 2022.

Skills and experience

Julia has more than 30 years experience encompassing executive and non-executive roles in advertising, media and the technology sectors in the UK and globally. She has held Executive Director roles in a number of businesses including IPC Magazines, Getty Images and ITV plc. Most recently, Julia was Director of Consumer Revenues at Guardian News & Media where she developed and delivered subscriptions and customer data strategies.

Julia is currently Non-Executive Director of Sage Homes and Chair of the Remuneration and Nomination Committees.

Previously she has been a Non-Executive Director of Freeview (the UK's largest free to air digital TV platform), Safestyle UK Plc and Origin Housing, and was a Trustee at Worldwide Cancer Research. She holds an MBA from London Business School.

Top bowling score

139

Ivan Schofield

Independent Non-Executive Director

A N R CR

Appointment

Ivan joined the Group as an Independent Non-Executive Director in October 2017.

Skills and experience

Ivan has extensive experience in the leisure sector in the UK and across Continental Europe. He held a number of senior roles for Yum Brands Inc. over 15 years, notably as Managing Director of KFC France and Western Europe and more recently as CEO of itsu. Prior to this, he held roles at Unilever and LEK Consulting.

Ivan runs his own executive coaching and leadership development business and was previously Non-Executive Director of Thunderbird Fried Chicken Limited.

Ivan holds a BSc in economics with econometrics from the University of Bath and an MBA from INSEAD and is a graduate of the Meyler Campbell Business Coaching Programme.

Top bowling score

165

UK Corporate Governance Code – Compliance statement

As a company with a premium listing on the London Stock Exchange, Hollywood Bowl Group plc is required under the FCA's UK Listing Rules to comply with the provisions of the UK Governance Code (the Code) (a copy of which can be found on the website of the Financial Reporting Council, www.frc.org.uk). For the financial year ended 30 September 2024, and as set out in the following report, the Company has applied the principles, and complied with all relevant provisions, of the Code.

Governance framework and responsibilities

The Board is responsible for promoting the long-term success of the business for the benefit of shareholders, and overseeing the development of the Group's strategic aims and objectives (including monitoring financial and operational performance against agreed plans and targets), and ensuring an appropriate system of governance (including a robust system of internal controls and a sound risk management framework) is in place.

The Group's business model and strategy (as developed and approved by the Board) are set out on pages 28 to 29, and 30 to 36, and detail how the Group strategy generates value in the long term, and our contribution to wider society.

The Board is also responsible for establishing our purpose and values, and providing leadership in setting the desired culture of the business and ensuring that this is embedded throughout the Group.

The Board continuously monitors the culture of the Group, through interactions with team members (during site visits and through attendance at events such as the Company conference), regular reports to the Board on team member and stakeholder engagement, and specific updates on team culture and development from the Chief Operations Officer and Chief People Officer. The Board remains satisfied that this approach to monitoring culture is appropriate and effective, that the key elements of the desired culture (dynamic, inclusive, positive, fun, high performance) are embedded across the Group, and that the culture is aligned with our purpose of bringing families and friends together for affordable fun and safe, healthy competition.

The Board has formally delegated certain governance responsibilities to its Committees (as outlined in the illustration of our governance framework below), with those responsibilities set out clearly in the Committees' terms of reference. The terms of reference and formal Schedule of Matters Reserved to the Board (which are available to view on the Group's website, www.hollywoodbowlgroup.com), as well as Group policies and procedures which address specific risk areas, are core elements of the Group's governance framework. These are reviewed annually by the Board and Committees to ensure that they remain appropriate to support effective governance processes. Matters outside of the Schedule of Matters Reserved or the Committees' terms of reference fall within the responsibility and authority of the CEO, including all executive management matters.

Governance framework

Board

Key responsibilities

- Overall leadership of the Group
- Promoting strong corporate governance
- Approving financial statements and dividend policy
- Strategy, purpose, values and culture
- Oversight of systems of internal control and risk management
- Approving, and reviewing performance against, business plans and budgets
- Approving major contracts and material capital expenditure

Audit Committee

Key responsibilities

- Review integrity of annual and interim financial statements
- Review accounting policies, financial reporting and regulatory compliance
- Review internal financial controls and monitor effectiveness of risk management and internal control systems
- Oversee relationship with external auditor

Audit Committee report on pages 99 to 103

Remuneration Committee

Key responsibilities

- Set Remuneration Policy
- Determine Executive Director and senior management remuneration
- Approve measures and targets for annual and long-term incentive schemes
- Monitor workforce pay and conditions

Directors' remuneration policy on pages 109 to 118

Nomination Committee

Key responsibilities

- Board appointments
- Succession planning
- Promotes diversity and inclusion
- Monitors NED independence and time commitments
- Reviews size and composition of Board and Committees

Nomination Committee report on pages 93 to 98

Corporate Responsibility Committee

Key responsibilities

- Develop and recommend Group ESG strategy
- Monitor performance against agreed ESG KPIs
- Review material risks (including climate related) associated with ESG strategy
- Approve ESG disclosures (including TCFD)

Corporate Responsibility Committee report on page 104

Executive Committee

Composition: Chief Executive Officer, Chief Financial Officer, Chief People Officer, Chief Marketing and Technology Officer and Chief Operations Officer.

Reporting to the CEO, the Executive Committee is responsible for the day to day operations of the Group and implementing the strategy agreed by the Board. Monitors performance against financial and operational KPIs, and manages risk through the development and implementation of controls, policies and procedures.

Individual Board roles and responsibilities

There is a clear division of responsibilities between the Chair and Chief Executive Officer. The key responsibilities of members of the Board are set out below. Biographies of each Director, which describe the skills and experience he or she brings to the Board, can be found on pages 84 and 85.

Non-Executive Chair

Peter Boddy (to be succeeded by Darren Shapland following the 2025 AGM)

Peter is responsible for the leadership and overall effectiveness of the Board and for upholding high standards of corporate governance throughout the Group and particularly at Board level. In line with the culture promoted throughout the business, the Chair encourages open debate and discussion in the interaction of the Board, and facilitates the effective contribution of the Non-Executive Directors.

Chief Executive Officer (CEO)

Stephen Burns

Stephen is responsible for all executive management matters, including: performance against the Group's strategy and objectives; leading the executive leadership team in dealing with the day to day operations of the Group; and ensuring that the culture, values and standards set by the Board are embedded throughout the organisation.

Senior Independent Director (SID)

Rachel Addison

The SID provides a valuable sounding board for the Chair and leads the Non-Executive Directors' annual appraisal of the Chair. The SID is available to shareholders if they have concerns which are not resolved through the normal channels of the CEO or Chair, or where such contact is inappropriate. During FY2024 Rachel Addison, in her role as SID, also led the recruitment process to identify a successor to Peter Boddy as Chair of the Company.

Chief Financial Officer (CFO)

Laurence Keen

Laurence works with the CEO to develop and implement the Group's strategic objectives. He is also responsible for the financial performance of the Group and the Group's property interests and supports the CEO in all investor relations activities.

Chief People Officer (CPO)

Melanie Dickinson

Melanie works with the CEO and executive leadership to develop and implement the Group's strategic objectives, with a particular focus on people strategy and team member development. Melanie is responsible for the Group's HR function, including pay and reward, culture, training and team engagement.

Non-Executive Directors

Rachel Addison, Julia Porter and Ivan Schofield

Rachel, Julia and Ivan provide objective and constructive challenge to management and help to develop proposals on strategy. They also scrutinise and monitor financial and operational performance, and support the executive leadership team, drawing on their background and experience from previous roles.

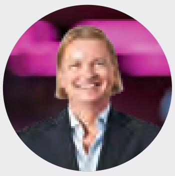
Executive Committee

Mathew Hart

Chief Marketing and Technology Officer

Top bowling score

153



Mathew joined the Group as Commercial Director in January 2015. He has over 25 years of commercial, marketing, e-commerce and general management experience across the travel, leisure and healthcare sectors.

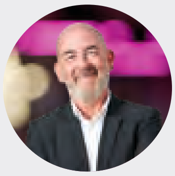
Mathew has held executive positions at Holiday Autos (Managing Director), Lastminute.com (Group Marketing Director), Cannons Health Clubs (Group Marketing and Commercial Director), Nuffield Health (Group Marketing Director) and Encore Tickets (Group Marketing Director)

Darryl Lewis

Chief Operating Officer

Top bowling score

187



Darryl joined the Group as Regional Director in September 2013. He has over 25 years' experience in key operational roles across the leisure sector, including cinemas and theme parks.

Darryl worked in general management, film and content planning and senior operational support roles in the cinema industry for 20 years with Showcase Cinemas, Warner Bros, International Theatres and Vue.

Board independence

As at 30 September 2024 the Board consisted of seven Directors (including the Chair), three of whom are considered to be independent as indicated in the table below:

Non-Independent

Peter Boddy (Chair)
Stephen Burns (Chief Executive Officer)
Laurence Keen (Chief Financial Officer)
Melanie Dickinson (Chief People Officer)

Independent

Rachel Addison (SID)
Julia Porter
Ivan Schofield

At least half the Board (excluding the Chair) comprised independent Non-Executive Directors throughout the year, with a majority of independent Non-Executive Directors during the part of FY2024 that Nick Backhouse remained on the Board (1 October 2023 to 29 January 2024).

Following the year end, we announced the appointment of Darren Shapland as an independent Non-Executive Director and Chair Designate, and that he will succeed Peter Boddy as Chair when Peter steps down from the Board following the 2025 AGM.

Board and Committee attendance

The Board met formally on nine occasions during FY2024. The table below shows the attendance (in person or by video conference) of each Director at the formal scheduled meetings of the Board and of the Committees of which they are a member:

Membership and attendance of Board and Committees

Director	Board	Audit Committee	Remuneration Committee	Nomination Committee	Corporate Responsibility Committee
Peter Boddy	9/9	N/A	N/A	3/3	2/2
Stephen Burns	9/9	N/A	N/A	N/A	2/2
Laurence Keen	9/9	N/A	N/A	N/A	N/A
Melanie Dickinson*	8/9	N/A	N/A	N/A	2/2
Rachel Addison	9/9	4/4	5/5	3/3	N/A
Nick Backhouse**	2/2	1/1	1/1	1/1	N/A
Julia Porter	9/9	4/4	5/5	3/3	2/2
Ivan Schofield	9/9	4/4	5/5	3/3	2/2

* Melanie Dickinson was unable to attend the Board meeting in October 2023 due to a family bereavement.

** Nick Backhouse stepped down as a Director at the 2024 AGM. The table above therefore reflects the meetings he was eligible to attend only.

In addition to the Chief Executive, Chief Financial and Chief People Officer, and in line with our established practice, the Chief Marketing and Technology Officer and Chief Operating Officer were present at Board meetings during the year.

The Non-Executive Directors remain in regular contact with the Chair, whether in face-to-face meetings or by telephone, to discuss matters relating to the Group without the executives present.

Information and support

Agendas and accompanying papers are distributed to the Board and Committee members well in advance of each Board or Committee meeting via an electronic Board paper system for efficiency and security purposes. These include reports from Executive Directors, other members of senior management and external advisers. The Non-Executive Directors are also in regular contact with the Executive Directors and other senior executives outside of formal Board meetings.

All Directors have direct access to senior management should they require additional information on any of the items to be discussed.

The Board and the Audit Committee receive regular and specific reports to allow the monitoring of the adequacy of the Group's systems of internal controls (described in more detail in the Audit Committee report on pages 101 and 102).

Appointment and election

Each Non-Executive Director is expected to devote sufficient time to the Group's affairs to fulfil his or her duties. Their letters of appointment anticipates that they will need to commit a minimum of two days per month to the Group, specifying that more time may be required. This time commitment was reviewed and confirmed as appropriate by the Nomination Committee during the year, and each of the Non-Executive Directors has confirmed that they continue to be able to devote sufficient time to discharge their duties effectively as a Director of the Company.

The Board is satisfied that each of the Directors continues to contribute effectively and is committed to their role. The Board is therefore pleased to recommend the election of Darren Shapland, and the re-election of all other Directors (with the exception of Peter Boddy who will step down from the Board at the AGM) at the Company's AGM on 30 January 2025. All of the Directors have a service agreement or a letter of appointment, with details of their notice periods and unexpired terms of office set out on page 115.

A formal process to identify a successor to Peter Boddy as Chair was conducted during the year, and resulted in the appointment of Darren Shapland as an independent Non-Executive Director and Chair Designate with effect from 1 December 2024. A detailed summary of the process is set out in the Nomination Committee report on page 98.

Activity during the year

The Board approves an annual calendar of agenda items to ensure that all matters are given due consideration and are reviewed at the appropriate point in the regulatory and financial cycle. The activity of the Board during FY2024 is shown in the table below:

Board agenda for year to 30 September 2024	Oct	Dec	Jan	Mar	Apr	May	Jun	Jul	Sep
Corporate governance									
Directors' conflicts of interest	●	●	●	●	●	●	●	●	●
Board, Director and Committee performance evaluation	●	●				●			
Review Schedule of Matters Reserved to the Board									●
ESG strategy and updates		●					●		●
Board Diversity Policy									●
NED/Chair recruitment updates/fees			●		●		●		●
Compliance and risk									
The principal risks and uncertainties affecting the Group		●				●			
Risk register and risk heat map	●								
Risk deep dives	●		●		●	●	●	●	
Going concern review and approval of long-term viability statement	●					●			
Review and approval of Modern Slavery and Human Trafficking Statement			●						
Review of gender pay gap reporting				●					
Review of Disclosure Policy, Insider List and Share Dealing Code					●				
Group insurances	●								●
New UK Corporate Governance Code				●					
Operations, customers and suppliers									
Reviewing customer experience measures	●				●				
Utilities/energy review					●	●			
People									
Review of results of team engagement survey					●				●
Team member incentives review							●		
Culture & Diversity			●						
Performance									
Approval of full-year results, the Annual Report and Accounts, half-year results, the Notice of Annual General Meeting and dividends		●				●			
Budget							●		●
Review of dividend policy/dividend proposals/capital allocation	●	●	●			●			
Review of investment in refurbishments	●								
Strategy									
IT projects update			●		●			●	●
Review of progress on strategic projects	●		●	●	●		●	●	●

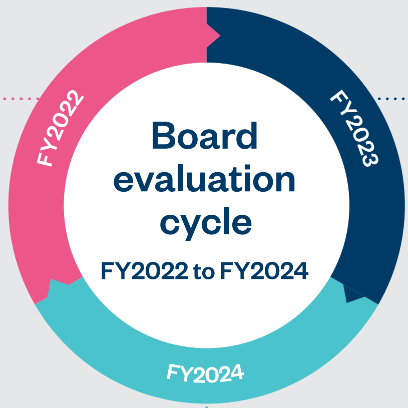
Induction

All new Directors appointed to the Board undertake a tailored induction programme, the purpose of which is to help develop a sound understanding and awareness of the Group, focusing on its culture, operations and governance structure.

A tailored induction programme is underway for Darren Shapland and is summarised in the table below:

Strategy and culture	Operations and Company events	Financial reporting and risk management	Board process and corporate governance
CEO meeting (covering strategy, business plan and new business)	Support centre town hall meeting	CFO meeting (covering external auditor relationship, Audit Committee process, internal controls, internal audit and risk management)	Company Secretary meeting (covering Board procedures, terms of reference, activity schedules and governance policies)
CPO meeting (covering organisation, team culture and HR policies)	Centre visits with the CEO, COO, Operations Director and Regional Support Manager	Head of Finance meeting (covering non-audit services, business planning, management reporting and tax)	CMTO meeting (covering Group supporting functions, IR and communications programme)
Wheel roadshow cultural induction		Centre visit with Head of Internal Audit	

Performance evaluation



Externally facilitated by Parsons Talent Consulting
Detailed process involving questionnaires, individual interviews with Directors and Board attendees, meeting observation, and feedback presentation and detailed report/recommendations.

Internally facilitated questionnaires
Detailed questionnaires completed by all members and regular attendees. Some questions designed to gather feedback on the impact and implementation of recommendations from the FY2022 evaluation.

Internally facilitated Chair-led individual interviews
Qualitative feedback on Board process and effectiveness, and views on progress made against recommendations from prior year evaluations and suggestions for further improvement in FY2025.

Our FY2024 Board evaluation process was conducted internally and led by the Chair who met with each Board member individually to discuss the operation and effectiveness of the Board.

During those meetings, Peter also reviewed individual Director performance. As well as discussing wider business matters, these sessions also included discussion around individual Director development, additional knowledge/training requirements (whether at an individual or Board level), and time spent in the business. Through a combination of the individual evaluation, and the Board evaluation process, all individual Directors were shown to be contributing effectively.

The FY2024 evaluation represented the third stage of our established three-year evaluation cycle, summarised above, with the two internally facilitated processes building on the feedback and recommendations from our FY2022 externally facilitated evaluation.

The feedback from the FY2024 evaluation was that the Board continues to be effective and performs well. Recommendations taken forward from previous evaluations have improved the Board process and supported greater time spent discussing strategy and long-term planning. As demonstrated throughout the evaluation cycle, the positive culture of the business has continued to be evidenced in the Board's interactions and internal relationships.

The evaluation of the Chair's performance in FY2024 was led by Rachel Addison, Senior Independent Director (SID), and conducted by way of meeting between the Non-Executive Directors. It was concluded that Peter had performed well in his role as Chair in FY2024, and across his tenure with the Company.

In line with the approach established in recent years, it is anticipated that the FY2025 Board performance evaluation will be externally facilitated.

Conflicts of interest and external appointments

In accordance with the Board-approved procedure relating to Directors' conflicts of interest, all Directors have confirmed that they did not have any conflicts of interest with the Group during the year. In accordance with our established policy, and provision 15 of the Code, Board approval is required before any Director takes on a new external appointment. Such approval was sought and granted in relation to a new external appointment taken on by Julia Porter during the year, the Board being satisfied that Julia's appointment as a Director of Sage Homes would not impact or restrict her time available for the Company.

Whistleblowing Policy

The Group has adopted procedures by which employees may, in confidence, raise concerns relating to possible improprieties in matters of financial reporting, financial control or any other matter. The Whistleblowing Policy applies to all employees of the Group, who are required to confirm that they have read the policy and are aware of how the procedure operates as part of an ongoing internal training programme. The Board receives regular updates with respect to the whistleblowing procedures during the year, with all incidents reported to the Board having been addressed under appropriate Group HR policies and procedures.

Stakeholder engagement

Engagement with the workforce

The Chair and the Non-Executive Directors frequently visit the Group's centres, including attending new or refurbished centre openings, accompanied by regional support managers and centre management teams. At those centre visits, the Non-Executive Directors take the opportunity to engage directly with team members at all levels, allowing them to assess the understanding of the Group's culture across the business. Our team members are encouraged to engage openly with all colleagues, and as a result the Non-Executives are able to effectively gauge the views of the workforce. The Non-Executive Directors are also invited to attend the annual Company conference which provides further opportunity to engage with team members, and supports a deeper understanding of how strategic initiatives are cascaded through the business.

Case study

Centre Audit – site visit

The Group's Internal Audit function carried out 158 UK centre audits, two support centre audits, and 89 food & drink audits in FY2024, the results of which are presented to the Audit Committee.

On one of those centre audit visits, Rachel Addison, Audit Committee Chair, shadowed Mark Keiro, Head of Internal Audit, in order to gain first-hand experience of the detailed centre audit process.

Rachel commented, "Although we receive regular, in-depth, updates from our Internal Audit function through our Audit Committee meetings, it was a great experience to see how the audits are conducted and to truly get a sense of the processes and control framework that support our teams in ensuring that our centres are operated safely and efficiently.

I gained significant assurance that the audit process promotes high standards of operational safety and customer service, and that centre teams are supported to efficiently and effectively address any issues identified."

Stakeholder engagement continued

Engagement with the workforce continued

How we assess and monitor culture

The Board's assessment and monitoring of culture (summarised below) includes regular updates on KPIs underpinning the outstanding workplaces strategic pillar.

Formal reporting in FY2024		Other activity
Board	• Regular CPO updates on people KPIs and trends, including details on participation in Centre Manager in Training, Assistant Manager in Training, and Senior Leadership Development programmes • Detailed review of bi-annual employee engagement surveys and action plans • Monitoring and review of Whistleblowing Policy and incidents • CEO/COO updates from Dynamic Operations sessions • Bi-annual feedback from D&I focus groups • Risk deep dive on management retention • Annual Board evaluation including questions to assess views on culture across the group, and how it is evidenced by the Board	• NED site visits • Attendance at annual Company conference • Other direct engagement with team members
Remuneration Committee	• Review and monitoring of workforce remuneration proposals • Ensuring alignment of Executive team bonus measures with workforce incentive arrangements • Monitoring payout levels across centre management bonus scheme	
Corporate Responsibility Committee	• Monitoring of progress against specific oustanding workplaces KPIs • Review of output from D&I monitoring survey and D&I focus groups	

The Board recognises its critical role and responsibility in ensuring that the culture of the business is promoted and embedded at all levels. This includes setting the correct tone from the top, and demonstrating the desired culture in interactions between Directors (at Board and Committee meetings) and in our engagement with team members and customers. The Board considers that the Executive and Non-Executive Directors continue to act with integrity and conduct themselves in a manner that is aligned with and promotes our culture, with this view supported by feedback from the FY2024 Board evaluation process.

The Board has assessed the various methods by which the Directors engage with the wider workforce and continues to be of the view that the combination of the methods described above ensures that the Board is appropriately informed about, and understands, workforce views. The Board therefore believes that this approach appropriately addresses the requirement to engage with the workforce under provision 5 of the Code and does not currently intend to adopt one of the three workforce engagement methods suggested in that provision. The Board will, of course, continue to keep its stakeholder engagement mechanisms under review.

Relations with shareholders

As part of its ongoing investor relations programme, the Group aims to maintain an active dialogue with its shareholders, including institutional investors, to discuss issues relating to the performance of the Group. Communicating and engaging with investors means the Board can express clearly its strategy and performance and receive regular feedback from investors. It also gives the Board the opportunity to respond to questions and suggestions. Our engagement with investors is primarily through the CEO and CFO, who conduct investor and analyst presentations following the announcement of our full-year and interim results announcements.

During FY2024, the Remuneration Committee Chair has also engaged directly with our major shareholders in connection with proposed amendments to our Remuneration Policy. This is disclosed in more detail in the Directors' remuneration report on page 106.

The Non-Executive Directors are available to discuss any matter shareholders might wish to raise and to attend meetings with investors and analysts, as required. Investor relations activity is a standing item on the Board's agenda and ensuring a satisfactory dialogue with shareholders, and receiving reports on the views of shareholders, is a matter reserved to the Board.

The Company's AGM will be held on Thursday 30 January 2025 at the offices of Berenberg Bank, 60 Threadneedle Street, London, EC2R 8HP. Electronic proxy voting will be available to shareholders through both our registrar's website and the CREST service. Voting at the AGM will be conducted by way of a poll and the results will be announced through the Regulatory News Service and made available on the Group's website.

More information on AGM arrangements is included in the AGM Notice which will be distributed to shareholders and made available on the Group's website.

Report of the Nomination Committee

Peter Boddy
Nomination Committee Chair

Read full biography on **page 84**

Nomination Committee	
Chair	Peter Boddy
Committee members	Rachel Addison Julia Porter Ivan Schofield Darren Shapland
Number of meetings held in the year	3

Specific duties of the Committee include:

- regularly reviewing the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and making recommendations to the Board with regard to any changes;
- keeping under review the leadership needs of the organisation, both Executive and Non-Executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace; and
- reviewing annually the time commitment required of Non-Executive Directors.

The Nomination Committee is also responsible for keeping Board succession plans under review, monitoring compliance with the Company's Board Diversity Policy, and making recommendations on the composition of the Board Committees.

Role and responsibilities

The role of the Nomination Committee is set out in its terms of reference, which are reviewed annually and are available on the Group's website. The Committee's primary purpose is to develop and maintain a formal, rigorous and transparent procedure for identifying appropriate candidates for Board appointments and reappointments, and to make recommendations to the Board.

Activity during the year

The Nomination Committee met three times during the year and has met once since the year end. Committee meetings have focused on the matters set out in the table below:

Activities of the Committee during the year to 30 September 2024

Board succession planning	Review of Non-Executive succession planning matrix Identified need to start process to recruit Chair successor Reviewed Executive and senior management succession plans
Board appointments	Led by the Senior Independent Director, oversaw search process for new Chair successor (described in detail below) Recommended the appointment of Darren Shapland
Diversity Policy	Reviewed Board Diversity Policy Reviewed Board diversity, and approach to diversity in succession planning
Board and Committee composition	Review of composition of the Board Review of Non-Executive Directors' independence Review of time commitment requirements, including each Director's external interests Developed and reviewed Board skills matrix to support future succession planning (and training requirements)
Performance evaluation	Review of results from Committee performance evaluation and discussion on related actions Review of the Committee's terms of reference

Board composition and tenure – as at 30 September 2024

Gender Diversity

Independence (exc. Chair)

NED tenure

Succession planning

Our cycle of Non-Executive Director succession has continued during the year in accordance with our succession planning matrix. The matrix was established as a tool to support consideration of the timing for future appointments, and to identify key search criteria (including skills, experience and diversity), and is reviewed at each meeting of the Committee.

Our agreed Non-Executive Director succession plan is designed to ensure a managed approach to the timing of Non-Executive Director changes given our initial cohort were all appointed at the same time (in connection with the Company's IPO). It is also designed on the assumption that no Non-Executive Director will serve on the Board for longer than nine years, but retains flexibility such that tenure beyond nine years may be accepted if considered to be in the best interests of the Company at the time, and the overall independence of the Board is not compromised.

In recent years, we have appointed successors to Claire Tiney and Nick Backhouse, who, along with me, were the Non-Executives in place at IPO. In line with the plan, and given my tenure with the Company (having originally been appointed as Chair in 2014, two years prior to the IPO), this year's succession planning activity has been focussed on identifying a suitable candidate to replace me as Chair. As such, and in line with provision 17 of the UK Corporate Governance Code, I have not been directly involved in the search and appointment process which has been led by Rachel Addison (our Senior Independent Director) who took the Chair for Nomination Committee meetings where my succession was discussed. A summary of the Chair recruitment process led by Rachel is set out in more detail at the end of this report.

We have also continued to review Executive and senior management succession plans, with the aim of ensuring that the Group's future leadership will have the qualities necessary to support the delivery of our strategic objectives. During the year, the Executive team presented its detailed succession planning matrix to the Committee, identifying potential internal successors, and gaps in skills and experience which may need to be addressed through development programmes or external recruitment. Following feedback from the Committee, this succession plan will be further developed to identify key talent and 'ones to watch' at lower levels across the organisation in order that their progression can be tracked.

In part, in support of the succession plan, potential executive successors are given opportunities to meet and present to the Board on their areas of expertise as part of the Board's schedule of regular updates and risk deep dives, and this has continued during FY2024.

Diversity

The Committee is responsible for maintaining, and monitoring compliance with, the Board Diversity Policy. Our annual review of the Policy led to a minor change to reflect that our aspiration to have at least one Director from a non-white ethnic minority background is now a short to medium-term, rather than longer-term, goal. This, in part, reflects the fact that our move into the FTSE 250 during the year results in us not having met the Parker Review target of having one Director from an ethnic minority background by 2024, but more importantly reflects our desire to ensure that the composition of our Board is better reflective of our team member and customer base.

Our Board Diversity Policy recognises the benefits of greater diversity, and sets out the Board's commitment to ensuring that the Company's Directors bring a wide range of skills, knowledge, experience, backgrounds and perspectives to their role. Given the size of the Board, and the fact that all Non-Executives are members of each of the Audit, Remuneration and Nomination Committees, the Diversity Policy does not contain any specific diversity objectives relating to the composition of the Board's Committees.

In addition to a requirement that at least two members of the Board are female, the Diversity Policy also sets out our continuing aim to achieve no less than 40 per cent female representation on the Board (achieved at the year end with 43 per cent of our Board members being women) and a short to medium-term aspiration to have at least one Director from a non-white ethnic minority background.
The Policy recognises this balance may not be achieved through our first cycle of Non-Executive Director succession (i.e. the succession of the Non-Executive Directors appointed at IPO), and that periods of change in Board composition may result in periods when the desired balance is not met. Progress against objectives set out under the Diversity Policy during the year is summarised below:

Objective/responsibility	Progress/activity in FY2024
Maintain a balance such that: • at least two members of the Board are female, with a continuing aspiration to achieve no less than 40 per cent females on the Board; and • in the short to medium term, at least one Director to be from a non-white ethnic minority background,	There have been three female members of the Board throughout FY2024. 38 per cent of the Board were female from 1 October 2023 to our 2024 AGM. This increased to 43 per cent when Nick Backhouse stepped down at the 2024 AGM. Both gender and ethnic diversity objectives were considered as part of the recruitment process for Darren Shapland and will continue to form an important consideration in our NED succession planning.
In the recruitment process, encourage diversity in the candidates by: • only engaging executive search firms that are signatories to the Executive Search Firms' Voluntary Code of Conduct; • ensuring that the search firm engaged is briefed to include an appropriate emphasis on diversity considerations; • aim for non-executive shortlists to include at least 50 per cent female candidates; and • consider candidates who may not have previous board experience in executive and non-executive directorship leadership roles	We engaged Teneo (an accredited executive search firm under the FTSE Women Leaders Enhanced Code of Conduct) for the Chair recruitment search. Teneo's briefing included appropriate emphasis on diversity consideration. Although we aimed for a shortlist comprising at least 50 per cent female candidates, our priority was to identify candidates from the long list with the most appropriate skills and experience for the role. We were pleased that we were able to progress two female candidates to the interview phase. Given the nature of the role we were recruiting, we did not feel it would be appropriate to consider candidates who did not have previous board experience in this case.
Review regularly the structure, size, and composition of the Board (including the balance of skills, knowledge, and experience), taking into account this Policy, and make recommendations to the Board for any changes.	This is an annually recurring item on the Committee's agenda and was reviewed by the Committee at its meeting in September 2024. Although the Committee is comfortable that the current size of the Board is appropriate, the potential to increase independent non-executive representation (to support breadth of experience, future succession planning, and diversity considerations) remains under review.
When considering Board succession planning, have regard to the Board Diversity Policy.	The NED succession planning matrix highlights current diversity statistics on the Board and will continue to be considered against the Board Diversity Policy. The need to promote diversity in Board appointments is considered in all of the Committee's succession planning discussions.
Review the Board Diversity Policy annually, assessing its effectiveness and recommending any changes to the Board.	The Policy is reviewed annually, and was reviewed by the Committee in September 2024 with the amendments described above duly approved.

Diversity continued

Our compliance with the diversity targets set out in UK Listing Rule 6.6.6(9) as at 30 September 2024 was as follows:

Target	Complied	Explanation
At least 40 per cent of the Board are female.	✓	43 per cent of the Board are female as at year end. This will drop to 38 per cent with the appointment of Darren Shapland on 1 December 2024, but will increase back to 43 per cent when Peter Boddy steps down at the AGM in January 2025.
At least one of the senior Board positions (Chair, CEO, Senior Independent Director or CFO) is held by a female.	✓	Rachel Addison is SID.
At least one member of the board is from a minority ethnic background (defined by reference to categories recommended by the Office for National Statistics and excluding those from a white ethnic background).	X	As part of our succession plans, and Non-Executive Director recruitment processes, the Committee is aware of the need to continue to promote gender and ethnic diversity. We have revised our Board Diversity Policy aspiration to have at least one Director from an ethnic minority background to a short and medium-term one, and will ensure that the need to see candidates from an ethnic minority background is specified in our Non-Executive Director search processes, with the aim of achieving compliance with this target through our next cycle of Non-Executive Director recruitment.

As required under UK Listing Rule 6.6.6(10), the breakdown of the gender identity and ethnic background of the Company's Directors and executive management (the Executive Committee) as at 30 September 2024 is set out in the tables below. Each Director and Executive Committee member was asked to complete a survey in order to compile this data. Any new appointees to the Board or Executive Committee in the future will be asked to provide this information.

Gender identity:	Number of Board members	Percentage of the Board	Number of senior positions on the Board*	Number in executive management	Percentage of executive management
Male	4	57%	3	4	83%
Female	3	43%	1	1	17%
Not specified/prefer not to say	—	—	—	—	—

Ethnic background:	Number of Board members	Percentage of the Board	Number of senior positions on the Board*	Number in executive management	Percentage of executive management
White British or other white	7	100%	4	5	100%
Mixed/multiple ethnic groups	—	—	—	—	—
Asian/Asian British	—	—	—	—	—
Black/African/Caribbean/Black British	—	—	—	—	—
Other ethnic group	—	—	—	—	—
Not specified/prefer not to say	—	—	—	—	—

* Includes CEO, CFO, Chair and SID.

We recognise that the composition of our Executive Committee does not meet the threshold recommended in the Investment Association's 2023 Shareholder Priorities. Given the stability and performance of the existing team, we do not anticipate changes to the composition of the Executive Committee in the short term. However overall gender diversity across the business is good with the gender balance for direct reports to the Executive Committee at 50:50 and 53 per cent of the total team member population being female (as shown in the table on page 56), and the Committee and the Executive team recognise the need to support the development of women into senior management roles. During FY2024, a total of 11 females were progressed through our CMIT programme, and four through our Senior Leaders Development programme, representing 42 per cent and 31 per cent respectively of total participants.

Board skills and experience

Following feedback from our FY2023 Board evaluation process, it was agreed that a formal self-assessment of the skills and experience across the Board should be conducted to both support the development of candidate profiles for future Board succession planning, and to identify potential whole Board training topics during FY2024. The Company Secretary, Chair and CEO developed a skills and experience questionnaire under which each Director was asked to assess their level of knowledge and experience (from no knowledge/experience to expert knowledge/experience) across a range of skill categories and industry sectors. The skill categories and industry sectors were agreed as being those which are key areas to support the continued performance and strategic growth of the business over the medium to long term.

Scores were collated (and calibrated), and a skills and experience matrix which summarised scores both at an individual and whole Board average level was presented back to the Nomination Committee and Board for review and discussion. Pleasingly, the process did not identify any material gaps in knowledge or experience on the Board as whole, but did highlight some areas where the main experience is concentrated in individual Directors and where it would be appropriate for whole Board training to be sought to ensure our knowledge is kept up to date. The charts below summarise the whole Board average.

Peter Boddy
Nomination Committee Chair
16 December 2024

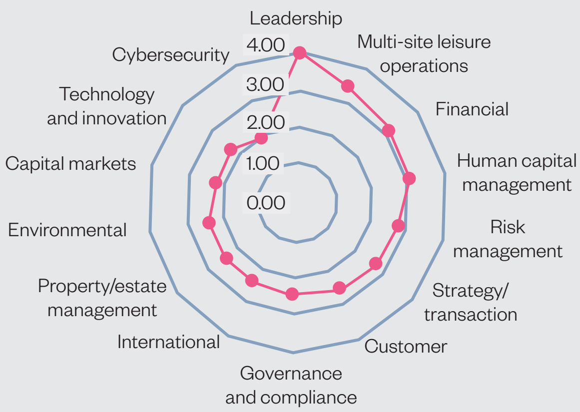
Annual review of Board and Committee composition

In accordance with its terms of reference, the Committee reviews annually the composition of the Board and its Committees, and the independence of the Non-Executive Directors. The review was conducted in September 2024, and therefore took account of Rachel Addison's recent appointment to the Board and each of the Committees. The Committee is satisfied that each of the Non-Executive Directors continues to be independent in thought and judgement, and when assessed against the circumstances likely to impair independence set out in provision 10 of the Code. Taking account of the continued independence of the Non-Executive Directors, the Committee is also satisfied that the composition of the Board and its Committees remains appropriate having considered the objectives of the Board Diversity Policy and the balance of skills, experience and diversity of thought required for those bodies to operate effectively. All of these factors will of course continue to be considered through our succession planning and Board recruitment processes.

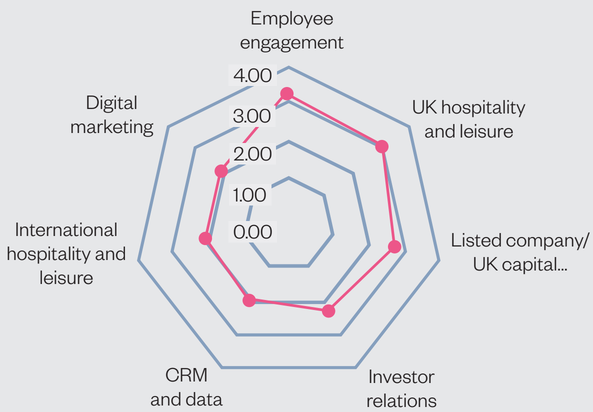
Annual evaluation

The Committee has reviewed its own performance in 2024 by way of a questionnaire completed by Committee's members and other attendees, with the results discussed at the Committee's meetings in December 2024. In general, the evaluation confirmed that the Nomination Committee continues to operate effectively.

Skills and experience



Industry experience



Scale:
0 = no knowledge / experience
1 = limited knowledge / experience
2 = good knowledge / experience
3 = excellent knowledge / experience
4 = expert knowledge / experience

Governance report

Appointment of Darren Shapland as Non-Executive Director and Chair Designate

As noted above, as part of our long-standing Board succession plan the Committee identified the need to commence the search for a new Board Chair during 2024. The table below summarises the process, led by me in my role as Senior Independent Director, and key considerations at each step in the search which ultimately led to the appointment of Darren Shapland as a Non-Executive Director and Chair Designate effective 1 December 2024.

Step	Key considerations/decisions
Develop role/ candidate profile	Working with the CEO, the Committee developed a detailed candidate profile based on an agreed list of key/ desirable skills and attributes including: • Public markets experience and main Board PLC experience. • Proven track record of success as a senior executive (including CEO) in businesses of relevant scale. • Background in businesses that have seen long-term estate expansion in multiple geographies, through both organic growth and M&A. • Significant understanding of multi-site consumer experience. • Interpersonal skills, empathy and high emotional intelligence necessary to foster positive relationships with Board colleagues. • Personal presence and strong communication skills to achieve rapid credibility in the role, including with shareholders.
Identify and engage external search agency/service	• Ensuring access to a diverse pool of appropriately experienced candidates, beyond established networks. • The Committee agreed to engage executive search firm Teneo to support the search process. Teneo is an accredited executive search firm under the FTSE Women Leaders Enhanced Code of Conduct. Teneo has no other connection with the Company or individual Directors.
Shortlisting candidates	• Teneo developed a longlist of candidates matching the role/candidate profile. • The CEO and I reviewed the longlist and shortlisted six candidates (four male and two female). • Following the shortlisting process, one candidate withdrew having been progressed in another role. • A summary of shortlisted candidates was discussed with Nomination Committee members.
Interviews	• With the CEO, I reviewed and interviewed the 5 shortlisted candidates, identifying a reduced shortlist of 4 candidates to be put forward for second interviews with the other Executive and Non-Executive Directors. • Second interviews were conducted, with detailed feedback provided to the CEO and me, and shared and reviewed by the Nomination Committee.
Recommendation and appointment	• Having discussed shortlisted candidates, it became apparent that the unanimously preferred candidate was Darren Shapland. The members of the Nomination Committee therefore agreed to recommend to the Board that Darren Shapland be appointed. • The Board formally approved Darren Shapland's appointment as a Non-Executive Director and Chair Designate, with effect from 1 December 2024. Following a handover period, and subject to his election by shareholders, Darren will succeed Peter Boddy as Chair following the AGM on 30 January 2025.

Rachel Addison
Senior Independent Director
16 December 2024

Report of the Audit Committee

Rachel Addison
Audit Committee Chair

Read full biography on **page 85**

Audit Committee	
Chair	Rachel Addison
Committee members	Julia Porter Ivan Schofield
Number of meetings held in the year	4

Specific duties of the Committee include:

- monitoring the integrity of the annual and interim financial statements;
- keeping under review the internal financial control systems; and
- overseeing the relationship with the internal and external audit functions.

Role and responsibilities

The Audit Committee's duties and responsibilities are set out in full in its terms of reference, which are available on the Company's website. The terms of reference were reviewed during the year, with minor changes (mainly to update references to the UK Listing Rules) approved by the Committee and Board.

Dear shareholders,

On behalf of the Board, I am pleased to present the Audit Committee report for the year ended 30 September 2024, my first since succeeding Nick Backhouse as Audit Committee Chair when Nick stepped down as a Director at our 2024 AGM.

The business has again performed well in FY2024, with continued expansion and improvement of our estates in both the UK and Canada, the successful rollout of our proprietary booking system in the UK, and continued integration of the Canadian business, and we know there is still more that we can do in FY2025 on this integration.

The activity of the Committee during FY2024 is described in the report that follows. Our key role is in monitoring the integrity of annual and half-year financial statements and ensuring that appropriate consideration is given to key accounting judgements and estimates. We also take responsibility for assessing consistency between the narrative statements in our financial reporting, and the financial statements themselves, and in that context ensuring that our financial reports are fair, balanced and understandable.

There have been no significant changes in our accounting policies during the year, and no material transactions which have required specific decisions around accounting treatment, the accounting policies in relation to the acquisition of bowling centres in Canada, and for revenue recognition in relation to Striker Bowling Solutions having been agreed as part of the FY2023 year end.

We review and monitor potential asset impairment both at the half-year and at the financial year end. Prior to the year end, the Committee met informally with management to review the impairment model and discuss and agree underlying assumptions and the approach to the full impairment review which has been conducted as part of the year-end and audit process.

We have reviewed the effectiveness of the FY2023 external audit process (also described in more detail below) and assessed KPMG's continuing independence. The Committee continues to be comfortable that KPMG is independent and that the audit service provided is effective, and we have recommended to the Board that a resolution to reappoint KPMG as our external auditor be proposed at our 2024 AGM. We have also considered the required timing of an external audit tender process to support the enhanced disclosure we are now required to make under the CMA Order as a constituent of the FTSE 250. Our disclosure is set out on page 103, with the conclusion that we will be required to tender our external audit contract ahead of our FY2026 year-end audit.

In accordance with our established formal schedule of annual activity, the Committee has continued to monitor our internal control framework through regular reviews of the documented internal controls matrix (maintained by management), through six-monthly updates from our Internal Audit function, and through the programme of deep dives into key risk areas which are presented by risk owners to the Board and include analysis of controls and mitigations in place. The Committee is satisfied that it has gained sufficient assurance through those updates that the framework of internal controls and risk management systems continue to operate effectively. The Committee has also begun to consider our approach to address the new UK Corporate Governance Code provision 29 requirements relating to the effectiveness of material controls, with a view to ensuring that appropriate processes are established in advance of the new provision becoming effective for the Group (financial year commencing 1 October 2026).

The Audit Committee has again evaluated its own performance by way of questionnaires completed by each member of the Committee and other regular attendees. We discussed the outcome of the evaluation at our meeting in December 2024, and I'm pleased to report that the findings indicate that the Committee continues to operate effectively.

The Committee has comprised wholly of independent Directors throughout the year, and the Board has confirmed that it is satisfied that I have recent and relevant financial experience as recommended under the Code by virtue of my qualification as a Chartered Accountant, my executive background in finance roles, and my experience as an audit committee chair in other non-executive positions. As all members of the Committee have experience as Directors of other companies in the retail and leisure sector, the Board is also satisfied that the Audit Committee as a whole continues to have competence relevant to the sector in which the Group operates.

Rachel Addison
Audit Committee Chair
16 December 2024

Meetings and attendees

The Committee's terms of reference provide that it should meet at least three times per year, and the Committee met on four occasions during FY2024. The names of the attendees of the Audit Committee meetings are set out in the table on page 99.

The external auditor has the right to attend meetings, and the Chair of the Board, Chief Executive Officer, Chief Financial Officer and Director of Group Finance, typically attend by invitation. Outside of the formal regular meeting programme, the Audit Committee Chair maintains a dialogue with key individuals involved in the Group's governance, including the Chairman, Chief Executive Officer, Chief Financial Officer and external audit lead partner.

Activity during the year

The Committee's activity in FY2024 included the topics set out below:

Activities of the Committee during the year to 30 September 2024	Dec	Mar	May	Sept
Financial statements and reports				
Review and recommendation to the Board of full-year results, the Annual Report and Accounts and half-year results	●		●	
Going concern assessment	●		●	
Fair, balanced and understandable assessment	●		●	
Review of significant accounting policies	●	●	●	●
Risk register review				●
External audit				
External audit plan, engagement fees		●	●	●
External auditor reports to the Committee (including full-year reports)	●		●	
Assessment of external auditor effectiveness		●		
Independence confirmation and review of non-audit services, spend and policy	●			●
Internal controls				
Annual review of Internal Audit function requirement				●
Review of risk management and internal controls		●		●
Internal audit reports		●		●
Assessment of internal audit effectiveness				●
Other				
Review of results from Committee performance evaluation and discussion of related actions	●			
Review of the Committee's terms of reference				●

The key areas of focus of the Committee are discussed in more detail in the rest of this report.

Significant issues considered in relation to the financial statements

Significant issues and accounting judgements are identified by the finance team and the external audit process and are reviewed by the Audit Committee. The significant issues considered by the Committee in respect of the year ended 30 September 2024 are set out in the table below:

Significant issues and judgements	How the issues were addressed
Valuation of property, plant and equipment and right-of-use assets	The Committee reviewed and challenged the calculations and assumptions (including revenue growth and discount rates applied) underlying the tests to identify potential impairment of PPE and ROU assets at the Group's cash generating units (CGUs). The Committee agreed with management's judgement in estimating the recoverable amount of PPE and ROU assets, and that the impairment charge recognised of £5.3m (£2.8m for PPE and £2.5m for ROU assets) was appropriate.

Fair, balanced and understandable

At the request of the Board, the Committee has considered whether, in its opinion, the FY2024 Annual Report and Financial Statements are fair, balanced and understandable, and whether they provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

In forming its opinion, the Committee considered whether the Annual Report presents the full story of performance in the year and whether the narrative reporting in the Strategic Report is consistent with the financial performance of the business as set out in the financial statements. We also assessed whether statutory measures were given due prominence in line with Alternative Performance Measures used, the alignment of significant accounting issues with the key audit risks identified by KPMG, and overall whether the layout and flow of the Annual Report was logical and understandable to readers.

Following our review, the Committee was unanimous in its opinion that it was appropriate to recommend to the Board that the FY2024 Annual Report and Financial Statements are fair, balanced and understandable.

Risk management and internal controls

The Board has overall responsibility for setting the Group's risk appetite and ensuring that there is an effective risk management framework to maintain appropriate levels of risk, and has delegated responsibility for review of the risk management methodology, and the effectiveness of internal controls, to the Audit Committee.

The Group's system of internal controls comprises entity-wide, high-level controls, controls over business processes and centre-level controls. Policies and procedures, including clearly defined levels of delegated authority, and detailed operational control manuals, have been communicated throughout the Group. Internal controls have been implemented in respect of the key operational and financial processes of the business. The financial control policies are designed to ensure the accuracy and reliability of financial reporting and govern the preparation of the financial statements. The Board is ultimately responsible for the Group's system of internal controls and risk management and discharges its duties in this area by:

- holding regular Board meetings to consider the matters reserved for its consideration;
- receiving regular management reports which provide an assessment of key risks and controls, including through our annual schedule of deep dive presentations on key risks facing the Group;
- annual Board reviews of strategy, and regular (at least bi-annual) reviews of the material risks and uncertainties (including emerging risks) facing the business;
- ensuring there is a clear organisational structure with defined responsibilities and levels of authority;
- ensuring there are documented policies and procedures in place to address risk areas; and
- reviewing regular reports containing detailed information regarding financial performance, rolling forecasts, and financial and non-financial KPIs.

During FY2024, the Board received specific deep dive presentations on data protection and security, food safety (including allergen controls), targeted IT threat risks and cyber security, the expansion risk linked to new centre openings, competition risk from other bowling and experiential leisure operators, management retention, concentration risk relating to amusement suppliers and the wider economic environment. The programme of deep dives is agreed annually, informed through the Board's review of the wider Group risk register and linked to the principal risks and uncertainties facing the Group. The deep dives are designed to provide a more engaging forum for the discussion of risks and associated controls, and to assist in providing Board members with a broader understanding of how the risks are identified and assessed by management, and how mitigations and controls are implemented and their effectiveness tested. The approach continues to be effective in promoting more focused discussion and debate around the risks and associated controls.

The process by which the Audit Committee has monitored and reviewed the effectiveness of the system of internal controls and risk management during the year has included:

- reviewing the detailed internal controls matrix which identifies and tracks actions against items such as control deficiencies identified by KPMG, and challenging management on the application of controls to gain assurance on their effectiveness;
- receiving updates from the Group's Internal Audit function on reviews of key operational processes and controls, including health and safety, food safety, and payments and refunds;
- conducting an annual review of the Group's control systems and their effectiveness; and
- reporting and updating the Board on the risk and control culture within the Group.

The Committee is satisfied that the Group's framework of internal control systems has continued to operate effectively throughout FY2024.

Internal audit

The Group's Internal Audit function is focussed primarily on testing the application of operational controls in our UK and Canadian centres, as well as other central operational processes including supplier on-boarding, employee expenses, customer refunds and any other areas that the Audit Committee or management indicate should be reviewed (informed by the internal controls matrix).

The centre audit programme involves the Internal Audit function regularly testing the detailed processes and controls required to be applied by centre teams. These included cash controls (e.g cash security and amusement collections and employee sales and corrections), stock control and security, licensing and legal requirements, health and safety, and operating standards. Centre audit findings are presented to the relevant centre manager, Regional Support Manager and Chief Financial Officer for review, with an emphasis on providing support to centre management and team members to meet the required standards.

The Internal Audit function also conducts a programme of regular in centre food and drink audits which cover categories such as allergen controls, product storage, cleaning and maintenance and temperature control. The food and drink audits are scored in a similar way to the centre audits, and ensure that appropriate focus is maintained on food safety standards.

Minimum centre audit and food and drink audit standards are required to be met for centre teams to earn management bonuses. Detailed summaries of centre performance against the required standards are presented to the Audit Committee by a member of the Internal Audit team twice per year, with trend analysis at a category and top and bottom performing audit question level to support challenge around areas requiring specific attention or improvement.

During FY2024, the Internal Audit function has begun work to integrate the Canadian centre audit approach to mirror the process and standards applied in the UK. Internal Audit resource in Canada is now utilising the same platform for recording audit scores, with reporting in a similar format to the UK process and included in Internal Audit updates to the Audit Committee.

Specific areas covered in the Internal Audit function's reports to the Audit Committee during FY2024 included a review of zero deposit bookings in centres and through our customer contact centre, the process around centre refunds (including the implementation of a limit on the value of refunds), and the process of issuing gift vouchers.

The Committee has conducted its annual review and assessment of the Internal Audit function, and has concluded that it continues to operate effectively and provides appropriate assurance over key areas of business risk. As part of the assessment, the Committee also considered the other methods by which it receives assurance on the effectiveness of risk management and internal controls. The Committee remains satisfied that it receives appropriate assurance through a combination of the Internal Audit function's activities, and its own review and challenge of the internal control and risk management systems.

External auditor

The Audit Committee is responsible for overseeing the Group's relationship with its external auditor, KPMG. During the year, the Audit Committee has discharged this responsibility by:

- agreeing the scope of the external audit and negotiating the remuneration of the external auditor;
- receiving regular reports from the external auditor, including with regard to audit strategy and year-end audits;
- regularly meeting the external auditor without management present; and
- assessing the auditor's independence and the effectiveness of the external audit process.

External audit effectiveness review

The Audit Committee considers the effectiveness of the external auditor on an ongoing basis during the year, considering its independence, objectivity, and professional scepticism through its own observations and interactions with the external auditor as well as through feedback from the Chief Financial Officer and members of the finance team. In considering auditor effectiveness, the Committee has regard to the experience and expertise of the external audit team, whether appropriately high standards of integrity and objectivity are displayed in the auditor's review of key accounting judgements, and the extent to which the agreed audit plan and strategy is fulfilled.

The ongoing consideration by the Committee is supplemented by an annual formal review of the effectiveness of the external audit process which is conducted following completion of the relevant audit. For the FY2023 review, and in accordance with our established practice, a report was prepared by the finance team summarising its view of KPMG's effectiveness based on interactions during the audit and set out under three headings: 'Mindset and culture'; 'Skills, character and knowledge'; and 'Quality control'. The report was discussed at the Committee's meeting in March 2024.

Key points noted under each of the headings were as follows:

	FY2023 review
Mindset and culture	• Professional and ethical mindset demonstrated throughout the engagement • Consistent adherence to relevant accounting and auditing standards • Approach focused on obtaining accurate and reliable information • Impartiality maintained throughout the audit – evidenced in interactions with management (including challenging assumptions) • Open lines of communication maintained throughout the audit
Skills, character and judgement	• Systematic and disciplined approach adopted to evaluate controls effectiveness, assess appropriateness of accounting policies, and test accuracy and completeness of financial transactions • Knowledge of the Group's business enhances the auditor's ability to identify and assess relevant risks, and target the audit approach appropriately • Appropriate scepticism and challenge demonstrated in reviews of key audit matters and areas of management judgement
Quality and control	• Clear discussion on resource requirements for the audit was held with the lead audit partner and signed off by the Audit Committee • Commitment to quality was evident in attention to detail and documentation requirements • Effective communications with the Group finance team

The report set out management's conclusion that the FY2023 audit process had been effective, with improvements over the prior year. Having discussed the report, and taken account of its own ongoing consideration of audit effectiveness, the Committee agreed with management's conclusion that the external audit process had been effective, noting in particular that KPMG continued to provide an independent and objective approach to the audit, and to demonstrate an appropriate level of professional scepticism. The Committee was also satisfied that KPMG had made appropriate judgements around materiality, had identified the key areas of audit risk, and had made reliable evaluations of audit evidence.

Non-audit services

The engagement of the external audit firm to provide non-audit services to the Group can impact on the independence assessment. The Company has a policy (which is reviewed annually) which requires Audit Committee approval for any non-audit services which exceed £25,000 in value. The engagement of the external auditor to provide any non-audit services for less than £25,000 (with the exception of the issuance of turnover certificates and financial covenant tests, for which authority was delegated to the Chief Financial Officer to approve where the fee is less than £5,000 per certificate) must be discussed with the Audit Committee Chair in advance. All requests to use the external auditor for non-audit services must be reviewed by the Chief Financial Officer. The policy recognises that certain non-audit services may not be carried out by the external auditor.

During the year ended 30 September 2024, KPMG was engaged to provide permitted non-audit services relating to EBITDA certification and turnover rent certificates for a fee of £8,000, representing 1.6 per cent of the total audit fee. This is shown in further detail in note 6 to the financial statements.

The Committee is satisfied that the level of non-audit fees and services provided by KPMG does not impact on its independence.

Appointment and tenure

KPMG was first appointed as the Group's external auditor in 2007. Matt Radwell was appointed as lead audit partner for the FY2022 audit, and, in line with KPMG's policy on lead partner rotation (and absent any change in auditor as a result of a tender process), would be required to rotate off the Group's audit after the FY2025 audit.

The Company is required to undertake a mandatory tender process at least every ten years (commencing from the date of the Group's IPO, at which point it became a 'public interest entity' for the purpose of audit tendering requirements). Therefore, the Committee will be required to conduct an audit tender no later than ahead of the FY2026 audit. Following the assessment of the independence, objectivity and effectiveness of KPMG as external auditor summarised above, and the conclusion that the Committee remains satisfied with KPMG's capabilities in delivering a quality and effective audit, the Committee does not anticipate that a tender process will be conducted before it is required. The Committee is therefore pleased to recommend that KPMG be reappointed as the Group's auditor at the 2025 AGM.

Having entered the FTSE 250 during the year, the Committee confirms its compliance for the period since it became a FTSE 250 constituent to the financial year ended 30 September 2024 with The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014.

Rachel Addison
Audit Committee Chair
16 December 2024

Report of the Corporate Responsibility Committee

Ivan Schofield

Corporate Responsibility Committee Chair

Read full biography on **page 85**

Corporate Responsibility Committee	
Chair	Ivan Schofield
Committee members	Peter Boddy Darren Shapland Julia Porter Stephen Burns Melanie Dickinson Mathew Hart
Number of meetings held in the year	2

Specific duties of the Committee include:

- reviewing, challenging, and overseeing the content of and approach to the ESG strategy and that it is considered as part of the setting of the overall strategy of the Group by the Board;
- reviewing and approving KPIs and related targets in line with the ESG strategy;
- reviewing material risks and liabilities (including climate risks) to the Group in relation to the ESG strategy;
- considering material regulatory and technical developments in the field of ESG; and
- keeping up to date with ESG best practice and thought leadership and keeping under review the Group's external reporting of relevant ESG performance (including the Company's application of the recommendations of the TCFD).

Dear shareholders,

The Group convenes a Corporate Responsibility Committee (CRC), to underscore the significance we place on environmental and social considerations in our governance and decision-making processes.

In FY2024, I chaired two CRC meetings, which highlighted the Committee's important role in aiding the Board with ESG strategy formulation and in overseeing the Corporate Responsibility Steering Group to drive business transformation.

I am pleased to report that the Group has made excellent progress this year, advancing on all aspects of our three-pillar sustainability strategy in the UK.

In our efforts to operate safe and inclusive leisure destinations, we have notably increased the number of concession games played and achieved a record level of fundraising for our new charity partner, Macmillan.

We have excelled again in creating outstanding workplaces for our team members. We filled a record 58 per cent of management vacancies internally, reflecting the effectiveness of our training and development programmes. Additionally, we were once again recognised as one of the best workplaces in the UK, with further improved team member engagement and satisfaction levels.

We achieved another record year for waste recycling, expanded the use of solar arrays, extended the use of renewable energy sources, and further enhanced the sustainability credentials of our new centre builds and refurbishments.

We continue to introduce elements of our ESG strategy into our Canadian business, and will continue on this path in FY2025, as we move to more closely aligning our Canadian operations and thereby providing more comprehensive sustainability reporting.

Regarding our environmental impact and transition plan to achieve net zero, we have again made progress in reducing our Scope 1 and 2 emissions in the UK and have improved our understanding of Scope 3 emissions in our supply chain through a key supplier engagement programme. This has provided greater visibility into our partners' measures and climate ambitions, and access to primary data for a more accurate assessment of our current position.

For the first time, we publish our Scope 3 emissions for our Canadian operations in this report, establishing a FY2024 baseline to help set our emission reduction goals. We have also conducted a climate risks and opportunities analysis for our Canadian business.

The Group remains committed to advancing our sustainability agenda across all operations and progressing with our climate transition plan.

Ivan Schofield
Corporate Responsibility Committee Chair
16 December 2024

Report of the Remuneration Committee

Julia Porter
Remuneration Committee Chair

Read full biography on **page 85**

Remuneration Committee	
Chair	Julia Porter
Committee members	Rachel Addison Ivan Schofield
Number of meetings held in the year	5

Specific duties of the Committee include:

- setting the Remuneration Policy for Executive Directors, Chairman and senior management;
- determining individual pay awards within the terms of the agreed Policy; and
- ensuring that the Remuneration Policy operates to align the interests of management with those of shareholders.

The Committee also has responsibility for reviewing pay and conditions across the Group, and the alignment of incentives and rewards with culture.

Role and responsibilities

The role of the Remuneration Committee is set out in its terms of reference, which are available on the Group's website. The Committee's primary purpose is to develop and determine the Group's Remuneration Policy for the Executive Directors, Chair and senior management.

Dear shareholders,

On behalf of the Remuneration Committee, I am pleased to present the Directors' remuneration report for the year ended 30 September 2024.

This report has been prepared in accordance with The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, The Companies (Directors' Remuneration Policy and Directors' remuneration report) Regulations 2019, the FCA's UK Listing Rules and the Code. The report is split into three parts:

- my annual statement as the Chair of the Remuneration Committee;
- the Directors' Remuneration Policy which is to be put to a binding shareholder vote at the AGM in January 2025 and will then apply for three years from the date of approval; and
- the annual report on remuneration, which sets out payments made to the Directors and details the link between Company performance and remuneration for FY2024. The annual report on remuneration is subject to an advisory shareholder vote at the 2025 AGM.

Performance in FY2024 and remuneration outcomes

As detailed in the Strategic report, the Group delivered another strong year of financial and operational performance with total revenue growth of 7.1 per cent and Group adjusted EBITDA pre-IFRS 16 of £87.6m. We have continued to make good progress in both integrating and expanding our Canadian business, which traded ahead of expectations in FY2024, and our UK centres have continued to deliver strong performance against both financial and non-financial metrics (including customer satisfaction and waste recycling). We opened four new centres in the UK, and our refurbishment programme saw ten centres receive successful upgrades and are delivering above our return hurdle rate. Good progress was made across our key ESG metrics and we met our key FY2024 targets across our three sustainability pillars.

As set out earlier in this Annual Report, the Group will be paying a final ordinary dividend of 8.08 pence per share.

Across the wider workforce, we have continued to ensure that we offer competitive pay levels, supporting the recruitment and retention of key talent. The average rate of hourly pay increases across the Group was 10.0 per cent, for salaried centre team members was 5.3 per cent, and for salaried support centre team members was 4.2 per cent. These increases were effective from 1 April 2024. We continue to incentivise team members through our centre management bonus schemes, with metrics aligned to those that apply for the Executive Directors. In FY2024, we paid out over £1.0m in centre level bonuses (with centre managers receiving over 20 per cent of base pay and assistant managers receiving over 6 per cent of base pay) and over £600k in hourly team member bonuses. We have also maintained our reputation for our positive working environment, evidenced by our rank as one of 'The UK's 25 Best Big Companies to Work For' and achieving a 2 star high-quality work experience rating from WorkL.

The FY2024 bonus opportunity for the Executive Directors was up to 100 per cent of salary, with 80 per cent based on Group adjusted EBITDA pre-IFRS 16 targets, and the remaining 20 per cent split equally on performance against the non-financial KPIs of customer satisfaction (measured based on Group Overall Blended Index) and waste recycling. A detailed breakdown of the measures is set out on page 119. All targets were met in full, resulting in a bonus out-turn of 100 per cent of salary for each of the Executive Directors.

Our Executive Directors each received an award under the Long-Term Incentive Plan (LTIP) in February 2022, which vests by reference to a scorecard of metrics measured over a three-year performance period ended 30 September 2024 with 70 per cent subject to Group adjusted, diluted EPS performance, 10 per cent subject to return on invested capital, and the remaining 20 per cent subject to performance against equally weighted non-financial measures (Scope 1 and Scope 2 carbon emissions reduction, and team member development). Full details of the measures and our performance against them is set out on page 120, with the total outturn for the Executive Directors being 100 per cent of maximum opportunity, and the Group adjusted, diluted EPS element having paid out in full.

As is our usual practice, the Committee considered the formulaic outcomes for the annual bonus and LTIP in the context of overall business performance and the shareholder experience. In particular, we took into account the robust financial performance, the share price performance leading to our admission to the FTSE 250 during the year, the level of dividends proposed to be paid to shareholders, the approach to wider workforce pay, the continued expansion of the Canadian business, and the continued improvement in our customer engagement scores evidencing our operational focus on delivering an exceptional customer experience. The Company delivered a shareholder return of 31.9 per cent over FY2024, outperforming both the FTSE Small Cap Index and FTSE 250 Index (which delivered 18.2 and 19.1 per cent returns respectively during the period). Over the three-year performance period under the 2022 LTIP award, Hollywood Bowl delivered a shareholder return of 44.0 per cent, again outperforming both the FTSE Small Cap Index and FTSE 250 Index (which delivered 3.3 and 0.2 per cent returns respectively in the same period). Taking all of this into account, the Committee determined that the outcomes are appropriate and that no discretion would be applied.

The Committee can confirm that the Remuneration Policy approved by shareholders at our 2022 AGM operated as intended in the year under review.

Remuneration Policy review

Our current Remuneration Policy was approved by shareholders at the January 2022 AGM (receiving 98 per cent votes in favour) and is approaching the end of its three year term. The Committee has therefore undertaken a comprehensive review of the current Policy to ensure that it continues to align with the Group's reward principles (as detailed on page 109) as well as the factors set out in Provision 40 of the Code.

The Committee believes that the current incentive structure (annual bonus plus LTIP) remains appropriate and continues to support the delivery of the Group strategy and the generation of long-term sustainable shareholder value. However, following consultation with the Group's major shareholders, the Committee is proposing changes to the incentive opportunities to better reflect the increased size and complexity of the organisation, alongside formalising the approach to annual bonus deferral. Other minor refinements have also been proposed to provide greater alignment with market practice in terms of good governance and Policy flexibility.

Increase the maximum annual bonus opportunity from 100 per cent to 150 per cent of base salary

A maximum bonus opportunity of 100 per cent of salary has been in place since the Company's IPO in 2016. Over the last eight years the Group has delivered significant growth and expansion, underpinned by strong financial and operational performance. The Group's market capitalisation has increased by c.120 per cent from c.£240m at IPO to c.£525m, leading to the Group's promotion to the FTSE 250. Furthermore, the Group is well position to continue to build on this progress and deliver long-term sustainable value to shareholders.

With this in mind, and to ensure that the remuneration arrangements remain competitive against companies of a similar size and complexity, the maximum bonus opportunity under the new Policy has been increased to 150 per cent of base salary. For FY2025, the CEO and CFO will receive a maximum bonus opportunity of 150 per cent of base salary. The CPO will receive a maximum bonus opportunity of 100 per cent of base salary, as has been the practice for this position in the past.

A maximum bonus opportunity of 150 per cent of base salary for the CEO and CFO is positioned around the median compared to the FTSE 250.

Bonus deferral

The Committee considers that bonus deferral for the current Executive Directors is unnecessary due to their considerable shareholdings in the Company. Under the new Policy, where an Executive Director has not met their shareholding guideline, 50 per cent of any bonus earned will be deferred into shares which vest after two years. This formalises an approach to bonus deferral where the shareholding guideline has not been met.

Maximum LTIP award limit

The maximum award limit under the new Policy will be increased to 200 per cent of base salary (currently 150 per cent of base salary). This is to align the maximum award limit in the Policy with the maximum award limit in the LTIP rules. The Committee does not currently intend to use this headroom and would consult with shareholders should it wish to. For FY2025, the CEO and CFO will receive a maximum LTIP opportunity of 150 per cent of base salary and the CPO will receive a maximum bonus opportunity of 100 per cent of base salary.

Non-Executive Director fees

Flexibility will be incorporated into the new Policy to pay additional fees to Non-Executive Directors for additional responsibilities such as chairing a committee. This is to align with typical market practice.

Introduction of relative Total Shareholder Return (TSR as a LTIP performance metric)

Taking into account feedback from a number of the Group's major shareholders, a relative TSR metric will be introduced for the FY2025 LTIP awards. Relative TSR will account for a 10% weighting of the FY2025 LTIP awards and will be assessed against the constituents of the FTSE 250 Index (excluding Investment Trusts). A 10% weighting is considered appropriate at this time given the current Executive Directors have significant shareholdings and are therefore already strongly aligned to the shareholder experience. The weighting will be kept under review for future years. The performance metrics for the FY2025 LTIP awards are set out below.

FY2025 remuneration

Salary and benefits

The Committee reviewed Executive Director salaries during the year, and in doing so was mindful of the need to ensure that any decisions relating to Executive Director pay were taken in the context of the experience of our wider workforce. The average rate of hourly pay increases across the Group was 10.0 per cent, for salaried centre team members was 5.3 per cent, and for salaried support centre team members was 4.2 per cent, in April 2024. The Committee also recognises the need to continue to motivate and retain our high-performing team of Executive Directors to support the delivery of our strategy and generation of shareholder value.

Having taken these factors into account, the Committee approved base salary increases of 3 per cent for the Executive Directors with effect from 1 October 2024.

FY2025 variable pay

As set out in the proposed Remuneration Policy, the maximum bonus opportunity for the CEO and CFO for FY2025 has been set at 150 per cent of salary, with the maximum bonus opportunity for the CPO remaining at 100 per cent of salary. There are no proposed changes to the maximum LTIP award level for Executive Directors in FY2025 which remains at 150 per cent of salary for the CEO and CFO and 100 per cent of salary for the CPO.

The FY2025 bonus outcomes will be determined based on the achievement of a scorecard of financial and non-financial targets, with 70 per cent based on Group adjusted EBITDA and 30 per cent based on non-financial measures comprising customer satisfaction measured based on Group Overall Blended Index, people development and engagement, and lastly safety. Performance targets are considered commercially sensitive and therefore, in line with our usual practice, actual targets, performance against them, and the resulting awards will be disclosed in the FY2025 Annual Report.

FY2025 LTIP awards will be subject to adjusted EPS (70 per cent of award), relative TSR (10 per cent of award), return on centre invested capital (10 per cent of award) and carbon emissions reduction (10 per cent of award). The performance targets and weightings which will apply to the FY2025 LTIP are set out on page 127.

Stakeholder engagement

The Committee is regularly updated on the pay and benefits arrangements for team members across the Group, and takes into account colleague remuneration as part of its review of executive remuneration. Engagement with the workforce on remuneration matters, including to explain how executive pay is aligned with the wider Company pay policy, is conducted through engagement sessions led by the CEO and COO and the wider team engagement survey.

Annual General Meeting

On behalf of the Board, I would like to thank shareholders for their continued support. I am always happy to hear from the Company's shareholders. You can contact me via the Company Secretary if you have any questions on this report or in relation to the Group's proposed Remuneration Policy.

Julia Porter
Remuneration Committee Chair
16 December 2024

UK Corporate Governance Code - factors considered in Remuneration Policy review

As part of its review of the Remuneration Policy, the Committee has considered the factors set out in provision 40 of the Code. In our view, the proposed Policy addresses those factors as set out below:

Factor	How addressed
Clarity – remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce.	We aim to ensure that our remuneration disclosures are clear and transparent. Remuneration outcomes are set out in a consistent format each year, with detail on bonus and LTIP performance measures and targets. Our full Remuneration Policy is set out on pages 109 to 118. We have engaged with shareholders during the year with respect to proposed changes to the Remuneration Policy, and the Committee receives regular updates on workforce pay and benefits during the course of its activity.
Simplicity – remuneration structures should avoid complexity and their rationale and operation should be easy to understand.	Our remuneration structure is comprised of fixed and variable remuneration, with the performance conditions for variable elements clearly communicated to, and understood by, participants. The LTIP provides a clear mechanism for aligning Executive Director and shareholder interests, and the diversity of measures in both the annual bonus and LTIP scheme allows for clear alignment with our strategic pillars, rather than reliance solely on earnings-based measures. Non-financial measures within the annual bonus also ensure our Executive Directors and wider team members are incentivised based on key operational KPIs across the Group.
Risk – remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated.	The Remuneration Policy and relevant scheme rules provide discretion to the Committee to reduce award levels, and awards are subject to malus and clawback decisions. The Committee also has overriding discretion to reduce awards where out-turns are not a fair and accurate reflection of business performance.
Predictability – the range of possible values of rewards to individual Directors, and any other limits or discretions, should be identified and explained at the time of approving the Policy.	See scenario charts on page 116. The Remuneration Policy outlines the threshold, target and maximum levels of pay that Executive Directors can earn in any given year over the three-year life of the Remuneration Policy.
Proportionality – the link between individual awards, the delivery of strategy, and the long-term performance of the Company should be clear. Outcomes should not reward poor performance.	As shown in the scenario charts on page 116, variable, performance-related elements represent a significant proportion of the total remuneration opportunity for our Executive Directors. The Committee considers the appropriate financial and non-financial performance measures each year to ensure that there is a clear link to strategy. The Committee is able to exercise discretion to reduce awards if necessary to ensure that outcomes are a fair and accurate reflection of holistic business performance.
Alignment to culture – incentive schemes should drive behaviours consistent with the Group's purpose, values, and strategy.	The Committee seeks to ensure that performance measures under the annual bonus scheme incentivise behaviours consistent with the Group's culture, purpose, and values. The LTIP clearly aligns the Executive Directors' interests with those of shareholders, ensuring a focus on delivering against strategy to generate long-term value for shareholders.

The Remuneration Committee met on five occasions during the year and has met twice since the year end, and discussed the topics set out in the table below:

Activities of the Committee during the year to 30 September 2024	Dec	Mar	May	June	Sep
Review of FY2023 performance and the formulaic bonus outcome, and approval of Directors' bonuses for FY2023	●				
Review/approval of Directors' bonus KPIs/targets for FY2024 and FY2024 pay	●				
Review/agree FY2024 LTIP performance targets	●				
Remuneration Policy review (including proposed changes and shareholder consultation)		●	●	●	●
Agree approach to FY2025 bonus targets				●	●
Agree approach to FY2025 LTIP performance targets				●	●
Approve FY2025 Executive Director salaries					●
Review/agree share plan awards, vestings and dilution					●
Review of Directors' remuneration report (including to ensure compliance with the Remuneration Reporting Regulations)	●				
Consideration of pay and conditions across the Group			●		●
Update on market practice			●		●
Review of 2024 AGM and proxy advisory comments			●		
Review of the Committee's terms of reference					●
Discussion of Committee evaluation results	●				

The Directors' Remuneration Policy (the Policy) as set out below will be put to a binding shareholder vote at the AGM on 30 January 2025 and will apply for the period of three years from the date of approval.

Policy summary

The Committee determines the Policy for the Executive Directors, Chairman and senior executives for current and future years. The Committee considers that a successful Policy needs to be sufficiently flexible to take account of future changes in the Company's business environment and in remuneration practice.

In setting the Policy, the Committee considers the following reward principles (as well as the factors in Provision 40 of the 2024 UK Corporate Governance Code):

- **Shareholder alignment** – ensuring a strong link between reward and individual and Company performance aligns the interests of Executive Directors, senior management and employees with those of shareholders.
- **Competitive remuneration** – maintaining a competitive package against businesses of a comparable size and nature helps to attract, retain and motivate high-calibre talent to enable the Company's continued growth and success as a listed company.
- **Strategic alignment** – providing a package with an appropriate balance between short and longer-term performance targets linked to the delivery of the Company's business plan.
- **Performance focused compensation** – encouraging and supporting a high-performance culture.
- **Setting appropriate performance conditions** – in line with the agreed risk profile of the business.

Differences in policy from the wider employee population

The Group aims to provide a remuneration package for all employees that is market competitive and operates the same reward and performance philosophy throughout the business. Quantum and the provision of certain components of remuneration (such as long-term incentives) will vary by seniority.

Proposed changes to the Policy and summary of decision-making process

During 2024, the Committee carried out a comprehensive review of the current Policy. The outcome of the review and key changes to the Policy are outlined on pages 106 to 107 and in the table below.

In determining the Policy, the Committee considered the strong financial and operational performance delivered by the Group, the growth and expansion of the business leading to the Group's promotion to the FTSE 250, and the Group's strong positioning to continue to build on this progress and deliver long-term sustainable value to shareholders.

The Committee followed a robust process which included discussion on the content of the Policy at Committee meetings. The Committee considered input from the Executive Directors and its independent advisers and consulted with major shareholders (representing at the time approximately 75 per cent of the Company's issued share capital). To avoid any conflicts of interest, the Executive Directors did not take part in any decision-making discussions regarding changes to the Policy.

Element of remuneration	Current Policy	Proposed approach under new Policy	Rationale for change
Annual bonus plan			
Maximum opportunity	100 per cent of base salary.	Increase to 150 per cent of base salary for the CEO and CFO. CPO to remain at 100 per cent of base salary for FY2025.	The increased incentive opportunity for the CEO and CFO is more aligned with the market given the increased size and complexity of the business, and reflects strong performance in recent years.
Deferral	Deferral for the current Executive Directors has been considered unnecessary due to their considerable shareholdings in the Company.	Where an Executive Director has not met the shareholding guideline, 50 per cent of any bonus earned will be deferred into shares which vest after two years.	Formalises an approach to bonus deferral where the shareholding guideline has not been met.
Long Term Incentive Plan (LTIP)			
Maximum opportunity	Maximum award limit of 150 per cent of base salary. FY2024 LTIP award opportunity was 150 per cent of base salary for the CEO and CFO, and 100 per cent of base salary for the CPO.	Maximum award limit increased to 200 per cent of base salary. No increase in opportunity for the FY2025 LTIP awards: 150 per cent of base salary for the CEO and CFO, and 100 per cent of base salary for the CPO.	To align the maximum award limit in the Policy with the maximum award limit in the LTIP rules.
Non-Executive Director fees			
Additional fees	No scope to pay additional fees for chairing a Committee.	Flexibility incorporated for additional fees to be paid for additional responsibilities such as chairing a Committee.	To align with typical market practice.

Policy table

The following table sets out each element of remuneration and how it supports the Company's short- and long-term strategic objectives.

How the element supports our short and long-term strategic objectives	Operation	Opportunity	Performance metrics used, weighting and time period applicable
Salary Provides a base level of remuneration to support the recruitment and retention of Executive Directors with the necessary experience and expertise to deliver the Company's strategy.	Base salaries are normally reviewed annually. When determining an appropriate level of base salary, the Committee considers: remuneration practices within the Company; the Executive Director's experience, responsibilities and performance; the general performance of the Company; salary levels within companies of a similar size and/or complexity; and the economic environment.	Base salaries will normally increase in line with increases made to the wider employee workforce. Increases above this level may be awarded in certain circumstances including, but not limited to: where there has been an expansion in role or responsibility; to reflect an Executive Director's development or performance in role (e.g. to align a new hire's salary with the market over time); where there is a significant change in the Group's size and/or complexity; or where the current salary level has fallen behind the market over time.	None
Benefits Provides a competitive level of benefits.	The Executive Directors receive benefits which include, but are not limited to, family private health cover, death in service life assurance, income protection insurance, car allowance, and travel expenses for business-related travel (including tax if any). The Committee recognises the need to maintain suitable flexibility in the determination of benefits that ensure it is able to support the objective of attracting and retaining employees. Accordingly, the Committee would expect to be able to adopt benefits such as relocation expenses, tax equalisation and support in meeting specific costs incurred by the Executive Directors.	The maximum will be set at the cost of providing the benefits described.	None
Pensions Provides market competitive retirement benefits.	The Committee retains discretion to provide pension funding in the form of a salary supplement or a direct contribution to a pension scheme. Any salary supplement would not form part of the salary for the purposes of determining the extent of participation in the Company's incentive arrangements.	The maximum Company contribution to pension funding for Executive Directors is aligned with the contribution available to the majority of the wider employee workforce (currently 5 per cent of base salary).	None

How the element supports our short and long-term strategic objectives	Operation	Opportunity	Performance metrics used, weighting and time period applicable
Annual bonus plan Provides a significant incentive to the Executive Directors linked to achievement in delivering goals that are closely aligned with the Company's strategy and the creation of value for shareholders.	The Committee will determine the bonus payable after the year end based on the achievement of performance metrics. Where an Executive Director has met the shareholding guideline, normally the amount earned will be paid fully in cash. Where an Executive Director has not met the shareholding guideline, normally 50 per cent of the amount earned will be paid in cash and 50 per cent deferred into shares which vest after two years. The Committee may award dividend equivalents on deferred share awards to the extent they vest. Malus and clawback provisions will apply to enable the Company to recover sums paid or withhold the payment of any sum in the event of a material misstatement of results, error in calculation, serious misconduct, reputational damage, or material corporate failure.	The maximum bonus opportunity is up to 150 per cent of base salary in respect of a financial year. For FY2025, the maximum bonus opportunity is 150 per cent of base salary for the CEO and CFO, and 100 per cent of base salary for the CPO. Up to 25 per cent of maximum may be earned for threshold performance, with 100 per cent earned for maximum performance.	The annual bonus outcomes will be determined based on achievement of a scorecard of financial and non-financial metrics, with at least half of the bonus being based on financial performance. The Committee has discretion to adjust the vesting outcome if it is not deemed to be a fair and accurate reflection of business performance, the performance of the individual or the experience of shareholders or other stakeholders over the performance period.
LTIP Incentivises the Executive Directors to maximise total shareholder returns by successfully delivering the Company's long-term objectives and to share in the resulting increase in total shareholder value.	Awards are granted annually in the form of nil-cost options or conditional awards of shares. These will vest at the end of a three-year period subject to the Executive Directors' continued employment at the date of vesting and the achievement of the performance metrics. A further two-year holding period will apply post vesting. The Committee may award dividend equivalents on awards to the extent they vest. Malus and clawback provisions will apply to enable the Company to recover sums paid or withhold the payment of any sum in the event of a material misstatement of results, error in calculation, serious misconduct, reputational damage, or material corporate failure.	The maximum LTIP opportunity is up to 200 per cent of base salary in respect of a financial year. For FY2025, the maximum LTIP opportunity is 150 per cent of base salary for the CEO and CFO, and 100 per cent of base salary for the CPO. Up to 25 per cent of maximum may vest for threshold performance, with 100 per cent vesting for maximum performance.	At least half of the awards will be subject to financial performance metrics, with the balance based on non-financial metrics. The Committee has discretion to adjust the vesting outcome if it is not deemed to be a fair and accurate reflection of business performance, the performance of the individual or the experience of shareholders or other stakeholders over the performance period.

Policy table continued

How the element supports our short and long-term strategic objectives	Operation	Opportunity	Performance metrics used, weighting and time period applicable
All-Employee Plan Encourages wide employee share ownership and thereby align employees' interests with shareholders.	The Company operates a HMRC tax-qualifying Share Incentive Plan and Sharesave Scheme in which the Executive Directors are eligible to participate.	In line with HMRC limits as amended from time to time.	None
Shareholding guidelines Supporting long-term commitment to the Company and the alignment of Executive Director interests with those of shareholders.	Executive Directors are expected to build up and retain a shareholding equivalent to 200 per cent of base salary. Executive Directors must normally retain 50 per cent of any shares they acquire under deferred bonus awards and LTIP awards (post payment of income tax and social security), until such time as they have met the shareholding guideline. Executive Directors who step down from the Board are normally expected to retain a shareholding for two years post stepping down, equal to the lower of 200 per cent of base salary and the actual shareholding on stepping down. Adherence to these guidelines is a condition of continued participation in the equity incentive arrangements.	None	None

How the element supports our short and long-term strategic objectives	Operation	Opportunity	Performance metrics used, weighting and time period applicable
Chairman and Non-Executive Director fees Provides a level of fees to support recruitment and retention of a Chairman and Non-Executive Directors with the necessary experience to advise and assist with establishing and monitoring the Company's strategic objectives.	The Board as a whole is responsible for setting the remuneration of the Non-Executive Directors, other than the Chairman, whose remuneration is considered by the Remuneration Committee and recommended to the Board. The Chairman and Non-Executive Directors are paid a base fee. Additional fees may be paid to the Chairman or Non-Executive Directors for additional responsibilities including, but not limited to, chairing committees and Senior Independent Director responsibilities. The fees for the Chairman and Non-Executive Directors are set with reference to the time commitment and responsibilities expected of the roles and the market rate. The Chairman and Non-Executive Directors may be eligible to receive benefits linked to the performance of their duties including, but not limited to, travel costs. The Chairman and Non-Executive Directors do not participate in any variable remuneration or benefits arrangements.	Fee increases for the Chairman and Non-Executive Directors will normally be considered taking into account the general rise in salaries across the wider employee workforce. Increases above this level may be awarded in certain circumstances including, but not limited to: where there has been a material change in time commitment and/or responsibilities; where there is a significant change in the Group's size and/or complexity; or where there has been a material change in market practice.	None

Choice of performance metrics

The performance metrics used for the annual bonus and LTIP awards reflect the short- and long-term financial, operating and strategic priorities of the business.

The performance targets are set annually in accordance with the Group's budget and longer-term forecasts. In selecting the targets, the Committee also takes into account analysts' forecasts, economic conditions and the Committee's expectation of performance over the relevant period, to ensure that they are sufficiently stretching.

Details of the performance metrics for the FY2025 annual bonus and LTIP awards are set out on pages 126 and 127.

The Committee retains discretion to adjust or set different performance metrics or targets or adjust the weightings attached to performance metrics if there is a material event which causes the Committee to determine that the original metrics, targets and/or weightings are no longer appropriate and that an amendment is required so that they achieve their original purpose and are not materially more or less difficult to satisfy.

Share awards may be adjusted in the event of a variation of share capital or demerger, delisting, special dividend or other event that may affect the Company's share price.

Recruitment policy

The Company's approach when setting the remuneration of any newly recruited Executive Director will be assessed in line with the same principles for the Executive Directors, as set out in the Policy table. The Committee's approach to recruitment remuneration is to pay no more than is necessary to attract candidates of the appropriate calibre and experience needed for the role from the market in which the Company competes.

	Policy
Salary	Base salary will be set taking into account the individual's experience, market rates in companies of a comparable size and complexity, internal relativities and current base salary. If it is considered appropriate to appoint an Executive Director on a below market salary (for example, to allow them to gain experience in role), their salary may be increased to a market level by way of above wider employee workforce salary increases over a number of years. These increases will be subject to continued development in role.
Buyout awards	The Committee's policy is not to provide buyouts as a matter of course. However, should the Committee determine that the individual circumstances of recruitment justify the provision of a buyout, the equivalent value of any incentives that will be forfeited on cessation of the Executive Director's previous employment will be calculated, taking into account the following: • the proportion of the performance period completed on the date of the Executive Director's cessation of employment; • the performance conditions attached to the vesting of these incentives and the likelihood of them being satisfied; and • any other terms and conditions having a material effect on their value. The Committee may then grant up to the same value as the value forfeited, where possible, under the Company's incentive plans. To the extent that it is not possible or practical to provide the buyout within the terms of the Company's existing incentive plans, the buyout may be awarded outside of these plans as permitted under the Listing Rules.
Maximum level of variable remuneration	The Committee will not offer non-performance-related variable remuneration and the maximum level of variable remuneration which may be granted (excluding buy-out awards) is 350 per cent of salary, which is in line with the current maximum limit under the annual bonus and LTIP.
Other elements of remuneration	Other elements may be included in the following circumstances: • If an interim appointment is made to fill an Executive Director role on a short-term basis. • If exceptional circumstances require that the Chairman or a Non-Executive Director take on an executive function on a short-term basis. • If an Executive Director is recruited at a time in the year when it would be inappropriate to provide an annual bonus or LTIP award for that year, subject to the limit on variable remuneration set out above, the quantum in respect of the period employed during the year may be transferred to the subsequent year. • If the Executive Director is required to relocate, reasonable relocation, travel and subsistence payments may be provided (either via one-off or ongoing payments or benefits).

Where an existing employee is promoted to the Board, the terms set out above would apply from the date of promotion but there would be no retrospective application of the Policy in relation to subsisting incentive awards or remuneration arrangements. Accordingly, prevailing elements of the remuneration package for an existing employee would be honoured and form part of the ongoing remuneration of the person concerned. These would be disclosed to shareholders in the Directors' remuneration report for the relevant financial year.

The Company's policy when setting fees for the appointment of a new Chairman and Non-Executive Directors is to apply the Policy which applies to the current Chairman and Non-Executive Directors.

Service agreements and letters of appointment

Each of the Executive Directors' service agreements is for a rolling term and may be terminated by the Company or the Executive Director by giving six months' notice.

The Committee's policy for setting notice periods is that a six-month period will apply for Executive Directors. The Committee may in exceptional circumstances arising on recruitment allow a longer period, which would in any event reduce to six months following the first year of employment.

Name	Position	Date of service agreement	Notice period by Company (months)	Notice period by Director (months)
Stephen Burns	CEO	24 June 2016	6	6
Laurence Keen	CFO	24 June 2016	6	6
Melanie Dickinson	CPO	21 October 2021	6	6

The Chairman and Non-Executive Directors of the Company do not have service contracts; rather they are appointed by letters of appointment. Their terms are subject to their re-election by the Company's shareholders at the AGM scheduled to be held on 30 January 2025 and to re-election at any subsequent AGM at which the Chairman and Non-Executive Directors stand for re-election. In line with our agreed Non-Executive Director succession plans, Peter Boddy will not seek re-election at the 2025 AGM.

The details of the Chairman's Non-Executive Directors' current terms are set out below:

Name	Date of appointment	Commencement date of current term	Unexpired term as at 16 December 2024
Peter Boddy	13 June 2016	16 September 2022	1 month
Rachel Addison	1 September 2023	1 September 2023	1 year, 9 months
Julia Porter	1 September 2022	1 September 2022	9 months
Ivan Schofield	1 October 2017	1 October 2023	1 year, 10 months
Darren Shapland	1 December 2024	1 December 2024	2 years, 11 months

Illustrations of the application of the Policy

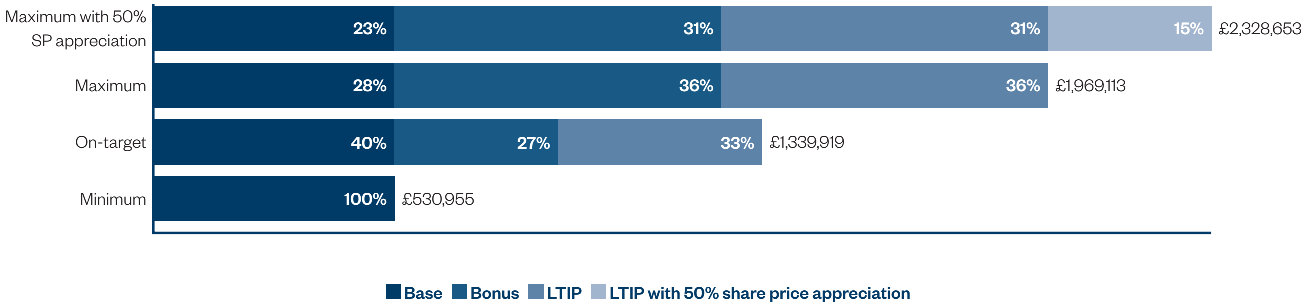
The charts below illustrates the remuneration that would be paid to each of the Executive Directors on a forward-looking basis under the Policy under the following performance scenarios: (i) minimum; (ii) on target; (iii) maximum; and (iv) maximum with 50 per cent share price appreciation. The elements of remuneration have been categorised into three components: (i) fixed; (ii) annual bonus; and (iii) LTIP, with the assumptions set out below:

Element	Description	Minimum	On target	Maximum
Fixed	Salary, benefits and pension	Included in full	Included in full	Included in full
Annual bonus	Annual bonus awards	No variable pay	Payout of 50 per cent of the maximum bonus	Full payout of the maximum bonus
LTIP	Awards under the LTIP	No variable pay	Vesting of 62.5 per cent of the maximum award	Full vesting of the maximum award

Illustrations of the application of the Policy continued

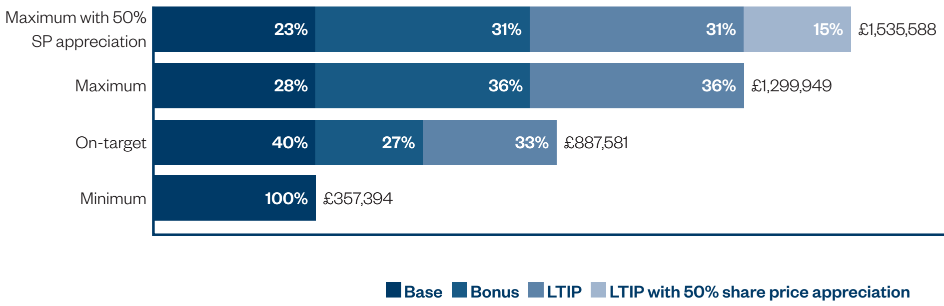
Dividend equivalents have not been added to LTIP share awards for the purpose of this illustration.

CEO



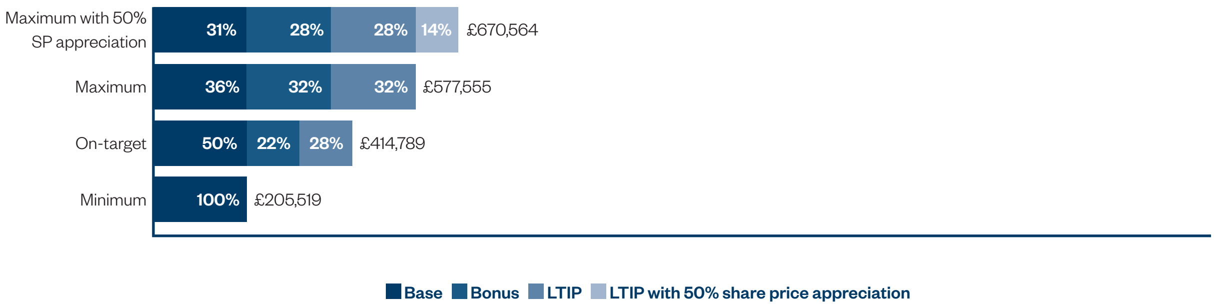
At minimum, variable remuneration is 0 per cent of base salary, at on-target, variable remuneration represents 169 per cent of base salary, and at maximum, variable remuneration represents 300 per cent of base salary. At maximum and accounting for a 50 per cent appreciation in share price, variable remuneration represents 375 percent of base salary.

CFO



At minimum, variable remuneration is 0 per cent of base salary, at on-target, variable remuneration represents 169 per cent of base salary, and at maximum, variable remuneration represents 300 per cent of base salary. At maximum and accounting for a 50 per cent appreciation in share price, variable remuneration represents 375 percent of base salary.

CPO



At minimum, variable remuneration is 0 per cent of base salary, at on-target, variable remuneration represents 113 per cent of base salary, and at maximum, variable remuneration represents 200 per cent of base salary. At maximum and accounting for a 50 per cent appreciation in share price, variable remuneration represents 250 percent of base salary.

Payment for loss of office

The Committee will honour Executive Directors' contractual entitlements. Service contracts do not contain liquidated damages clauses. If a contract is to be terminated, the Committee will determine such mitigation as it considers fair and reasonable in each case. There are no contractual arrangements that would guarantee a pension with limited or no abatement on severance or early retirement. There is no agreement between the Company and its Executive Directors or employees providing for compensation for loss of office or employment that occurs because of a takeover bid. The Committee reserves the right to make additional payments where such payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation); or by way of settlement or compromise of any claim arising in connection with the termination of an Executive Director's office or employment. When determining any loss of office payment for a departing individual, the Committee will always seek to minimise cost to the Company whilst seeking to address the circumstances at the time.

Remuneration element	Treatment on exit
Salary, benefits and pension	Salary, benefits and pension will normally be paid over the notice period. The Company has discretion to make a lump sum payment on termination equal to the salary, value of benefits and value of Company pension contributions payable during the notice period. In all cases, the Company will seek to mitigate any payments due.
Annual bonus plan	The payment of a bonus will be at the discretion of the Committee on an individual basis and will be dependent on a number of factors, including the circumstances of the Executive Director's departure and contribution to the business during the year. Unless the Committee determines otherwise, any bonus payment will be paid at the usual time following the determination of performance metrics and be subject to a pro-rata reduction for time served during the performance period. Any bonus earned for the year of departure and, if relevant, for the prior year, may be paid wholly in cash at the discretion of the Committee.
Deferred bonus awards	The extent to which any unvested awards will vest will be determined in accordance with the DBP rules. If an Executive Director departs for any reason (other than dismissal for gross misconduct) during the deferral period, their award will ordinarily continue to vest at the normal vesting date. In exceptional circumstances, the Committee may decide that the Executive Director's award will vest at the date of cessation of employment.
LTIP	The extent to which any unvested awards will vest will be determined in accordance with the LTIP rules. Unvested awards will normally lapse on cessation of employment. However, if an Executive Director departs as a 'good leaver', then unvested awards will remain capable of vesting at the normal vesting date. In exceptional circumstances, the Committee may decide that the Executive Director's awards will vest at the date of cessation of employment or some other time. In either case, vesting depends on the extent to which the performance metrics have been satisfied and a pro-rata reduction of the awards will be applied by reference to the time of cessation (although the Committee has discretion to disapply time prorating if the circumstances warrant it). The post-vesting holding period for LTIP awards will continue to apply unless the Committee, in exceptional circumstances, determines otherwise. 'Good leavers' includes cessation of employment by reason of: death; injury, ill health or disability; redundancy; retirement; a sale of their employer or business in which they were employed; or any other reason at the discretion of the Committee.
Other payments	In appropriate circumstances, payments may also be made in respect of items such as accrued holiday, outplacement and legal fees. The terms applying to awards under the SIP and Sharesave Scheme on cessation of employment will be determined in accordance with the SIP and Sharesave Scheme rules.

Change of control

The policy on the vesting of incentives on a change of control is summarised below:

Name of incentive plan	Change of control
Annual bonus plan	Bonus payments will be determined having regard to the extent to which performance metrics are satisfied at the date of the change of control and, unless the Committee determines otherwise, payments will be pro-rated for time. The Committee has discretion to continue the operation of the bonus plan to the end of the financial year.
Deferred bonus awards	Deferred bonus awards will vest in full in the event of a change of control.
LTIP	LTIP awards will normally vest early in the event of a change of control. The level of vesting will be determined having regard to the extent to which performance metrics are satisfied at the date of the change of control and, unless the Committee determines otherwise, awards will be pro-rated for time.

Legacy arrangements

The Committee retains discretion to make any remuneration payment outside of Policy:

- where the terms of the payment were agreed before the Policy came into effect;
- where the terms of the payment were agreed at a time when the relevant individual was not a Director of the Company, and in the opinion of the Committee, the payment was not in consideration of the individual becoming a Director of the Company; or
- to satisfy contractual arrangements under legacy remuneration arrangements.

For these purposes, 'payments' include the satisfaction of variable remuneration and, in relation to an award over shares, the terms of the payment are 'agreed' no later than the time the award is granted.

Consideration of conditions elsewhere in the Company

The Committee considers pay and employment conditions across the Company when reviewing the remuneration of the Executive Directors and other senior employees. In particular, the Committee considers the range of base pay increases across the Group, further detail of which is set out in the Remuneration Committee Chair's letter.

The Committee supports the Board's initiative to ensure employee views and concerns are taken into account in its decision making and has a clear understanding of pay and benefits at all team member levels in the Group. This includes decisions relating to the remuneration arrangements for senior management, the Executive Directors and centre managers.

Consideration of shareholder views

The Committee considers shareholder feedback received in relation to the AGM each year and guidance from shareholder representative bodies more generally.

As disclosed in the Remuneration Committee Chair's letter, the views of our major shareholders were sought on proposed amendments to the Policy and its implementation for FY2025.

Single total figure of remuneration (audited)

Executive Directors (audited)

The table below sets out the single total figure of remuneration and breakdown for each Executive Director in respect of FY2024. Comparative figures for FY2023 have been provided. Figures provided have been calculated in accordance with the UK disclosure requirements.

Name		Salary £'000	Benefits[1] £'000	Pension £'000	Bonus £'000	LTIP £'000[2,3]	Total £'000	Total fixed pay £'000	Total variable pay £'000
Stephen Burns	**2024**	**465.4**	**27.6**	**23.3**	**465.4**	**574.8**	**1,556.5**	**516.3**	**1,040.2**
	2023	443.2	29.6	22.5	443.2	586.2	1,524.7	495.3	1,029.4
Laurence Keen	**2024**	**305.0**	**27.5**	**15.3**	**305.0**	**373.2**	**1,026.0**	**347.8**	**678.2**
	2023	290.5	27.4	14.5	290.5	380.6	1,003.5	332.4	671.1
Melanie Dickinson	**2024**	**180.6**	**10.2**	**9.0**	**180.6**	**223.1**	**603.5**	**199.8**	**403.7**
	2023	172.0	7.8	8.6	172.0	205.5	565.9	188.4	377.5

1 Benefits include private medical insurance and car allowance, and the intrinsic value of SAYE awards granted in the year.

2 The 2023 LTIP figures were calculated based on the three-month average share price to the end of FY2023, plus the value of dividend equivalents for the period from the 2021 LTIP grant to 30 September 2023. The 2023 LTIP figure in the table above has therefore been adjusted to reflect the actual share price of 321 pence (being the closing share price on the vesting date of 22 July 2024), and the value of dividend equivalents up to that date. The share price was 237 pence at the grant date of 22 July 2021 and the share price therefore increased by 84 pence over the vesting period. The proportion of value disclosed in the above table attributable to share price appreciation is 26.2 per cent. The Remuneration Committee did not exercise discretion in respect of the share price appreciation.

3 The 2024 LTIP figures were calculated based on the three-month average share price to 30 September 2024 (317.4 pence), plus the value of dividend equivalents for the period from the 2022 LTIP grant to 30 September 2024. See page 120 for the amount attributable to share price appreciation. The actual value that vests, based on the closing price on the vesting date, will be disclosed in next year's Annual Report.

Non-Executive Directors (audited)

The table below sets out the single total figure of remuneration and breakdown for each Non-Executive Director:

	2024			2023		
Name	Fees £'000	Taxable benefits £'000	Total £'000	Fees £'000	Taxable benefits £'000	Total £'000
Peter Boddy – Chairman	**148.8**	—	**148.8**	141.7	—	141.7
Rachel Addison[1]	**61.1**	—	**61.1**	4.2	—	4.2
Nick Backhouse[2]	**19.5**	—	**19.5**	55.9	—	55.9
Julia Porter	**53.5**	—	**53.5**	50.9	—	50.9
Ivan Schofield	**53.5**	—	**53.5**	50.9	—	50.9

1 Rachel Addison was appointed as a Director with effect from 1 September 2023.

2 Nick Backhouse stepped down as a Director with effect from the AGM on 29 January 2024. Therefore, only his remuneration to that date is shown in the table above.

Bonus awards (audited)

Each of the Executive Directors was eligible to earn a bonus in respect of FY2024 of up to 100 per cent of base salary. 80 per cent of the award was based on Group adjusted EBITDA pre-IFRS 16 targets, with the remaining 20 per cent split equally between the non-financial key performance indicators of customer satisfaction (measured based on Group Overall Blended Index (OBI)) scores for the year, and the percentage of waste sent to recycling (both of which are structured in the same way as for the wider employee population). Details of the measures, and performance against them, is set out in the table below:

		Performance targets					
Metric	Weighting	Threshold (25% of max.)	On target (50% of max.)	Maximum	Actual	% vesting	% of max bonus opportunity
Group adjusted EBITDA pre-IFRS 16	**80%**	**£58.27m**	**£61.33m**	**£64.40m**	£67.7m	100%	80%
Average Group OBI	**10%**	—	—	**62%**	64.6%	100%	10%
Waste recycling	**10%**	—	—	**75%**	82.9%	100%	10%
Total						100%	100%

The Committee considers that the Group adjusted EBITDA pre-IFRS targets were set at stretching levels taking into account the business plan and market conditions at the time the targets.

The constituent measures of the average Group OBI target for FY2024 comprised overall satisfaction (OSAT), mystery shop scores (CEP) and cleaning satisfaction (CSAT), with CSAT replacing the net promoter score (NPS) measure from the FY2023 OBI measure. As the CSAT target was a lower percentage than the FY2023 NPS target, the OBI target of 62 per cent was lower than the 66 per cent target for FY2023 but was considered by the Committee to be appropriately stretching and reflective of the average customer satisfaction targets applied to centre management bonus schemes.

Bonus awards (audited) continued

The Committee committed to reviewing the level of payout in the context of wider Group performance and the shareholder and wider stakeholder experience. As set out in the annual statement from the Remuneration Committee Chair, the Committee is comfortable that the formulaic outcome is fair and appropriate in this wider context.

As a result, total bonuses awarded to the Executive Directors in respect of FY2024 and reflected in the single figure of remuneration table above were £465,423 to Stephen Burns, £305,034 to Laurence Keen and £180,600 to Melanie Dickinson.

Long-Term Incentive Plan vesting of 2022 awards

The LTIP values included in the single total figure of remuneration table for FY2024 relate to the FY2022 LTIP award. Awards with a face value of 100 per cent of salary were granted to the Executive Directors on 4 February 2022 and, following a three-year performance period ending on 30 September 2024, are due to vest on 4 February 2025. The performance targets, actual performance and outturn are set out in the table below:

Measure	Description	Weighting	Threshold	Target	Max.	Actual performance	Vesting percentage against measure	Vesting percentage of maximum opportunity
Adjusted EPS[1,2]	Adjusted EPS for the final year of the performance period – FY2024	70%	14.65p (25% payout)	15.42p (62.5% payout)	16.19p (100% payout)	18.82p	100%	70%
Return on centre invested capital	20% return on all centre invested capital (refurbs and new centres, excluding maintenance)	10%	N/A		20% return (100% payout)	38.5%	100%	10%
UK emissions ratio for Scope 1 and Scope 2	UK intensity ratio (IR) of under 50	10%	N/A		IR under 100 (100% payout)	56.3	100%	10%
UK team member development	5% of UK team members progressed through internal development programmes	10%	N/A		5% (100% payout)	11.0%	100%	10%
							Total % vesting	100%

1 Adjusted EPS is defined as stated in the Group's accounts and is subject to such adjustments as the Board, in its discretion, determines are fair and reasonable.

2 Vesting on a straight-line basis between threshold and target, and target and max performance.

No discretion was used by the Remuneration Committee, as the outcome is considered appropriate in the context of overall business performance, further detail of which is set out in the Annual Statement from the Remuneration Committee Chair.

The table below shows the number of shares vesting based on the outturn shown above, and the value of dividend equivalents for dividends paid in the period between grant of the awards and 30 September 2024.

Director	Position	2022 LTIP award	Overall vesting %	Number of share awards to vest	Value of vested shares[1]	Value of dividend equivalents[2]	Total value (shown in single figure Table	Value attributable to share price appreciation[3]
Stephen Burns	Chief Executive Officer	164,015	100%	164,015	£520,621	£54,207	£574,828	£108,250
Laurence Keen	Chief Financial Officer	106,503	100%	106,503	£338,065	£35,199	£373,264	£70,292
Melanie Dickinson	Chief People Officer	63,643	100%	63,643	£202,018	£21,034	£223,052	£42,004

1 Calculated based on the three-month average share price to 30 September 2024 (317.4 pence).

2 The actual value of dividend equivalents is an estimate and will be finalised at vesting, taking into account any dividends declared between 30 September 2024 and the vesting date.

3 The share price was 251.4 pence at the grant date of 4 February 2022 and the share price therefore increased by 66.0 pence since the grant date. The proportion of value shown in the single figure table attributable to share price appreciation is 20.8 per cent. The Remuneration Committee did not exercise discretion in respect of the share price appreciation.

Long-term incentives awarded in FY2024 (audited)

Awards were made under the LTIP scheme on 30 January 2024. The following share awards were granted in the form of nil-cost options in accordance with the Remuneration Policy:

Director	Position	Basis of award	Face value	Number of share awards granted	Performance period
Stephen Burns	Chief Executive Officer	150% of salary	£698,133	238,362	01/10/2023 to 30/09/2026
Laurence Keen	Chief Financial Officer	150% of salary	£457,549	156,220	01/10/2023 to 30/09/2026
Melanie Dickinson	Chief People Officer	100% of salary	£180,597	61,661	01/10/2023 to 30/09/2026

A five-day average share price prior to grant of 292.8 pence was used to calculate the number of awards granted.

The following performance targets, which were disclosed in the Directors' remuneration report last year, apply to the FY2024 LTIP awards. Vesting for all measures occurs on a straight-line basis between threshold and target, and target and maximum performance:

Measure	Description	Weighting	Threshold	Target	Max.
Adjusted EPS[1]	Adjusted EPS for the final year of the performance period – FY2026	70%	23.10 pence (25% payout)	24.32 pence (62.5% payout)	25.54 pence (100% payout)
Return on centre invested capital	20% return on all centre invested capital (refurbs and new centres)	10%	18% return (50% payout)	20% return (75% payout)	22% return (100% payout)
UK emissions ratio for Scope 1 and Scope 2	UK intensity ratio (IR) of under 100	10%	IR at 55 (50% payout)	IR under 52 (75% payout)	IR under 50 (100% payout)
UK team member development	5% of UK team members progressed through internal development programmes	10%	4% (50% payout)	5% (75% payout)	6% (100% payout)

1 Adjusted EPS is defined as stated in the Group's accounts and is subject to such adjustments as the Board, in its discretion, determines are fair and reasonable.

Payments to past Directors (audited)

No payments were made to past Directors in the year under review.

Payments for loss of office (audited)

No payments were made for loss of office in the year under review.

Statement of Directors' shareholdings and share interests (audited)

The number of shares of the Company in which current Directors had a beneficial interest, and details of long-term incentive interests as at 30 September 2024, are set out in the table below:

	Outstanding scheme interests 30 September 2024				Beneficially owned shares[3]		
	Unvested LTIP interests subject to performance conditions	Scheme interests not subject to performance measures[1]	Vested but unexercised scheme interests[2]	Total shares subject to outstanding scheme interests	As at 1 October 2023	As at 30 September 2024	Total of all scheme interests and shareholdings at 30 September 2024
Executive Directors							
Stephen Burns	**658,202**	**4,373**	—	**662,575**	3,175,049	**3,105,709**	**3,768,284**
Laurence Keen	**430,388**	**4,343**	—	**434,731**	1,368,348	**1,323,322**	**1,758,053**
Melanie Dickinson	**191,483**	**4,120**	—	**195,603**	464,591	**440,276**	**635,879**
Non-Executive Directors							
Peter Boddy	—	—	—	—	874,839	**539,839**	**539,839**
Rachel Addison	—	—	—	—	—	—	—
Julia Porter	—	—	—	—	—	—	—
Ivan Schofield	—	—	—	—	166,691	**86,691**	**86,691**
Nick Backhouse[4]	—	—	—	—	18,784	—	—

1 Sharesave awards that have not vested.

2 LTIP awards that have vested but remain unexercised.

3 Share interests of Stephen Burns, Laurence Keen, Peter Boddy and Ivan Schofield include shares held by their connected persons.

4 Stepped down as a Director with effect from 30 January 2023.

As at 16 December 2024 Peter Boddy had increased his shareholding to 639,839 through the purchase of 100,000 shares. This transaction was announced on 13 November 2024.

The Company has not been advised of any other changes to the interests of any Directors and their connected persons as set out in the table above.

Directors' share ownership guidelines

Shareholding requirements in operation at the Company are currently 200 per cent of base salary. Non-Executive Directors are not subject to a shareholding requirement.

Director	Shareholding requirement (percentage of salary)	Current shareholding (percentage of salary)[1]	Beneficially owned shares held as at 30 September 2024	Shareholding requirement met?
Stephen Burns	200%	2,069%	3,105,709	Yes
Laurence Keen	200%	1,345%	1,323,322	Yes
Melanie Dickinson	200%	756%	440,276	Yes

1 The share price of 310.0 pence as at 30 September 2024 has been used to calculate the current shareholding as a percentage of salary. Unvested LTIP shares and options do not count towards satisfaction of the shareholding guidelines.

Executive Directors' share plan interest movements during FY2024 (audited)

The tables below set out the Executive Directors' interests in the LTIP scheme and the Sharesave scheme.

Awards under the Sharesave scheme are not subject to any performance conditions (other than continued employment on the vesting date). The LTIP awards are subject to performance conditions as set out in the table on page 121.

Face values for LTIP awards are calculated by multiplying the number of shares granted during FY2024 by the average share price for the five business days preceding the awards. Face value for the Sharesave scheme is calculated by reference to the exercise price of options granted.

	Date of award	Vesting, exercise or release date[1]	No. of shares/ awards held as at 1 October 2023	Awarded[2]	Exercised/ vested	Lapsed	No. of shares/ awards held as at 30 September 2024	Grant/award price in pence (exercise price for Sharesave)
Stephen Burns								
LTIP	22/07/2021	22/07/2024	165,696	16,922	182,618	—	—	—
	04/02/2022	04/02/2025	164,015	—	—	—	164,015	—
	31/01/2023	31/01/2026	255,825	—	—	—	255,825	—
	30/01/2024	30/01/2027	—	238,362	—	—	238,362	292.9
Sharesave	08/02/2022	01/02/2025	1,265	—	—	—	1,265	—
	08/02/2023	01/02/2026	1,481	—	—	—	1,481	—
	09/02/2024	01/02/2027	—	1,627	—	—	1,627	285.0
Laurence Keen								
LTIP	22/07/2021	22/07/2024	107,594	10,988	118,582	—	—	—
	04/02/2022	04/02/2025	106,503	—	—	—	106,503	—
	31/01/2023	31/01/2026	167,665	—	—	—	167,665	—
	30/01/2024	30/01/2027	—	156,220	—	—	156,220	292.9
Sharesave	08/02/2022	01/02/2025	1,265	—	—	—	1,265	—
	08/02/2023	01/02/2026	1,777	—	—	—	1,777	—
	09/02/2024	01/02/2027	—	1,301	—	—	1,301	285.0
Melanie Dickinson								
LTIP	22/07/2021	22/07/2024	58,101	5,933	64,034	—	—	—
	04/02/2022	04/02/2025	63,643	—	—	—	63,643	—
	31/01/2023	31/01/2026	66,179	—	—	—	66,179	—
	30/01/2024	30/01/2027	—	61,661	—	—	61,661	292.9
Sharesave	08/02/2022	01/02/2025	1,898	—	—	—	1,898	—
	08/02/2023	01/02/2026	2,222	—	—	—	2,222	—
	09/02/2024	01/02/2027	—	1,301	—	—	1,301	285.0

1 LTIP awards are subject to a post-vesting holding period pursuant to which the shares acquired on exercise (other than any shares sold to satisfy any tax or national insurance liability) must be retained for a period of two years following the vesting date.

2 Either LTIPs awarded in the period, or the number of dividend equivalent shares on LTIPs vested in the period.

As noted on page 120, the performance targets for the LTIP award granted in FY2022 have been met in full. The awards will vest in February 2025. The targets that apply to the award granted in FY2024 are shown on page 121.

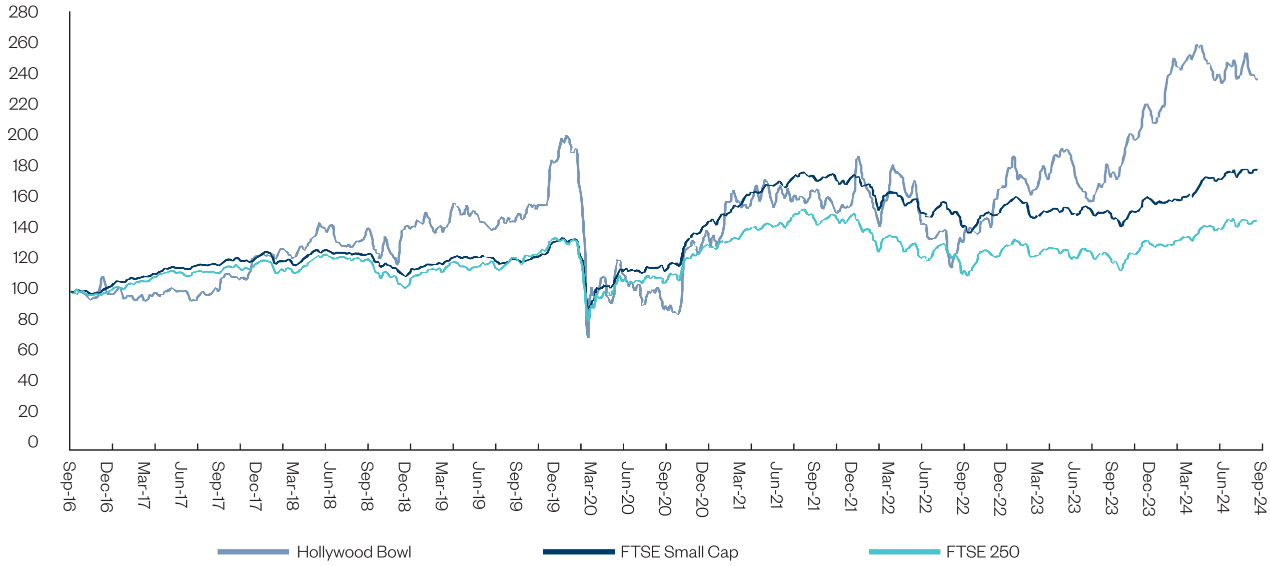
Chief Executive Officer historical remuneration

The table below sets out the total remuneration delivered to the Chief Executive Officer over the last eight years since IPO, valued using the methodology applied to the single total figure of remuneration:

Chief Executive Officer	2024	2023	2022	2021	2020	2019	2018	2017
Total single figure (£'000)	**1,556.5**	1,524.7	1,225.9	414.8	623.2	1,061.1	536.1	514.6
Annual bonus payment level achieved (percentage of maximum opportunity)	**100%**	100%	100%	0%	0%	74.3%	68.1%	100%
LTIP vesting level achieved (percentage of maximum opportunity)	**100%**	100%	100%	0%	81%	100%	N/A	N/A

Performance graph

The graph below shows the total shareholder return (TSR) performance of an investment of £100 in Hollywood Bowl Group plc's shares from its listing in September 2016 to the end of the year under review, compared with £100 invested in the FTSE Small Cap Index and FTSE 250 Index over the same period. The FTSE Small Cap Index and FTSE 250 Index were chosen as comparators because they represent broad equity market indices, both of which the Company was a constituent of during FY2024.



Governance report

Change in remuneration of Directors compared to Group employees

The table below sets out the percentage change in salary, taxable benefits and annual bonus set out in the single figure of remuneration tables (on page 119) paid to each Director in respect of FY2021, FY2022, FY2023 and FY2024, compared to that of the average change for employees in the Group as a whole.

		Executive Directors			Non-Executive Directors					
		Stephen Burns	Laurence Keen	Melanie Dickinson	Peter Boddy	Rachel Addison	Julia Porter	Ivan Schofield	Nick Backhouse (until 30.01.24)	All Group employees[1]
Salary/fees (% Change)	FY2023–FY2024	5.0	5.0	5.0	5.0	5.0	5.0	5.0	N/A	9.6
	FY2022–FY2023	7.5	8.5	13.6	4.7	N/A	N/A	6.5	4.3	7.4
	FY2021–FY2022	5.0	5.3	—	11.3	N/A	N/A	11.3	11.1	10.9
	FY2020–FY2021	0.2	0.2	—	(1.6)	N/A	N/A	(1.6)	(1.6)	4.2
Taxable benefits (% Change)	FY2023–FY2024	(6.6)	0.5	35.2	N/A	N/A	N/A	N/A	N/A	(6.2)
	FY2022–FY2023	(1.7)	(1.7)	38.2	N/A	N/A	N/A	N/A	N/A	50.5
	FY2021–FY2022	1,100	1,074	—	N/A	N/A	N/A	N/A	N/A	(25.0)
	FY2020–FY2021	(9.1)	(2.4)	—	N/A	N/A	N/A	N/A	N/A	(2.5)
Annual bonus (% Change)	FY2023–FY2024	5.0	5.0	5.0	N/A	N/A	N/A	N/A	N/A	(27.8)
	FY2022–FY2023	7.5	8.5	7.5	N/A	N/A	N/A	N/A	N/A	(28.2)
	FY2021–FY2022	100	100	—	N/A	N/A	N/A	N/A	N/A	392.4
	FY2020–FY2021	—	—	—	N/A	N/A	N/A	N/A	N/A	496.7

1 For FY2022 and FY2021 this reflects the change in average pay for all UK Group employees employed in both years. For FY2023 and FY2024 this reflects all UK Group employees employed during FY2023 and FY2024 respectively.

CEO pay ratio

The table below shows the ratio between the single total figure of remuneration of the CEO for FY2024 and the lower quartile, median and upper quartile pay of UK employees.

	Methodology	25th percentile ratio	50th percentile ratio	75th percentile ratio
Year ended 30 September 2024	Option A	73	71	59
Year ended 30 September 2023	Option A	72	69	55
Year ended 30 September 2022	Option A	68	63	41
Year ended 30 September 2021	Option A	27	25	22
Year ended 30 September 2020	Option A	50	44	38

Total UK employee pay and benefits figures used to calculate the CEO pay ratio

	25th percentile pay £'000	Median pay £'000	75th percentile pay £'000
Salary	20.8	21.0	24.8
Total employee pay and benefits	21.2	22.0	26.5

Notes

1 The Group has chosen the Option A methodology to prepare the CEO pay ratio calculation, as this is the most statistically robust method, and is in line with the general preference of institutional investors.

2 As ratios could be unduly impacted by joiners and leavers who may not participate in all remuneration arrangements in the year of joining and leaving, the Committee has excluded any employee not employed throughout the financial year.

3 Employee pay data is based on full-time equivalent (FTE) pay for UK employees as at 30 September 2024. For each employee, total pay is calculated in line with the single figure methodology (i.e. fixed pay accrued during the financial year and the value of performance-based incentive awards vesting in relation to the performance year). Leavers and joiners are excluded. Employees on maternity or other extended leave are included pro-rata for their FTE salary, benefits and short-term incentives. No other calculation adjustments or assumptions have been made.

4 CEO pay is per the single total figure of remuneration for 2024, as set out in the table on page 119.

Supporting information for the CEO pay ratio

The calculations used to determine these figures are reflective of the Group's pay proposition across the workforce, as all pay elements have been included to ensure equal comparisons.

The pay ratio has increased slightly this year primarily due to the majority of the CEO's package being linked to performance related pay with the LTIP value being linked to share price performance. There has been no trend over the 4 years being reported with the pay ratio increasing in some years and decreasing in others. The Committee believes that the pay ratio is consistent with the pay, reward, and progression policies for the UK employees taken as a whole.

Relative importance of the spend on pay

The table below sets out the relative importance of the spend on pay in FY2023 and FY2024 compared with other disbursements. All figures provided are taken from the relevant Company accounts.

	Disbursements from profit in FY2024 £m	Disbursements from profit in FY2023 £m	Percentage change
Profit distributed by way of dividend	26.18	25.34	3.3
Overall spend on pay including Executive Directors	59.4	55.6	6.8

Shareholder voting at general meetings

The following table shows the results of the advisory vote on the Directors' remuneration report at our 2024 AGM, and the binding vote on our current Remuneration Policy, at our 2022 AGM:

	Approval of the Directors' remuneration report (2024 AGM)		Approval of the Directors' Remuneration Policy (2022 AGM)	
	Total number of votes	% of votes cast	Total number of votes	% of votes cast
For (including discretionary)	118,517,947	83.43	143,669,643	98.09
Against	23,534,503	16.57	2,797,661	1.91
Votes withheld	6,592	N/A	1,351,869	N/A

External board appointments

Where Board approval is given for an Executive Director to accept an outside non-executive directorship, the individual is entitled to retain any fees received. Stephen Burns is Non-Executive Chairman of The Inn Collection for which he receives an annual fee of £75,000.

Composition and terms of reference of the Remuneration Committee

The Board has delegated to the Remuneration Committee, under the agreed terms of reference, responsibility for the Remuneration Policy and for determining specific remuneration packages for the Chairman, Executive Directors and such other senior employees of the Group as the Board may determine from time to time. The terms of reference for the Remuneration Committee were reviewed during the year, and are available on the Company's website, www.hollywoodbowlgroup.com, and from the Company Secretary at the registered office.

All members of the Remuneration Committee are Non-Executive Directors. The Remuneration Committee receives assistance from the Chairman, CEO, CFO, CPO and Company Secretary, who attend meetings by invitation, except when issues relating to their own remuneration are being discussed. The Remuneration Committee met five times during the year. All members attended each meeting.

Advisers to the Remuneration Committee

During the financial year, the Committee received advice from Deloitte on all aspects of the Remuneration Policy for the Executive Directors and members of the Executive team.

The Remuneration Committee is satisfied that the advice received from Deloitte during the year was objective and independent. Deloitte is a member of the Remuneration Consultants Group, with the voluntary code of conduct of that body designed to ensure that objective and independent advice is given to remuneration committees.

During the year to 30 September 2024, fees of £40,800 were paid to Deloitte for its advice to the Committee.

Other than in its role as remuneration adviser, Deloitte has no other connection with the Company or any individual Directors.

Implementation of Remuneration Policy in FY2025

Subject to shareholders approving the Remuneration Policy at the AGM on 30 January 2025, the intended implementation of the Policy in FY2025 is summarised below.

Salaries and fees

The Executive Director salaries, and Non-Executive Director fees, for FY2025 (effective from 1 October 2024) are set out below. The rationale for these increases is set out in the Annual Statement from the Remuneration Committee Chair.

	Salary		
Name	2025	2024	Percentage change
Stephen Burns	**£479,386**	£465,423	3.0%
Laurence Keen	**£314,185**	£305,034	3.0%
Melanie Dickinson	**£186,018**	£180,600	3.0%

The Board approved the increase of fees for the Non-Executive Directors by 3.0 per cent with effect from 1 October 2024. The Committee approved an increase to the Chairman's fee of 3.0 per cent, also with effect from 1 October 2024.

As set out in the Remuneration Policy to be submitted to shareholders for approval at the 2025 AGM, the Board has introduced an additional fee of £5,000 per annum payable to the Chair of the Audit Committee and Chair of the Remuneration Committee. Subject to shareholder approval at the AGM, these additional fees will be paid effective from 1 February 2025.

Chairman fee	£153,296
Senior Independent Director fee	£5,000
Base fee	£55,106
Chair of Audit Committee fee	£5,000
Chair of Corporate Responsibility Committee fee	£5,000
Chair of Remuneration Committee fee	£5,000

Benefits and pension

No changes are proposed to benefits or pension.

Annual bonus

The maximum bonus opportunity for the CEO and CFO will be 150 per cent of salary, and for the CPO 100 per cent of salary. Annual bonus outcomes will again be based on a scorecard of financial and non-financial performance targets which are aligned to the business strategy. The agreed measures and weightings for the FY2025 annual bonus are as follows:

Metric	Weighting
Group adjusted EBITDA pre-IFRS 16	70%
Customer satisfaction (measured based on Group Overall Blended Index)	10%
People Blended Index scorecard	10%
Safety scorecard	10%

The Remuneration Committee considers that the detailed performance targets for the FY2025 annual bonus awards are commercially sensitive and that disclosing precise targets for the annual bonus plan in advance would not be in shareholder interests. Actual targets, performance against them, and the resulting awards will be disclosed in the FY2025 Annual Report so that shareholders can fully assess the basis for any payouts under the annual bonus plan.

LTIP

Awards will be made in FY2025 under the LTIP. The LTIP awards for the Executive Directors will be as follows:

- CEO 150 per cent of salary;
- CFO 150 per cent of salary; and
- CPO 100 per cent of salary.

These awards will vest three years after grant and will be subject to a further two-year holding period.

The following performance targets will apply to the FY2025 LTIP awards, with vesting on a straight line basis between threshold and target, and target and maximum performance:

Measure	Description	Weighting	Threshold	Target	Max
Adjusted EPS[1]	Adjusted EPS for the final year of the performance period – FY2027	70%	24.78 pence (25% payout)	26.08 pence (62.5% payout)	27.39 pence (100% payout)
Relative total shareholder return (TSR)	Percentage change in share price plus the value of dividends invested on the ex-dividend date over the performance period compared with the constituents of the FTSE 250 (excluding investment trusts)	10%	Ranked at median based on TSR performance (25% payout)	N/A	Ranked at or above upper quartile based on TSR performance (100% payout)
Return on centre invested capital	Return on all centre invested capital (refurbs and new centres), excluding maintenance	10%	18% return (25% payout)	20% return (62.5% payout)	22% return (100% payout)
Emissions ratio for Scope 1 and Scope 2	Intensity ratio (IR) of under 100	10%	IR at 67 (25% payout)	IR under 65 (62.5% payout)	IR under 60 (100% payout)

1 Adjusted EPS is defined as stated in the Group's accounts and is subject to such adjustments as the Board, in its discretion, determines are fair and reasonable.

The Committee believes these targets to be stretching in the context of the business plan, analyst consensus forecasts and the wider economic environment.

On behalf of the Board

Julia Porter

Remuneration Committee Chair

16 December 2024

The Directors present their report for the year ended 30 September 2024.

Additional information which is incorporated by reference into this Directors' Report, including information required in accordance with the Companies Act 2006 and the UKLR 6.6.1 of the Financial Conduct Authority's UK Listing Rules, can be located as follows:

Disclosure	Location
Future business developments	Strategic report – pages 2 to 47
Greenhouse gas emissions	Sustainability – page 56 to 59
People, culture and employee engagement	Sustainability – pages 26 to 27 and 52 to 53
Financial risk management objectives and policies (including hedging policy and use of financial instruments)	Note 30 to the Financial Statements – pages 169 and 170
Exposure to price risk, credit risk, liquidity risk and cash flow risk	Details can be found on pages 74 to 80 of the Strategic report and note 30 to the Financial Statements
Statement of compliance with 2018 UK Corporate Governance Code	Corporate Governance report page 86
Details of long-term incentive schemes	Annual report on remuneration – pages 119 to 127
Directors' responsibilities statement	Page 131
Directors' interests	Details can be found on pages 121 and 122 of the Annual Report on Remuneration
s172 Statement	Details can be found on pages 44 to 47 of the Strategic report
Stakeholder engagement in key decisions	Details can be found on pages 44 to 47

Directors

The Directors of the Company who held office during the year and subsequent to the year end are:

Peter Boddy	(Chair)
Stephen Burns	(Chief Executive Officer)
Laurence Keen	(Chief Financial Officer)
Melanie Dickinson	(Chief People Officer)
Rachel Addison	(Non-Executive Director)
Nick Backhouse	(Senior Independent Director) (stepped down at the AGM in January 2024)
Julia Porter	(Non-Executive Director)
Ivan Schofield	(Non-Executive Director)

The roles and biographies of the Directors in office as at the date of this report are set out on pages 84 and 85. Darren Shapland was appointed a Non-Executive Director and Chair Designate on 1 December 2024. There have been no other changes to the Directors between the year end and the date of this report. The appointment and replacement of Directors is governed by the Company's Articles of Association (as detailed below), the UK Corporate Governance Code and the Companies Act 2006.

Articles of Association

The rules governing the appointment and replacement of Directors are set out in the Company's Articles of Association. The Articles of Association may be amended by a special resolution of the Company's shareholders. A copy of the Articles of Association can be found on the Company's website: www.hollywoodbowlgroup.com/investors/corporate-governance.

Results and dividend

The results for the year are set out in the Consolidated income statement on page 128. The Directors recommend the payment of a final dividend of 8.08 pence per share on 21 February 2025 (with a record date of 31 January 2025) subject to approval at the AGM on 30 January 2025.

Share capital

Details of the Company's share capital, including changes during the year, are set out in note 23 to the Financial Statements. As at 30 September 2024, the Company's share capital consisted of 172,083,853 ordinary shares of one pence each.

Ordinary shareholders are entitled to receive notice of, and to attend and speak at, any general meeting of the Company. On a show of hands, every shareholder present in person or by proxy (or being a corporation represented by a duly authorised representative) shall have one vote, and on a poll every shareholder who is present in person or by proxy shall have one vote for every share of which he or she is the holder. The Notice of Annual General Meeting specifies deadlines for exercising voting rights and appointing a proxy or proxies.

Other than the general provisions of the Articles of Association (and prevailing legislation), there are no specific restrictions on the size of a holding or on the transfer of the ordinary shares.

The Directors are not aware of any agreements between holders of the Company's shares that may result in the restriction of the transfer of securities or of voting rights. No shareholder holds securities carrying any special rights or control over the Company's share capital. Shares held by the Company's Employee Benefit Trust rank pari passu with the shares in issue and have no special rights, but voting rights and rights of acceptance of any offer relating to the shares rest with the plan's Trustees and are not exercisable by employees.

Authority for the Company to purchase its own shares and share buyback programme

Subject to authorisation by shareholder resolution, the Company may purchase its own shares in accordance with the Companies Act 2006. Any shares which have been bought back may be held as treasury shares or cancelled immediately upon completion of the purchase.

At the Company's AGM held on 29 January 2024, the Company was generally and unconditionally authorised by its shareholders to make market purchases (within the meaning of section 693 of the Companies Act 2006) of up to a maximum of 17,171,236 of its ordinary shares. During the year, and pursuant to the £10m Share Buyback Programme announced on 5 February 2024, the Company bought back and cancelled a total 128,214 (with a nominal value of £1,282) of its ordinary shares at a cost of £375,000 under this authority. Accordingly the Company has an unexpired authority to purchase up to 17,043,022 ordinary shares with a nominal value of £170,430.22.

Directors' interests

The number of ordinary shares of the Company in which the Directors were beneficially interested as at 30 September 2024 are set out in the Annual Report on Remuneration on page 122.

Directors' indemnities

The Company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for Directors and officers of the Company and the Group in respect of liabilities they may incur in the discharge of their duties or in the exercise of their powers.

Directors' and officers' liability insurance

Directors' and officers' liability insurance cover is maintained by the Company and is in place in respect of all the Company's Directors at the date of this report. The Company reviews its level of cover on an annual basis.

Compensation for loss of office

The Company does not have any agreements with any Executive Director or employee that would provide compensation for loss of office or employment resulting from a takeover except that provisions of the Company share schemes may cause options and awards outstanding under such schemes to vest on a takeover. Further information is provided in the Directors' Remuneration Policy set out on page 117.

Significant interests

The table below shows the interests in shares (whether directly or indirectly held) notified to the Company in accordance with the Disclosure Guidance and Transparency Rules as at 30 September 2024 and 16 December 2024 (being the latest practicable date prior to publication of the Annual Report):

	At 30 September 2024		At 16 December 2024	
Name of shareholder	Number of ordinary shares of 1 pence each held	Percentage of total voting rights held	Number of ordinary shares of 1 pence each held	Percentage of total voting rights held
Aggregate of abrdn plc affiliated investment management entities with delegated voting rights on behalf of multiple managed portfolios	23,830,585	13.88%	23,830,585	13.88%
Slater Investments Limited	9,897,058	5.75%	8,384,451	4.87%
Schroders plc	9,092,419	5.28%	9,092,419	5.28%
JP Morgan Asset Management Holdings Inc.	8,732,438	5.07%	8,732,438	5.07%
Ameriprise Financial, Inc. and its group (Columbia Threadneedle)	8,611,524	5.00%	8,546,984	4.97%
AXA Investment Managers	8,515,529	4.95%	8,515,529	4.95%
Invesco Ltd	8,134,709	4.73%	8,134,709	4.73%

Employee involvement and policy regarding disabled persons

The Group actively encourages employee involvement and consultation and places emphasis on keeping its employees informed of the Group's activities and financial performance by such means as employee briefings and publication (via the Group's intranet) to all staff of relevant information and corporate announcements. The Group also publishes a weekly staff bulletin. Regular updates on team member engagement activity are provided to the Board by the Chief Executive Officer, Chief People Officer and Chief Operating Officer. These included feedback from regular team member engagement sessions, operational training and induction sessions. Further information about employees, including how they are incentivised, can be found in the Sustainability section on pages 50 and 51.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of a member of staff becoming disabled, every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of a disabled member of staff should, as far as possible, be identical to that of other employees.

Branches outside the UK

The Company has 13 centres outside of the UK, in Canada as at 30 September 2024.

Political donations

The Company did not make any political donations during the current or prior year.

Change of control – significant agreements

There are a number of agreements that may take effect after, or terminate upon, a change of control of the Company, such as commercial contracts, bank loan agreements and property lease arrangements. None of these are considered to be significant in terms of their likely impact on the business as a whole.

Audit information

Each of the Directors at the date of the approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the reasonable steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of the information.

The confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Auditor

KPMG has indicated its willingness to continue in office and a resolution seeking to reappoint KPMG will be proposed at the forthcoming AGM.

Annual General Meeting

The 2025 AGM of the Company will be held on 30 January 2025 at 9.30am. The notice convening the meeting, together with details of the business to be considered and explanatory notes for each resolution, will be published separately and will be available on the Company's website and distributed to shareholders who have elected to receive hard copies of shareholder information.

The Strategic report on pages 2 to 77, the Corporate governance report on pages 82 to 127 and this Directors' Report have been drawn up and presented in accordance with, and in reliance upon, applicable English company law and any liability of the Directors in connection with these reports shall be subject to the limitations and restrictions provided by such law.

By order of the Board

Laurence Keen
Chief Financial Officer
16 December 2024

The Directors are responsible for preparing the Annual Report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law and have elected to prepare the parent Company financial statements in accordance with UK accounting standards and applicable law, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, and reliable and, in respect of the parent Company financial statements only, prudent;
- for the Group Financial Statements, state whether they have been prepared in accordance with UK-adopted international accounting standards;
- for the Parent Company Financial Statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Parent Company Financial Statements;
- assess the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions, and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic report, Directors' report, Directors' remuneration report and corporate governance statement that comply with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with Disclosure Guidance and Transparency Rule ("DTR") 4.1.16R, the financial statements will form part of the annual financial report prepared under DTR 4.1.17R and 4.1.18R. The auditor's report on these financial statements provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

Responsibility statement of the Directors in respect of the annual financial report

We confirm that to the best of our knowledge:

- the Financial Statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- the Strategic report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

By order of the Board

Stephen Burns
Chief Executive Officer
16 December 2024

Laurence Keen
Chief Financial Officer
16 December 2024

Financial statements

KPMG

1. Our opinion is unmodified

We have audited the financial statements of Hollywood Bowl Group plc ("the Company") for the year ended 30 September 2024 which comprise the Consolidated income statement and statement of comprehensive income, Consolidated statement of financial position, Consolidated statement of changes in equity, Consolidated statement of cash flows, Company statement of financial position, Company statement of changes in equity, Company statement of cash flows, and the related notes, including the accounting policies in note 2.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 September 2024 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent Company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit committee.

We were first appointed as auditor by the directors on 2 June 2016. The period of total uninterrupted engagement is for the nine financial years ended 30 September 2024. We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

Overview

Materiality: group financial statements as a whole		£2.35m (2023: £2.2m) 4.9% (2023: 4.6%) of adjusted profit before tax
Coverage		93% (2023: 97%) of Group total profits and losses before tax
Key audit matters		**vs 2023**
Recurring risks	Valuation of property, plant and equipment and right of use assets relating to the golfing and combined-use centres	◀▶
	Recoverability of parent company investment in subsidiaries	◀▶

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters, in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

2. Key audit matters: our assessment of risks of material misstatement continued

	The risk	Our response
Valuation of property, plant and equipment and right of use assets relating to the golfing and combined-use centres Carrying amount of golfing and combined-use centres (the "centres") within property, plant and equipment of £3.156m (2023: £6.487m) and right of use assets of £8.125m (2023: £1.7m) with an impairment charge for the year Included within impairment charge: Impairment charge related to the centres of £2.808m for property, plant and equipment (2023: £1.633m) and £2.508m for right of use assets (2023: £1.277m). Refer to page 101 (Audit Committee Report), page 149 (accounting policy) and pages 153 and 159 (financial disclosures).	**Forecast based valuation:** The Group has significant property, plant and equipment (PPE), and right of use assets held on its consolidated balance sheet. The estimated recoverable amount of these assets is subjective due to the inherent uncertainty involved in forecasting and discounting future cash flows. The key assumptions used in the value in use ("VIU") calculations for estimating the recoverable amount are expected revenues and costs in the short-term cash flow forecasts, the long-term growth rate and the discount rate. The centres have performed below budget for three years resulting in impairment charges being recorded in the two previous years. In addition, future economic forecasts, characterised by high consumer price inflation, high interest rates and the consequent erosion of real disposable incomes, further increases the risk that the centres are impaired. We also identified a potential for management bias in relation to the impairment assessment and the estimated recoverable amount due to pressures to demonstrate value in the centres. The effect of these matters is that, as part of our risk assessment for audit planning purposes, we determined that the value in use of the centres had a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole. In conducting our final audit work, we reassessed the degree of estimation uncertainty to be less than that materiality. The financial statements (note 12) disclose the impairment charge recognised for the centres, along with the key assumptions applied in the impairment assessment.	We performed the detailed tests below rather than seek to rely on any of the group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. Our procedures included: • **Re-performance:** We re-performed the calculations that management performed in determining the VIU of each cash generating unit and compared data used in the model against source information, when applicable. • **Our experience:** For the centres where indications of impairment existed, we evaluated the assumptions used in the forecasts and plans by management, in particular those relating to EBITDA growth for the centres (revenue and costs). We also challenged management as to the achievability of their forecasts and business plan, taking into account the historical accuracy of previous forecasts, wider market factors (such as market expectation of the Group's performance) and other specific evidence to support the assumptions. • **Benchmarking assumptions:** We compared management's assumptions to externally derived data in relation to key assumptions such as revenue growth, long term growth rates, cost inflation and discount rates. • **Sensitivity analysis:** We performed sensitivity analysis to stress test the key assumptions noted above, being revenue growth, the long term growth rate, cost inflation and discount rates. • **Assessing disclosures:** We also assessed whether the Group's disclosures about the sensitivity of the outcome of the impairment assessment to changes in key assumptions reflected the risks inherent in the carrying amount of PPE and right of use assets in its centre cash generating units. We performed an assessment of whether an understatement of the impairment charge identified through these procedures was material. **Our results** We found the carrying amount of the property, plant and equipment and right of use assets of the centre cash generating units, and the related impairment charge, to be acceptable (2023: acceptable).

2. Key audit matters: our assessment of risks of material misstatement continued

	The risk	Our response
Recoverability of parent company's investment in subsidiaries Investments of £87.6m (2023: £69.7m) Refer to page 174 (accounting policy) and page 176 (financial disclosures).	**Low Risk – High value:** The carrying amount of the parent company investments in subsidiaries represent 52% (2023: 41%) of the parent company's total assets. Their recoverability is not at a high risk of significant misstatement or subject to significant judgement. However due to their materiality in the context of the parent company financial statements, this is considered to be the area that had the greatest effect on our overall parent company audit.	We performed the detailed tests below rather than seeking to rely on any of the group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described. Our procedures included: • **Tests of detail:** Comparing the carrying amount of investments to the net assets of the relevant subsidiaries included within the Group consolidation, to identify whether the net asset value, being an approximation of their minimum recoverable amount, was in excess of their carrying amount of investments and assessing whether those subsidiaries have historically been profit-making. • **Comparing valuations:** Where carrying amount of investments exceeded the net asset value of the relevant subsidiary, comparing the carrying amount of investments with the expected value of the business based on a value in use model for the subsidiary. **Our results** We found the Group's assessment of the recoverability of the parent company's investment in subsidiaries to be acceptable (2023: acceptable).

We continue to perform procedures over the valuation of acquisition-related intangible assets arising from the current year acquisitions in both Canada and the UK. However, following consideration of the quantum of the intangible assets being recognised and from our understanding obtained from prior year acquisitions, we have not assessed this as one of the most significant risks in our current year audit and, therefore, it is not separately identified in our report this year.

3. Our application of materiality and an overview of the scope of our audit

Materiality for the Group financial statements as a whole was set at £2.35m (2023: £2.2m), determined with reference to a benchmark of profit before tax adjusted for the items described below, of £5.3m, of which it represents 4.9% (2023: £2.2m determined with reference to adjusted profit before tax, of which it represents 4.6%). The item we adjusted for in 2024 was the impairment of property, plant and equipment and right of use assets disclosed in notes 12 and 13 respectively. Materiality for the parent company financial statements as a whole was set at £1.05m (2023: £1.1m), determined with reference to a benchmark of parent company total assets (2023: parent company total assets) of which it represents 0.62% (2023: 0.65%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality was set at 75% (2023: 75%) of materiality for the financial statements as a whole, which equates to £1.76m (2023: £1.65m) for the group and £0.787m (2023: £0.825m) for the parent company. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £117,500 (2023: £110,000), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the group's 10 reporting components (2023: 12) we subjected 3 to full scope audits for group purposes (2023: 2 to full scope audits for group purposes and 2 to specified risk-focused audit procedures).

The components within the scope of our work accounted for the percentages illustrated opposite.

The remaining 4% (2023: 3%) of total group revenue, 7% (2023: 4%) of total profits and losses that made up Group profit before tax and 5% (2023: 1%) of total group assets is represented by 7 (2023: 8) reporting components, none of which individually represented more than 4% (2023: 1%) of any of total group revenue, total profits and losses that made up Group profit before tax or total group assets. For these components, we performed analysis at an aggregated group level to re-examine our assessment that there were no significant risks of material misstatement within these.

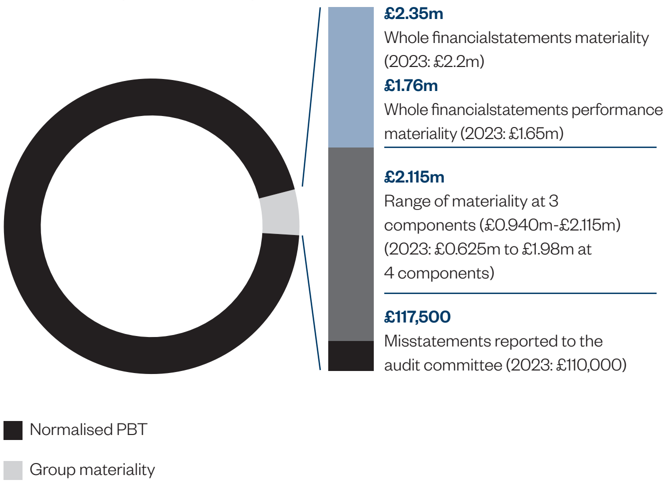
The Group team instructed component auditors as to the significant risk areas to be covered, including the relevant risks detailed above and the information to be reported back. The Group team approved the component materialities, which ranged from £0.94m to £2.115m, having regard to the mix of size and risk profile of the Group across the components.

The work on 1 of the 3 components (2023: 0 components) was performed by component auditors and the rest, including the audit of the parent Company, was performed by the Group team. The Group team performed procedures on the items excluded from Group adjusted profit before tax. The scope of the audit work performed was predominately substantive as we placed limited reliance upon the Group's internal control over financial reporting.

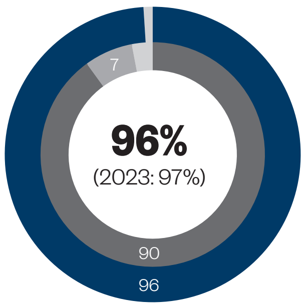
The Group team visited 1 component location in Canada to assess the audit risk and strategy. Video and telephone conference meetings were also held with this component auditor. At these visits and meetings, the findings reported to the Group team were discussed in more detail, and any further work required by the Group team was then performed by the component auditor.

Adjusted group profit before tax
£48.1m (2023: £47.7m)

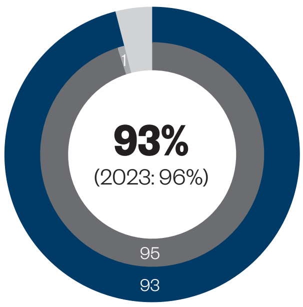
Group materiality
£2.35m (2023: £2.2m)



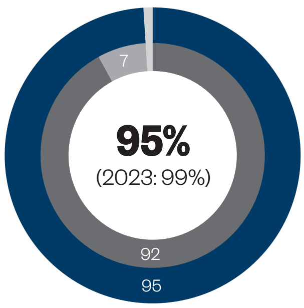
Group revenue



Group total profits and losses



Group total assets



- Full scope for group audit purposes 2024
- Full scope for group audit purposes 2023
- Specified risk-focused audit procedures 2023
- Residual components

4. The impact of climate change on our audit

In planning our audit, we have considered the potential impact of risks arising from climate change on the Group's business and its financial statements. The Group has set out its ambition for reducing the environmental impact of its operations, including increasing on site generation of renewable electricity and driving energy use efficiency throughout its operations. Further information is provided in the Group's Sustainability Overview on pages 48 to 63 and the Task Force and Climate-related Financial Disclosure Statement on pages 64 to 73.

Climate change risks could have an impact on the Group's business and operations, including changing customer behaviours, business interruption, introduction of costs of carbon taxes, transitioning to reduced energy usage and changing energy sources.

As part of our audit, we have made enquiries of management to understand the potential impact of climate change risk on the Group's financial statements and the Group's preparedness for this. We have performed a risk assessment of how the impact of climate change may affect the financial statements and our audit. There was no significant impact of this on our key audit matters. Based on the procedures performed, we did not identify any significant risk of climate change having a material impact on the Group's accounting estimates in this period.

We have also read the Group's disclosures of climate related information in the front half of the annual report, as set out on pages 48 to 73. We have not been engaged to provide assurance over the accuracy of these disclosures.

5. Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the parent Company or to cease their operations, and as they have concluded that the Group's and the parent Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We used our knowledge of the Group, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's and parent Company's financial resources or ability to continue operations over the going concern period. The risk that we considered most likely to adversely affect the Group's and parent Company's available financial resources is the demand for the Group's services being adversely impacted by current economic forecasts, characterised by high consumer price inflation and high interest rates, and the potential consequent erosion of real disposable incomes.

We considered whether these risks could plausibly affect the liquidity in the going concern period by assessing the degree of downside assumption that, individually and collectively, could result in a liquidity issue, taking into account the Group's current and projected cash and facilities (a reverse stress test).

We considered whether the going concern disclosure in note 2 to the financial statements gives a full and accurate description of the Directors' assessment of going concern, including the identified risks and, dependencies, and related sensitivities.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or parent Company's ability to continue as a going concern for the going concern period;
- we have nothing material to add or draw attention to in relation to the directors' statement in note 2 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and parent Company's use of that basis for the going concern period, and we found the going concern disclosure in note 2 to be acceptable; and
- the related statement under the Listing Rules set out on page 80 is materially consistent with the financial statements and our audit knowledge.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the parent company will continue in operation.

6. Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, the audit committee, internal audit and inspection of policy documentation as to the Group and the parent company's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group and the parent company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Considering remuneration incentive schemes and performance targets for management including the EPS target for management remuneration under the Long Term Investment Plan scheme.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. This included communication from the Group audit team to component audit teams of relevant fraud risks identified at the Group level and request to full scope component audit teams to report to the Group audit team any instances of fraud that could give rise to a material misstatement at the Group level.

As required by auditing standards, and taking into account possible pressures to meet profit targets and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that Group and component management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements, such as the assumptions used in impairment testing. On this audit we do not believe there is a fraud risk related to revenue recognition because of the limited opportunity due to the high correlation to cash.

We also identified a fraud risk related to the valuation of property, plant and equipment and right of use assets relating to the golfing and combined-use centres, in response to possible pressures to present an optimistic outlook for the Group.

Further detail in respect of the valuation of property, plant and equipment and right of use assets relating to the golfing and combined-use centres is set out in the key audit matter disclosures in section 2 of this report.

We also performed procedures including:

- Identifying journal entries and other adjustments to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior management and those posted to unusua accounts.
- Assessing significant accounting estimates for bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. This included communication from the Group audit team to the component audit team of relevant laws and regulations identified at the Group level, and a request for component auditors to report to the Group audit team any instances of non-compliance with laws and regulations that could give rise to a material misstatement at the Group level.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: data protection, health and safety, employment law, food safety and licensing (Licensing Act and Gaming Act) recognising the nature of the Group's activities.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any.

Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

7. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic report and directors' report

Based solely on our work on the other information:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Directors' remuneration report

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Disclosures of emerging and principal risks and longer-term viability

We are required to perform procedures to identify whether there is a material inconsistency between the directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- the directors' confirmation within the viability statement on pages 80 and 81 that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the Principal Risks disclosures describing these risks and how emerging risks are identified, and explaining how they are being managed and mitigated; and
- the directors' explanation in the viability statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the viability statement, set out on pages 80 and 81 under the Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the financial statements and our audit knowledge.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and parent company's longer-term viability.

Corporate governance disclosures

We are required to perform procedures to identify whether there is a material inconsistency between the directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

- the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
- the section of the annual report describing the work of the Audit Committee, including the significant issues that the Audit Committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the annual report that describes the review of the effectiveness of the Group's risk management and internal control systems.

We are required to review the part of the Corporate Governance Compliance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review. We have nothing to report in these respects.

8. We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

9. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 131, the statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities

The Company is required to include these financial statements in an annual financial report prepared under Disclosure Guidance and Transparency Rule 4.1.17R and 4.1.18R. This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

10. The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Matthew Radwell (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
20 Station Road,
Cambridge,
CB1 2JD

16 December 2024

Consolidated income statement and statement of comprehensive income

Year ending 30 September 2024

	Note	Before exceptional items 30 September 2024 £'000	Exceptional items (note 5) 30 September 2024 £'000	Total 30 September 2024 £'000	Before exceptional items 30 September 2023 £'000	Exceptional items (note 5) 30 September 2023 £'000	Total 30 September 2023 £'000
Revenue	3	**230,399**	**—**	**230,399**	214,829	253	215,082
Cost of goods sold		**(39,178)**	**—**	**(39,178)**	(37,491)	—	(37,491)
Centre staff costs		**(45,723)**	**—**	**(45,723)**	(40,717)	—	(40,717)
Gross profit		**145,498**	**—**	**145,498**	136,621	253	136,874
Other income		**—**	**607**	**607**	—	—	—
Administrative expenses	6	**(90,169)**	**(2,430)**	**(92,599)**	(80,333)	(2,456)	(82,789)
Operating profit		**55,329**	**(1,823)**	**53,506**	56,288	(2,203)	54,085
Finance income	9	**1,722**	**—**	**1,722**	1,440	—	1,440
Finance expenses	9	**(12,040)**	**(430)**	**(12,470)**	(10,220)	(225)	(10,445)
Profit before tax		**45,011**	**(2,253)**	**42,758**	47,508	(2,428)	45,080
Tax charge	10	**(12,700)**	**(148)**	**(12,848)**	(10,866)	(63)	(10,929)
Profit for the year attributable to equity shareholders		**32,311**	**(2,401)**	**29,910**	36,642	(2,491)	34,151
Other comprehensive income							
Retranslation loss of foreign currency denominated operations		**(1,057)**	**—**	**(1,057)**	(544)	—	(544)
Total comprehensive income for the year attributable to equity shareholders		**31,254**	**(2,401)**	**28,853**	36,098	(2,491)	33,607
Basic earnings per share (pence)	11			**17.42**			19.92
Diluted earnings per share (pence)	11			**17.31**			19.82

The accompanying notes on pages 145 to 171 form an integral part of these Financial Statements.

Consolidated statement of financial position

As at 30 September 2024

	Note	30 September 2024 £'000	30 September 2023 £'000
ASSETS			
Non-current assets			
Property, plant and equipment	12	**101,936**	78,279
Right-of-use assets	13	**172,767**	150,811
Goodwill and intangible assets	14	**100,323**	89,376
Deferred tax asset	22	**518**	1,309
		375,544	319,775
Current assets			
Cash and cash equivalents	16	**28,702**	52,455
Trade and other receivables	17	**9,420**	8,116
Corporation tax receivable		**1,268**	715
Inventories	18	**2,897**	2,445
		42,287	63,731
Total assets		**417,831**	383,506
LIABILITIES			
Current liabilities			
Trade and other payables	19	**30,427**	29,109
Lease liabilities	13	**14,231**	12,553
		44,658	41,662
Non-current liabilities			
Other payables	19	**7,116**	5,208
Lease liabilities	13	**204,011**	181,652
Deferred tax liability	22	**3,993**	1,960
Provisions	20	**5,848**	5,084
		220,968	193,904
Total liabilities		**265,626**	235,566
NET ASSETS		**152,205**	147,940
Equity attributable to shareholders			
Share capital	23	**1,721**	1,717
Share premium	24	**39,716**	39,716
Capital redemption reserve	24	**1**	—
Merger reserve	24	**(49,897)**	(49,897)
Foreign currency translation reserve	24	**(1,190)**	(133)
Retained earnings	24	**161,854**	156,537
TOTAL EQUITY		**152,205**	147,940

The accompanying notes on pages 145 to 171 form an integral part of these Financial Statements.

These Financial Statements were approved by the Board of Directors on 16 December 2024.

Signed on behalf of the Board by:

Laurence Keen

Chief Financial Officer

Company registration number 10229630

Consolidated statement of changes in equity

For the year ended 30 September 2024

	Share capital £'000	Capital redemption reserve £'000	Share premium £'000	Merger reserve £'000	Foreign currency translation reserve £'000	Retained earnings £'000	Total £'000
Equity at 30 September 2022	1,711	—	39,716	(49,897)	411	146,479	138,420
Shares issued during the year	6	—	—	—	—	—	6
Dividends paid (note 31)	—	—	—	—	—	(25,338)	(25,338)
Share-based payments (note 28)	—	—	—	—	—	1,204	1,204
Deferred tax on share-based payments	—	—	—	—	—	41	41
Retranslation of foreign currency denominated operations	—	—	—	—	(544)	—	(544)
Profit for the year	—	—	—	—	—	34,151	34,151
Equity at 30 September 2023	1,717	—	39,716	(49,897)	(133)	156,537	147,940
Shares issued during the year	5	—	—	—	—	—	5
Share buy back	(1)	1	—	—	—	(379)	(379)
Dividends paid (note 31)	—	—	—	—	—	(26,180)	(26,180)
Share-based payments (note 28)	—	—	—	—	—	1,782	1,782
Deferred tax on share-based payments	—	—	—	—	—	184	184
Retranslation of foreign currency denominated operations	—	—	—	—	(1,057)	—	(1,057)
Profit for the year	—	—	—	—	—	29,910	29,910
Equity at 30 September 2024	**1,721**	**1**	**39,716**	**(49,897)**	**(1,190)**	**161,854**	**152,205**

The accompanying notes on pages 145 to 171 form an integral part of these Financial Statements.

Consolidated statement of cash flows

For the year ended 30 September 2024

	Note	30 September 2024 £'000	30 September 2023 £'000
Cash flows from operating activities			
Profit before tax		**42,758**	45,080
Adjusted by:			
Depreciation of property, plant and equipment (PPE)	12	**11,167**	10,142
Depreciation of right-of-use (ROU) assets	13	**14,752**	12,965
Amortisation of intangible assets	14	**935**	820
Impairment of PPE and ROU assets	12, 13	**5,316**	2,210
Net interest expense	9	**10,748**	9,005
Loss on disposal of property, plant and equipment and software		**88**	306
Landlord settlement	5	**(607)**	—
Share-based payments	28	**1,782**	1,204
Operating profit before working capital changes		**86,939**	81,732
Increase in inventories		**(294)**	(251)
Increase in trade and other receivables		**(1,183)**	(2,849)
Increase in payables and provisions		**2,495**	2,741
Cash inflow generated from operations		**87,957**	81,373
Interest received		**1,782**	1,305
Income tax paid – corporation tax		**(10,536)**	(9,100)
Bank interest paid		**(166)**	(296)
Lease interest paid		**(11,615)**	(9,808)
Landlord settlement	5	**607**	—
Net cash inflow from operating activities		**68,029**	63,474
Cash flows from investing activities			
Acquisition of subsidiaries	32	**(13,757)**	(7,716)
Subsidiary cash acquired	32	**78**	319
Purchase of property, plant and equipment		**(37,979)**	(21,801)
Purchase of intangible assets		**(946)**	(1,057)
Proceeds from sale of assets		**—**	10
Net cash used in investing activities		**(52,604)**	(30,245)
Cash flows from financing activities			
Payment of capital elements of leases		**(12,305)**	(11,419)
Issue of shares		**—**	6
Share buy back		**(379)**	—
Dividends paid		**(26,180)**	(25,338)
Net cash used in financing activities		**(38,864)**	(36,751)
Net change in cash and cash equivalents for the year		**(23,439)**	(3,522)
Effect of foreign exchange rates on cash and cash equivalents		**(314)**	(89)
Cash and cash equivalents at the beginning of the year		**52,455**	56,066
Cash and cash equivalents at the end of the year	16	**28,702**	52,455

The accompanying notes on pages 145 to 171 form an integral part of these Financial Statements.

1. General information

Hollywood Bowl Group plc (together with its subsidiaries, 'the Group') is a public limited company whose shares are publicly traded on the London Stock Exchange and is incorporated and domiciled in England and Wales. The registered office of the Parent Company is Focus 31, West Wing, Cleveland Road, Hemel Hempstead, HP2 7BW, United Kingdom. The registered company number is 10229630. A list of the Company's subsidiaries is presented in note 15.

On 2 October 2023, the Group acquired the assets and long leasehold of Lincoln Bowl. On 7 November 2023 the Group acquired Woodlawn Bowl Inc. in Guelph, Ontario and on 11 November 2023, the assets and lease of Lucky 9 Bowling Centre Limited in Richmond, British Columbia, as well as its associated restaurant and bar, Monkey 9 Brewing Pub Corp. On 24 June 2024 the Group acquired Stoked Entertainment Centre Limited in Saskatoon, Saskatchewan. These four acquisitions are consolidated in Hollywood Bowl Group plc's Financial Statements with effect from their respective date of acquisition.

The Group's principal activities are that of the operation of ten-pin bowling and mini-golf centres, and a supplier and installer of bowling equipment as well as the development of new centres and other associated activities.

The Directors of the Group are responsible for the consolidated Financial Statements, which comprise the Financial Statements of the Company and its subsidiaries as at 30 September 2024.

2. Material accounting policies

The material accounting policies applied in the consolidated Financial Statements are set out below. These accounting policies have been applied consistently to all periods presented in these consolidated Financial Statements. The financial information presented is as at and for the financial years ended 30 September 2024 and 30 September 2023.

Statement of compliance

The consolidated Financial Statements have been prepared in accordance with UK-adopted International Accounting Standards ('IFRS Accounting standards') and the requirements of the Companies Act 2006. The functional currencies of entities in the Group are Pounds Sterling and Canadian Dollars. The consolidated Financial Statements are presented in Pounds Sterling and all values are rounded to the nearest thousand, except where otherwise indicated.

Basis of preparation

The consolidated Financial Statements have been prepared on a going concern basis under the historical cost convention, except for fair value items on acquisition (see note 32).

The Company has elected to prepare its Financial Statements in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. On publishing the Parent Company Financial Statements here together with the Group Financial Statements, the Company has taken advantage of the exemption in s408 of the Companies Act 2006 not to present its individual income statement and statement of comprehensive income and related notes that form a part of these approved Financial Statements.

Judgements made by the Directors, in the application of these accounting policies, that have significant effect on the Financial Statements and estimates with a significant risk of material adjustment in the next year are discussed on page 153.

Basis of consolidation

The consolidated financial information incorporates the Financial Statements of the Company and all of its subsidiary undertakings. The Financial Statements of all Group companies are adjusted, where necessary, to ensure the use of consistent accounting policies. Acquisitions are accounted for under the acquisition method from the date control passes to the Group. On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill, or a gain on bargain purchase if the fair values of the identifiable net assets are below the cost of acquisition. Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions are eliminated in preparing the consolidated financial statements.

The results of Lincoln Bowl, Woodlawn Bowl Inc., Lucky 9 Bowling Centre Limited as well as its associated restaurant and bar, Monkey 9 Brewing Pub Corp and Stoked Entertainment Centre Limited are included from the respective dates of acquisition, being 2 October 2023, 7 November 2023, 11 November 2023 and 24 June 2024.

Earnings per share

The calculation of earnings per ordinary share is based on earnings after tax and the weighted average number of ordinary shares in issue during the year.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Group has two types of dilutive potential ordinary shares, being those unvested shares granted under the Long-Term Incentive Plans and Save-As-You-Earn plans.

2. Accounting policies continued

Standards issued not yet effective

At the date of authorisation of this financial information, certain new standards, amendments and interpretations to existing standards applicable to the Group have been published but are not yet effective, and have not been adopted early by the Group. These are listed below:

Standard/interpretation	Content	Applicable for financial years beginning on/after
IAS 1 Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants	Amendments made to IAS 1 Presentation of Financial Statements in 2020 and 2022 clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (for example, the receipt of a waiver or a breach of covenant that an entity is required to comply with only after the reporting period).	1 October 2024
IAS 7 and IFRS 7 Supplier finance arrangements	The amendments introduce new disclosures relating to supplier finance arrangements that assist users of the financial statements to assess the effects of these arrangements on an entity's liabilities and cash flows and on an entity's exposure to liquidity risk.	1 October 2024
IFRS 16 Lease liability in a sale and leaseback	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.	1 October 2024
IAS 21 Lack of exchangeability	An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.	1 October 2025
Amendments to IFRS 9 and IFRS 7 Classification and measurement of financial instruments	On 30 May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments: • clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; • clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; • add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and • update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).	1 October 2026
IFRS 18 Presentation and disclosure in financials statements	IFRS 18 will replace IAS 1 Presentation of financial statements and introduces the following key requirements: • Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change. • Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements. • Enhanced guidance is provided on how to group information in the financial statements. In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. The Group is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs.	1 October 2027

None of the above amendments are expected to have a material impact on the Group.

Climate change

In preparing the consolidated financial statements, management has considered the impact of climate change, taking into account the relevant disclosures in the strategic report, including those made in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulation 2022 set out on pages 64 to 73 and our sustainability targets.

The expected environmental impact on the business has been modelled. The current available information and assessment did not identify any risks that would require the useful economic life of assets to be reduced in the year or identify the need for impairment that would impact the carrying values of such assets or have any other impact on the financial statements.

2. Accounting policies continued

Climate change continued

For many years, Hollywood Bowl Group plc has placed sustainability at the centre of its strategy and has been working on becoming a more sustainable business. A number of actions have been implemented to help mitigate and adapt against climate-related risks. The cost and benefits of such actions are embedded into the cost structure of the business and are included in our five-year plan. This includes the roll-out of Pins on Strings technology, solar panels and the move to 100 per cent renewable energy. The five-year plan has been used to support our impairment reviews and going concern and viability assessment (see viability statement on pages 80).

Our TCFD disclosures on pages 64 to 73 include climate-related risks and opportunities based on various scenarios. When considering climate scenario analysis, and modelling severe but plausible downside scenarios, we have used the NGFS 'early action' scenario as the most severe case for climate transition risks, and the IPCC's SSP5-8.5 as the most severe case for physical climate risk. Whilst these represent situations where climate could have a significant effect on the operations, these do not include our future mitigating actions which we would adopt as part of our strategy. The climate transition plan to net zero outlines that it may not be feasible to completely abate Scope 1, 2 and 3 emissions by 2050. In this instance, the Group will offset residual emissions through actions like carbon removals or ecosystem restoration.

The assessment with respect to the impact of climate change will be kept under review by management, as the future impacts depend on factors outside of the Group's control, which are not all currently known.

Going concern

In assessing the going concern position of the Group for the Consolidated Financial Statements for the year ended 30 September 2024, the Directors have considered the Group's cash flow, liquidity, and business activities, as well as the principal risks identified in the Group's Risk Register.

As at 30 September 2024, the Group had cash balances of £28.7m, no outstanding loan balances and an undrawn RCF of £25m.

The Group has undertaken a review of its liquidity using a base case and a severe but plausible downside scenario.

The base case is the Board approved budget for FY2025 as well as the first three months of FY2026 which forms part of the Board approved five-year plan. As noted above, the costs and benefits of our actions on climate change are embedded into the cost structure of the business and included in our five-year plan. Under this scenario there would be positive cash flow, strong profit performance and all covenants would be passed. It should also be noted that the RCF remains undrawn. Furthermore, it is assumed that the Group adheres to its capital allocation policy. The most severe downside scenario stress tests for reasonably adverse variations in the economic environment leading to a deterioration in trading conditions and performance.

Under this severe but plausible downside scenario, the Group has modelled revenues dropping by 3 and 4 per cent from the assumed base case for FY2025 and FY2026 respectively and inflation continues at an even higher rate than in the base case, specifically around cost of labour in respect of National Living and Minimum wage as well as increased National Insurance contributions.

The model still assumes that investments into new centres would continue, whilst refurbishments in the early part of FY2025 would be reduced. These are all mitigating actions that the Group has in its control. Under this scenario, the Group will still be profitable and have sufficient liquidity within its cash position to not draw down the RCF, with all financial covenants passed.

Taking the above and the principal risks faced by the Group into consideration, the Directors are satisfied that the Group and Company have adequate resources to continue in operation and meet their liabilities as they fall due for the foreseeable future, a period of at least 12 months from the date of this report.

Accordingly, the Group and Company continue to adopt the going concern basis in preparing these Financial Statements.

Revenue

Revenue from customers is the total amount receivable by the Group for goods and services supplied, excluding VAT, other sales taxes and discounts, and excludes amounts collected on behalf of third parties. The Group's performance obligations in respect of individual revenue streams are outlined below.

Revenue arising from bowling and mini-golf is recognised when the customer actually plays, with deposits paid in advance being held on the balance sheet until that time and then recognised as income.

Revenue for food and drink is recognised when the product has been transferred to the buyer at the point of sale, which is generally when payment is received.

Revenue for amusements is recognised when the customer plays the amusement machine.

Revenue from installation of bowling equipment contracts is recognised over time using costs incurred to date relative to total estimated costs at completion to measure progress. Incurred costs represent work performed, which corresponds with and best depicts transfer of control or the enhancement of the customer's assets. Contract costs included in the calculation are comprised of materials and subcontracts' costs. This is not considered to be material revenue for the Group and is not therefore a significant area of judgement.

Revenue from customers is disaggregated by major product and service lines, being bowling, food and drink, amusements, mini golf, installation of bowling equipment and other. Disaggregated revenue from contracts with customers is disclosed in note 3 on page 154.

Given the nature of the Group's revenue streams, recognition of revenue is not considered to be a significant area of judgement.

2. Accounting policies continued

Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers have been identified as the management team including the Chief Executive Officer and Chief Financial Officer.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses. The Board considers that the Group's activity constitutes two operating and two reporting segments, being the provision of ten-pin bowling and mini-golf centres in the United Kingdom and the provision of ten-pin bowling and mini-golf centres and the installation of bowling equipment in Canada, as defined under IFRS 8. Management reviews the performance of the Group by reference to total results against budget.

The total profit measures are operating profit and profit after tax for the period, both disclosed on the face of the consolidated income statement and statement of comprehensive income. No differences exist between the basis of preparation of the performance measures used by management and the figures in the Group's financial information, as adjusted where appropriate.

Employee benefits

(i) Short-term benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group.

(ii) Defined contribution plans

The Group operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Group. The annual contributions payable are charged to the income statement. The Group also contributes to the personal pension plans of the Directors.

(iii) Share-based payments

The Group operates equity-settled share-based payment plans for its employees, under which the employees are granted equity instruments of Hollywood Bowl Group plc. The fair value of services received in exchange for the equity instruments is determined by reference to the fair value of the instruments granted at grant date. The fair value of the instruments includes any market performance conditions and non-vesting conditions. The expense is recognised over the vesting period of the award taking into account any non-market performance and service conditions.

The cost of equity-settled transactions is recognised together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award.

(iv) Save-As-You-Earn plans

The Group operates two equity-settled SAYE plans. The fair value is calculated at the grant date using the Black-Scholes pricing model. The resulting cost is charged to the Group income statement over the vesting period. The value of the charge is adjusted to reflect expected and actual levels of vesting.

Cash and cash equivalents

Cash and cash equivalents includes cash at bank and on hand, short-term deposits with banks and other financial institutions, and credit and debit card receivables.

Leases

The Group as lessee

The Group assesses whether a contract is, or contains, a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee from the date at which the leased asset becomes available for use by the Group, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The lease term is the non-cancellable period for which the lessee has the right to use an underlying asset plus periods covered by an extension option if an extension is reasonably certain. The majority of property leases are covered by the Landlord and Tenant Act 1985 (LTA) which gives the right to extend the lease beyond the termination date. The Group expects to extend the property leases covered by the LTA. This extension period is not included within the lease term as a termination date cannot be determined as the Group is not reasonably certain to extend the lease given the contractual rights of the landlord under certain circumstances.

Lease liabilities are measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable and variable lease payments that depend on an index or a rate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

2. Accounting policies continued

Leases continued

The Group as lessee continued

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term or a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments).

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'impairment' policy.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expenses on a straight-line basis over the lease term.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the end of the reporting period, and are discounted to present value where the effect is material.

Dilapidation provision

A provision will be recorded if, as lessee, the Group has a commitment to make good the property at the end of the lease, which would be for the cost of returning the leased property to its original state. Changes to the dilapidation provision are recorded in property, plant and equipment.

Property, plant and equipment

Freehold land and building assets were included at fair value on the acquisition of Teaquinn in FY2022. Subsequent additions are recorded at cost less accumulated depreciation and impairment charges. Freehold land is not depreciated.

All other property, plant and equipment is stated at historic cost, including expenditure that is directly attributable to the acquired item, less accumulated depreciation and impairment losses.

Depreciation is provided to write off the cost of all property, plant and equipment evenly over their expected useful lives, calculated at the following rates:

Freehold property	over 50 years
Leasehold improvements	lesser of lease period and 25 years
Lanes and Pins on Strings	over 30–40 years
Plant and machinery and fixtures, fittings and equipment	over 3–25 years

The carrying value of the property, plant and equipment is compared to the higher of value-in-use and the fair value less costs to sell. If the carrying value exceeds the higher of the value-in-use and fair value less the costs to sell the asset, then the asset is impaired and its value reduced by recognising an impairment provision. New centre landlord contributions are offset against leasehold property expenditure where the related assets remain the property of the landlord. Refurbishment costs are included within plant and machinery and fixtures, fittings and equipment and are depreciated over the relevant useful economic life.

Residual values, remaining useful economic lives and depreciation periods and methods are reviewed annually and adjusted if appropriate.

Assets under construction represents the construction of centres and are included in property, plant and equipment. No depreciation is provided on assets under construction until the asset is available for use.

Goodwill and intangible assets

Goodwill arising on the acquisition of a subsidiary undertaking is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. Negative goodwill is recognised in the consolidated income statement immediately as a gain on bargain purchase. Positive goodwill is capitalised and stated at cost less any impairment losses. Impairment tests on the carrying value of goodwill are undertaken:

- at the end of the first full financial period following acquisition and at the end of every subsequent financial period; and
- in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Software which is not an integral part of hardware assets is stated at historic cost, including expenditure that is directly attributable to the acquired item, less accumulated amortisation and impairment losses.

Other intangible assets include assets acquired in a business combination and are capitalised at fair value at the date of acquisition. Following initial recognition, finite life intangible assets are amortised on a straight-line basis over their estimated useful lives, with the expense charged to the income statement through administrative expenses.

2. Accounting policies continued

Goodwill and intangible assets continued

Amortisation is provided to write off the cost of all intangible assets, except for goodwill, evenly over their expected useful lives, calculated at the following rates:

Software	over 3 years
Customer relationships	over 10–15 years
Brand names	over 5–20 years
Trademark	over 20 years

The amortisation charge is recognised in administrative expenses in the income statement.

Inventories

Inventories are carried at the lower of cost or net realisable value. Net realisable value is calculated based on the revenue from sale in the normal course of business less any costs to sell. Due allowance is made for obsolete and slow-moving items.

Impairment

(i) Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) on financial assets measured at amortised cost. The financial assets comprises trade and other receivables. These are always measured at an amount equal to lifetime ECL as these relate to trade and other receivables and a simplified approach can be adopted. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk. There is limited exposure to ECLs due to the business model.

ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have the assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Impairment of non-financial assets

The carrying values of goodwill and intangible assets are reviewed at the end of each reporting period for impairment. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts.

The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flows. These assets are grouped together into Cash Generating Units to assess impairment. A sensitivity analysis is also performed (see note 14). An impairment loss is recognised in the income statement immediately.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated statement of financial position differs from its tax base, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit; and
- investments in subsidiaries where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that future taxable profit will be available against which the asset can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the deferred tax liabilities or assets are settled or recovered. Deferred tax balances are not discounted.

2. Accounting policies continued

Deferred taxation continued

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- the same taxable Group company; or
- different entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets and liabilities are expected to be settled or recovered.

Equity

The following describes the nature and purpose of each reserve within equity:

- share capital: the nominal value of equity shares;
- share premium account: proceeds received in excess of the nominal value of shares issued, net of any transaction costs;
- retained earnings: all other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere;
- capital redemption reserve: the capital redemption reserve represents the ordinary shares of £0.01 each repurchased by the Group under the share buy back;
- merger reserve: represents the excess over nominal value of the fair value consideration for the business combination which arose during the Company's IPO listing. This was satisfied by the issue of shares in accordance with s612 of the Companies Act 2006; and
- foreign currency translation reserve: retranslation gains and losses of foreign currency denominated operations.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). A financial liability is classified as measured at either amortised cost or FVTPL.

(ii) Classification and subsequent measurement

Financial assets

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

All financial assets not measured at amortised cost or FVOCI are measured at FVTPL, irrespective of the business model. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: business model assessment

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at FVOCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

2. Accounting policies continued

Financial instruments continued

(ii) Classification and subsequent measurement continued

Financial assets: subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. The Group's financial assets at amortised cost include trade receivables.
Debt instruments at FVOCI	These assets are subsequently measured at fair value. Interest income, calculated using the effective interest method, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

Financial liabilities: classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. All other financial liabilities are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net position presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Foreign currency transactions

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's subsidiaries are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Pounds Sterling, which is the ultimate Parent Company's functional currency.

(ii) Transactions and balances

Transactions in foreign currencies are translated into the functional currency at the exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

Exchange gains and losses are included within administrative expenses in the income statement.

(iii) Group companies

The results and financial position of foreign operations (none of which have the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the balance sheet date;
- income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2. Accounting policies continued

Exceptional items and other adjustments

Exceptional items and other adjustments are those that in management's judgement need to be disclosed by virtue of their size, nature and incidence, in order to draw the attention of the reader and to show the underlying business performance of the Group more accurately. Such items are included within the income statement caption to which they relate and are separately disclosed on the face of the consolidated income statement and in the notes to the consolidated Financial Statements.

Adjusted measures

The Group uses a number of non-Generally Accepted Accounting Principles (non-GAAP) financial measures in addition to those reported in accordance with IFRS. The Directors believe that these non-GAAP measures, listed below, are important when assessing the underlying financial and operating performance of the Group by investors and shareholders. These non-GAAP measures comprise of like-for-like revenue growth, adjusted profit after tax, adjusted earnings per share, net cash, Group adjusted operating cash flow, revenue generating capex, total average spend per game, free cash flow, gross profit on costs of good sold, Group adjusted EBITDA and Group adjusted EBITDA margin.

A reconciliation between key adjusted and statutory measures, as well as notes on alternative performance measures, is provided in the Chief Financial Officer's review on pages 40 to 42. This also details the impact of exceptional and other adjusted items when comparing to the non-GAAP financial measures in addition to those reported in accordance with IFRS.

Summary of other estimates and judgements

The preparation of the consolidated Group Financial Statements requires management to make judgements, estimates and assumptions in applying the Group's accounting policies to determine the reported amounts of assets, liabilities, income and expenditure. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis, with revisions applied prospectively. Judgements made by the Directors in the application of these accounting policies that have a significant effect on the consolidated Group Financial Statements are discussed below.

Key sources of estimation uncertainty

There are no estimates that have a significant risk of resulting in a material adjustment to carrying amounts of assets and liabilities in the next financial year. Set out below are certain areas of estimation uncertainty in the financial statements. There are also no key judgements other than those related to an area of estimation uncertainty:

Property, plant and equipment and right-of-use asset impairment reviews

Property, plant and equipment and right-of-use assets are assessed for impairment when there is an indication that the assets might be impaired by comparing the carrying value of the assets with their recoverable amounts. The recoverable amount of an asset or a CGU is typically determined based on value-in-use calculations prepared on the basis of management's assumptions and estimates.

The key assumptions in the value-in-use calculations include growth rates of revenue and costs during the five year forecast period, discount rates and the long term growth rate. Following the impairment charge recorded in the year of £5,316,000, the estimation uncertainty associated with the remaining carrying amounts is significantly reduced, and whilst estimation uncertainty remains, this is no longer assessed as being material. As such, reasonably possible changes to the assumptions in the future in four mini-golf and one combined centre would not lead to material adjustments to the carrying values in the next financial year. The remaining carrying amount of property, plant and equipment is £3,156,000 and right-of-use assets is £5,086,000 at these centres. Further information in respect of the Group's property, plant and equipment and right-of-use assets is included in notes 12 and 13 respectively.

Contingent consideration

Non-current other payables includes contingent consideration in respect of the acquisition of Teaquinn Holdings Inc. in FY2022. The additional consideration to be paid is contingent on the future financial performance of Teaquinn Holdings Inc. in FY2025 or FY2026. This is based on a multiple of 9.2x Teaquinn's EBITDA pre-IFRS 16 in the financial period of settlement and is capped at CAD 17m. The contingent consideration has been accounted for as post-acquisition employee remuneration and recognised over the duration of the employment contract to FY2026. The key assumptions include a range of possible outcomes for the value of the contingent consideration based on Teaquinn's forecasted EBITDA pre-IFRS 16 and the year of payment. Further information in respect of the Group's contingent consideration is included in note 19.

Dilapidations provision

A provision is made for future expected dilapidation costs on the opening of leasehold properties not covered by the LTA and is expected to be utilised on lease expiry. This also includes properties covered by the LTA where we may not extend the lease, after consideration of the long-term trading and viability of the centre. Properties covered by the LTA provide security of tenure and we intend to occupy these premises indefinitely until the landlord serves notice that the centre is to be redeveloped. As such, no charge for dilapidations can be imposed and no dilapidation provision is considered necessary as the outflow of economic benefit is not considered to be probable.

Acquisitions

The acquisitions of Lincoln Bowl, Woodlawn Bowl Inc., Lucky 9 Bowling Centre Limited and Stoked Entertainment Centre Limited have been accounted for using the acquisition method under IFRS 3. The identifiable assets, liabilities and contingent liabilities are recognised at their fair value at date of acquisition. Calculating the fair values of net assets, notably the fair values of intangible assets identified as part of the purchase price allocation, involves estimation and consequently the fair value exercise is recorded as another accounting estimate. The amortisation charge is sensitive to the value of the intangible asset values, so a higher or lower fair value calculation would lead to a change in the amortisation charge in the period following acquisition.

3. Segmental reporting

Management consider that the Group consists of two operating segments, as it operates within the UK and Canada. No single customer provides more than ten per cent of the Group's revenue. Within these two operating segments there are multiple revenue streams which consist of the following:

	Before exceptional income UK 30 September 2024 £'000	Exceptional income UK (note 5) 30 September 2024 £'000	Total UK 30 September 2024 £'000	Canada 30 September 2024 £'000	Total 30 September 2024 £'000
Bowling	**89,347**	**—**	**89,347**	**14,370**	**103,717**
Food and drink	**52,316**	**—**	**52,316**	**7,554**	**59,870**
Amusements	**55,587**	**—**	**55,587**	**3,691**	**59,278**
Mini-golf	**2,360**	**—**	**2,360**	**189**	**2,549**
Installation of bowling equipment	**—**	**—**	**—**	**4,456**	**4,456**
Other	**86**	**—**	**86**	**443**	**529**
	199,696	**—**	**199,696**	**30,703**	**230,399**

	Before exceptional income UK 30 September 2023 £'000	Exceptional income UK (note 5) 30 September 2023 £'000	Total UK 30 September 2023 £'000	Canada 30 September 2023 £'000	Total 30 September 2023 £'000
Bowling	86,988	192	87,180	9,765	96,945
Food and drink	50,671	—	50,671	5,265	55,936
Amusements	51,938	61	51,999	2,794	54,793
Mini-golf	2,576	—	2,576	128	2,704
Installation of bowling equipment	—	—	—	4,391	4,391
Other	183	—	183	130	313
	192,356	253	192,609	22,473	215,082

The UK operating segment includes the Hollywood Bowl and Putt&Play brands. The Canada operating segment includes the Splitsville and Striker Bowling Solutions brands.

	Year ended 30 September 2024			Year ended 30 September 2023		
	UK £'000	Canada £'000	Total £'000	UK £'000	Canada £'000	Total £'000
Revenue	**199,696**	**30,703**	**230,399**	192,609	22,473	215,082
Group adjusted EBITDA[1] pre-IFRS 16	**62,308**	**5,441**	**67,749**	60,570	4,485	65,055
Group adjusted EBITDA[1]	**79,715**	**7,872**	**87,587**	76,828	5,903	82,731
Depreciation and amortisation	**23,490**	**3,364**	**26,854**	21,973	1,954	23,927
Impairment of PPE and ROU assets	**5,316**	**—**	**5,316**	2,210	—	2,210
Loss on property, right-of-use assets, plant and equipment and software disposals	**88**	**—**	**88**	306	—	306
Exceptional items excluding interest	**(591)**	**2,414**	**1,823**	(89)	2,292	2,203
Operating profit	**51,412**	**2,094**	**53,506**	52,428	1,657	54,085
Finance income	**(1,580)**	**(142)**	**(1,722)**	(1,296)	(144)	(1,440)
Finance expense	**10,425**	**2,045**	**12,470**	9,291	1,154	10.445
Profit before tax	**42,567**	**191**	**42,758**	44,434	646	45,080
Non-current asset additions – Property, plant and equipment	**26,855**	**11,675**	**38,530**	18,844	3,157	22,001
Non-current asset additions – Intangible assets	**946**	**—**	**946**	1,057	—	1,057
Total assets	**338,654**	**79,177**	**417,831**	341,589	41,917	383,506
Total liabilities	**218,814**	**46,812**	**265,626**	207,798	27,768	235,566

[1] Group adjusted EBITDA is defined in note 4.

4. Reconciliation of operating profit to Group adjusted EBITDA

Group adjusted EBITDA (earnings before interest, tax, depreciation and amortisation) reflects the underlying trade of the overall business. It is calculated as operating profit plus depreciation, amortisation, impairment losses, loss on disposal of property, plant and equipment, right-of-use assets and software and exceptional items.

Management use Group adjusted EBITDA as a key performance measure of the business and it is considered by management to be a measure investors look at to reflect the underlying business.

	30 September 2024 £'000	30 September 2023 £'000
Operating profit	**53,506**	54,085
Depreciation of property, plant and equipment (note 12)	**11,167**	10,142
Depreciation of right-of-use assets (note 13)	**14,752**	12,965
Amortisation of intangible assets (note 14)	**935**	820
Impairment of property, plant and equipment (note 12)	**2,808**	1,392
Impairment of right-of-use assets (note 13)	**2,508**	818
Loss on disposal of property, plant and equipment, right-of-use assets and software (notes 12–14)	**88**	306
Exceptional items excluding interest (note 5)	**1,823**	2,203
Group adjusted EBITDA	**87,587**	82,731
Adjustment for IFRS 16	**(19,838)**	(17,799)
Group adjusted EBITDA pre-IFRS 16	**67,749**	64,932

5. Exceptional items

Exceptional items are disclosed separately in the Financial Statements where the Directors consider it necessary to do so to provide further understanding of the financial performance of the Group. They are material items or expenses that have been shown separately due to, in the Directors judgement, their significance, one-off nature or amount:

Exceptional items:	30 September 2024 £'000	30 September 2023 £'000
VAT rebate[1]	**—**	253
Administrative expenses[2]	**(15)**	(2)
Acquisition fees[3]	**(921)**	(700)
Landlord settlement[4]	**607**	—
Contingent consideration[5]	**(1,924)**	(1,979)
Exceptional items before tax	**(2,253)**	(2,428)
Tax charge	**(148)**	(63)
Exceptional items after tax	**(2,401)**	(2,491)

1 During FY2022, HMRC conducted a review of its policy position on the reduced rate of VAT for leisure and hospitality and the extent to which it applies to bowling. Following its review, HMRC accepts that leisure bowling should fall within the scope of the temporary reduced rate of VAT for leisure and hospitality, as a similar activity to those listed in Group 16 of Schedule 7A of the VAT Act 1994. As a result, the Group made a retrospective claim for overpaid output VAT for the period 15 July 2020 to 30 September 2021 relating to package sales totalling £193,000 during FY2023, included within bowling revenue.

In addition, a rebate of £60,000 overpaid VAT on gaming machines for the period 1 January 2003 to 31 December 2005 was received in FY2023.

2 FY2024 relates to expenses associated with the closure of our Surrey Quays centre. FY2023 expenses were associated with the VAT rebate, relating to additional profit share due to landlords, which are included within administrative expenses.

3 Legal and professional fees relating to the acquisition of Lincoln Bowl, Woodlawn Bowl Inc., Lucky 9 Bowling Centre Limited and Stoked Entertainment Centre Limited in the year (note 32) (FY2023: relating to the acquisition of HLD Investments Inc. (operating as YYC Bowling & Entertainment), Mountain View Bowl Inc and Wong and Lewis Investments Inc. (operating as Let's Bowl)).

4 Settlement payment from the landlord resulting from the closure of Hollywood Bowl Surrey Quays.

5 Contingent consideration of £1,494,000 (FY2023: £1,754,000) in administrative expenses and £430,000 (FY2023: £225,000) of interest expense in relation to the acquisition of Teaquinn in May 2022.

6. Expenses and auditor's remuneration

Included in profit from operations are the following:

	30 September 2024 £'000	30 September 2023 £'000
Amortisation of intangible assets	**935**	820
Depreciation of property, plant and equipment	**11,167**	10,142
Depreciation of right-of-use assets	**14,752**	12,965
Impairment of property, plant and equipment	**2,808**	1,633
Impairment reversal of property, plant and equipment	**—**	(241)
Impairment of right-of-use assets	**2,508**	1,277
Impairment reversal of right-of-use assets	**—**	(459)
Operating leases	**80**	57
Loss on disposal of property, plant and equipment, right-of-use assets and software	**88**	306
Exceptional items (note 5)	**2,253**	2,428
Loss on foreign exchange	**486**	208
Auditor's remuneration:		
– Fees payable for audit of these Financial Statements	**350**	344
Fees payable for other services:		
– Audit of subsidiaries	**140**	71
– Other non-audit assurance services	**8**	8
	498	423

7. Staff numbers and costs

The average number of employees (including Directors) during the year was as follows:

	30 September 2024	30 September 2023
Directors	**7**	7
Administration	**118**	112
Operations	**2,701**	2,668
Total staff	**2,826**	2,787

The cost of employees (including Directors) during the year was as follows:

	30 September 2024 £'000	30 September 2023 £'000
Wages and salaries	**52,824**	49,988
Social security costs	**4,217**	3,882
Pension costs	**607**	543
Share-based payments (note 28)	**1,782**	1,204
Total staff cost	**59,430**	55,617

Staff costs included within cost of sales are £45,723,000 (30 September 2023: £40,717,000). The balance of staff costs are recorded within administrative expenses.

Wages and salaries includes £1,494,000 (30 September 2023: £1,754,000) of contingent consideration in relation to the acquisition of Teaquinn in May 2022, which is recorded within exceptional items (note 5).

8. Remuneration of Directors and key management personnel

A) Directors' emoluments

The Directors' emoluments and benefits were as follows:

	30 September[1] 2024 £'000	30 September[1] 2023 £'000
Salaries and bonuses	**2,279**	2,165
Pension contributions	**48**	46
Share-based payments (note 28)	**1,319**	906
Total	**3,646**	3,117

1 This includes three (FY2023: three) Executive Directors and four (FY2023: four) Non-Executive Directors.

The aggregate of emoluments of the highest paid Director was £1,615,000 (FY2023: £1,388,000) and Company pension contributions of £23,000 (FY2023: £22,000) were made to a defined contribution scheme on their behalf. More detail is on page 119 of the Annual Report.

The aggregate gains made by Executive Directors on the exercise of share options during FY2024 was £1,144,832 (FY2023: £669,208), which was previously not disclosed. The aggregate gains made by the highest paid Director was £572,419 (FY2023: £334,604).

8. Remuneration of Directors and key management personnel continued

B) Key management personnel

The Directors and the executive committee of the Group are considered to be the key management personnel of the Group. The remuneration of all key management (including Directors) was as follows:

	30 September 2024 £'000	30 September 2023 £'000
Salaries and bonuses	**3,023**	2,871
Pension contributions	**66**	64
Share-based payments (note 28)	**1,749**	1,218
Total	**4,838**	4,153

9. Finance income and expenses

	30 September 2024 £'000	30 September 2023 £'000
Interest on bank deposits	**1,722**	1,440
Finance income	**1,722**	1,440
Interest on bank borrowings	**190**	200
Other interest	**22**	9
Finance costs on lease liabilities	**11,615**	9,808
Unwinding of discount on contingent consideration	**430**	225
Unwinding of discount on provisions	**213**	203
Finance expense	**12,470**	10,445

10. Taxation

	30 September 2024 £'000	30 September 2023 £'000
The tax expense is as follows:		
– UK corporation tax	**8,495**	7,704
– Adjustment in respect of prior years	**—**	312
– Foreign tax suffered	**1,252**	692
Total current tax	**9,747**	8,708
Deferred tax:		
Origination and reversal of temporary differences	**1,967**	1,996
Effect of changes in tax rates	**(17)**	161
Adjustment in respect of prior years	**1,151**	64
Total deferred tax	**3,101**	2,221
Total tax expense	**12,848**	10,929

Factors affecting current tax charge:

The tax assessed on the profit for the period is different to the standard rate of corporation tax in the UK of 25 per cent (30 September 2023: 22 per cent). The differences are explained below:

	30 September 2024 £'000	30 September 2023 £'000
Profit excluding taxation	**42,758**	45,080
Tax using the UK corporation tax rate of 25% (2023: 22%)	**10,690**	9,918
Change in tax rate on deferred tax balances	**(17)**	154
Non-deductible expenses	**508**	60
Non-deductible acquisition related exceptional costs	**510**	523
Effects of overseas tax rates	**34**	137
Effects of capital allowances super deduction	**—**	(182)
Share-based payments	**(28)**	(57)
Adjustment in respect of prior years	**1,151**	376
Total tax expense included in profit or loss	**12,848**	10,929

The Group's standard tax rate for the year ended 30 September 2024 was 25 per cent (30 September 2023: 22 per cent).

The UK corporation tax main rate increased from 19 per cent to 25 per cent from 1 April 2023. As such, in the prior year, the rate used to calculate the deferred tax balances increased from a blended rate to 25 per cent.

11. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of Hollywood Bowl Group plc by the weighted average number of shares outstanding during the year.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. During the years ended 30 September 2024 and 30 September 2023, the Group had potentially dilutive ordinary shares in the form of unvested shares pursuant to LTIPs and SAYE schemes (note 28).

	30 September 2024	30 September 2023
Basic and diluted		
Profit for the year after tax (£'000)	**29,910**	34,151
Basic weighted average number of shares in issue for the period (number)	**171,647,892**	171,468,034
Adjustment for share awards	**1,154,221**	833,880
Diluted weighted average number of shares	**172,802,113**	172,301,914
Basic earnings per share (pence)	**17.42**	19.92
Diluted earnings per share (pence)	**17.31**	19.82

12. Property, plant and equipment

	Freehold property £'000	Long leasehold property £'000	Short leasehold improvements £'000	Lanes and pins on strings £'000	Plant and machinery, fixtures and fittings £'000	Total £'000
Cost						
At 1 October 2022	7,406	1,240	38,686	18,050	50,518	115,900
Additions	—	—	11,554	4,269	6,178	22,001
Acquisition (note 32)	—	—	77	74	46	197
Disposals	—	—	(451)	(222)	(1,840)	(2,513)
Effects of movement in foreign exchange	(517)	—	(102)	(8)	(34)	(661)
At 30 September 2023	6,889	1,240	49,764	22,163	54,868	134,924
Additions	—	—	23,723	3,900	10,907	38,530
Acquisition (note 32)	—	—	189	448	545	1,182
Disposals	—	—	(846)	(648)	(2,343)	(3,837)
Transfer to right-of-use assets[1]	—	(1,240)	—	—	—	(1,240)
Effects of movement in foreign exchange	(615)	—	(249)	(170)	(141)	(1,175)
At 30 September 2024	**6,274**	**—**	**72,581**	**25,693**	**63,836**	**168,384**
Accumulated depreciation						
At 1 October 2022	24	388	18,857	4,534	23,456	47,259
Depreciation charge	63	29	3,399	740	5,911	10,142
Impairment charge	—	—	—	—	1,633	1,633
Impairment reversal	—	—	—	—	(241)	(241)
Disposals	—	—	(436)	(162)	(1,548)	(2,146)
Effects of movement in foreign exchange	(1)	—	(1)	—	—	(2)
At 30 September 2023	86	417	21,819	5,112	29,211	56,645
Depreciation charge	64	—	3,810	932	6,361	11,167
Impairment charge	—	—	1,605	—	1,203	2,808
Disposals	—	—	(834)	(589)	(2,245)	(3,668)
Transfer to right-of-use assets[1]	—	(417)	—	—	—	(417)
Effects of movement in foreign exchange	(10)	—	(27)	(22)	(28)	(87)
At 30 September 2024	**140**	**—**	**26,373**	**5,433**	**34,502**	**66,448**
Net book value						
At 30 September 2024	**6,134**	**—**	**46,208**	**20,260**	**29,334**	**101,936**
At 30 September 2023	6,803	823	27,945	17,051	25,657	78,279

1 During the year, management reviewed the classification of long leasehold property. Subsequently, the long leasehold property previously classified as property, plant and equipment has been reclassified as right-of-use assets (see note 13).

Short leasehold property includes £7,721,000 (30 September 2023: £845,000) of assets in the course of construction, relating to the development of new centres.

12. Property, plant and equipment continued

Impairment

Impairment testing is carried out at the CGU level on an annual basis at the balance sheet date, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Each individual centre is considered to be a CGU.

An initial impairment test was performed on all eighty five centres assessing for indicators of impairment. A detailed impairment test based on a base case was then performed on twelve centres, where the excess of value-in-use over the carrying value calculation was sensitive to changes in the key assumptions.

Property, plant and equipment and right-of-use assets for twelve centres have been tested for impairment by comparing the carrying value of each CGU with its recoverable amount determined from value-in-use calculations using cash flow projections based on financial budgets approved by the Board covering a five-year period.

The key assumptions used in the value-in-use calculations are revenue growth, cost inflation during the five year forecast period, the long term growth rate and discount rate assumptions. The key risks to those assumptions are the potential adverse variations in the economic environment leading to a deterioration in trading conditions and performance during FY2025 and FY2026. Cash flows beyond this two-year period are included in the Board-approved five-year plan and assume a recovery in the economy and the performance of our centres. The other assumptions used in the value-in-use calculations were:

	2024	2023
Revenue growth rate (within five years) - UK & Canada	**3.0%**	3.5%
Cost inflation (within five years) - UK	**3.2%**	3.1%
Cost inflation (within five years) - Canada	**3.7%**	—
Discount rate (pre-tax) - UK	**12.4%**	12.7%
Discount rate (pre-tax) - Canada	**10.6%**	—
Growth rate (beyond five years) - UK and Canada	**2.5%**	2.5%

Discount rates reflect current market assessments of the time value of money and the risks specific to the industry. This is the benchmark used by management to assess operating performance and to evaluate future capital investment proposals. These discount rates are derived from the weighted average cost of capital for the UK and Canada. Changes in the discount rates over the years are calculated with reference to latest market assumptions for the risk-free rate, equity risk premium and the cost of debt.

Detailed impairment testing, due to the financial performance of certain centres, resulted in the recognition of an impairment charge in the year of £2,808,000 (FY2023: £1,633,000) against property, plant and equipment assets and £2,508,000 (FY2023: £1,277,000) against right-of-use assets for four (FY2023: three) mini-golf centres and one combined centre (FY2023: none) (note 13), which form part of the UK operating segment. The impairment charge in the prior year was reduced by the reversal of an impairment charge of £241,000 against property, plant and equipment assets and £459,000 against right-of-use assets for one combined centre. Following the recognition of the impairment charge, the carrying value of property, plant and equipment is £3,156,000 (30 September 2023: £6,487,000) and right-of-use assets is £5,086,000 (30 September 2023: £8,125,000) for these four (FY2023: three) UK mini-golf centres and one combined centre (FY2023: none) (note 13).

Sensitivity to changes in assumptions

The estimate of the recoverable amounts for seven centres affords reasonable headroom over the carrying value of the property, plant and equipment and right-of-use asset, and an impairment charge of £5,316,000 (30 September 2023: £2,910,000) for five centres under the base case. Management have sensitised the key assumptions in the impairment tests of these twelve centres under the base case.

A reduction in revenue of three and four percentage points down on the base case for FY2025 and FY2026 respectively and a one percentage point increase in operating costs on the base case for FY2025 and FY2026 to reflect higher inflation, would not cause the carrying value to exceed its recoverable amount for seven centres, which include both bowling and mini-golf centres. Therefore, management believe that any reasonable possible changes in the key assumptions would not result in an impairment charge for these seven centres. However, a further impairment of £515,000 would arise under this sensitised case in relation to three centres where we have already recognised an impairment charge in the year.

13. Leases

Group as a lessee

The Group has lease contracts for property and amusement machines used in its operations. The Group's obligations under its leases are secured by the lessor's title to the leased assets. The Group is restricted from assigning and subleasing the leased assets. There are eight (FY2023: nine) lease contracts that include variable lease payments in the form of revenue-based rent top-ups. The Group also has certain leases of equipment with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Right-of-use assets	Property £'000	Amusement machines £'000	Total £'000
Cost			
At 1 October 2022	174,260	11,239	185,499
Lease additions	2,452	5,522	7,974
Acquisition (note 32)	4,911	—	4,911
Lease surrenders	—	(1,071)	(1,071)
Lease modifications	5,418	—	5,418
Effects of movement in foreign exchange	(1,070)	—	(1,070)
At 30 September 2023	185,971	15,690	201,661
Lease additions	13,405	5,029	18,434
Acquisition (note 32)	17,641	—	17,641
Lease surrenders	—	(1,391)	(1,391)
Lease modifications	4,890	—	4,890
Transfer from property, plant and equipment[1]	1,240	—	1,240
Effects of movement in foreign exchange	(2,338)	—	(2,338)
At 30 September 2024	**220,809**	**19,328**	**240,137**
Accumulated depreciation			
At 1 October 2022	31,264	6,780	38,044
Depreciation charge	10,464	2,501	12,965
Impairment charge	1,277	—	1,277
Impairment reversal	(459)	—	(459)
Lease surrenders	—	(977)	(977)
At 30 September 2023	42,546	8,304	50,850
Depreciation charge	11,577	3,175	14,752
Impairment charge	2,508	—	2,508
Transfer from property, plant and equipment[1]	417	—	417
Lease surrenders	—	(1,157)	(1,157)
At 30 September 2024	**57,048**	**10,322**	**67,370**
Net book value			
At 30 September 2024	**163,761**	**9,006**	**172,767**
At 30 September 2023	143,425	7,386	150,811

1 During the year, management reviewed the classification of long leasehold property. Subsequently, the long leasehold property previously classified as property, plant and equipment has been reclassified as right-of-use assets (see note 12).

13. Leases continued

Group as a lessee continued

Set out below are the carrying amounts of lease liabilities and the movements during the year:

Lease liabilities	Property £'000	Amusement machines £'000	Total £'000
At 1 October 2022	182,550	5,819	188,369
Lease additions	2,452	5,522	7,974
Acquisition (note 32)	4,911	—	4,911
Accretion of interest	9,568	240	9,808
Lease modifications	5,418	—	5,418
Lease surrenders	—	(145)	(145)
Payments[1]	(17,882)	(3,167)	(21,049)
Effects of movement in foreign exchange	(1,081)	—	(1,081)
At 30 September 2023	185,936	8,269	194,205
Lease additions	13,405	5,029	18,434
Acquisition (note 32)	15,641	—	15,641
Accretion of interest	11,144	471	11,615
Lease modifications	4,890	—	4,890
Lease surrenders	—	(322)	(322)
Payments[1]	(19,962)	(3,805)	(23,767)
Effects of movement in foreign exchange	(2,454)	—	(2,454)
At 30 September 2024	**208,600**	**9,642**	**218,242**
Current	10,349	3,882	14,231
Non-current	198,251	5,760	204,011
At 30 September 2024	**208,600**	**9,642**	**218,242**
Current	9,304	3,249	12,553
Non-current	176,632	5,020	181,652
At 30 September 2023	185,936	8,269	194,205

1 In FY2024, £153,000 (FY2023: £179,000) of rent payments were part of the working capital movements in the year.

The maturity analysis of the future undiscounted payments due under the above lease liabilities is disclosed in note 30.

The following are the amounts recognised in profit or loss:

	2024 £'000	2023 £'000
Depreciation expense of right-of-use assets	**14,752**	12,965
Impairment charge of right-of-use assets	**2,508**	818
Interest expense on lease liabilities	**11,615**	9,808
Expense relating to leases of low-value assets (included in administrative expenses)	**80**	57
Variable lease payments (included in administrative expenses)	**1,285**	824
Total amount recognised in profit or loss	**30,240**	24,472

The Group has contingent lease contracts for eight (FY2023: nine) sites. There is a revenue-based rent top-up on these sites. Variable lease payments include revenue-based rent top-ups at eight (FY2023: eight) centres totalling £897,000 (FY2023: £619,000). It is anticipated that top-ups totalling £1,374,000 will be payable in the year to 30 September 2025 based on current expectations.

Impairment testing is carried out as outlined in note 12. Detailed impairment testing resulted in the recognition of an impairment charge in the year of £2,508,000 (FY2023: £1,277,000) against right-of-use assets for four UK mini-golf centres and one combined centre (FY2023: three UK mini-golf centres). The impairment charge in the prior year was reduced by the reversal of an impairment charge of £459,000 against right-of-use assets for one combined centre.

14. Goodwill and intangible assets

	Goodwill £'000	Brands[1] £'000	Trademark[2] £'000	Customer relationships £'000	Software £'000	Total £'000
Cost						
At 1 October 2022	75,194	7,248	798	314	2,220	85,774
Additions	—	—	—	—	1,057	1,057
Acquisition (note 32)	6,865	—	—	503	—	7,368
Effects of movement in foreign exchange	(11)	—	—	(12)	—	(23)
At 30 September 2023	82,048	7,248	798	805	3,277	94,176
Additions	—	—	—	—	946	946
Acquisition (note 32)	10,668	—	—	306	—	10,974
Disposals	—	—	—		(1,320)	(1,320)
Effects of movement in foreign exchange	(3)	(19)	—	(6)	—	(28)
At 30 September 2024	**92,713**	**7,229**	**798**	**1,105**	**2,903**	**104,748**
Accumulated amortisation						
At 1 October 2022	—	1,523	416	8	2,033	3,980
Amortisation charge	—	568	50	45	157	820
At 30 September 2023	—	2,091	466	53	2,190	4,800
Amortisation charge	—	568	50	73	244	935
Disposals	—	—	—	—	(1,313)	(1,313)
Effects of movement in foreign exchange	—	3	—	—	—	3
At 30 September 2024	**—**	**2,662**	**516**	**126**	**1,121**	**4,425**
Net book value						
At 30 September 2024	**92,713**	**4,567**	**282**	**979**	**1,782**	**100,323**
At 30 September 2023	82,048	5,157	332	752	1,087	89,376

1 This relates to the Hollywood Bowl, Splitsville and Striker Bowling Solutions brands.

2 This relates to the Hollywood Bowl trademark only.

The components of goodwill comprise the following businesses:

	30 September 2024	30 September 2023
UK	**77,174**	75,034
Canada	**15,539**	7,014
	92,713	82,048

At the acquisition date, goodwill is allocated to each group of CGUs expected to benefit from the combination.

Impairment testing is carried out at the CGU level on an annual basis. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Each individual centre is considered to be a CGU. However, for the purposes of testing goodwill for impairment, it is acceptable under IAS 36 to group CGUs, in order to reflect the level at which goodwill is monitored by management. The UK and Canada are each considered to be a CGU, for the purposes of goodwill impairment testing. The goodwill acquisition in the year relates to the UK acquisition of Lincoln Bowl, and the three centres acquired in Canada (note 32). The four centres are each considered a CGU but have been allocated to either the UK or Canada group of CGU for the purpose of goodwill impairment testing. These CGUs form part of the UK and Canada operating segments respectively.

The recoverable amount of each of the CGUs is determined based on a value-in-use calculation using cash flow projections based on financial budgets approved by the Board covering a five-year period. Cash flows beyond this period are extrapolated using the estimated growth rates stated in the key assumptions. The key assumptions are disclosed in note 12.

Sensitivity to changes in assumptions

Management believe that any reasonable change in the key assumptions would not result in an impairment charge of the goodwill. The goodwill on the acquisitions in the year is included in note 32.

15. Investment in subsidiaries

Hollywood Bowl Group plc's operating subsidiaries as at 30 September 2024 are as follows:

Name	Company number	Principal activity	Country of incorporation	Percentage of ordinary shares owned
Direct holdings				
Kanyeco Limited[1, 2]	09164276	Investment holding	England and Wales	100%
Hollywood Bowl EBT Limited[1, 2]	10246573	Dormant	England and Wales	100%
Teaquinn Holdings Inc.[1, 4]	725118608	Investment holding	Canada	100%
Indirect holdings				
Kendallco Limited[1, 2]	09176418	Investment holding	England and Wales	100%
The Original Bowling Company Limited[2]	05163827	Ten-pin bowling	England and Wales	100%
Original Bowling Company (NI) Limited[3]	NI679991	Dormant	Northern Ireland	100%
AMF Bowling (Eastleigh) Limited[2]	06998390	Dormant	England and Wales	100%
MABLE Entertainment Limited[2]	01094660	Dormant	England and Wales	100%
Milton Keynes Entertainment Limited[2]	01807080	Dormant	England and Wales	100%
Bowlplex Limited[2]	01250332	Dormant	England and Wales	100%
Bowlplex European Leisure Limited[2]	05539281	Dormant	England and Wales	100%
Wessex Support Services Limited[2]	01513727	Dormant	England and Wales	100%
Wessex Superbowl (Germany) Limited[2]	03253033	Dormant	England and Wales	100%
Bowlplex Properties Limited[2]	05506380	Dormant	England and Wales	100%
Xtreme Bowling Entertainment Corporation[4]	840672380	Ten-pin bowling	Canada	100%
Striker Installations Inc.[4]	853701399	Ten-pin bowling installations	Canada	100%
Striker Bowling Solutions Inc.[4]	889559019	Ten-pin bowling installations	Canada	100%
Stoked Entertainment Centre Limited[5]	791692510	Family entertainment centre	Canada	100%

1 These subsidiaries are controlled and consolidated by the Group and are exempt from the Companies Act 2006 requirements relating to the audit of their individual accounts by virtue of Section 479A of the Act as this company has guaranteed the subsidiary companies under Section 479C of the Act.

2 The registered office of these subsidiaries is Focus 31, West Wing, Cleveland Road, Hemel Hempstead, Hertfordshire, HP2 7BW.

3 The registered office of this subsidiary is Cleaver Fulton Rankin, 50 Bedford Street, Belfast, BT2 7FW, Northern Ireland.

4 These subsidiaries are controlled and consolidated by the Group. The registered office of these subsidiaries is 505 Iroquois Shore Road, Suite 9, Oakville, Ontario, L6H 2R3, Canada.

5 This subsidiary is controlled and consolidated by the Group. The registered office of this subsidiary is 303 Owen Manor, Saskatoon, Saskatchewan, S7V 0P1, Canada.

6 Woodlawn Bowl Inc. was acquired on 7 November 2023 and subsequently amalgamated into Xtreme Bowling Entertainment Corporation on 1 May 2024.

16. Cash and cash equivalents

A) Reconciliation of cash and cash equivalents at the end of the reporting period

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	30 September 2024 £'000	30 September 2023 £'000
Cash and cash equivalents	**28,702**	52,455

Cash and cash equivalents include £4,310,000 (2023: £2,585,000) of credit and debit card payments.

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16. Cash and cash equivalents continued

B) Changes in liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

	1 October 2023 £'000	Financing cash flows £'000	Lease additions, modifications and disposals £'000	Accruals and prepayments £'000	Foreign exchange £'000	Interest expense £'000	Interest paid £'000	30 September 2024 £'000
Loans and borrowings (note 21)	—	—	—	(41)	—	190	(149)	**—**
Lease liabilities (note 13)	194,205	(12,305)	38,643	153	(2,454)	11,615	(11,615)	**218,242**
Total liabilities from financing activities	194,205	(12,305)	38,643	112	(2,454)	11,805	(11,764)	**218,242**

	1 October 2022 £'000	Financing cash flows £'000	Lease additions, modifications and disposals £'000	Accruals and prepayments £'000	Foreign exchange £'000	Interest expense £'000	Interest paid £'000	30 September 2023 £'000
Loans and borrowings (note 21)	—	—	—	92	—	200	(292)	—
Lease liabilities (note 13)	188,369	(11,420)	18,158	179	(1,081)	9,808	(9,808)	194,205
Total liabilities from financing activities	188,369	(11,420)	18,158	271	(1,081)	10,008	(10,100)	194,205

17. Trade and other receivables

	30 September 2024 £'000	30 September 2023 £'000
Trade receivables	**1,537**	2,356
Other receivables	**95**	129
Prepayments	**7,788**	5,631
	9,420	8,116

Trade receivables have an ECL against them that is immaterial. There were no overdue receivables at the end of either year.

18. Inventories

	30 September 2024 £'000	30 September 2023 £'000
Goods for resale	**2,897**	2,445

Goods bought for resale recognised as a cost of sale amounted to £25,634,000 (FY2023: £24,400,000).

19. Trade and other payables

	30 September 2024 £'000	30 September 2023 £'000
Current		
Trade payables	**5,494**	7,025
Other payables	**3,658**	1,366
Accruals and deferred income	**16,162**	15,421
Taxation and social security	**5,113**	5,297
Total trade and other payables	**30,427**	29,109

	30 September 2024 £'000	30 September 2023 £'000
Non-current		
Other payables	**7,116**	5,208

19. Trade and other payables continued

Accruals and deferred income includes a staff bonus accrual of £3,950,000 (30 September 2023: £4,955,000). Deferred income includes £983,000 (30 September 2023: £801,000) of customer deposits received in advance and £2,628,000 (30 September 2023: £1,870,000) relating to bowling equipment installations, all of which will be recognised in the income statement during the following financial year.

Non-current other payables includes £3,928,000 (30 September 2023: £2,359,000) of contingent consideration and £1,759,000 (30 September 2023: £1,862,000) of deferred consideration in respect of the acquisition of Teaquinn Holdings Inc. The additional consideration to be paid is contingent on the future financial performance of Teaquinn Holdings Inc. in FY2025 or FY2026. This is based on a multiple of 9.2x Teaquinn's EBITDA pre-IFRS 16 in the financial period of settlement and is capped at CAD 17m. The contingent consideration has been accounted for as post-acquisition employee remuneration in accordance with IFRS 3 paragraph B55 and recognised over the duration of the employment contract to FY2026. The present value of the contingent consideration has been discounted using a WACC of 13 per cent. There is a range of possible outcomes for the value of the contingent consideration based on Teaquinn's forecasted EBITDA pre-IFRS 16 and the year of payment. This ranges from a payment (undiscounted) in FY2025 of £6,534,000 (undiscounted) to a payment in FY2026 of £9,146,000 (undiscounted), using the FY2024 year-end exchange rate. The fair value of the contingent consideration will be re-assessed at every financial reporting date, with changes recognised in the income statement. In FY2024, this re-assessment resulted in a reduction in the charge of £261,000 based on the current expectation of the final consideration payment, which has been recognised in exceptional administrative expenses.

20. Provisions

	30 September 2024 £'000	30 September 2023 £'000
Lease dilapidations provision	**5,848**	5,084

The dilapidations provision relates to potential rectification costs expected should the Group vacate its retail locations. There are no onerous leases within the estate. The movements in the dilapidations provision are summarised below:

	Dilapidations £'000
As at 30 September 2022	4,682
Change in discount rate[1]	(67)
Provided during the year	266
Unwind of discounted amount	203
As at 30 September 2023	5,084
Change in discount rate[1]	326
Provided during the year	225
Unwind of discounted amount	213
As at 30 September 2024	**5,848**

1 There was a decrease in the discount rate from 4.64 per cent at 30 September 2023 to 4.11 per cent at 30 September 2024 (FY2023: an increase in the discount rate from 4.40 per cent at 30 September 2022 to 4.64 per cent at 30 September 2023), used in preparing the dilapidations provision for the year ended 30 September 2024. This resulted in an increase in the provision of £326,000 (FY2023: a decrease of £67,000), and will unwind over the term of the property leases. Movements in the discount rate are driven by the yield on UK government bonds with a maturity comparable to the remaining property lease term.

In the UK, a provision is made for future expected dilapidation costs on the opening of leasehold properties not covered by the Landlord and Tenant Act 1985 (LTA), and is expected to be utilised on lease expiry. This also includes properties covered by the LTA where we may not extend the lease, after consideration of the long-term trading and viability of the centre. The provision in the year relates to one new centre (FY2023: one new centre). Properties covered by the LTA provide security of tenure and we intend to occupy these premises indefinitely until the landlord serves notice that the centre is to be redeveloped. As such, no charge for dilapidations can be imposed and no dilapidation provision is considered necessary as the outflow of economic benefit on these centres is not considered to be probable. As at 30 September 2024, 24 UK centres (30 September 2023: 23 centres) had a dilapidations provision. No Canadian property leases have a dilapidations provision as the lease agreements do not contain a related dilapidation clause.

It is not anticipated that the provision will be utilised within the next 12 months as there are no sites currently earmarked for closure that have a dilapidations provision.

21. Loans and borrowings

On 29 September 2021, the Group entered into a £25m revolving credit facility (RCF) with Barclays Bank plc. The RCF had an original termination date of 31 December 2024. On 22 March 2024, the RCF had the termination date extended to 31 December 2025.

Interest is charged on any drawn balance based on the reference rate (SONIA), plus a margin of 1.65 per cent (30 September 2023: 1.75 per cent).

A commitment fee equal to 35 per cent of the drawn margin is payable on the undrawn facility balance. The commitment fee rate as at 30 September 2024 was therefore 0.5775 per cent (30 September 2023: 0.6125 per cent).

Issue costs of £135,000 were paid to Barclays Bank plc on commencement of the RCF and a further £35,000 on extension of the RCF. These costs are being amortised over the term of the facility and are included within prepayments (note 17).

21. Loans and borrowings continued

The terms of the Barclays Bank plc facility include a Group financial covenants that each quarter the ratio of total net debt to Group adjusted EBITDA pre-IFRS 16 shall not exceed 1.75:1.

The Group operated within the covenant during the year and the previous year.

22. Deferred tax assets and liabilities

	30 September 2024 £'000	30 September 2023 £'000
Deferred tax assets and liabilities		
Deferred tax assets – UK	**5,934**	6,500
Deferred tax assets – Canada	**518**	244
Deferred tax liabilities – UK	**(7,247)**	(5,191)
Deferred tax liabilities – Canada	**(2,680)**	(2,204)
	(3,475)	(651)

	30 September 2024 £'000	30 September 2023 £'000
Reconciliation of deferred tax balances		
Balance at the beginning of the year	**(651)**	1,647
Deferred tax credit for the year – in profit or loss	**(1,950)**	(2,157)
Deferred tax credit for the year – in equity	**101**	8
On acquisition	**(20)**	(148)
Effects of changes in tax rates	**(17)**	—
Effects of foreign exchange	**213**	63
Adjustment in respect of prior years	**(1,151)**	(64)
Balance at the end of the year	**(3,475)**	(651)

The components of deferred tax are:

	30 September 2024 £'000	30 September 2023 £'000
Deferred tax assets		
Fixed assets	**5,192**	6,080
Trading losses	**29**	15
Other temporary differences	**895**	649
	6,116	6,744
Deferred tax liabilities		
Property, plant and equipment	**(8,205)**	(5,857)
Intangible assets	**(1,386)**	(1,538)
	(9,591)	(7,395)

Deferred tax assets and liabilities are measured using the tax rates that are expected to apply to the periods when the assets are realised or liabilities settled, based on tax rates enacted or substantively enacted at 30 September 2024.

23. Share capital

	30 September 2024		30 September 2023	
	Shares	£'000	Shares	£'000
Ordinary shares of £0.01 each	**172,083,853**	**1,721**	171,712,357	1,717

The share capital of the Group is represented by the share capital of the Parent Company, Hollywood Bowl Group plc.

During the year 499,254 ordinary shares of £0.01 each were issued under the Group's LTIP scheme and 456 ordinary shares of £0.01 each were issued under the Group's SAYE scheme (note 28). In addition, 128,214 ordinary shares of £0.01 each were repurchased and cancelled under the Group's share buy back programme at a total cost of £379,327.

The ordinary shares are entitled to dividends.

24. Reserves

Share premium

The amount subscribed for share capital in excess of nominal value.

Retained earnings

The accumulated net profits and losses of the Group.

Merger reserve

The merger reserve represents the excess over nominal value of the fair value consideration for the business combination which arose during the Company's IPO listing; this was satisfied by the issue of shares in accordance with Section 612 of the Companies Act 2006.

Capital redemption reserve

The capital redemption reserve represents the value of the ordinary shares of £0.01 each repurchased by the Group under the share buy back.

Foreign currency translation reserve

The foreign currency translation reserve represents the retranslation gains and losses of foreign currency denominated operations.

25. Lease commitments

The Group had total commitments under non-cancellable operating leases set out below:

	30 September 2024 Other £'000	30 September 2023 Other £'000
Within 1 year	**80**	57
In 2 to 5 years	**100**	58
	180	115

These operating leases are not included as IFRS 16 assets as the Group applies the low-value assets recognition exemption to leases of office equipment.

26. Capital commitments

As at 30 September 2024, the Group had entered into contracts to fit out new and refurbish existing sites and to complete the installation of solar panels for £5,312,000 (30 September 2023: £5,450,000). These commitments are expected to be settled in the year to 30 September 2025.

27. Related party transactions

30 September 2024 and 30 September 2023

During the year, and the previous year, there were no transactions with related parties.

28. Share-based payments

Long-term employee incentive costs

The Group operates LTIPs for certain key management. In accordance with IFRS 2 Share-based payment, the values of the awards are measured at fair value at the date of grant. The exercise price of the LTIPs is equal to the market price of the underlying shares on the date of grant. The fair value is determined based on the exercise price and number of shares granted, and is written off on a straight-line basis over the vesting period, based on management's estimate of the number of shares that will eventually vest.

A summary of the movement in the LTIPs is outlined below:

Scheme name	Year of grant	Method of settlement accounting	Outstanding at 1 October 2023	Granted during the year	Lapsed/ cancelled during the year	Exercised during the year	Outstanding at 30 September 2024	Exercisable at 30 September 2024
LTIP 2021	2021	Equity	452,993	46,261	—	(499,254)	—	—
LTIP 2022	2022	Equity	463,436	—	—	—	463,436	—
LTIP 2023	2023	Equity	627,678	—	—	—	627,678	—
LTIP 2024	2024	Equity	—	584,831	—	—	584,831	—

In accordance with the LTIP schemes outlined in the Group's Remuneration Policy, the vesting of these awards is conditional upon the achievement of an EPS target set at the time of grant, measured at the end of a three-year period ending 30 September 2024, 30 September 2025 and 30 September 2026, and the Executive Directors' continued employment at the date of vesting. The LTIP 2022, 2023 and 2024 also have performance targets based on return on centre invested capital, emissions ratio for Scope 1 and Scope 2 and team member development. Further details on LTIP 2022, 2023 and 2024 are available on the Hollywood Bowl Group corporate website at www.hollywoodbowlgroup.com/investors/regulatory-news dated 7 February 2022, 16 February 2023 and 30 January 2024.

28. Share-based payments continued

Long-term employee incentive costs continued

The awards will vest based on the following adjusted EPS targets:

LTIP 2022	LTIP 2023	LTIP 2024	Vesting
14.65	18.11	23.10	25%
14.65–16.19	18.11–20.01	23.10–25.54	Vesting determined on a straight-line basis
16.19	20.01	25.54	100%

During the year ended 30 September 2024, 631,092 (30 September 2023: 627,678) share awards were granted under the LTIP. For all LTIPs, the Group recognised a charge of £1,749,237 (30 September 2023: £1,218,431) and related employer National Insurance of £241,395 (30 September 2023: £168,143).

During the year ended 30 September 2024, 499,254 (30 September 2023: 641,567) share awards were exercised under LTIP 2021 (30 September 2023: LTIP 2018 and 2020) and a total of 499,254 shares were issued pursuant to an existing block listing in order to satisfy the exercise of the nil-cost options (see note 23).

The following assumptions were used to determine the fair value of the LTIPs granted:

Financial year LTIP granted	2024	2023	2022
Share price at date of grant	**2.930**	2.600	2.514
Discount rate/dividend yield	**3%**	3%	3%

The shares are dilutive for the purposes of calculating diluted earnings per share.

Save-As-You-Earn (SAYE) schemes

The Group currently operates three SAYE schemes, available to all employees of the Group. The SAYE schemes permit the grant to employees of options in respect of ordinary shares linked to a bank SAYE contract for a term of three years with contributions from employees of an amount between £5 and £500 per month. During the year, a new SAYE scheme (SAYE 2024) was launched with 109 employees taking up 100,887 options with an exercise date of 1 February 2027 and an exercise price of £2.85, being equal to the market price of the shares on the date of grant. In the prior year, 133 employees took up 186,764 options with an exercise date of 1 February 2026 and an exercise price of £2.43. The options vest if the employee remains in employment by the Group on the exercise date; otherwise, the options lapse on the date the employee leaves. The options are exercisable for a period of six months from the date of vesting. Employees can opt to leave the SAYE at any time, at which point their options will lapse.

The shares are dilutive for the purposes of calculating diluted earnings per share.

In accordance with IFRS 2 Share-based payment, the values of the awards are measured at fair value at the date of the grant. The fair value is expensed on a straight-line basis over the vesting period, based on management's estimate of the number of shares that will eventually vest.

The fair value at grant date is estimated using a Black-Scholes pricing model, taking into account the terms and conditions upon which the options were granted. The contractual life of each option granted is three years. The fair value of options granted during the years ended 30 September 2024, 30 September 2023 and 30 September 2022 was estimated on the date of grant using the following assumptions:

	SAYE 2024	SAYE 2023	SAYE 2022
Exercise price	£2.850	£2.430	£2.845
Dividend yield	3.0%	3.0%	3.0%
Expected volatility	32.9%	35.4%	34.4%
Risk-free interest rate	4.10%	3.14%	1.10%
Life of option	3 years	3 years	3 years
Anticipated number of options to vest	50%	50%	30%

The expected volatility is based on the annualised standard deviation of the continuously compounded rates of return on the share over a period of time. A summary of the movement in the SAYE schemes is outlined below:

Scheme name	Year of award	Outstanding at 1 October 2023	Granted during the year	Lapsed/cancelled during the year	Exercised during the year	Outstanding at 30 September 2024	Exercisable at 30 September 2024
SAYE 2020	2020	1,500	—	(1,044)	(456)	—	—
SAYE 2022	2022	64,153	—	(21,589)	—	42,564	—
SAYE 2023	2023	153,223	—	(51,020)	—	102,203	—
SAYE 2024	2024	—	100,887	(15,544)	—	85,343	—

The assessed fair value of the options granted during the year ended 30 September 2024 was £0.62 (30 September 2023: £0.54).

For the year ended 30 September 2024, the Group has recognised £32,579 of share-based payment charge in the income statement (30 September 2023: credit of £13,989).

28. Share-based payments continued

Save-As-You-Earn (SAYE) schemes continued

During the year none of the SAYE schemes became exercisable and 456 ordinary shares of £0.01 each were issued under the SAYE 2020 at an exercise price of £2.845. During the prior year, the SAYE 2020 scheme became exercisable and no options were exercised.

The weighted average remaining contractual life of share options outstanding at 30 September 2024 was 557 days (30 September 2023: 747 days).

29. Financial instruments

Fair value hierarchy

IFRS 7 requires fair value measurements to be recognised using a fair value hierarchy that reflects the significance of the inputs used in the value measurements:

Level 1: inputs are quoted prices in active markets.

Level 2: a valuation that uses observable inputs for the asset or liability other than quoted prices in active markets.

Level 3: a valuation using unobservable inputs (i.e. a valuation technique).

There were no transfers between levels throughout the periods under review.

Fair value

All financial assets held at the balance sheet date, which comprise trade and other receivables and cash and cash equivalents, are classified as financial assets held at amortised cost. All financial liabilities, which comprise trade and other payables and borrowings, are classified as financial liabilities held at amortised cost. The following table shows the fair value of financial assets and financial liabilities within the Group at the balance sheet date. The fair value of all financial assets and liabilities are categorised as Level 2.

	30 September 2024 £'000	30 September 2023 £'000
Financial assets – measured at amortised cost		
Cash and cash equivalents	**28,702**	52,455
Trade and other receivables	**1,632**	2,485
Financial liabilities – measured at amortised cost		
Trade and other payables	**32,429**	29,021

There is no difference between the carrying value and fair value of any of the above financial assets and financial liabilities.

30. Financial risk management

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (fair value interest rate and price risk).

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. In order to minimise this risk the Group endeavours to deal only with companies which are demonstrably creditworthy. In addition, a significant proportion of revenue results from cash transactions. The aggregate financial exposure is continuously monitored. The maximum exposure to credit risk is the value of the outstanding amount of trade receivables. Management does not consider that there is any concentration of risk within either trade or other receivables.

The Group held cash and cash equivalents with banks which are rated AA- to AA+ of £26,785,000 at 30 September 2024 (30 September 2023: £50,520,000).

The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Trade receivables have not been impaired as any ECL is deemed to be insignificant.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as is possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Cash flow and fair value interest rate risk

The Group's borrowings are variable rate bank loans. As at 30 September 2024, £nil (30 September 2023: £nil) of the available facility has been drawn down. The Directors monitor the Group's funding requirements and external debt markets to ensure that the Group's borrowings are appropriate to its requirements in terms of quantum, rate and duration.

The Group currently holds cash balances to provide funding for normal trading activity. The Group also has access to both short-term and long-term borrowings to finance individual projects. Trade and other payables are monitored as part of normal management routine.

30. Financial risk management continued

Cash flow and fair value interest rate risk continued

The table below summarises the maturity profile of the Group's financial liabilities:

	Within 1 year £'000	1 to 2 years £'000	2 to 5 years £'000	5 to 10 years £'000	More than 10 years £'000	Total £'000
2024						
Trade and other payables	**24,226**	**676**	**6,994**	**801**	**3,867**	**36,564**
Lease liabilities	**25,626**	**25,395**	**69,523**	**102,559**	**108,691**	**331,794**
	49,852	**26,071**	**76,517**	**103,360**	**112,558**	**368,358**
2023						
Trade and other payables	22,916	1,182	5,233	670	3,208	33,209
Lease liabilities	21,394	21,286	59,684	87,486	97,129	286,979
	44,310	22,468	64,917	88,156	100,337	320,188

Capital risk management

The Group's capital management objectives are:

(i) to ensure the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and

(ii) to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk.

To meet these objectives, the Group reviews the budgets and forecasts on a regular basis to ensure there is sufficient capital to meet the needs of the Group through to profitability and positive cash flow.

The capital structure of the Group consists of shareholders' equity as set out in the consolidated statement of changes in equity. All working capital requirements are financed from existing cash resources and borrowings.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Foreign currency risk

Operating across two territories increases the Group's exposure to currency risk. Wherever possible, overseas operations will fund their day to day working capital requirements in local currency with cash generated from operations, naturally hedging the currency risk exposure to the Group. Management will continually monitor the level of currency risk exposure, and consider hedging where appropriate. Currently the Group considers the currency risk on consolidation of the assets and liabilities of its foreign entities to be of low materiality.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group manages its interest rate risk by entering into interest rate derivatives when it is considered appropriate to do so by management. At 30 September 2024 and 30 September 2023, none of the Group's borrowings were at fixed rates of interest.

The effect on the profit after tax of a notional one per cent increase or decrease in SONIA is £nil (30 September 2023: £nil).

31. Dividends paid and proposed

	30 September 2024 £'000	30 September 2023 £'000
The following dividends were declared and paid by the Group:		
Final dividend year ended 30 September 2022 – 8.53 pence per ordinary share	—	14,592
Special dividend year ended 30 September 2022 – 3.00 pence per ordinary share	—	5,132
Interim dividend year ended 30 September 2023 – 3.27 pence per ordinary share	—	5,614
Final dividend year ended 30 September 2023 – 8.54 pence per ordinary share	**14,664**	—
Special dividend year ended 30 September 2023 – 2.73 pence per ordinary share	**4,688**	—
Interim dividend year ended 30 September 2024 – 3.98 pence per ordinary share	**6,828**	—
Proposed for the approval by shareholders at AGM (not recognised as a liability at 30 September 2024):		
Final dividend year ended 30 September 2024 – 8.08 pence per ordinary share (2023: 8.54 pence)	**13,904**	14,664
Special dividend year ended 30 September 2024 – nil pence per ordinary share (2023: 2.73 pence)	—	4,688

32. Acquisition of Lincoln Bowl, Woodlawn Bowl Inc., Lucky 9 Bowling Centre Limited and Stoked Entertainment Centre Limited

On 2 October 2023, the Group purchased the assets, including the long leasehold, of Lincoln Bowl. On 7 November 2023 the Group acquired Woodlawn Bowl Inc. in Guelph, Ontario, on 11 November 2023, the assets and lease of Lucky 9 Bowling Centre Limited as well as its associated restaurant and bar, Monkey 9 Brewing Pub Corp in Richmond, British Columbia, and on 24 June 2024 the Group acquired Stoked Entertainment Centre Limited in Saskatoon, Saskatchewan. All four businesses are operators of ten-pin bowling centres. Stoked Entertainment Centre Limited also operates indoor go-karts and high ropes. The purpose of the acquisitions was to grow the Group's core ten-pin bowling business in their respective regions.

The results of Lincoln Bowl, Woodlawn Bowl Inc., Lucky 9 Bowling Centre Limited and Stoked Entertainment Centre Limited are consolidated into the Group financial statements from the respective dates of acquisition, being 2 October 2023, 7 November 2023, 11 November 2023 and 24 June 2024.

Since acquisition, Woodlawn Bowl Inc. has been dissolved and amalgamated into Xtreme Bowling Entertainment Corporation (note 15).

The details of the business combinations are as follows (stated at acquisition date fair values):

	Lincoln Bowl £'000	Woodlawn Bowl Inc. £'000	Lucky 9 Bowling Limited £'000	Stoked Entertainment Centre Limited £'000	Total £'000
Fair value of consideration transferred					
Amount settled in cash	4,474	2,784	277	6,222	13,757
Recognised amounts of identifiable net assets					
Property, plant and equipment	100	289	228	565	1,182
Right-of-use assets	2,000	1,426	4,255	9,960	17,641
Intangible assets	135	171	—	—	306
Inventories	8	21	27	103	159
Trade and other receivables	91	42	22	7	162
Cash and cash equivalents	10	10	—	58	78
Trade and other payables	(10)	(62)	—	(583)	(655)
Lease liabilities	—	(1,426)	(4,255)	(9,960)	(15,641)
Deferred tax liabilities	—	(54)	—	(89)	(143)
Identifiable net assets	2,334	417	277	61	3,089
Goodwill arising on acquisition	2,140	2,367	—	6,161	10,668
Consideration for equity settled in cash	4,474	2,784	277	6,222	13,757
Cash and cash equivalents acquired	(10)	(10)	—	(58)	(78)
Net cash outflow on acquisition	4,464	2,774	277	6,164	13,679
Acquisition costs paid charged to expenses					921
Net cash paid in relation to the acquisitions					14,600

Acquisition related costs of £921,000 are not included as part of the consideration transferred and have been recognised as an expense in the consolidated income statement within administrative expenses.

The fair value of the identifiable intangible assets acquired includes £306,000 in relation to customer relationships. The customer relationships have been valued using the multi-period excess earnings method.

The fair value of right-of-use assets and lease liabilities were measured as the present value of the remaining lease payments, in accordance with IFRS 16.

The fair value and gross contractual amounts receivable of trade and other receivables acquired as part of the business combination amounted to £162,000. At the acquisition date the Group's best estimate of the contractual cash flows expected not to be collected amounted to £nil.

Goodwill amounting to £10,668,000 was recognised on acquisition (note 14). The goodwill relates to the locations of the bowling centres acquired, the expected commercial opportunities of an enhanced leisure offering in an underserved market and the expected synergies from combining the four centres into the Hollywood Bowl Group.

In the period since acquisition to 30 September 2024, the Group recognised £6,967,000 of revenue and £1,503,000 of profit before tax in relation to the acquired businesses. Had the acquisitions occurred on 1 October 2023, the contribution to the Group's revenue would have been £11,513,000 and the contribution to the Group's profit before tax for the period would have been £2,478,000.

Company statement of financial position

As at 30 September 2024

	Note	30 September 2024 £'000	30 September 2023 £'000
ASSETS			
Non-current assets			
Investments	5	**87,561**	69,745
Trade and other receivables	8	**73,742**	73,224
Deferred tax asset	7	**355**	244
		161,658	143,213
Current assets			
Cash and cash equivalents	6	**8,119**	24,876
Trade and other receivables	8	**191**	253
		8,310	25,129
Total assets		**169,968**	168,342
LIABILITIES			
Current liabilities			
Trade and other payables	9	**121,180**	92,915
Total liabilities		**121,180**	92,915
NET ASSETS		**48,788**	75,427
Equity attributable to shareholders			
Share capital	10	**1,721**	1,717
Share premium	10	**39,716**	39,716
Capital redemption reserve	10	**1**	—
Retained earnings		**7,350**	33,994
TOTAL EQUITY		**48,788**	75,427

These financial statements were approved by the Board of Directors on 16 December 2024.

The accompanying notes on pages 145 to 171 form an integral part of these financial statements.

Signed on behalf of the Board

Laurence Keen
Chief Financial Officer
Company registration number: 10229630

Company statement of changes in equity

For the year ended 30 September 2024

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Retained earnings £'000	Total £'000
Equity as at 30 September 2022	1,711	39,716	—	59,828	101,255
Shares issued during the year	6	—	—	—	6
Share-based payments (note 5, 11)	—	—	—	1,218	1,218
Deferred tax on share-based payments	—	—	—	25	25
Dividends paid	—	—	—	(25,338)	(25,338)
Total comprehensive loss for the year	—	—	—	(1,739)	(1,739)
Equity as at 30 September 2023	1,717	39,716	—	33,994	75,427
Shares issued during the year	5	—	—	—	5
Share buy back	(1)	—	1	(379)	(379)
Share-based payments (note 5, 11)	—	—	—	1,749	1,749
Dividends paid	—	—	—	(26,180)	(26,180)
Total comprehensive loss for the year	—	—	—	(1,834)	(1,834)
Equity as at 30 September 2024	**1,721**	**39,716**	**1**	**7,350**	**48,788**

The accompanying notes on pages 145 to 171 form an integral part of these financial statements.

Company statement of cash flows

For the year ended 30 September 2024

	30 September 2024 £'000	30 September 2023 £'000
Cash flows from operating activities		
Loss before tax	**(2,532)**	(1,615)
Adjusted by:		
Net interest income	**(650)**	(685)
Share-based payments (note 11)	**1,110**	753
Operating loss before working capital changes	**(2,072)**	(1,547)
Decrease in trade and other receivables	**567**	29
Increase/(decrease) in trade and other payables	**222**	(675)
Cash outflow generated from operations	**(1,283)**	(2,193)
Interest received	**883**	796
Bank interest paid	**(149)**	(198)
Net cash outflow from operating activities	**(549)**	(1,595)
Cash flows from investing activities		
Acquisition of subsidiaries	**—**	(7,716)
Investment in existing subsidiary	**(17,695)**	(2,280)
Repayment of loan by subsidiary	**—**	966
Net cash used in investing activities	**(17,695)**	(9,030)
Cash flows from financing activities		
Issue of shares	**—**	6
Share buy back	**(379)**	—
Dividends paid	**(26,180)**	(25,338)
Loan from subsidiary	**28,046**	15,921
Net cash flows generated from/(used in) financing activities	**1,487**	(9,411)
Net change in cash and cash equivalents for the year	**(16,757)**	(20,036)
Cash and cash equivalents at the beginning of the year	**24,876**	44,912
Cash and cash equivalents at the end of the year	**8,119**	24,876

The accompanying notes on pages 145 to171 form an integral part of these financial statements.

1. General information

Hollywood Bowl Group plc is a public limited company whose shares are publicly traded on the London Stock Exchange and is incorporated and domiciled in England under the Companies Act 2006. The Company was incorporated on 13 June 2016, registered number 10229630. The registered office of the Parent Company is Focus 31, West Wing, Cleveland Road, Hemel Hempstead, HP2 7BW, United Kingdom.

2. Material accounting policies

The material accounting policies are set out below. These accounting policies have been applied consistently throughout the year and prior year. The financial information presented is as at and for the financial years ended 30 September 2024 and 30 September 2023.

Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 -'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102') and the Companies Act 2006. The functional and presentational currency of the Company is Pounds Sterling. The financial statements are presented in Pounds Sterling and all values are rounded to the nearest thousand, except where otherwise indicated.

The financial statements have been prepared on a going concern basis under the historical cost convention.

The financial information presented is at and for the years ended 30 September 2024 and 30 September 2023.

As the consolidated financial statements of the Company include the equivalent disclosures, the Company has taken the exemptions under FRS 102 available in respect of the following disclosures:

- certain disclosures required by FRS 102.26 Share-based payment; and
- certain disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of paragraph 36(4) of Schedule 1.

As permitted by Section 408 of the Companies Act 2006, an entity income statement and statement of comprehensive income are not included as part of the published consolidated financial statements of Hollywood Bowl Group plc. The loss for the financial year dealt with in the financial statements of the Parent Company is £1,834,000 (FY2023: loss £1,739,000).

Investments in subsidiaries

Investments in subsidiary undertakings are initially recorded at cost, being the fair value of the consideration paid. Subsequently investments are reviewed for impairment on an individual basis annually or if events or changes in circumstances indicate that the carrying value may not be fully recoverable with any impairment charged to the income statement.

Receivables due from subsidiary undertakings

Amounts owed by subsidiaries are classified and recorded at amortised cost and reduced by allowances for ECLs. Estimated future credit losses are first recorded on initial recognition of a receivable and are based on estimated probability of default. Individual balances are written off when management deems them not to be collectible.

Employee benefits

Share-based payments

The Company operates an equity-settled share-based payment plan for its Directors, under which the Directors are granted equity instruments of Hollywood Bowl Group plc. The fair value of services received in exchange for the equity instruments is determined by reference to the fair value of the instruments granted at grant date. The fair value of the instruments includes any market performance conditions and non-vesting conditions.

The expense is recognised over the vesting period of the award taking into account any non-market performance and service conditions.

The cost of equity-settled transactions is recognised together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award.

Financial instruments

The Company has elected to apply the recognition and measurement provisions of IFRS 9 Financial Instruments together with the disclosure and presentation requirements of sections 11 and 12 of FRS 102.

Cash and cash equivalents

Cash and cash equivalents includes cash held in short-term deposits with UK banks.

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency at the exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Exchange gains and losses are included within administrative expenses in the income statement.

2. Summary of significant accounting policies continued

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred taxation

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference.

Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

3. Directors' remuneration

The Company has no employees other than the Directors.

The Directors' emoluments and benefits were as follows:

	30 September 2024[1] £'000	30 September 2023[1] £'000
Salaries and bonuses	**2,279**	2,165
Pension contributions	**48**	46
Share-based payments (note 11)	**1,111**	753
Total	**3,438**	2,964

1 This includes three (FY2023: three) Executive Directors and four (FY2023: four) Non-Executive Directors.

The aggregate of emoluments of the highest paid Director was £1,615,000 (FY2023: £1,388,000) and Company pension contributions of £23,000 (FY2023: £22,000) were made to a defined contribution scheme on their behalf.

4. Taxation

	30 September 2024 £'000	30 September 2023 £'000
The tax (credit)/expense is as follows:		
– UK corporation tax	**(587)**	21
Total current tax (credit)/expense	**(587)**	21
Deferred tax:		
Origination and reversal of temporary differences	**(115)**	7
Adjustment in respect of prior years	**4**	116
Effect of changes in tax rates	**—**	(20)
Total deferred tax (credit)/expense	**(111)**	103
Total tax (credit)/expense	**(698)**	124

4. Taxation continued

Factors affecting current credit

The tax assessed on the loss for the period is different to the standard rate of corporation tax in the UK of 25 per cent (30 September 2023: 22 per cent). The differences are explained below:

	30 September 2024 £'000	30 September 2023 £'000
Loss excluding taxation	**(2,532)**	(1,615)
Tax using the UK corporation tax rate of 25% (2023: 22%)	**(633)**	(355)
Change in tax rate on deferred tax balances	**—**	(19)
Share-based payments	**(73)**	(26)
Non-deductible expenses	**4**	(102)
Adjustments in respect of prior years	**4**	116
Group relief	**—**	510
Total tax (credit)/expense included in profit or loss	**(698)**	124

The Group's standard tax rate for the year ended 30 September 2024 was 25 per cent (30 September 2023: 22 per cent).

5. Investments

Investments in subsidiary undertakings are as follows:

	30 September 2024 £'000	30 September 2023 £'000
At the beginning of the year	**69,745**	61,125
Additions	**17,816**	10,461
Derecognition of contingent and deferred consideration in subsidiary[1]	**—**	(1,841)
At the end of the year	**87,561**	69,745

Details of the investments in subsidiary undertakings are outlined in note 15 to the consolidated financial statements.

1 In FY2022, one of the Company's subsidiaries made an acquisition of Teaquinn Inc. which was recorded in the Company's accounts rather than the subsidiary's. FY2022 was not restated on the grounds of materiality, but the prior year was adjusted to derecognise these amounts.

6. Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	30 September 2024 £'000	30 September 2023 £'000
Cash and cash equivalents	**8,119**	24,876

7. Deferred tax asset

	30 September 2024 £'000	30 September 2023 £'000
Deferred tax asset		
Deferred tax asset	**355**	244
	355	244

	30 September 2024 £'000	30 September 2023 £'000
Reconciliation of deferred tax balances		
Balance at beginning of year	**244**	343
Deferred tax credit/(charge) for the year – in profit or loss	**115**	(124)
Deferred tax charge for the year – in equity	**—**	25
Adjustments in respect of prior periods	**(4)**	—
Balance at end of year	**355**	244

The components of deferred tax are:

	30 September 2024 £'000	30 September 2023 £'000
Deferred tax asset		
Temporary differences	**355**	244
	355	244

The Group has a policy in relation to the payment for tax losses surrendered between Group companies under the Group relief provisions. The Company has therefore recognised a deferred tax asset in respect of its accumulated tax losses on the basis it expects to receive economic benefits in the form of payments for amounts surrendered as Group relief in future accounting periods.

8. Trade and other receivables

Current	30 September 2024 £'000	30 September 2023 £'000
Other receivables	**79**	97
Prepayments	**112**	156
	191	253

Non-current	30 September 2024 £'000	30 September 2023 £'000
Amounts owed by Group companies	**73,742**	73,224

Amounts owed by and to Group companies are non-interest bearing, are repayable on demand and are not expected to be recovered within the next 12 months.

9. Trade and other payables

Current	30 September 2024 £'000	30 September 2023 £'000
Amounts owed to Group companies	**119,250**	91,207
Trade and other payables	**330**	340
Accruals	**1,600**	1,368
	121,180	92,915

10. Share capital

	30 September 2024		30 September 2023	
	Shares	£'000	Shares	£'000
Allotted, called up and fully paid				
Ordinary shares of £0.01 each	**172,083,853**	**1,721**	171,712,357	1,717

During the year 499,254 ordinary shares of £0.01 each were issued under the Group's LTIP scheme and 456 ordinary shares of £0.01 each were issued under the Group's SAYE scheme (note 28 of the consolidated financial statements). In addition, 128,214 ordinary shares of £0.01 each were repurchased and cancelled under the Group's share buy back programme at a total cost of £379,327.

The ordinary shares are entitled to dividends.

11. Share-based payments

Long-term employee incentive costs

The Company operates LTIPs for the Directors. In accordance with IFRS 2 Share-based payment, the values of the awards are measured at fair value at the date of grant. The exercise price of the LTIPs is equal to the market price of the underlying shares on the date of grant. The fair value is determined based on the exercise price and number of shares granted, and is written off on a straight-line basis over the vesting period, based on management's estimate of the number of shares that will eventually vest.

A summary of the movement in the LTIPs is outlined below:

Scheme name	Year of grant	Method of settlement accounting	Outstanding at 1 October 2023	Granted during the year	Lapsed/cancelled during the year	Exercised during the year	Outstanding at 30 September 2024	Exercisable at 30 September 2024
LTIP 2021	2021	Equity	273,290	27,910	—	(301,200)	—	—
LTIP 2022	2022	Equity	270,518	—	—	—	270,518	—
LTIP 2023	2023	Equity	423,490	—	—	—	423,490	—
LTIP 2024	2024	Equity	—	394,582	—	—	394,582	—

In accordance with the LTIP schemes outlined in the Group's Remuneration Policy, the vesting of these awards is conditional upon the achievement of an EPS target set at the time of grant, measured at the end of a three-year period ending 30 September 2024, 30 September 2025 and 30 September 2026, and the Executive Directors' continued employment at the date of vesting. The LTIP 2022, 2023 and 2024 also have performance targets based on return on centre invested capital, emissions ratio for Scope 1 and Scope 2 and team member development. Further details on LTIP 2022, 2023 and 2024 are available on the Hollywood Bowl Group corporate website at www.hollywoodbowlgroup.com/investors/regulatory-news dated 7 February 2022, 16 February 2023 and 30 January 2024.

The awards will vest based on the following adjusted EPS targets:

LTIP 2022	LTIP 2023	LTIP 2024	Vesting
14.65	18.11	23.10	25%
14.65–16.19	18.11–20.01	23.10–25.54	Vesting determined on a straight-line basis
16.19	20.01	25.54	100%

During the year ended 30 September 2024, 422,492 (30 September 2023: 423,490) share awards were granted under the LTIPs. For all LTIPs, the Company recognised a charge of £1,110,482 (30 September 2023: £753,427) and related employer National Insurance charge of £153,247 (30 September 2023: £103,973).

During the year ended 30 September 2024, 499,254 (30 September 2023: 641,567) share awards were exercised under LTIP 2021 (30 September 2023: LTIP 2018 and 2020) and a total of 499,254 shares were issued pursuant to an existing block listing in order to satisfy the exercise of the nil-cost options (see note 23 of the consolidated financial statements).

The following assumptions were used to determine the fair value of the LTIPs granted:

Financial year LTIP granted	2024	2023	2022
Share price at date of grant	**2.930**	2.600	2.514
Discount rate/dividend yield	**3%**	3%	3%

12. Loans and borrowings

On 29 September 2021, the Group entered into a £25m revolving credit facility (RCF) with Barclays Bank plc. The RCF had an original termination date of 31 December 2024. On 22 March 2024, the RCF had the termination date extended to 31 December 2025.

Interest is charged on any drawn balance based on the reference rate (SONIA), plus a margin of 1.65 per cent (30 September 2023: 1.75 per cent).

A commitment fee equal to 35 per cent of the drawn margin is payable on the undrawn facility balance. The commitment fee rate as at 30 September 2024 was therefore 0.5775 per cent (30 September 2023: 0.6125 per cent).

Issue costs of £135,000 were paid to Barclays Bank plc on commencement of the RCF and a further £35,000 on extension of the RCF. These costs are being amortised over the term of the facility and are included within prepayments (note 17 of the consolidated financial statements).

The terms of the Barclays Bank plc facility include the following Group financial covenants:

(i) For the 7-month period ending 31 December 2021, the ratio of total net debt to Group adjusted EBITDA pre-IFRS 16 shall not exceed 1.75:1.

(ii) For the 12-month period ending on each reference date, commencing 31 March 2022 and each quarter thereafter, the ratio of total net debt to Group adjusted EBITDA pre-IFRS 16 shall not exceed 1.75:1.

The Group operated within the covenants during the year and the previous year.

13. Guarantee

The Company has given a guarantee over certain subsidiaries under Section 479A of the Companies Act 2006 such that the financial statements of these subsidiaries for the year ended 30 September 2024 will be exempt from audit (note 15 of the consolidated financial statements).

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