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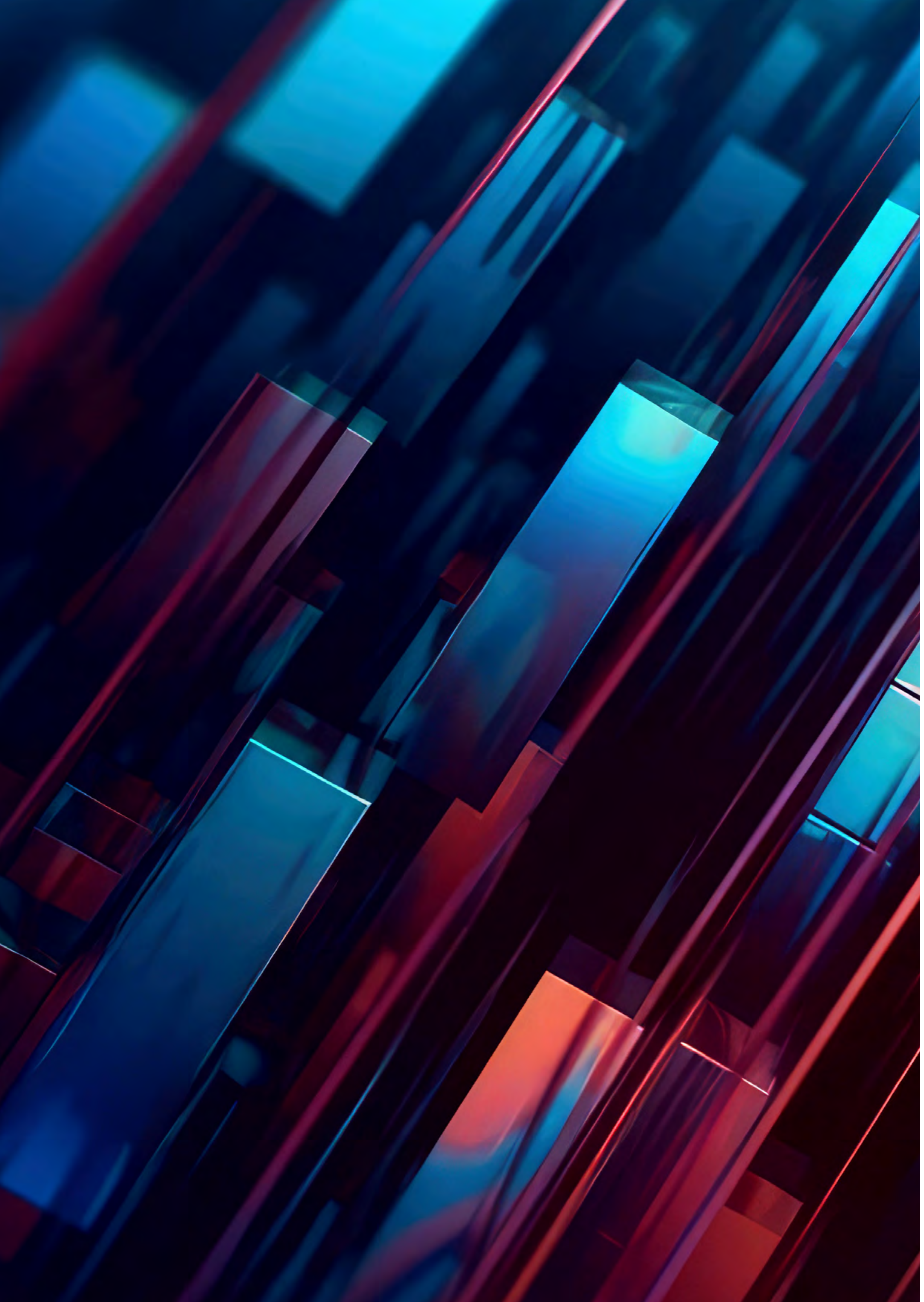
ANNUAL REPORT 2023

RIGBY

RIGBY GROUP PLC
ANNUAL REPORT 2023

CONTENTS



RIGBY

THE DIRECTORS PRESENT THEIR STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

CHAIRMAN'S STATEMENT

SIR PETER RIGBY

FOLLOWING ANOTHER YEAR OF ENORMOUS MACRO-ECONOMIC AND GEOPOLITICAL CHALLENGES, I AM PROUD OF THE SKILLS AND RESILIENCE OUR PEOPLE CONTINUE TO DEMONSTRATE, WITH RIGBY GROUP ONCE AGAIN SETTING NEW RECORDS DESPITE THE ONGOING UNCERTAINTY THAT SURROUNDS US.

Last year, I reflected on the efforts and perseverance of the remarkable SCC team, combined with the leadership of Rigby Group Co-Chief Executives James and Steve Rigby, in helping us to achieve record results for the Rigby Group (the "Group").

This year, despite stubborn challenges continuing to disrupt the global economy, I am delighted to once again be presenting the best results in our group's history for the fiscal year 2023.

Profitability and returns on investment have once again improved for the group. The global pandemic is becoming more of a distant memory, but its legacy and impact live on, particularly for our Airports and Hotels divisions where the executive teams continue to deliver against their recovery plans.

As a group, turnover increased 16% reaching a new high of £3.9bn. Adjusted Operating Profit* more than doubled to £163.2m and Adjusted Profit* grew by 83% to £195.2m.

In December 2022, we announced a £300m investment programme to accelerate growth across our territories in the UK, France, and Spain over the next five years by actively targeting acquisitions and investments to expand our technology portfolio with new and innovative services. This programme has seen us add two new investments into the Group during the year and the creation of our CloudClevr business.

Our performance right across the Group is testament to an organisation that puts people at the heart of all we do, and continually reinvests in order to develop and grow. We have continued to develop innovative new business initiatives and strategic investment opportunities.

Today, Rigby Group operates many different businesses in 9 countries worldwide, with more than 8,500 people focused principally on technology led businesses. We see as much opportunity for growth and expansion today as we did when the Group was first established over 48 years ago.

This will remain the case as we look ahead to 2024 and beyond. Investment is essential to a healthy future, and we remain firmly committed to investing in our business, our people and new technologies for strategic and sustainable growth.

Rigby Group's core has always been technology innovation and we intend to focus future growth on these investments. Innovation is the lifeblood of our industry, and the Group has continued to drive innovation at every turn. From artificial intelligence and machine learning to blockchain and Internet of Things (IoT), we are leveraging emerging technologies to provide our customers with a competitive edge.

Our family owned structure and values enable us to stay ahead of the curve. We have always been able to anticipate industry trends, adapt to changing needs, and deliver sustainable value to our customers and our people, who sit at the heart of our business.

The Rigby family's established charity, The Rigby Foundation, continues to proactively support sustainable charitable initiatives through donations and corporate social responsibility programmes in our operating businesses. Since its opening in 2021 the SCC Academy has seen over 300 people enrol on an Essential Digital Skills level 1,2 or 3 course. In total, 500 people have used SCC Academy, with the centre hosting internal training sessions. higher level courses with Firebrand, and events dedicated to promoting digital skills and lifelong learning in partnership with The Princes Trust and Young Adults Foundation Trust. SCC Academy began offering apprenticeship programmes from Spring 2023 and is also working closely with SCC to train Field Engineers.

Looking ahead to 2024, we are very proud of SCC being an official sponsor of the Paris 2024 Olympic and Paralympic Games, the biggest ever sporting event to be hosted in France. Aside from sponsoring, SCC has also won the contract to provide and service all the technology for the event, including procurement and supply of IT, audiovisual, print and mobile equipment, with a full recycling service in line with the digital responsibility and circular economy.

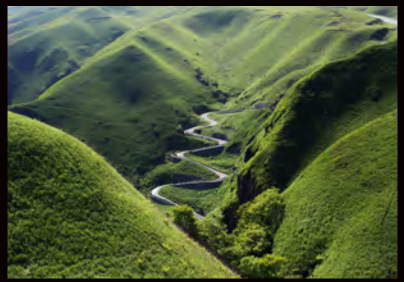
We will deploy more than 500 people from our SCC France division, with our sponsorship bringing employees, technology partners and customers together to celebrate the sponsorship, which is a high point in the history of our group.

During the year we have made significant strides in developing our ESG strategy, which will seek to enshrine these initiatives and many

Group Adjusted Profit represents Adjusted Operating Profit, adjusted for depreciation, amortisation and acquisition earnout costs accrued in the year. See reconciliation on page 54.

Adjusted Operating Profit is Operating Profit including gain on disposal during the year. See reconciliation on page 54.

RIGBY



more within the heart of the Group, ensuring that the values developed over almost fifty years remain in place for the next fifty.

We recognise the importance of sustainable business practices. We remain committed to minimising our environmental impact, promoting diversity and inclusion, and giving back to the communities in which we operate.

This year, we launched several initiatives aimed at reducing our carbon footprint, promoting ethical sourcing, and supporting local educational programs. By integrating sustainability into our business strategy, we are not only fulfilling our social responsibilities but also driving long-term value for all our stakeholders.

My family and myself remain committed to the Rigby Group for the long term – with technology at its heart – and maintain our core principles of hard work, entrepreneurship, good governance and philanthropy. It is an ethos I have been proud to foster throughout my business life and can assure you that this will not change as the Group and its management continue to evolve.

Most of all, we will continue to value our people, their skills and the loyalty they have shown as part of our family business. None of our achievements would have been possible without our incredible team. I extend my heartfelt appreciation to our employees who are the reason for our continued success. Our commitment as a group will also remain true to the personal and professional development of our people, and the importance of enabling them to unleash their potential.

As we embark on a new fiscal year, we are optimistic about the future. We are seeing improved performance across the board in a number of our divisions. The omens for our business are overwhelmingly positive, and while wider complex geopolitical and economic issues remain and will no doubt present future challenges, that is something worth both celebrating and reflecting on.

For all these reasons, I am confident that whatever challenges the coming year brings, our strong business, culture and collective drive will continue to carry us through.

SIR PETER RIGBY
CHAIRMAN

STRATEGIC. INNOVATIVE. COMMITTED.

"I am delighted to once again be presenting the best results in our Group's history for the fiscal year 2023. Our performance right across the group is testament to an organisation that puts people at the heart of all we do, and continually reinvests in order to innovate and grow. We have continued to develop innovative new business initiatives and investment opportunities, and each of our core divisions continue to make strategic investments. My family and myself remain committed to the Rigby Group for the long term – with technology at its heart – and maintain our core principles of hard work, entrepreneurship, good governance and philanthropy"

SIR PETER RIGBY,
FOUNDER AND CHAIRMAN
OF RIGBY GROUP

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GROUP FINANCIAL OVERVIEW

2023 FINANCIAL HIGHLIGHTS

GROUP TURNOVER 2023

£3,893.8BN

+16%
FY22 £3,364.2BN

ADJUSTED OPERATING PROFIT 2023

£163.2M

+113%
FY22 £76.6M

GROUP NET ASSETS

£505.3M

+39%
FY22 £362.7M

GROUP ADJUSTED PROFIT*

£195.2M

+83%
FY22 £106.6M

* Group adjusted profit represents Adjusted Operating profit adjusted for depreciation, amortisation and acquisition earnout costs accrued in the year

SCC

TURNOVER
£3,287.3M
+24%
FY22 £2,661.3M

OPERATING PROFIT
£68.9M
+7%
FY22 £64.5M

RIGBY GROUP TECHNOLOGY INVESTMENTS

TURNOVER
£110.3M
+2%
FY22 £108.4M

OPERATING LOSS
£(5.6)M
-367%
FY22 £2.1M

AIRPORTS

TURNOVER
£94.0M
+21%
FY22 £77.4M

OPERATING PROFIT
£2.9M
-65%
FY22 £8.2M

CENTRAL OPERATIONS

TURNOVER
£29.4M
+19%
FY22 £24.8M

OPERATING LOSS
£(7.5)M
-25%
FY22 £(6.0)M

HOTELS

TURNOVER
£16.7M
+3%
FY22 £16.2M

OPERATING LOSS
£(2.3)M
-309%
FY22 £1.1M

REAL ESTATE

TURNOVER
£3.2M
+0%
FY22 £3.2M

OPERATING PROFIT
£1.7M
-41%
FY22 £2.9M

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DISCONTINUED OPERATIONS & GAINS ON DISPOSAL

TURNOVER
£353.0M
-25%
FY22 £471.5M

ADJUSTED OPERATING PROFIT
£104.9M
+2549%
FY22 £4.1M

BOARD OF DIRECTORS

SIR PETER RIGBY

CHAIRMAN

One of the UK's most respected and successful business leaders, Sir Peter Rigby is a serial entrepreneur.

He launched the founding company for Rigby Group with £2,000 loan in 1975, growing it into one of the country's largest privately owned business groups, with operations across the Technology, Aviation, Hotel, Real Estate, and Finance sectors, and a turnover of £3bn+.

Playing an active economic and philanthropic role in the communities in which his companies operate, Sir Peter has chaired the Coventry and Warwickshire Local Enterprise Partnership, which promotes business and industry growth in the area. He is also a trustee of several charities including The Rigby Foundation. In 2002 Sir Peter was knighted for his contribution to IT and business, while in 2021 he became the first British businessman ever to be awarded the Legion d'honneur.

JAMES RIGBY

CO-CHIEF EXECUTIVE OFFICER

James joined the family business in 1994. Today, James heads up SCC, the Group's technology services business, overseeing its operations in the UK, France, Spain, Romania and Vietnam. James is also co-CEO of Rigby Group and a trustee of the Rigby Foundation. Under James' leadership, SCC has achieved consistent year-on-year growth, provided employment and development to thousands of people, supported regional economies and championed digital adoption for many organisations across the UK and Europe.

James' ethos centres around growing skills, investing in people and communities, and ensuring the preservation of family values at the heart of the business. James is a fluent French speaker and is a Trustee of the United by Birmingham charity that works to ensure the legacy of the 2022 Birmingham Commonwealth Games.

STEVE RIGBY

CO-CHIEF EXECUTIVE OFFICER

Steve is Co-Chief Executive of Rigby Group. With over 30 years' experience contributing to the growth of the Group, today he is responsible for leading strategy, finance and investments for the family in both the private and public markets. Steve sits on the boards of SCC, Rigby Technology Investments, Regional & City Airports, Rigby Real Estate, the Group's hotel division, Nuvias Unified Communications, CloudClevr, Infinigate and Rigby Group.

Outside of Rigby Group, Steve is on the Board of Family Business UK, a member of the Wall Street Journal CEO Council, a judge on the World Superyacht Awards, a trustee for the Rigby Foundation and a long term supporter of Place2Be, most recently as Chair of the charity's development board. He is a keen sportsman, enjoying sailing, polo and tennis.

PETER WHITFIELD

CHIEF FINANCIAL OFFICER

Peter joined the Rigby group in 2000 and was appointed to the board in 2020 having previously held positions in the Technology division most recently as CFO for SCC EMEA. Peter leads the Group's Finance and Assurance functions, is a member of the Group's Audit Risk and Remuneration Committee and of the Investment Committee. Peter has an active interest in promoting sustainability in the Group and has a long-standing personal commitment to leading UK environmental charities. Peter is a chartered accountant, trained with KPMG and prior to joining the Group held finance roles at the Bridgestone Group and Barclays Bank.

GEORGE CAMPION

NON-EXECUTIVE DIRECTOR

George Campion joined the Rigby Group Board in 2010 as a non executive director after taking early retirement as a partner in Deloitte. He is Chairman of the Audit, Risk and Remuneration Committee and is central to the Environmental, Social and Governance policies within the Group. Before joining the Rigby Group, George spent over 30 years at Arthur Andersen/Deloitte, holding several client facing and management roles including Senior Partner in Birmingham and partner in charge of the tax practices in Central and Eastern Europe, Middle East and Africa.

Outside of the Group, from 2010 to 2018 he held the position of Midlands Chairman, Regional Advisory Board for Aon Limited. George is currently Chairman of a mid-size regional law firm based in Stratford-upon-Avon. He also actively runs his own long-established real estate investment business as well as being Chairman and major shareholder in a merchant services business based in Shropshire.

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JULIE MORTIMER

COMPANY SECRETARY

Julie is Rigby Group's Director of Finance & Company Secretary with primary responsibility for central finance and assurance functions. Julie joined Rigby Group in 2014, and was previously financial controller for the Group's SCC's EMEA division. In her current role Julie's key responsibilities include being a member of Rigby Group Board, the Audit, Risk and Remuneration Committee, and the Residual Value Committee. She also co-ordinates the annual enterprise risk reporting cycle.

FCA qualified having trained with PwC following a degree in Politics, Philosophy and Economics at University College Oxford. Before joining Rigby Group, Julie gained extensive experience with a number of large corporates including Npower, where she specialised in financial control and governance, and Volvo, where she headed up the UK Shared Service Function. Julie lives in Worcester with her husband and German shepherd and has 3 grown up children. Her interests include travelling, walking, gardening, reading and yoga.

OUR MISSION, VISION AND VALUES

OUR MISSION IS TO CREATE A SUSTAINABLE, PROFITABLE, TECHNOLOGY-FOCUSED BUSINESS BY WORKING HARD AND GIVING BACK, DELIVERING LONG-TERM BENEFITS FOR OUR STAKEHOLDERS.

OUR VISION IS TO REMAIN A TOP TEN UK FAMILY-OWNED, MULTIGENERATIONAL BUSINESS WHILST UPHOLDING OUR KEY VALUES.

OUR VALUES ARE THOSE OF OUR FAMILY: FORESIGHT, HARD WORK AND ENABLING OTHERS.

OUR STRATEGY

Rigby Group's strategy is to grow long term value as a technology focussed business operator and investor. We actively seek to maximise performance and growth in these areas and across our broader portfolio, by nurturing entrepreneurism, innovation, and adaptability at every level of the group, from junior colleagues up to the Board room.

Securing a long-term return on equity remains a key priority for each of our operating divisions. Five-year profitability targets are in place for every business, developed to reflect their specific trading conditions and matched with our "risk/reward/effort" policy, which guides our investment decisions.

We focus our investment activities on opportunities to support our existing companies or as complementary businesses in sectors and technologies that we understand and for which we see a long-term future. We aim to maintain our track record for picking, buying, building and selling well, supported by the Group's highly skilled M&A team, who also ensure any divestments deliver optimum value to the Group.

ESG and the impact we have on others is a key priority, and at the heart of our family values. During the year, our ESG endeavours were bolstered by the appointment of a Head of Sustainability, and going forward, our ESG initiative, "Project Sequoia", will ensure our ESG goals and progress in this area are clearly articulated, and that this important work is coordinated and monitored across the Group.

We measure our performance against two key family indexes. In the Famcap 750 rankings we are currently ranked 9th in the UK and 554th globally in 100% owned family businesses operating across all sectors (source: Famcap750: https://www.famcap.com/the-worlds-750-biggest-family-businesses). Within the Ernst and Young family business index we currently rank within the top 10 wholly-owned in the UK and rank 406th globally in 2nd generation family-owned businesses operating across all sectors.(source Ernst & Young: https://familybusinessindex.com/).

GOVERNANCE

BOARD AND GOVERNANCE ACTIVITY

WE BELIEVE THAT THE RIGHT WAY TO CONDUCT BUSINESS IS WITH INTEGRITY, TRANSPARENCY AND FAIRNESS.

Rigby Group is a family owned and managed business. The shareholders are directors of the Rigby Group as well as its divisional boards and several of its operating businesses. Shareholder representation is essential to secure a long-term view over the management of the business without the pressure of short-term goals and returns and ensures shareholders are fully informed.

The directors consider governance and the high standards of business conduct to be a priority for the Group and expect this to extend to our divisional boards, operational executive and employees alike.

As shareholders and Joint Chief Executives for the Group James Rigby and Steven Rigby ensure that the Group is governed in line with the shareholders vision, its family values and the professional rigour necessary to support the long-term objectives of the Group.

The Rigby Group board aims to meet ten times throughout the year and more frequently if needed. At these meetings the shareholders and directors are updated on the financial performance of the group, sales and commercial activities, legal matters, updates on strategic matters and M&A activity. Key matters are discussed by the board and decisions are reached collectively.

During the year the Rigby Group Board met eight times with an average attendance of 83%.
The Rigby Group Board is supported by several committees.

AUDIT RISK & REMUNERATION COMMITTEE (ARR)

The ARR has responsibility over financial reporting, risk management and governance, internal and external audit. The committee is also responsible for undertaking an annual review of executive remuneration across the group including benchmarking to provide independent guidance on executive pay.

The ARR aims to meet quarterly and more frequently if required, and is chaired by non-executive director, George Campion, and members include James Rigby, CEO, Peter Whitfield, CFO, and Julie Mortimer, Rigby Group Director of Finance and Company Secretary. During the year five meetings were held with an average attendance of 85%.

PUBLIC INVESTMENT COMMITTEE (PIC)

During the year we established the PIC which provides guidance to the board on the investment in Public Funds and securities of funds which are not required immediately for acquisition and organic investment. Particular attention is given to counterparty risk and investment tenure to ensure funds are available when required and capital value is protected.

The PIC meets quarterly and is chaired by Steve Rigby and members include Peter Whitfield, Edouard Carlone, Rigby Group Head of Mergers and Acquisitions and Paul Southall, Rigby Group Head of Sustainability. The PIC has met twice since its inception with an average attendance of 100%.

SUSTAINABILITY BOARDS

The Head of Sustainability, appointed last year, now chairs several ESG Committees established within each division to promote our ESG Strategy and objectives.

EXECUTIVE BOARDS

Board meetings are held for all divisions with operating boards meeting monthly and supervisory boards for a wider internal stakeholder Group held quarterly. Specific topics such as residual values are managed through sub-committees.

Executive teams are reviewed and strengthened where appropriate to support growth and ensure that we have the necessary skills and expertise to take the business forward.

DECISION MAKING

Key decisions taken by the directors during the year have considered the stakeholders and how they would be impacted both now and in the long term.

KEY DECISIONS	STAKEHOLDERS IMPACTED	OUTCOMES AND HOW STAKEHOLDERS WERE CONSIDERED
FINANCIAL & OPERATIONAL		
FY24 Business Plan Approved	Shareholders, Employees, Customers, Suppliers	The Board take into consideration factors such as the sustainability of the business for employees and customers, growth in key services, a sufficient return on investment for Shareholder and the long-term investment plan when setting the Financial Business Plan. These considerations will continue to be made when setting future business plans.
Dividend Payments	Shareholders, Customers, Suppliers, Employee	Dividends to Group shareholders were considered taking into account pay-outs in prior years, the year's exceptional performance, cash availability and prospects for the future.
STRATEGIC		
Approval of acquisitions in the Technology divisions	Shareholders, Customers, Suppliers, Employees	Approval was given for the acquisition of the Vohkus Group and Saville Group during the year by the SCC UK operation. These new acquisitions extend the geographical resource availability of the business and improve capability.
Sale of the Cyber Security and Advanced Networking Division	Shareholders, Customers, Suppliers, Employees	The decision made last year to sell the Nuvias Cyber Security and Advanced Networking division was executed during the year. The decision delivered an acceptable return to shareholders, as well as funds to facilitate future M&A investment in core Group activities. A trade sale to a market leader provides the best outcome for employees, customers and suppliers.
Investment in Infinigate	Shareholders, Employees	An opportunity to re-invest by holding a minority interest in the entity acquiring the Nuvias Cyber Security and Advanced Networking division was executed as part of the disposal transaction allowing us to extend our interest in future performance of this group.
Establishing Rigby Group Technology Investments	Shareholders, Customers, Suppliers, Employees	Following the sale of our Nuvias Cyber Security and Advanced Networking division we have established a new division, Rigby Group Technology Investments (RTI), as our principal division investing in Technology assets which do not fit within our SCC division. Nuvias UC is part of this division together with the newly established CloudClevr as our first new investment programme for this division.

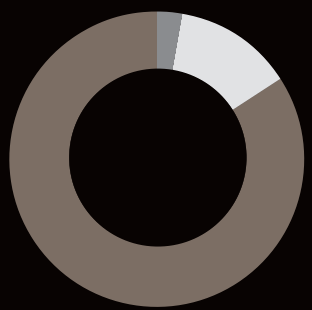
DELIVERING VALUE TO OUR STAKEHOLDERS

Economic value, represented by turnover, generated in the last year has grown by 16% to £3.9bn. Of the value generated84% (2022: 86%) is consumed by operating costs paid to our suppliers and the remainder is distributed between shareholders, people and communities or retained in the business for future investment.

£'000	Growth	FY23	FY22
Economic Value Generated	**+16%**	**3,893,836**	**3,364,243**
Shareholders	+71%	11,700	6,850
People	+10%	331,089	301,498
Communities	-2%	87,518	89,113
Operating Costs	+14%	3,290,138	2,893,268
Value Retained	**+136%**	**173,391**	**73,514**

People costs are wages and salaries excluding social security costs
Community includes Charity, Corporation Tax and Employment social security costs
Value retained is profit for the year adjusted for depreciation and amortisation
Operating costs are gross revenues less retained value and social spend reflected in the table

Residual Economic Value Distributed*



People Communities Shareholders

*Residual economic value excluding operating costs

SECTION 172 STATEMENT

ENGAGING WITH OUR STAKEHOLDERS IS ESSENTIAL TO THE WAY WE MANAGE OUR GROUP AND A KEY ELEMENT OF OUR GOVERNANCE FRAMEWORK.

As a private, family-owned business, we have always been able to take a long-term view and our ethical approach comes from those family values which underpin our culture. Having ethical policies and respect for stakeholders and the wider community is an established principle for the Group. We recognise how important ethical behaviour is to our stakeholders as a key element of strong long-term relationships which deliver value.

All directors of the Group and of our divisions are central to stakeholder engagement and are expected to meet their obligations under the Companies Act and to use all reasonable skill, care and diligence in doing so. We support new and existing directors of Rigby Group and its subsidiaries by providing them with training and continuing support that covers their duties and obligations as directors.

Section 172 of the Companies Act 2006 requires directors to promote the success of the Group for the benefit of the members as a whole and in so doing to act fairly between members and to have regard to the interests of stakeholders.

Under Section 172, directors have other obligations to:

- consider the likely impact on stakeholders of decisions in the long term,
- consider interests of employees,
- foster relationships with suppliers and customers,
- consider the impact which the Company has on the wider community and the environment,
- recognise the desirability of maintaining high standards of business conduct.

Within this report we demonstrate how our directors have met their Section 172 obligations. We explain who our stakeholders are and summarise here how we have engaged with them, describing the main elements of our relationship, how we have considered what is important to them and how we have responded to address those needs in the way we have managed the Group.

SHAREHOLDERS	CUSTOMERS	SUPPLIERS & BANKERS	PEOPLE	COMMUNITIES & ENVIRONMENT
HOW WE ENGAGE				
Shareholder participation at Rigby Group Board and at divisional board meetings Strong internal governance	Close Executive relationships Regular Account reviews Key account management Customer feedback	Close Executive relationships Strategic Relationship reviews Clearly defined supplier engagement policy Technical forums & collaboration	Updated Internal Intranet Management Briefings CEO communication channels	Well defined CSR and Environmental policies Collaboration with local community charities Close relationships with schools and universities
WHAT'S IMPORTANT TO THEM				
Long Term Return Dividend Flow Cash Generation and Gearing Financial Discipline Ethical Behaviour, Respect for family values	Quality of Relevant Industry Expertise Relevance of Services and Solutions Service Levels Technical relevance and Vision Trusted Partnership Ethical behaviour	Long Term Collaborative Partnership Proactive Communication Aligned Commercial Objectives Technical Expertise Ethical Behaviour	Continuity of fair employment Opportunity for development Diversity to enrich working practises Equality and fairness Working Environment Participation Environmental Practises	Ethical Behaviour Actively supporting local communities Environmental Awareness, Actions and Practices
HOW WE RESPOND				
Long term strategic planning framework Annual Budgeting and planning Regular performance reporting Dividend and Cash planning Shareholder board representation	Senior Executive engagement Focused Relationship Management Maintaining technical expertise Investment in new technology Agility in our response to customer needs	Strategic Relationships with Senior Executives. Sales Engagement Meetings Supplier Code of Conduct Skills training and investing to maintain accreditations Dedicated relationship management	Clear Employment Policies Active engagement programmes Involvement in developing our values framework Commitment to inclusive culture Flexible employment packages Access to skills and technology training	Appointed Rigby Group Head of Sustainability Developing our sustainability policy Employee volunteering days Support for the Rigby Foundation and for local charities Apprenticeship and graduate trainee programmes

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CEO REVIEW

JAMES RIGBY AND STEVE RIGBY: CO-CEOS OF THE RIGBY GROUP

TURNOVER GROWTH TO £3.9BN +16%;
OPERATING PROFIT OF £163.2M +114%

INTRODUCTION AND OVERVIEW

WE ARE DELIGHTED TO PRESENT THE GROUP'S ANNUAL REPORT FOR THE YEAR ENDING 31 MARCH 2023, TO ACHIEVE SUCH STRONG RESULTS AS THE FAMILY BUSINESS APPROACHES ITS 50TH YEAR IS FANTASTIC. IT HAS BEEN A RECORD YEAR IN ALL REGARDS, WITH TURNOVER, PROFITABILITY AND RETURN ON ASSETS ALL REACHING NEW RECORDS.

AGILITY. VISION.

"Technology is the driving force behind Rigby Group and sits at the heart of our investment strategy. Being family-owned, we are able to remain agile and throughout FY23 we have continued to take decisive action and deliver strategic initiatives that align with our long-term vision, resulting in another record year. This will remain the case as we look ahead to 2024 and beyond, and we remain firmly committed to investing in our business, our people, and new technologies for strategic and sustainable growth."

JAMES RIGBY, CO-CEO OF RIGBY GROUP AND CEO OF SCC EMEA

Adjusted Operating profit, which consists of Operating profit plus gain on disposal, of £163.2m was more than double Operating profit of the prior year, boosted by the completion of the sale of Nuvias, our cyber security and networking distribution business, during the year together with the disposal of our aviation division to generating a combined gain on disposal of £104.9m for the group.

Turnover at £3.9bn was 16% higher than the previous financial year with significant growth from SCC.

Acquisitive investment remains a focus for the group and will continue to be so alongside of organic growth in the years ahead. During the year we have added two new businesses into our SCC UK division, Visavvi was acquired in May 2022 and Vohkus in March 2023. These new businesses combined contributed £26.9m of turnover and £0.4m of additional profit adding strength and depth to our SCC capabilities.

Further organic investment has been made in new business initiatives in SCC Cyber and Hyperscale capability and in internal operations and technology in our SCC businesses. We have continued our refurbishment investment programme in our Hotels division, upgrading the facilities at our prestige Bovey Castle and Greenway hotels.

We are clear on our strategic goals to grow the group as a long-term family-owned trading business focused on Technology and across our areas of knowledge and expertise. During the year we created a new division, Rigby Technology Investments (RTI) to focus on technology led investment opportunities and recruited a new head of strategy and business development to complement our existing executive teams as we look to further evolve our investment strategy.

During the year our Head of Sustainability launched our new ESG strategy, Project Sequoia, bringing together the divisional initiatives, which are already extensive, into a group wide programme establishing key goals to be net zero by 2040. Further details of this and other initiatives are provided within the ESG section of this report.

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RIGBY DIVISION

SCC

TECHNOLOGY IS THE CORNERSTONE OF OUR GROUP. HEADQUARTERED IN BIRMINGHAM IN THE UK, SCC HAS REGIONAL HEAD OFFICES IN PARIS, MADRID, IASI, AND HO CHI MINH CITY.

GROUP REVENUE £3.29BN - 23% GROWTH ON PRIOR YEAR
OPERATING PROFIT £68.9M - 7% GROWTH ON PRIOR YEAR
NET ASSETS £196.1M - 21% GROWTH ON PRIOR YEAR

SCC DIVISION

THIS HAS BEEN ANOTHER RECORD YEAR FOR SCC WITH 23% GROWTH IN REVENUES WHICH NOW EXCEED £3.2BN, AND 7% GROWTH IN OPERATING PROFIT FOR THE GROUP TO £68.9M.

This performance is remarkable against the background of a record year in the prior financial period, the current global economic conditions, supply chain constraints which lasted for much of the year, the inflationary impact on our cost base, combined with cost increases in areas like travel which returned after the end of the Covid pandemic.

In France, revenues are up 26% to over €2.6bn and we delivered a 42% growth in operating profit to €66.2m, helped by a one-off gain of €12.5m from the re-financing of our warehousing premises in Paris. Product revenues grew by 55% year on year with a pleasing mix of new customers across both public and private sectors and a reduced reliance on our largest major public sector customer. Our services business has also delivered a 6% growth over prior year and has more than doubled its contribution to operating profit.

In the UK, revenues were up 13% to £877m. The acquisition of Visavvi in May 2022 has contributed £22.1m of Revenue and delivered £0.3m of operating profit for the 11 months which has been a pleasing start for this business which we hope will thrive under its new SCC ownership. The AVS business is going from strength to strength with a 47% growth in revenue up to £29.4m. Our core SCC business enjoyed 14% growth in product revenues, but services have seen a decline of 4% with continued pressure across all of our main revenue streams at the start of the financial year.

Operating profit in the UK of £17.4m represented a 26% reduction on prior year and was impacted by worsening economic conditions in our final key profitability quarter and the effects of wage inflation in the technology industry. We continue to invest heavily in our operating model launching new competencies and in transforming systems and processes which put pressure on our short-term profitability to deliver improved profitability in the longer term.

Spain, after a record year last year, has delivered another record year with 22% growth in turnover to €107m exceeding their key strategic goal of €100m. Operating profit of €3.2m is a 64% improvement over prior year and has been delivered by growth in both product and services as well as disciplined focus on overheads, despite the inflationary environment.

Rigby Capital UK reported revenue of £37.2m up just 0.3% on prior year. Growth has been affected by the reduced opportunity to assist our Nuvias Cyber Security business since its disposal, however future revenue growth initiatives are fully focused on supporting SCC and their integrated finance and technology procurement solutions.

SCC

SUCCEEDING THROUGH IT TRANSFORMATION AND EXCEPTIONAL CUSTOMER EXPERIENCES.

Operating profit performance however at £0.6m was significantly higher than prior year of £0.1m which reflected the focus on end of contract management and continued strong control over overheads which were down £0.2m year on year.

Closer alignment of our Rigby Capital business within our SCC organisation has taken effect from the end of the financial year to help strengthen our relationships and customer propositions. A new strategic partnership with Lombard Financial Services, provides a great opportunity to increase payment solutions options across a broader customer base.

SCC UK made two important appointments during the year with a new head of our UK Services business, and a new head of Strategy and Corporate Development to help us on our journey of transformation, including the identification of future acquisition targets. These appointments, combined with our major investment in Hyperscale and Cyber Security capabilities, will drive future improvement to our propositions, ensuring we remain aligned to our customers' requirements.

We have continued our major systems investment programme, with a further £7.0m spent this year. These investments will improve our interaction with customers with more efficient and cost-effective processes from customer enquiry to order to cash. The next major implementations of this programme will go live in FY24.

In March 2023 SCC UK acquired Vohkus Limited, a UK-focused value added reseller, providing exciting opportunities to expand the UK capabilities and customer offerings presenting an additional platform for growth in the UK.

The prevailing economic climate for our next financial year remains challenging with our customers under pressure, and a constant need for us to help them by staying focused and executing strongly.

Strong demand from our customers to modernise and digitise their businesses, combined with our continued focus on providing excellent customer experiences, on efficiency and on driving strong commercial performance, provides much to be optimistic about for the future.

We have seen the impact of difficult economic conditions on our financial performance in the UK during the year and expect this uncertainty to continue and potentially grow in other territories in the coming year. Whilst our forecasts remain strong, economic realities will affect customer decision making and will dampen future performance.

RIGBY
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RIGBY DIVISION

RIGBY TECHNOLOGY INVESTMENTS (RTI)

DURING THE YEAR WE HAVE ESTABLISHED A NEW DIVISION, RIGBY TECHNOLOGY INVESTMENTS (RTI)

REVENUE £110.3M - 2% GROWTH ON PRIOR YEAR
OPERATING LOSS £(5.6)M - (364)% GROWTH ON PRIOR YEAR

RIGBY GROUP TECHNOLOGY INVESTMENTS (RTI)

RTI IS A NEW DIVISION OF THE GROUP HOLDING MINORITY AND MAJORITY INVESTMENTS. WE HAVE THREE TECHNOLOGY INVESTMENTS, INFINIGATE, CLOUDCLEVR AND NUVIAS UNIFIED COMMUNICATIONS.

RTI will reinvest in new technology related businesses where those businesses do not form part of our long term SCC operations. The Group generated cash in the year from the disposal of the Cyber security distributor Nuvias, which we are reinvesting in RTI.

Prior to its sale, Nuvias generated turnover of £346.3m and EBITDA of £5.9m which was up by £3.5m (145%) compared to the equivalent period in the prior year. The sale of Nuvias gave rise to a gain on disposal of £104m.

Through the RTI division, the Group has a trade investment in Infinigate, a Zurich head-quartered cyber security distributor, with revenues of over €2bn and in which we are the second largest investor. Infinigate operates from 29 countries and is Europe's second largest distributor of cyber security technology. As a minority investor, we do not include revenue or operating profit in our financial results.

nuvias | UC

Nuvias Unified Communications remains in our RTI division under the ownership of the Group. Nuvias UC is Europe's leading specialist unified communications distributor which operates in UK, Germany, France and Netherlands

Nuvias UC generated revenue for the year of £110.3m which is up 2% on prior year. The year was one of material change for the business; the year benefited from a full year of operating in the DACH region via our specialist UC business Alliance Technologies which had been acquired in December 2021, however the business experienced some dyssynergy from the separation from the Nuvias Cyber Security distributor, which we disposed of the Infinigate during the year. An operating loss for Nuvias UC of £(4.6)m (2022: Profit £2.1m) resulted from these dyssynergies.

We undertook a full strategic review of the business, a new strategy was put in place and new leadership team were introduced towards the end of the financial year bringing new specialist distribution expertise into the executive. We have already commenced transformational activity as part of a programme which will run into the coming year.

The new strategy and leadership team will continue to focus on the growing UCAAS (unified communications as a service) and CCAAS (contact centre as a service) markets. The business's technical leadership and specialist focus in supporting the channel in telephony, video and collaboration, presents material opportunity for the business as hybrid working becomes the norm and office environments are developed to support user experience and efficiency in collaboration.

We will selectively expand our vendor partnerships, further restructure the business to better serve our customers, while introducing digital platforms to reduce the cost to serve and optimising the business. Further investment will be deployed into systems, operations and governance to support the business operating across 4 key European geographies; UK, DACH, Benelux and France.

CloudClevr

In CloudClevr we are investing via a buy and build strategy to create one of the UK's leading SME cloud telephony providers.

An initial programme of M&A activity will deliver a highly curated set of converged managed service capabilities across Cloud, Communications and IT, with deep technical skills across all domains. With organic investment in its core technology platform commissioned in the prior year and with two subsequent acquisitions since the year end, the business is on its journey to becoming a leading provider with 300,000 seats. The business works with Microsoft, Ring Central, Zoom and Cisco as its strategic technology partners. On the 8th June 2023 CloudClevr announced its first acquisition of NGC Networks Group Limited, its second of 4Sight Communications in September 2023 and will make further acquisitions and investments to build the business further in the coming financial year.

AIRPORTS DIVISION

OUR REGIONAL & CITY AIRPORTS DIVISION (RCA) HAS CONTINUED TO RECOVER DURING THIS FINANCIAL YEAR WITH FULL YEAR REVENUES OF £94M REPRESENTING A GROWTH OF 21% ON PRIOR YEAR.

The disruption to air travel caused by the pandemic, which began in March 2020, did not continue into the year under review, with the complex landscape of pandemic-related travel restrictions falling away in early 2022. The removal of restrictions drove a rapid recovery in consumer confidence resulting in a strong bounce back in demand for travel.

Operating profit of £2.9m is down 64% on last year which is mainly due to the impact of property revaluations in the current year and the non-repeat of one-off profits in the prior year. RCA Group recorded EBITDA of £10.0m which was up 5% on the prior year. Properties were externally revalued downwards by £3.6m compared to £1.2m in the prior year, reflecting the commercial property market at the close of our financial year. Passenger numbers during the year have not yet returned to pre-pandemic levels although we expect significant improvements in the coming year as travel patterns normalise.

At Exeter Airport, passenger numbers reached 401,000, 58% below pre pandemic levels, as the airport continued to make progress consolidating its route network with new carriers following the collapse of Flybe in 2020. The airport approach road improvements were completed, providing substantially improved surface access to the airport and associated businesses.

At Bournemouth Airport, passenger numbers reached 774,000, 96% of pre pandemic levels. In the year the airport made significant further investment in cargo infrastructure, facilities and capability. Whilst cargo volumes handled in the year were lower than the prior year, our investment in facilities is expected to deliver renewed growth in the year ahead.

At Norwich Airport, passenger numbers reached 347,000, 69% of pre pandemic levels. Planning permission for the development of Imperial Park, a 100 acre site to the north of the airfield, was secured in the year. This represents a major step forward in the ambition to create a new aviation and commercial business park for the City and region. Sustainable Aviation Fuel was also introduced for sale to customers.

XLR's jet centres traded strongly throughout the year, offering their class leading services to clients ranging from private travellers, elite sports teams and the UK Government and military. Since the year end a decision has been made to further develop the facility at Liverpool Airport to accommodate the growth in activity at that location.

Following the launch of the Group's sustainability strategy in the prior year work continued towards securing ACA Level 2 accreditation at Bournemouth, Exeter and Norwich Airports. During the year the group also joined Sustainable Aviation, the industry coalition bringing together manufacturers, airlines and airports with a common goal of decarbonising the industry.

Finally, the Airports division was proud to formally announce a collaboration with Cranfield University. The purpose of this collaboration is to promote the development, testing and deployment of innovation in aviation and airport infrastructure, focusing on future technology and skills required to deliver a sustainable future for aviation, a progressive passenger experience and to foster greater collaboration around future skills and sharing best practice.

The group expects year on year growth in passenger numbers and cargo volumes in the year ahead, driving improved financial performance. Alongside the growth in activity the group continues to focus on delivering a reliable and enjoyable service to its customers, to differentiate itself from its larger peers. The group continues to develop its ESG strategy and is evaluating among other initiatives the implementation of significant solar PV generating capacity on site at Bournemouth and Exeter Airports.

HOTELS DIVISION

THIS YEAR WE HAVE BEGUN A SIGNIFICANT INVESTMENT PROGRAMME ACROSS ALL OF OUR HOTELS TO ALIGN WITH OUR STRATEGIC OBJECTIVES TO OFFER LUXURY BOUTIQUE HOTEL EXPERIENCES TO OUR CUSTOMERS.

This financial year has seen revenues grow by 3% up to £16.7m nonetheless, this did not translate into increased profitability versus the previous year, with Operating loss for the year of £(2.3)m being 312% down on prior year. Economic conditions for the UK hospitality sector combined with wider macro-economic factors such as domestic fuel increases, food inflation and latterly interest rate rises, have affected confidence and tempered demand in the market, particularly in the corporate business market.

Attracting and retaining talent remains critical to the success of our hotels and like many throughout the industry, this challenge continued in the year.

We were very proud to be shortlisted for the Best Employer award, Best Training Programme award, and Employee Health and Wellbeing award at the 2023 Springboard Awards for Excellence. This recognised the hard work and progress that has been made during the year with the implementation of our new employee communication platform "Eden Engage," giving our employees up to date information on policies, procedures and company news, combined with the launch of our Wellbeing Champions to support employees with their financial, mental and physical wellbeing. A new employee benefits partnership was also launched – Eden Extras, providing employee benefits and discounts at a broad range of retailers and service providers for our staff across the hotels.

Team development initiatives RISE & THRIVE (in-house supervisory and management development programmes) were launched and led the way in people progression with a strategic aim to nurture a talent pipeline and bring on the next generation of Managers and Department Heads. All 5 of our General Managers throughout the Hotel collection are internal promotions demonstrating our commitment and success in providing opportunity for staff to have careers in hospitality.

INVESTMENTS

During the year we have undertaken a £1.2m refurbishment programme at The Greenway Hotel & Spa, taking the bedroom stock to a luxury level for our target audience and in keeping with the property allowing us to realise our strategic objective to reposition the hotel firmly in the luxury boutique arena.

Bovey Castle, our flagship hotel located on Dartmoor National Park, commenced works to re-fit a state-of-the-art kitchen facility to improve the delivery of our Gold-Award winning dining service, which was completed post year end. Additionally, there were also improvements to guest services with a new Kidzone and Wellness Studio to enhance our year-round and wet weather activity offerings.

Elsewhere, significant work to staff spaces with a new restaurant, IT hangout space and welfare facilities were completed.

ESG remains a continued focus of the division and is aligned to the Group's strategy. Our hotels have made good progress in the softer elements in our control such as attitude, culture, and more practical elements such as waste recycling. Outside of this, the sector is more challenging around influencing customer behaviour.

As we return to full-service operations through the entire estate we are able to focus on quality and reputation as we seek to be the best-in-class in all areas with the aim of gaining competitive advantage to win customer loyalty and business.

Eden Hotels Collection continues to focus on upgrading the condition of its assets through a proactive refurbishment plan. During the coming year, this is likely to include a combination of improvements to guest rooms and public areas as well as back of house and infrastructure spaces.

RIGBY DIVISION

RIGBY REAL ESTATE

GROUP REVENUE £3.2M - STABLE VERSUS PRIOR YEAR
OPERATING PROFIT £1.7M - DOWN (40)% ON PRIOR YEAR
NET ASSETS £(0.9)M - (15)% DECLINE ON PRIOR YEAR

RIGBY REAL ESTATE DIVISION

RIGBY REAL ESTATE (RRE) IS THE GROUP'S COMMERCIAL REAL ESTATE BUSINESS WHOSE PRINCIPAL ACTIVITIES CONTINUE TO BE PROPERTY INVESTMENT, MANAGEMENT, ACQUISITION AND DEVELOPMENT ACROSS THE GROUP'S PROPERTY PORTFOLIO.

The resilience of the property portfolio over the last few years has continued, with very low levels of customer turnover resulting in year on year revenue remaining stable at £3.2m.

Operating profit includes adverse property revaluations of £0.4m (prior year gain of £1.0m) reflecting the current market for commercial property at the year end. Excluding these revaluation movements, operating profit has increased by 12% due to value added services provided by RRE across the Rigby portfolio.

The main development activities for the division over the last year have all continued.

The West Midlands Gigafactory project, which is backed by a venture between Coventry Airport Ltd and Coventry City Council has continued to progress during the year. This project is supported by an alliance of West Midlands industrial groups, local government and academia, including the West Midlands Combined Authority, Warwick District Council, Warwickshire County Council, Coventry & Warwickshire LEP, Rugby Borough Council, WMG at the University of Warwick, Coventry University and the Manufacturing Technology Centre. Planning permission for the site was granted on 30th March 2022 and meetings continue with stakeholders including central government, local government and interested business partners to secure a long-term future for the site.

Alongside this project, in February 2023 together with the Group's Airport division, we secured planning permission to develop a 100-acre site, Imperial Park, located to the north of Norwich airport and we will be working closely together on this development project.

Following the planning permission granted last year for the development of the Aviation Business Park adjacent to Bournemouth Airport, the build phase started in earnest during the year, with the start of construction of a 39,000 sq ft, high bay, energy efficient industrial unit.

We have renewed our focus on ESG in the year by starting a comprehensive exercise to review and improve our buildings' EPC ratings, along with working on our Sites of Special Scientific Interest (SSSIs) heathland and lowland habitats. We continue to engage with our tenants and have arranged multiple community transport days to help manage the carbon footprint of travel to our sites.

In the coming year RRE will continue to progress the West Midlands Gigafactory and to identify and bring forward sustainable development opportunities, which meet occupier needs and deliver reliable and repetitive income-led returns. We will continue to progress our ESG work, further improving EPC ratings and providing tenants with tools to capture carbon emission data and reduce these figures.

ALLECT

PERFORMANCE OVERVIEW

Allect is our international design business which brings together development management, architecture, interior design, construction, private client services and a creative division. The division trades under three internationally recognised brands: Rigby & Rigby, Helen Green Design and Lawson Robb Design.

This year marks the 20th anniversary of Helen Green Design and 15th year of business for Rigby & Rigby, a multi-disciplinary studio specialising in ultra-prime design and delivery and saw the launch of a new Creative division offering a full creative, digital and marketing agency, with capability to provide a sustainable ecosystem providing "in-house" solutions for every stage of development from concept to final completion and content management.

We enjoyed a strong year, with a 10.5% growth in revenue. Despite the continued focus on growing margin by improving efficiency and by providing an end-to-end service, well publicised cost increases resulted in gross profit growth being tempered to 2.8%. A more efficient overhead base following the integration activity of the prior year continued to support our overall profitability.

Allect's success is built on the quality of the projects delivered and we have been building our reputation as one of the most forward-thinking research and development-based studios in the industry. The division has diversified successfully into Hospitality, Super Brand Retail, Family Office, Marine and Food & Beverage sectors and has a global footprint in 22 countries. Hospitality projects have been realised in Maybourne Riviera – one of the most anticipated hotels of the year and Claridges one of Londons most prestigious hotels.

Allect is the first studio in the UK to have a Wellness Accredited single private residence, has appeared in the Spears 500 Top Recommended Interior designers and Top Recommended Architects. It is also the very first architecture and interior design studio in the world to be certified with the Butterfly Kite Mark from Positive Luxury – working closely with colleagues, suppliers, and contractors to make a positive impact on the climate position infusing luxury development and sustainable criteria into our workflow. This year also saw us launch our NetZero programme.

Each of Allect's specialisms has been professionally accredited in each division, a unique position in the UK, creating a sustainable ecosystem across the multidisciplinary studio.

Looking forward, Allect continues to have a full order book and exciting project opportunities which should provide the opportunity for the division to continue its growth and profitability.

RIGBY

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RIGBY
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FUTURE EXPECTATIONS

Economic conditions since the last quarter of the 2022 calendar year have been more challenging in the UK in particular and we expect that those conditions will continue for some time and that there could be a weakening of conditions in other territories.

With no liquidity events arising from disposals in the group in the coming financial year planned, we expect operating profits to be below those of the year just reported.

Investment in our core businesses will continue. We will maintain our long-term horizon for our core operations and ensure that our businesses are fit for the future. Cash resources generated from disposals will be reinvested in new technology businesses when the right opportunities which fit our investment strategies are available. We expect that the Group will continue to prosper investing in core divisions and technology businesses, growing shareholder value and maintaining our position in the top 10 of wholly-owned family businesses.

JAMES RIGBY
CO-CEO

STEVE RIGBY
CO-CEO

ABILITY. AMBITION.

"My father, Sir Peter Rigby, started the business in 1975 and to see where we are today is amazing. Today, we have three generations of family involved in our business, and I believe it is the combination of our ages, ability and ambition that have led us to this point, and of course the 8,500 colleagues who help us achieve great things for our customers and partners every day. Looking ahead, these results put us in an excellent position to realise our future investment ambitions and plans."

STEVE RIGBY,
RIGBY GROUP CO-CEO

RIGBY
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ENVIRONMENTAL SOCIAL GOVERNANCE (ESG) UPDATE

PROJECT
SEQUOIA

Project Sequoia is named after the giant Sequoia tree, which is amongst the oldest and largest tree species on earth. Sequoias are tolerant of harsh conditions, and flourish because of the root connections they build. They are critical to the ecosystem because of the diversity of life they support.

PROJECT SEQUOIA

TO ACHIEVE OUR SUSTAINABILITY GOALS, WE HAVE LAUNCHED PROJECT SEQUOIA, A GROUP-WIDE INITIATIVE, WHICH WILL BE AT THE HEART OF OUR LONG-TERM STRATEGY AND DESIRE TO DRIVE A MORE SUSTAINABLE FUTURE FOR OUR BUSINESS. IT TAKES A PRINCIPLE-LED APPROACH, WITH FOUR SUSTAINABILITY PILLARS: PLANET; PEOPLE; PROSPERITY AND PRINCIPLES WHICH SITS ACROSS AND UNDERPINS THE OTHER THREE. ACROSS AND UNDERPIN ALL THREE. PROJECT SEQUOIA IS LED BY OUR GROUP HEAD OF SUSTAINABILITY, APPOINTED LAST YEAR WHO IS COORDINATING THE ACTIVITIES OF EACH OF OUR DIVISIONAL COMMITTEES.

Rigby Group aims to deliver the very best services for our customers, remaining at the forefront of innovation whilst supporting our employees and the wider community, and doing all this in a sustainable way.

We believe that doing what is ethically right is the best foundation for our future success. Whilst this is embedded in our culture and values we strive to maintain our reputation for deploying the high standards of governance, we work hard to look after our customers, to attract and retain the best people, and create an environment where everyone can flourish.

Doing everything we can to tackle climate change and the need to become more sustainable is a priority for our Group, but it is not straightforward for us to make a significant impact. For a large diverse group like ours it is particularly challenging, however we are making effective changes wherever we can. We certainly don't have all the answers today, but we are committed to acting, listening, and learning and revising our approach if required. This important work will remain a key strategic initiative and we will continue to report on our progress each year.

This year we have made great headway, and we thank all our amazing colleagues across the Group for their support in helping us achieve this.

GUIDED BY GLOBAL STANDARDS AND FRAMEWORKS.

Adopting a structure that works for us and our stakeholders is important to help shape our priorities and to communicate our progress. We have adopted the United Nations Sustainable Development Framework and started with a detailed maturity assessment.

This assessment has allowed us to identify how we can take meaningful action across all Group divisions. We established that of the 17 United Nations Sustainable Development Goals, 12 are relevant to our business and we have aligned our action plan to these goals:

- 3 GOOD HEALTH AND WELL-BEING: By ensuring our employees feel safe and protected in the workplace and promoting physical and mental well-being
- 4 QUALITY EDUCATION: Ensuring employees have access to learning opportunities and promoting ongoing development
- 5 GENDER EQUALITY: Continuing to work towards a balanced gender mix across the Group
- 8 DECENT WORK AND ECONOMIC GROWTH: Promoting inclusive and sustainable economic growth
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE: Building resilient infrastructure and promoting sustainable industrialisation whilst fostering innovation
- 10 REDUCED INEQUALITIES: Ensuring equal opportunity, addressing any inequality
- 11 SUSTAINABLE CITIES AND COMMUNITIES: Promoting sustainable urbanisation
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION: Continuing to ensure sustainable technology sourcing
- 13 CLIMATE ACTION: Continuing to reduce the impact of our operations on the environment
- 14 LIFE BELOW WATER: Reducing plastic use across all operations
- 15 LIFE ON LAND: Promoting use of sustainably grown food
- 16 PEACE, JUSTICE AND STRONG INSTITUTIONS: Continuing to operate adhering to highest levels of ethical standards

PLANET

CLIMATE CHANGE IS A VERY REAL THREAT AND OPERATING SUSTAINABLY IS NO LONGER A CHOICE, IT'S AN IMPERATIVE. WE RECOGNISE AND ARE RESPONDING TO THE NEED FOR US TO EVOLVE TO BRING ABOUT ESSENTIAL CLIMATE CHANGE.

We have already successfully reduced emissions from some operations, but we are only at the start of transforming and developing processes to monitor others. Some actions and investments have immediate carbon savings, while others will take longer to yield results. In some of our divisions we have found opportunities to deliver sustainability supporting opportunities to our customers.

OUR GOALS

We have set new Environmental Goals for the Group:

Goal	Net Zero 2040	Carbon Disclosure Project (CDP) Grade B Certification	Level 2 Airport Carbon Accreditation (ACA)	Green Tourism Accreditation
Division	**Rigby Group**	**SCC**	**Regional & City Airports**	**Eden Hotel Collection**
Detail	Accelerating our target to become Net Zero from 2050 to 2040, and Net Zero for our own operations by 2035.	CDP is a not-for-profit charity operating the global carbon disclosure system.	ACA is a global carbon management programme for airports to manage and reduce CO2 emissions.	Application for accreditation by March 2024.

PLANET PROGRESS

Detailed work programmes are in place, supported by improved processes to collect data which will allow us to drive action and report progress. We will continue to improve our programme in the future track progress towards our new Net Zero targets, including refined processes to collect the data.

ENERGY AND WASTE

In March 2023 solar panels were installed in our Birmingham technology data centre. The 749kWe roof-mounted solar-PV panel provides a significant amount of renewable energy, reducing reliance on traditional energy sources. The panels will save around 124 tonnes of carbon per year.

SCC will set emission reduction targets in line with the Science Based Target initiative (SBTi) criteria and recommendations. In doing so, we will assess the embodied emissions of everything we buy and sell in addition to those we are directly responsible for. Through partner collaboration, we will identify and prioritise opportunities to reduce our value chain emissions helping our customers and ourselves become more sustainable. In France SCC has committed to FRET 21 and will deliver a 6% reduction in carbon emissions over a 3-years starting from 2021. It has achieved a 5.4% reduction against this target by 31st March 2023.

Since February 2023 Norwich airport has been supplying Sustainable Aviation Fuel (SAF) which is produced from sustainable sources and offers up to an 80% reduction in carbon emissions compared to traditional fuel.

Our Hotels division are replacing linen across the portfolio with easier to dry products which will reduce associated energy consumption by up to 40%, and at Bovey Castle have recently upgraded the kitchens to more efficient gas inductions pads.

ALL DIVISIONS ARE SUPPORTED BY 100% RENEWABLE ENERGY CONTRACTS

OUR TECHNOLOGY BUSINESS HAS BEEN CARBON NEUTRAL SINCE 2018.

INVESTING IN RECYCLING

SCC has been refurbishing and recycling IT equipment for many years. During FY24 we will invest £6.4m in a new Birmingham facility to enhance and expand our services and the facilities we offer to our customers and for ourselves. We are committed to a truly circular economy, where we retain IT equipment in use for as long as possible and recover as much of the constituent parts and material at the end of the product's life for re-use.

During the year Green Champions were appointed in each of our hotels to drive our sustainability initiatives and help keep awareness of our goals front of mind. In addition, all new employees are offered environmental awareness training with practical advice on how to have a more positive impact on the environment whilst carrying out their duties.

TRANSPORT AND TRAVEL

Electrification of the SCC UK car fleet is underway, and we offer Cycle to Work scheme to encourage staff to swap their car commute for a bike ride and support their physical and mental wellbeing. Beryl bikes are available at all our airports and local travel hubs to provide a green transport alternative for staff and airport visitors. Throughout the Group we make extensive use of remote meeting technology, and we continue to reduce the need for business travel where possible.

Our Airports division became a member of Sustainable Aviation in December 2022 to support its long-term strategy to deliver a cleaner, quieter, smarter sustainable future for the UK aviation industry. One of our airport executives is a member of Sustainable Aviation's Cleaner Working Group.

They have also partnered with Cranfield University to promote the development, testing and deployment of innovation in aviation and airport infrastructure, focusing on future technologies and the skills required to deliver a sustainable future, a progressive passenger experience and to foster greater collaboration and sharing best practice.

A Net Zero feasibility study for the decarbonisation of Exeter Airport is underway. The feasibility study will help us understand the fuel and energy usage in both the terminal and ground helping equipment to guide future design solutions, including how we might utilise hydrogen.

Progress against our climate standards are shown below:

Standard/ Framework	UN Global Compact	Task Force on Climate-related Financial Disclosures (TCFD)	Carbon Disclosure Project (CDP)	Science Based Targets initiative (SBTi)	EcoVadis	Airport Carbon Accreditation scheme (ACA)	Green Tourism accreditation scheme
Division	SCC	Regional & City Airports SCC	SCC	SCC	SCC	Regional & City Airports	Eden Hotel Collection
Progress	We are proud to be a signatory of the United Nations Global Compact and we are committed to their Ten Principles where relevant to our business.	Mandatory for FY24. We are currently planning the climate modelling elements of the disclosures.	SCC has progressed to level C in FY23 and we are targeting level B in FY24.	SCC is committed to this standard for carbon reduction, and we will make our first submission in FY24.	SCC France is EcoVadis platinum accredited, and we will make our first UK submission in FY24.	Level 1 accreditation has been achieved and we will submit data for level 2 in FY24.	Application for accreditation will be submitted in FY24.

Progress towards our carbon reduction target is shown in the table below: -

	Year ended 31 March 2023	Year ended 31 March 2022*
Energy consumption used to calculate emissions (kWh)	45,012,222	44,963,424
Emissions from combustion of gas (tCO2e)	1,002.059	999.966
Emissions from combustion of fuel for transport purposes (tCO2e)	1,679.848	1,630.903
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (tCO2e)	450.342	195.313
Emissions from purchased electricity	5,923.687	6,737.884
Total gross tCO2e	9,055.936	9,564.065
Intensity ratio: tCo2e/£100,000 turnover	0.54	0.79
Methodology		*GHG protocol**

*prior year comparatives have been amended in line with latest information available

Gross tCO2e have fallen 5% on prior year with the subsidiaries in scope of SECR (consisting of all UK based subsidiaries across all of the Group's divisions) having made emissions of 9,055.936 tCO2e, which equates to 0.54 tCO2e per £100,000 of revenue from those subsidiaries. (2022: 9,564.065 tCO2e and 0.79)

PEOPLE

Our success relies on our talented, diverse, passionate, and committed employees and we recognise that they come from many different backgrounds. We work hard to create an environment where everyone can thrive whilst enjoying work, and where everyone is treated in line with our family values. There is always more that can be done to encourage diversity and improve the diversity of our workforce at every level.

The Group has a very strong safety culture, and we are committed to making the health, safety, and welfare of our staff a priority. Our health and safety policies are regularly communicated by directors and managers, who encourage employees to take ownership and actively participate in all health, and safety related matters.

OUR GOALS

Our aim is to make Rigby Group and its divisions a great place to work for both existing and future colleagues.

Improve Diversity and Inclusion Deliver quality information to track progress	Improve and provide consistent mental health support to all employees	Expand our Apprenticeship Programmes Provide Learning & Development opportunities to all employees
To gather better quality information and data across the Group to deliver a reporting and monitoring structure to track our diversity and inclusion progress across the Group	Align our people support processes across divisions, so that everyone has access to the same mental health support	Further develop our successful apprenticeship strategy and prioritise learning & development for all employees

PEOPLE PROGRESS

Since achieving ISO 26001 accreditation (the international standard focused on corporate social responsibility best practice) in 2022 SCC has introduced seven diversity and inclusion groups to provide support for disabled, women, ethnicity and LGBTQIA+ colleagues.

Addressing Mental Health awareness has been a key focus area across all divisions in the group. SCC in the UK have appointed Mental Health Champions who have each completed a mental health awareness course, so they have the skills to support fellow colleagues. Our Hotels division launched "Money, Mind, Body, and Heart", a wellbeing initiative appointing Wellbeing Champions team to encourage engagement and were shortlisted for the Springboard Awards for Excellence 2023 in the categories of Best Employer, Employee Health & Wellbeing and Best Training Programme. Our Airports division has dedicated mental health risk assessors on hand to support employees.

Employees in our Group Head Office and Hotels division have access to "Balance", an employee benefits platform, which provides access to discounted gym membership and lifestyle advice. Our Employee Assistance Programme (EAP) also provides colleagues with access to a range of services and resources such as free, confidential, and impartial advice on a range of topics along with a dedicated app and portal.

We have established apprenticeship schemes across many of our divisions providing opportunities to study a wide range of qualifications, combining teaching and on-the-job experience. SCC internship programmes give young people valuable workplace experience, job rotation through secondments and a development plan which provides skills workshops and coaching. During the year Hotels implemented "Thrive and Rise", an apprenticeship and management development programme and in April 2022 Airports received the Silver Award in the Ministry of Defence's (MOD's) Employer Recognition Scheme (ERS) as part of our support for the MOD's Career Transition Partnership.

PROSPERITY

PROSPERITY AND GIVING BACK

THE GROUP'S FAMILY VALUES ARE IMPORTANT, AND WE BELIEVE THAT SUCCESS IN BUSINESS GOES HAND-IN-HAND WITH GIVING BACK TO SOCIETY AND COMMUNITIES.

THE RIGBY FOUNDATION

Sir Peter Rigby founded the Rigby Foundation Charitable Trust in 1992. The Foundation sits outside of the Rigby Group but receives funding for its activities from the Group and operates on the principle that success in business goes together with giving back to society and communities As a family business, giving back and philanthropy remains very important to us and since creating The Rigby Foundation we have supported over 100 charities and causes, with an emphasis on those that are close to the communities in which we operate.

During 2023, the Group pledged £2.0m to the Rigby Foundation and in turn the charitable trust supported many causes. Highlights include Unite by 2022, the Commonwealth Games legacy appeal in Birmingham; the SCC Academy; South Warwickshire Foundation Trust's cancer work; the creation of a sensory garden for Warwickshire's Shakespeare Hospice; Place2Be, the national children's mental health charity; and sponsorship of the City of Birmingham Symphony Orchestra.

RIGBY FOUNDATION

Registered Charity: 1011259

SCC ACADEMY – DIGITAL SKILLS TRAINING FOR THE COMMUNITY

The SCC Academy, which is hosted on our SCC UK technology campus, partners with local community groups and organisations to give their communities access to structured training from entry level courses through to higher level technical qualifications, apprenticeships, and employment opportunities. According to Lloyds Bank's 2020 UK Consumer Digital Index 2020, 45% of the population are digitally excluded and 56% the West Midlands community local to our technology headquarters lack essential digital skills for work. The SCC Academy is an employer-led training hub for the West Midlands community, specifically for those who are digitally excluded, or who have not traditionally had access to digital skills provision.

Since its launch The Academy has enrolled over 300 students on Level 1 Essential Digital Skills Course, 60 students on the Level 2 course, 50 students on GCSE-level courses, and 18 students have completed a foundation degree level Data Engineering course. It has also hosted Princes Trust workshops providing complete CV writing training and has worked with the Young Adults Foundation Trust, Department of Work and Pensions and Domestic Violence charities which has involved learning sessions and presentations to over 120 people.

JAMES RIGBY, CHIEF EXECUTIVE OF SCC EMEA, SAID:

"SCC is committed to supporting social inclusion and providing unique learning opportunities through the SCC Academy, as part of our ongoing investment in diversity and inclusion."

SCC Academy

"Through partnering with Aston University, we will be led by real-world challenges and opportunities to deliver better digital solutions – with an immediate focus on healthcare, industry 4.0 and delivering digital skills in partnership with the SCC Academy."

SIR PETER RIGBY, FOUNDER AND CHAIRMAN OF SCC AND RIGBY GROUP (RG) PLC

ASTON UNIVERSITY PARTNERSHIP

In March 2023, SCC formed a strategic partnership with Aston University, a renowned university focussed on science, technology and enterprise, through the new Aston Digital Futures Institute (ADFI). The aim of the ADFI is to drive high impact research in digital technologies and create innovative solutions that transform industries and improve business and lives.

SCC will be contributing industry expertise to the research programme in the areas of data analytics, cloud computing, cybersecurity and digital transformation. The newly announced strategic partnership is also set to deliver training programmes for students and professionals in digital skills and emerging technologies, with a focus on health and digital innovation across a range of priority industry sectors in West Midlands.

VOLUNTEERING SUPPORT

Within SCC UK, all staff are offered two days volunteering leave each year, creating an opportunity to support charitable causes or organisations. Volunteering initiatives in the year included tree planting events, cleaning up rivers and canals and work with The Prince's Trust.

Our Hotels division staff have supported the 'Roots to Shoots' campaign working with a local school, to encourage pupils to develop part of the hotel garden to grow produce to feature in the future on a Mallory menu and has started work with Forest of Hearts, a national charity creating 'gardens for good' to improve wellbeing, boost biodiversity and enhance employability. In October 2022, hotel staff took part in Hospitality Action's 'Walk for Wellbeing' raising a total of £90,000, to support hospitality employees facing difficulties or crisis.

SUPPORTING CHARITIES

For many years our Airports division has supported local Devon and East Anglia Air Ambulance Trusts, who operate their life saving service from our facilities, by waiver of all fees for the use of our airports. This represents a combined donation in kind this year of £557k (2022: £694k).

SCC UK, working in partnership with South Warwickshire NHS Foundation Trust, launched our Digital Innovation Hub. The Hub enables clinicians to explore and trial how technology, such as AI, can be used to support the identification and development of digital care solutions.

During the year SCC France announced its collaboration with the Paris 2024 Olympic and Paralympic Games Organising Committee. As a partner of one of the most significant sporting events ever organised in France, SCC will demonstrate its expertise by managing the procurement and supply of IT, Audio-Visual, technology and mobile equipment as well as the associated delivery, installation and maintenance services.

SCC France will also ensure that all the equipment is redistributed after the event, through its Recyclea operations which employs people with disabilities, we can guarantee a second life for the devices contributing to the Olympic Committee's ambitions in terms of digital responsibility and the circular economy.

RISK MANAGEMENT

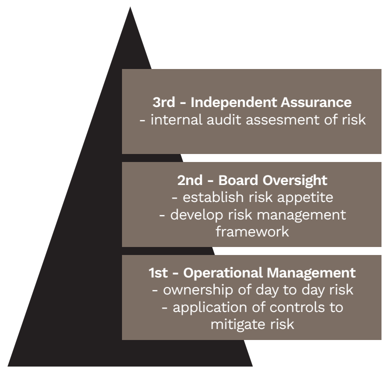
EFFECTIVE RISK MANAGEMENT IS KEY TO DELIVERING OUR STRATEGIC OBJECTIVES

UNDER THE CURRENT REGULATORY REGIME, THE RIGBY GROUP IS NOT REQUIRED TO FOLLOW A FORMAL CORPORATE GOVERNANCE CODE. NEVERTHELESS, WE TAKE OUR OBLIGATIONS TO OUR STAKEHOLDERS SERIOUSLY AND WE SUPPORT INITIATIVES DESIGNED TO EXTEND GOOD CORPORATE CULTURE AND BEHAVIOUR.

Internal governance is an important aspect of our relationship with our shareholders, and we keep under review how we can improve our governance processes.

INTERNAL CONTROL & RISK MANAGEMENT

The board continues to adopt the conventional three lines of defence approach to risk management.



OPERATIONAL MANAGEMENT

Operational Management accept primary responsibility for identifying and managing risks, with Board Oversight and Independent Assurance ensuring that Risk Management is effective.

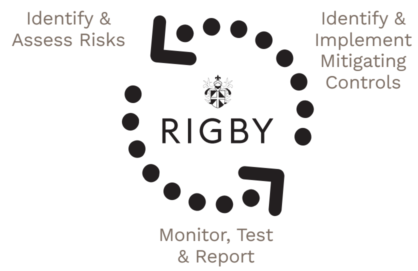
BOARD OVERSIGHT

The Board has overall responsibility for the maintaining and reviewing the Group's system of internal controls and ensuring that controls are robust and aligned to the appetite to risk when pursuing its strategic objectives.

The Audit Risk and Remuneration Committee (ARR) is chaired by the Group's non-executive director and has responsibility for co-ordinating the response of the overall group to risk. The committee's scope covers Financial Reporting, Internal Controls and Risk Management, Internal Audit, External Audit, and the Monitoring of Executive Remuneration.

INDEPENDENT ASSURANCE

The group has an internal audit function that reports to the Rigby Group CFO and undertakes assignments based on risk. This includes working closely with the ARR to identify areas of focus for internal audit assignments, reporting findings and ensuring recommendations are implemented.



RISK MANAGEMENT FRAMEWORK

The management of risk is at the core of our internal control framework. In 2022 the Rigby Group updated its Risk Management Framework under the oversight of the ARR. Divisions began migrating to this framework during 2022, with the process being developed and embedded in 2023.

The framework defines how we identify, assess, and manage risks throughout the organisation, focusing on enterprise level risks which enable us to effectively manage the impact on our strategy.

Enterprise level risks are those which affect the long-term future of the business and are material in nature. There will be many operational risks of which some could become enterprise level if they represent a fundamental challenge to the future of the business. Every division has an Enterprise Risk Owner (ERO) who is the guardian of enterprise level risks. The ERO is responsible for co-ordinating the risk owners to ensure that the operational risks of the business are considered and reflected within the enterprise risk process.

The principal output for the ERO is the Divisional Risk Register which is reviewed twice a year by the ARR. The ARR is charged by the shareholders with managing the Rigby Group's Risk Management Process, in creating a Rigby Group Risk Register, ensuring that appropriate mitigations are in place and that the residual risks post mitigations align with the risk appetite of the shareholders.

RISK METHODOLOGY

The Divisional Risk Register is completed on a standard group wide template which considers the requirements for tracking risk. A standard format is used so that the ARR can review the Group's risk on a consistent basis. The risk register includes the following:

- key enterprise risks – existing and future;
- the likelihood and impact of such risks on the business;
- the actions taken or to be taken in respect of such risks and who shall be accountable for managing and monitoring such risks;
- any changes, mitigations, trends in respect of those risks and
- Framework for identifying risk.

In compiling the risk register, general business risks, industry specific risks and division specific risks are considered. The board provides and maintains an Enterprise Risk Inventory to facilitate this process. The inventory consists of five categories, for which a further subset of risks is listed.

The Enterprise Risk Categories are as follows:

- Legal, Regulatory & Compliance
- Strategic
- Financial
- Process/Technology
- Human Capital

METHODOLOGY FOR ASSESSING AND PRIORITISING RISK

Risks are assessed and quantified in terms of likelihood and potential impact, both before and after existing mitigating controls. These are then used to determine an overall mitigated risk rating which corresponds to a high, medium, or low risk level.

Likelihood: Likelihood of occurrence is ranked from 1 to 5 with 5 representing an occurring or certain risk, and 1 representing an unlikely risk.

Impact: Severity is ranked from 1 to 5 with 5 representing a critical risk, and 1 a negligible impact.

Risk Rating and Risk Level: The risk rating is calculated by multiplying the likelihood by the impact. The resulting score then corresponds to a risk level.

MANAGEMENT OF RISK

Actions, next steps and learning points are considered and documented for each risk. The risk owner is responsible for maintaining these, which will then have oversight by the ERO and the ARR. We have considered whether climate change represents a principal risk to the business and has deemed that it does not. Environmental risks are considered as part of the risk identification and management process.

Risk Rating		Likelihood				
		5	4	3	2	1
Impact	5			15	10	5
	4			12	8	4
	3	15	12	9	6	3
	2	10	8	6	4	2
	1	5	4	3	2	1

Risk Level ● High ● Medium ● Low

PRINCIPAL RISKS AND MITIGATIONS

FINANCIAL: BUSINESS ENVIRONMENT & MARKET CONDITIONS

Risk Description	Risk Mitigation	Risk & Action Update	Risk Trend
Failure to identify or react to changes in market conditions resulting in increased costs, fall in demand, margin erosion and fair value losses on investment properties. Changes in market conditions include the following: - Changes in taxation / duties / insurance / interest rates or inflation, - Impacts on currency, - Costs and availability of raw materials, - Trading terms, - Conflict / political unrest, - Economic downturn, - Changes in building regulation and obsolescence.	Close observation of economic and market conditions including maintaining market watch for policy changes, and engagement with relevant bodies. Proactive currency management, such as daily foreign exchange ("FX") reviews and hedging. Maintain competitive supplier sources (no sole-source). Assessment of standard buyer behaviours and sentiments. Regular monitoring and reporting of financial performance and forecasting. Interest rate hedging. Transparency with customers around purchase costs, allowing matching of purchase price increases with sales price increases. Restrictions placed around issuing fixed sales prices. Review of contracts to understand impact of RPI/CPI increases, align contracts, and negotiate out of unfavourable terms where possible. Additional procurement controls as part of on-boarding process for new contracts.	Continuing elevated levels of inflation has increased the inherent risk posed by economic headwinds across all divisions in the Group. Whilst some of this risk has been mitigated by increased focus in areas such as cost base analysis, currency management, and contract & pricing reviews, it has not been possible to mitigate the full impact. The residual risk posed to the business has therefore increased.	↑ Risk Level High

PROCESS/TECHNOLOGY: INFRASTRUCTURE SECURITY

Risk Description	Risk Mitigation	Risk & Action Update	Risk Trend
Loss of Data centre operations due to Cyber-attacks or a failure of physical or technical procedures resulting in interruption of services to customers and reputation damage. Cyber-attack or other breach to our systems leading to a loss of customer, personal or business data. Loss of service of internal systems disruption internal operations or customer experience.	Data protection & information security policies, procedures, training, and controls. Industry standard network protection and data centre infrastructure, including backup facilities and ISO 27001 accreditation. Security testing and investment programme to keep abreast of new threats and maintain protection. Cyber Insurance. External reviews by third party of Cyber Security has been undertaken with recommendations formulated into an action plan.	The risk of cyber-attacks and the potential impact on the operation of our businesses and on our reputation remains one of the principal enterprise level risks which the group faces. On the request of the ARR, all divisions have reviewed their cyber security and described the roadmap they have in place to further tighten cyber protection measures.	↑ Risk Level High

PROCESS/TECHNOLOGY:
INTERNAL SYSTEMS PRODUCTIVITY

Risk Description	Risk Mitigation	Risk & Action Update	Risk Trend
Insufficient system maintenance resulting in loss of service and inability to deliver necessary information to manage the business. Ageing systems are not updated or replaced comprising delivery, data quality and security. Ineffective management of system migration projects. Risk of loss of property value due to inadequate maintenance. Risk of major asset failure due to lack of investment.	Automation of maintenance monitoring and scheduling with risk alert. Active lifecycle asset management and decommissioning projects, including scheduled long term investment programmes. Patch & update management. Detailed system migration planning including documentation of processes, UAT testing, parallel runs, and backups. Planned maintenance practices and support contracts, spares holding for essential parts.	Continued significant investment in systems replacement.	→ Risk Level High

HUMAN CAPITAL:
PEOPLE

Risk Description	Risk Mitigation	Risk & Action Update	Risk Trend
Failure to attract and retain our most talented colleagues. Lack of change readiness to support change initiatives. Maintaining wrong skill sets to support customer requirements or generate new business. Poor succession planning and overdependency on key individuals.	Benchmarking industry norms, flexible working, feedback through the recruitment process. Active change communications, planning and training; pre-change engagement and dialogue. Opportunity and development through succession planning and investment in continued professional development. Celebration of success through award schemes. Undertake wellbeing & prosperity investment. Personal development plans, internal courses, and external training. Annual resource planning, including redeployment and flex resourcing.	Increases in headcount across the business has restored operational resource levels to pre-covid levels where required. Establishment and investment in behavioural skills training Flexible benefits packages available for employees across the group. Flexible hybrid working practises have been adopted as business as usual.	↓ Risk Level Medium

STRATEGIC:
COMPETITION AND TECHNOLOGY CHANGE

Risk Description	Risk Mitigation	Risk & Action Update	Risk Trend
Strategy not reviewed on a sufficiently periodic basis to keep up with industry change. Decline in demand for our services or knowledge. Failure to understand our customers and respond to changes in their requirements, including uncompetitive commercials (costs or risk appetite). Ineffective Sales & Marketing resulting in limited or no market access.	Detailed strategic planning processes with executive focus and subsequent performance reporting. Cost reviews and market benchmarking, including study of market penetration. Understand "pivot points" of commercial outcomes and issues. Incentive plans supporting correct behaviours.	Executives keep pace with change, and business growth indicates continued relevance. Increased investment in Corporate Development executives. Continuation of annual strategic planning and forecasting activity.	→ Risk Level Medium

LEGAL, REGULATORY & COMPLIANCE:
ENVIRONMENTAL RISKS, LICENCES & OTHER REGULATIONS

Risk Description	Risk Mitigation	Risk & Action Update	Risk Trend
Failure to plan for changes in environmental, social and governance commitments. Failed, missing, or lapsed licences or accreditations resulting in loss of business, damaged reputation, and fines. Non-compliance with regulations or contracts resulting in loss of business, damaged reputation, and fines. Breaches of environmental consents and licences. Health & Safety breach. Risk of failing to amend processes in line with new regulations.	Rigby Group Head of Sustainability appointed to lead targeted ESG work groups on key topics. Documented procedures, active monitoring & reporting of compliance requirements including regular audits, inspections, sampling, and maintenance. Advice sought from specialist consultants. Insurance cover. Divisional management of Health and Safety with Health and Safety policies updated to reflect specific sector requirements. Provision of relevant staff training. Membership to relevant industry bodies to keep abreast of changes.	Rigby Group Head of Sustainability appointed to lead targeted ESG work groups on key topics. Continued monitoring of our compliance obligations.	→ Risk Level Medium

FINANCIAL:
BUSINESS ENVIRONMENT & MARKET CONDITIONS

Risk Description	Risk Mitigation	Risk & Action Update	Risk Trend
Failure to identify or react to changes in market conditions resulting in increased costs, fall in demand, margin erosion and fair value losses on investment properties. Changes in market conditions include the following: - Changes in taxation / duties / insurance / interest rates or inflation, - Impacts on currency, - Costs and availability of raw materials, - Trading terms, - Conflict / political unrest, - Economic downturn, - Changes in building regulation and obsolescence.	Close observation of economic and market conditions including maintaining market watch for policy and legislative changes. Proactive currency management. Long-range asset planning. Maintain competitive supplier sources (no sole-source). Assessment of standard buyer behaviours and sentiments. Engagement with industry & government bodies to understand and influence measures introduced. Quantitative assessment of change impacts.	Market confidence increasing to pre-pandemic levels. Business has proven capable in being flexible and adapting to change.	→ Risk Level Medium

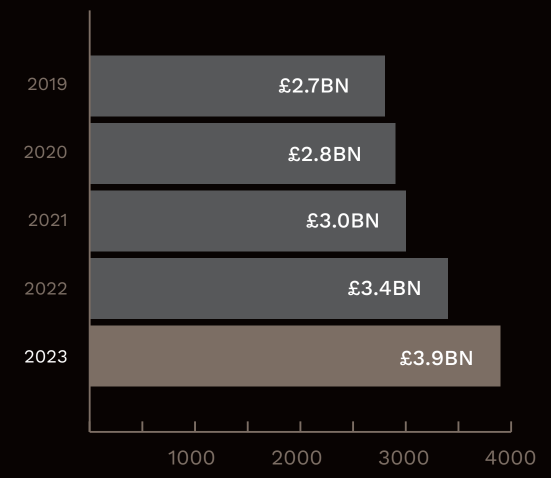
FINANCIAL:
LIQUIDITY MANAGEMENT

Risk Description	Risk Mitigation	Risk & Action Update	Risk Trend
Insufficient cash resources to meet strategic objectives, bank covenants or other liabilities as they fall due.	Group maintains substantial cash reserves held at high credit-rated banks. Debt within each division is ring-fenced, with borrowing and gearing levels across the Group's divisions are actively managed by the Group Treasury team, with close relationships held with a range of lending institutions. Covenants for borrowings are monitored by the Group Treasury team with periodic reporting to the Group board, an increased focus on cash forecasting and working capital management.	Group cash position and relationships with the banks remains strong. Disposal of Aviation and Nuvias Cyber Security and Advanced Networking divisions has significantly improved the group cash position.	↓ Risk Level Low

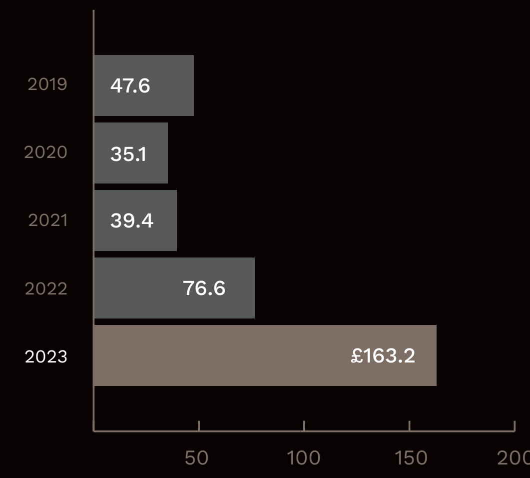
FINANCIAL HIGHLIGHTS

	FY19	FY20	FY21	FY22	FY23	FY22 TO FY23
TURNOVER £M	2,771.7	2,863.3	3,023.4	3,364.2	**3,893.8**	16%
ADJUSTED OPERATING PROFIT £M	47.6	35.2	39.4	76.6	**163.2**	113%
PROFIT BEFORE TAX £M	38.4	28.2	32.6	69.9	**156.0**	123%
CASH GENERATED BY OPERATIONS PRE TAX £M	128.5	134.0	126.9	107.2	**128.0**	19%
NET ASSETS £M	311.2	305.2	323.4	362.7	**505.3**	39%
EBITDA £M	78.7	66.0	67.8	104.3	**192.5**	85%

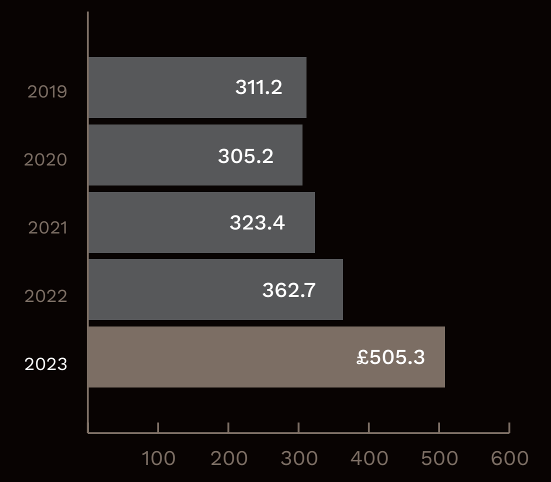
TURNOVER £BN



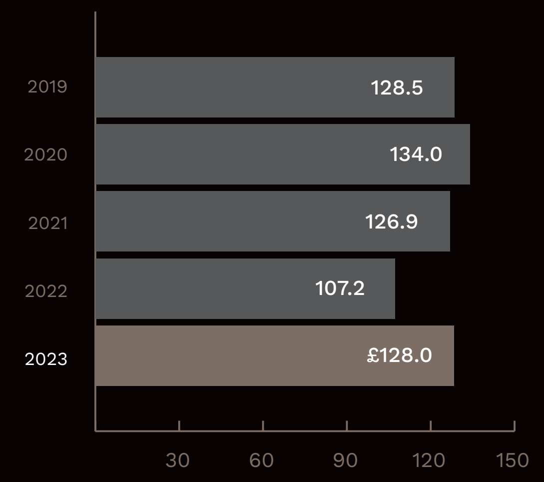
ADJUSTED OPERATING PROFIT £M



NET ASSETS £M



CASH GENERATED BY OPERATIONS PRE TAX £M



RIGBY

RIGBY
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CFO REPORT
RIGBY GROUP FY23
GROUP FINANCIAL REVIEW

PETER WHITFIELD, CHIEF FINANCIAL OFFICER

Exceptional financial performance for the Group following growth in our core businesses and the disposal of our Cyber Security distributor “Nuvias”. With Adjusted Profit of £195.2m (2022: £106.6m), these are the best financial results the group has reported. Adjusted Operating profit in our core division has grown and our M&A programme has delivered excellent profits.

Whilst the impact of covid no longer affects our results, economic factors have continued to have an impact, with supply chain shortages unwinding during the year and the wider impact of inflation and economic uncertainty impacting performance.

Group revenues grew by 16% and after excluding the £353.0m of revenues from the discontinued businesses sold in the year, continuing revenues were 22% higher than the previous year, led by our SCC business in France. At £3,893.8m group turnover is at the highest level in the group’s history despite the impact of acquisitions and disposals. Turnover in all divisions increased with the exception of the real estate business which remained flat.

As our business has evolved and following the disposal of Nuvias, we have simplified our divisions into 6 divisions; SCC, Airports, Hotels, Real Estate, Technology Investments and Central Operations. In prior years we have reported a Technology division which contained the businesses trading as “SCC”; this year for greater clarity we have renamed the division as “SCC” to avoid confusion with our Technology Investment business and have included our technology financing business Rigby Capital. SCC remains our core division central to the long-term future of the group.

Our Technology Investment business represents our range of other technology interests with different investment strategies. Nuvias Unified Communications is now reported in this division together with our new investment CloudClevr. Included in Central Operations are Rigby Group Head Office, our design company Allect and also reported here is the financial performance of our Aviation division until its disposal in August 2022.

Turnover in SCC increased by 23% driven by growth in France. Global supply chain pressures have had an impact on turnover during the year although this was largely unwound by the end of the year, however, in the final quarter of the year, the effects of wider economic uncertainty delayed decision making notably in the UK reducing our turnover in that country. Whilst the economic environment has not impacted France in the year there is more uncertainty in the SCC business in all countries as we move into the coming financial year.

Our Airports division has been affected over recent years by the initial impact of covid-19 and then knock on effects on the sector. These effects were unwound by the start of the year, however uncertainties have been present due to the war in Ukraine. Aviation and Commercial revenues increased with total turnover increasing by 22%. Our investment in cargo operations have continued through the year.

EBITDA & Adjusted Profit Reconciliation	FY23 £m	FY22 £m	Growth
Operating Profit	58.3	76.6	-24%
Gain on Disposal	104.9	-	N/A
Adjusted Operating profit	163.2	76.6	113%
Depreciation	17.4	19.7	-12%
Amortisation	12.0	8.0	50%
EBITDA	192.6	104.3	85%
Acquisition Costs	2.6	2.3	
Adjusted Profit	195.2	106.6	83%

Adjusted Operating Profit grew by 113% to £163.2m, growth of £86.6m due to the £105m profit on disposal of the Nuvias Cyber Security & the Aviation divisions. Underlying operating profit excluding the impact of the discontinued operations and the revaluation of investment properties declined by £7.8m, 11%.

The Group’s operating profit is largely generated in SCC which contributed £68.9m for the year, an increase of 7%. Reselling of hardware in France, our largest business, continued to grow in both public and private sectors and again in our software practice with a 28% growth in turnover.

In the UK, SCC grew turnover by 13% and completed the acquisitions of the reseller operations of Vohkus and the audio-visual business Visavvi, boosting turnover by £27m. UK operating profits declined 26% as decision making in our final and key quarter slipped expected business beyond the close of our financial period.

Airports were able to increase operations this year and whilst this increased overall revenues, operating profits were lower than prior year at £2.9m (FY22: £8.2m). Property valuations reduced profit by £3.4m and prior year non-repeating profits were £2.8m, together explaining the reduction in operating profit of £5.3m compared to the prior year.

Nuvias UC our distributor of Unified Communications solutions grew turnover by 2% up to £110m following a year of significant growth in the prior year. The business had a year of significant change re-establishing itself as part of Technology Investments division and outside of the Nuvias Group, the core part of which was sold during the year. Significant investment and management change was made to reset the business for future growth and current year profitability was much reduced, down £3.7m, as a consequence.

Hotels have had a turbulent few years and again experienced variable demands as UK travel patterns have evolved post pandemic. Profits from the prior year could not be repeated and the division reported a loss for the year. Turnover at £16.7m was consistent with the prior year, operating challenges are consistent with those in the UK hospitality business.

Revaluations of Investment Property generated operating losses of £4.4m (2022: Loss of £0.3m). Property across our airports was revalued 4% downwards reducing operating profit in the Airports division by £3.4m. Landside property at Bournemouth managed in our Real Estate division was valued 1% lower £0.4m (2022: Increase of £1.0m). A property held for investment in our Real Estate business was also revalued down by £0.5m in line with market valuations. Commercial property values in the UK have declined over the last year and these valuation changes reflect the change in the market for this property class. We have valued our property using external valuation experts to ensure in line with our policy of external valuations every three years.

A continuation of exceptionally low void rates over the last few years have supported the profitability of the Real Estate division with turnover flat and operating profit at £1.7m (2022: £2.9m). Excluding the impact of property revaluations operating profit is £2.8m 40% higher than the prior year (2022: £1.9m) in part due to development management fees on projects completed in the year.

Overhead cost management is a focus of all divisions with wage inflation and competition for skills impacting our cost base in the year. Whilst some of these pressures have reduced during the year, for example in our SCC division, pressures to secure quality resources in our Hotels division remains a focus for management. Overhead cost management will remain a focus for the coming financial year.

ADJUSTED PROFIT

Adjusted Operating Profit is impacted by non-cash charges and by the accounting treatment of some payments made on acquisition which under UK GAAP are charged to operating profit by virtue of a contractual linkage to employment.

By excluding these charges, Adjusted Profit provides a more comparable and informative measure of relative performance which is complementary to operating profit and appropriate for understanding profit performance in an acquisitive group. We use Adjusted Profit as a measure of operating profit adjusted for key non cash charges arising from capital expenditure and employment related acquisition costs. This measure Adjusted Profit was £195.2m (2022: £106.6m) and grew 83% in the year as a result of the profit on disposal of Nuvias group of £104m.

Acquisitions, Disposals and Organic Growth	Acquired Businesses	FY23 Revenue Actuals £m	FY24 Revenue Forecast £m
Acquisitions: Division			
SCC	Vohkus Group	3.9	91.2
SCC	Visavvi Limited	23.0	29.2

We completed two acquisitions in the year though their impact on turnover and operating profits were modest. Turnover was increased by £26.9m and operating profit contribution of £0.5m. Both acquisitions were in the UK in our SCC division and were aligned to our strategic plan.

Acquisition by the SCC UK division of the Saville Group completed in May 2022 boosted the capabilities and scale of the existing Audio Visual and Collaboration business, adding another £23m of turnover in the year, in line with expectations. Acquisition of the Vohkus group in March 2023 adds £91m of annualised turnover to the group, though the timing of the acquisition was such that the impact on turnover in the year was only £3.9m.

Two disposals completed in the year, of our Cyber Security and Advanced Networking distributor Nuvias and of our Aviation business British International Helicopters. Both of these disposals are in line with our strategic plan and delivered profitability in line with or ahead of expectations. These businesses represent the discontinued operations throughout the annual report and financial statements.

Disposal of British International Helicopters completes our investment cycle in aviation businesses, secures the right home for these operations and does not significantly impact the Group's performance or cash reserves. As a result of the disposal of Nuvias, future annualised turnover will be lower by £450m and operating profit reduced by £3.5m, however substantial cash reserves are available to support future investments in trading business in the technology sector.

NET FINANCE COSTS

Net financing charges of £7.0m (2021: £6.6m) are 6% higher, bank and other interest costs of £11.3m have been partially offset by investment interest and gains of £4.5m. Interest rate derivatives reduce the cost of external financing charges in the Airports and Hotels divisions. Cash generated from disposals together with a focused investment strategy concentrating available resources in centrally managed liquid investments overseen by the public investment committee, has mitigated the increased cost of borrowing from higher market interest rates.

TAXATION

The group tax charge for the year was £14.5m (2022: £23.9m) on profit before taxation of £156.0m (2022: £69.9m), an effective tax rate of 9% (2022: 34%). The effective tax rate is significantly lower than the prior year due to profit on disposal of our Aviation and our Nuvias Cyber security businesses, being non-taxable by virtue of the Substantial Shareholding Exemption. The effective tax rate of the continuing operations within the Group is 27% (2022: 34%). This is higher than the UK Corporation Tax Rate of 19% primarily due to the impact of non-deductible expenses (7%) and the effect of higher overseas tax rates (7%). This is offset by recognition of additional deferred tax assets on carry forward overseas tax losses (3%) and enhanced capital allowances under the super-deduction rules (3%). The Cash tax rate for continuing operations has increased to 39% in the current year from 24%. The group's UK businesses have continued to benefit from the cash tax advantage of the super-deduction rules, but this has been offset by the carry forward of surplus UK tax losses (for which the cash tax benefit will be received in year of utilisation of the losses). The increased rate from the prior year is also as a result of a higher proportion of overseas profits from continuing operations (subject to higher tax rates) to UK profits from continuing operations than the prior year.

In the UK, the tax rate increased from 19% to 25% with effect from 1 April 2023. The impact of this rate increase will be offset initially by utilisation of brought forward tax losses and the new full-expensing regime allowing for 100% tax deductions for certain capital expenditure.

Our Group Tax Policy is reviewed annually by the Audit Risk and Remuneration Committee and was approved in the year on behalf of the Board. The Group's financial results reflect the economic substance of the underlying commercial transactions and we do not make artificial adjustments to the profit or losses in order to benefit one tax jurisdiction over another. All of our transfer pricing is consistent with approved programmes.

We pay taxes within the countries in which we operate and have no appetite for tax motivated planning, creation of artificial tax structures or offshore activities which do not reflect the economic substance of our businesses.

Transfer Pricing policies are implemented throughout the group to ensure compliance with the base erosion and profit shifting requirements of the Organisation for Economic Co-operation and Development (OECD). There have been no changes to policies in the year or in the prior year.

DIVIDENDS AND PROFIT RETAINED

Dividends of £11.7m were paid in the year to shareholders of Rigby Group (RG) plc in relation to the performance of the prior year and following the year end dividends of £10.7m were declared and paid in relation to the performance of the year ended 31st March 2023.

Dividend payments have been made in accordance with the Group dividend policy which restricts the combined payment of dividend, other shareholder remuneration and charitable donations to ensure adequate profit after tax is retained within the Group and the Company. Net Assets in the Company balance sheet stand at £263.1m (2022: £198.1m). Net Assets in the Group balance sheet stand at £505.3m (2022: £362.7m)

SEGMENTAL TURNOVER AND PROFITABILITY DRIVERS

SCC represents 84% (2023: 79%) of Group turnover. With the disposal of Nuvias Cyber Security business we expect that SCC will dominate turnover and profitability for the coming years. Airports and the real estate divisions continue to contribute to Adjusted Profit and Operating Profitability, Hotels are more likely to generate operating profits in the future as the UK Hospitality market settles down and Nuvias UC, having gone through one year of adjustment and with an ongoing transformation, will start to make profits during the coming financial year.

Group Central operations includes costs associated with activities which support the Group and cannot easily be allocated to divisions. Management charges are made to divisions for those services which can be allocated with the remainder representing central costs and charitable donations to the Rigby Foundation.

NET ASSETS

Group Net Assets have grown by £142.5m to £505.3m, a growth of 39%. Profit after tax of £141.5m was enhanced by currency movements of £5.9m and other comprehensive income of £3.0m.

The net book value of positive Goodwill declined by £1.4m to £33.4m. New goodwill of £22.8m arose on acquisitions in SCC however the effect of disposal and amortisation in the group reduced book value below that of the prior year. Negative goodwill now represents £2.7m in relation to our Airports division. In the prior year we brought forward £9.5m however this is much reduced following disposal of the Aviation business.

CASH FLOW AND WORKING CAPITAL

	FY23 £m	FY22 £m
Opening Cash & Cash Equivalents	**528.7**	**461.5**
Operating cashflow before movement in working capital	78.2	104.9
Movement in working capital	50.6	2.3
Cash generated from operations (pre tax)	**128.8**	**107.2**
Corporation Tax	(23.2)	(15.6)
Net operational capex	(5.1)	(17.1)
Capital Investments	-	(10.6)
Acquisitions	(28.9)	(18.0)
Cash acquired	4.9	-
Current Asset Investments	(79.5)	0.1
Interest	4.0	-
Disposal of subsidiaires	63.6	-
Related parties	(2.6)	(2.6)
Finance leases	(0.7)	4.8
Payment of deferred consideration on acquisitions	(2.1)	-
Issue of shares to non-controlling interest	3.5	-
Investing Activities	**(42.9)**	**(43.4)**
Interest	(8.4)	(6.3)
New facility drawings	8.5	37.2
Loan repayments	(14.5)	(5.7)
Related parties	15.1	-
Finance leases	(5.0)	(2.1)
Dividends to equity shareholders	(11.7)	(6.9)
Dividends to minority interest	(0.2)	(0.2)
Financing Activities	**(16.2)**	**16.0**
Net Movement in Cash & Cash equivalents	**46.5**	**64.2**
FX Impacts	2.2	3.0
Closing Cash & Cash Equivalents	**577.4**	**528.7**

Operating profits adjusted for non-cash items of £78.2m (2022: £104.9m) declined over the prior year, however we generated £50.6m (2022: £2.3m) of cash from improved working capital which had been under pressure in the prior year from delayed global supply chains, challenges which have now abated. Total cash generated from operations was £128.8m compared to £107.2m in the prior year. Of this cashflow generated, we used £23.2m (2022: £15.6m) to settle taxes.

During the year we used a net cash flow of £42.9m (2022: £43.4m) on investing activities. We invested £117.3m of gross cash and funded this with £74.4m of cash receipts which included cash of £63.6m generated from disposals.

We invested £79.7m in current asset investments and used £28.9m on acquisitions in the current year and on settling outstanding deferred consideration for prior period acquisitions which, net of acquired cash, reduced cash reserves by £24.0m.

Gross capital expenditure in our operating business was £33.4m. Cash generated from the disposal of assets of £28.3m reduced net capital asset spend to £5.1m (2022: £17.1m).

Cash generated from disposals and improved working capital have been invested in liquid money market and in short-dated bond investments which are reported in current assets investments.

CASH USED FOR FINANCING

Gross cash utilised for financing was £39.8m (2022: £21.3m), offset by £8.5m of new facility drawings and cash due to related parties retained within the business of £15.1m, such that net financing costs were £16.2m.

We drew an additional £8.5m from our financing facilities to fund acquisitions and working capital in the year. Interest payments of £8.4m (2022: £6.0m) reflected higher market interest rates and utilisation of facilities, though the higher cost compared to the prior year is largely offset by the £4.0m of interest earned on cash invested.

Dividends to Rigby Group equity holders of £11.7m (2021: £6.9m) were the principal other financing costs although the cash impact was offset by the increase in cash due to related parties retained within the business.

GROUP CASH AND NET FUNDS

Net Cash increased by £66.1m (2022: £32.9m) and Current Asset Investments grew by £79.1m, so total cash and current asset investments have increased by £145.2m in the year.

Related party loans have increased as shareholders have retained funds within the group.

TREASURY MANAGEMENT

The Group has bank facilities in place within each division the majority of which are unchanged since the end of the previous year the changes compared to prior year reflecting the impact of the disposal of Nuvias.

The Group has access to funds through cash and debt facilities. Banking facilities are held primarily in operating entities and set to meet the requirements of that business and its closely associated trading operations. Facilities are denominated and drawn in those currencies required to support the operations of each business. Where transactions take place between currencies, forward contract hedging transactions are put in place. Interest rate hedges are also in place where term debt is material to the division. The Group's policy is not to undertake any speculative trading in financial instruments. The principal risks arising from the Group's financial instruments is interest rate risk our approach to which is explained in the viability statement. Group investments in current asset investments and of operational cash are managed or overseen by the Group's investment committee which operates a policy which maximises returns whilst favouring liquidity over absolute return.

	FY23 £m	FY22 £m
Net Cash / (Debt) incl. CAI at beginning of year	**396.6**	**359.5**
Cash flows from operating activities	128.0	107.2
Cash capital expenditure	(5.1)	(27.7)
Tax paid	(22.3)	(15.6)
Interest received and paid	(5.0)	(5.9)
Dividends paid	(11.9)	(7.0)
Acquisition and disposal of subsidiaries	57.5	(18.0)
Net movement on current asset investments	0.3	(0.1)
Issue of shares to non-controlling interest	3.5	-
Other	0.2	1.3
Net increase in Net Cash / (Debt) incl. CAI	**145.2**	**34.2**
Effects of foreign exchange rates	2.2	2.9
Net Cash / (Debt) incl. CAI at end of year	**544.0**	**396.6**
Components of Net Cash / (Debt) incl. CAI		
Cash at bank and in hand	578.8	595.0
Overdrafts	(1.4)	(66.3)
Current Asset Investments	80.3	1.2
Finance Facilities	(7.9)	(44.4)
Bank Loans and overdrafts	(76.7)	(67.3)
Related party loans	(31.7)	(18.4)
Obligations under finance leases and HP contracts	2.6	(3.2)
Net Cash / (Debt) incl. CAI at end of year	**544.0**	**396.6**

CASH CONVERSION	FY23 £m	FY22 £m
Adjusted Operating profit	**163.2**	**76.6**
Depreciation Total	17.4	19.7
Amortisation Total	12.0	8.0
EBITDA	**192.6**	**104.3**
Acquisition Costs	2.6	2.3
Adjusted Profit	**195.2**	**106.6**
Cash generated by operations	**128.8**	**107.2**
Cash capital expenditure net of proceeds	(4.8)	(17.1)
Cash from disposal activity	57.5	0.0
Free Cash	**181.5**	**90.1**
Free Cash Conversion	93%	84%

Adjusted Profit converted into cash at a rate of 93% (2022: 84%), which is comparable to the prior year after taking into account the impact of cash proceeds from the disposal of capital assets which reduced the net cash cost of capital expenditure in the year. Reinvestment of part of the proceeds of the disposal of the Nuvias Cyber security business reduced free cash conversion which would have otherwise been 110%.

OUTLOOK

We have seen a softening in demand characterised by delayed decision making in the final quarter of our financial year, notably in our SCC business in the UK, which we expect to continue for some time. Consequently, we do not see the same level of financial performance in the coming year and are more cautious about improved performance given the economic conditions in the UK in particular. Our ongoing investment programme will continue however, we have invested in systems and new teams and will ensure we continue to invest in the right areas to remain relevant to our customers.

In future financial years we expect to see more exit events, boosting annual operating performance in future years, though none in the coming financial year. Cash and access to finance facilities remains strong and we continue to expect to generate cash in the coming year, although growth will not be at the same level as in the current year.

PETER WHITFIELD FCA
CHIEF FINANCIAL OFFICER

RIGBY

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VIABILITY STATEMENT

This viability statement is not prepared under the requirements of the UK Corporate Governance code and as such it is not subject to the associated audit requirements.

It has been prepared to provide guidance to stakeholders in relation to the long-term viability of the Group

The Board considers the Group's viability as part of its continuing programme of strategic planning, monitoring, and managing risk. Preparing this viability statement provides guidance to stakeholders in relation to the long- term viability of the Group. The Board have assessed the prospects of the Group over a period longer than twelve months and has concluded that considering the diversity of the Group's operating divisions, the most relevant time horizon for this review is five years.

STRATEGIC AND FINANCIAL PLANNING

The starting point in assessing the prospects of the Group is the rigorous annual business planning and quarterly reforecasting cycles across the Group which consider profit, cash flows and working capital performance. The output of these planning cycles together with key information from our strategic plans provides all the key assumptions which are most critical in assessing the viability of the Group. Where appropriate to each division's operations reference is made through formal reviews, to market data as a point of comparison for past and projected future performance,

Sensitivity analysis is performed by divisions and the group to ensure that financial projections are robust and reflect relevant future customer demand and market expectations. Contingency provisions are used by the Group to take account of market uncertainties and key assumptions which may be sensitive to change and for which additional prudence may be required.

VIABILITY INDICATION FACTORS

The key factors considered when assessing viability of the Group are:

CURRENT PERFORMANCE

- Growth in operating profit and adequacy of cash
- Growth and focus on revenues and profits
- Customers diversified between markets and sectors
- Tight financial control
- Adequate banking facilities

STRATEGIC OBJECTIVES

- Focus on core activities and divestment of activities performing below expectation
- Selective acquisition and divestment policy focussed on expanding capabilities around our core business.
- Diversified Group structure
- Long term investment programmes

KNOWLEDGE AND EXPERTISE

- Longevity of service of key executives
- Divisional expertise from experienced executive teams with market knowledge
- Long standing partnerships & relationships with our vendors and customers

RISKS AND MITIGATIONS

- Regular risk assessment with responsive mitigation actions
- Commercial and financial risks mitigated through strong internal controls
- Capacity of the Group to absorb additional profit and cash risks which are not forecasted
- Divisional liquidity independence

Cash and working capital requirements of the Group and its divisions are closely monitored and we work closely with all of our key banking partners to ensure that sufficient funds are available to support the operational requirements of each division alongside the Group's acquisition programme.

The disposal of our Nuvias Cyber Security and Advanced Networking division has resulted in significant cash resources being available for the group which are being deployed in current asset investments and other highly liquid funds to ensure that the group maintains flexibility to deploy cash on acquisition activity and support continued investment in our operations. During the year facility headroom and access to cash have been maintained at a level which the board consider more than adequate to support the Group for the period of our viability review.

VIABILITY

The Group's strength continues to be derived from both its expertise within each division and its diversity across its divisions together with the pre-eminence of the Group's interests in the technology sector, which maintains a wide range of services across a diverse customer base with interests in both public and private sector organisations. This diversification has enabled the Group to maintain strong operating profitability over many years despite economic uncertainty and fluctuations in the economic cycle.

Our performance during the last financial year gives us confidence that we will continue to deliver in line with our financial projections.

Individual divisions are not dependent on other divisions for their long-term liquidity and viability and the Group is managed to ensure that the correct decisions are made for each division without reliance on others to provide support.

We have long term banking relationships with National Westminster Bank, Lloyds Bank and HSBC in the UK and HSBC and Société Générale in France and Spain. We continually work with our banking partners to develop facilities which meet the needs of the business and expect that these proactive relationships will continue to support us in the future in the way they have over the last financial year. We continue to review our facilities and will flex them where required to optimise liquidity.

Working capital is a focus for the Group, the good management of which supports our strong cash generation over time. A sustainably strong balance sheet, supported by long term shareholder investment, provides additional confidence in the viability of the Group in the long term.

Based on the results of this analysis the directors expect that the Group will be able to continue in operation and meet its liabilities as they fall due over the five-year period of these assessments.

GOING CONCERN

At 31 March 2023 the Group had net assets of £505.3m and has delivered growth in turnover, gross profit, profit after tax and net cash. The directors believe that the group and each of its divisions have sufficient flexibility in adverse circumstances to maintain adequate resources to continue in operational existence for the foreseeable future.

The Group is well placed to manage its business risks successfully and the Group's projections show that most of the divisions should continue to generate cash from operations. The Directors have taken due consideration of the impacts of sensitivities and uncertainties in the formation of their opinion regarding the future of the Group. The directors therefore continue to adopt the going concern basis of accounting in the preparation of these financial statements.

The Strategic Report has been approved by the Board of directors and signed on behalf of the board on 22 September 2023

Peter Rigby

SIR PETER RIGBY

RIGBY

DIRECTORS REPORT AND RESPONSIBILITY STATEMENT

The directors present their annual report and the audited consolidated financial statements together with the auditor's report for the year ended 31 March 2023.

STRATEGIC REPORT

A separate Strategic Report has been prepared in compliance with the Companies Act 2006 and includes information about the Group's operations and business model, financial performance throughout the year and its prospects for the future.

The Strategic Report sets out details of the Group's principal risks and how these are managed or mitigated within the risk management section of the Strategic Report.

The Section 172 statement within the Strategic Report provides information of how we interact with our key stakeholders including customers, suppliers, our employees and the wider community and environment. The Group recognises the importance of its environmental responsibilities in all the markets in which it operates. In all activities, working practices, and business relationships, we continuously work towards protecting, conserving and enhancing all aspects of the environment. Further details can be found in the ESG update of the Strategic Report.

The Group recognises the importance and value of its employees and of equality for all staff including disabled employees and this is further detailed with the Section 172 Statement and the ESG update sections of the Strategic Report. We are determined to fulfil our responsibilities to our customers, employees, suppliers, communities, and the global environment. Our approach is supported by our family values.

The going concern of the Group is considered within the Viability Section of the Strategic Report and concludes that the directors have a reasonable expectation that the Company and Group have adequate resources to continue in operational existence within the next 12 months from the date of this report, and for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

PRINCIPAL ACTIVITIES

The principal activity of the company is to be a holding company for the business investments of the Rigby family. Details of these investments and the principal activities of the Group are provided in the Strategic Report. There have been no changes in the Group's principal activities during the year under review.

The subsidiary undertakings of the Group in the year are listed in the notes to the financial statements.

RESULTS AND DIVIDENDS

The Group's activities resulted in a profit before tax of £156,004,000 (2022: £69,911,000). The Group profit for the year, attributable to equity shareholders, amounted to £142,902,000 (2022: £45,770,000).

Dividends declared by Rigby Group (RG) plc in the year were the A preference shares of £612,000, the B preference shares of £875,000, the Preferred Ordinary shares of £5,363,000 and the B ordinary shares of £4,850,000. Total dividends of £11,700,000 (2022: £6,850,000).

Net assets of the Group have grown by £142,530,000 from £362,720,000 to £505,250,000 a growth of 39% in the year.

ACQUISITIONS AND DISPOSALS

On 29 April 2022, Specialist Computer Centres plc acquired the remaining 20% shares in SCC AVS Limited for £2.1m.

On 6 May 2022 Specialist Computer Centres plc acquired 100% of the share capital of SEA Holdings (UK) Limited, an audio-visual specialist group trading as Visavvi, and its subsidiary undertakings. Total consideration was £15.3m and cash acquired was £1.2m.

On 2 August 2022 the Group disposed of its Aviation division with the sale of British Helicopter Services Limited to Bristow Helicopters Limited.

On 15 November 2022 the group entered into a transaction to sell RPE Investments Limited and all of its subsidiaries which comprise the Nuvias Cyber Security and Advanced Networking operations, to Infinigate Hld UK Limited. A 10% holding in Infinigate Hld UK was acquired as part of the consideration.

On 20 March 2023 Specialist Computer Centres plc acquired 100% of the share capital of Vohkus Group, an IT reseller incorporated in the UK, and its subsidiary undertakings with operations in Romania, Spain and India. Total consideration was £15.2m, of which £1.6m was deferred and expected to be paid by 31 July 2024, and cash acquired was £3.6m.

Further impact on the impact of these acquisitions and disposals is provided in the notes to the financial statements.

CHARITABLE DONATIONS AND POLITICAL CONTRIBUTIONS

During the year the Group made donations of £2.0m to the Rigby Foundation (2022 £2.0m). The Rigby Foundation is a registered charity,

established by Sir Peter which operates independently of the Group and makes donations to various charitable organisations that have the following charitable purposes: the advancement of health or the saving of lives; the advancement of education; the advancement of the arts, culture and heritage; the advancement of amateur sport; and the relief of those in need, by reason of ill health and/or disability, financial hardship or other disadvantage.

The group has a long history of supporting the communities directly touched by our businesses and believe that the building and maintaining relationships of trust in the community is vital to the sustainable future of our business. We choose local charity partners through which we can support diverse organisations supporting a range of people and their families. Charitable donations, excluding the Rigby Foundation, were made during the year totalling £839,000 (2022 £200,000).

Political contributions totalling £25,000 (2022 £20,000) were made during the year to the West Midlands Mayoral Campaign, as was last year's contribution.

BUSINESS ETHICS

We are committed to ensuring full compliance with legislation relating to bribery and corruption, including the Bribery Act 2010. Our corporate conduct is based on our commitment to acting professionally, fairly and with integrity. The Group has a number of fundamental principles and values which it believes are the foundation of sound and fair business practice and as such are important to uphold. We have a zero-tolerance position in relation to bribery, wherever and in whatever form that may be encountered. It is our policy to comply with all laws, rules and regulations governing bribery and corruption, in all the countries in which we operate. Our comprehensive policy is applicable to all staff and covers all areas of our operations including gifts and hospitality, events and sponsorships, the making of all types of payments to businesses, charities or of a political nature and in the operation of credit policies within our businesses.

As a responsible taxpayer, Rigby Group (RG) plc manages its tax affairs proactively to comply with its obligations in each of the territories in which it operates. Rigby Group (RG) plc is committed to maintaining open and honest relationships with all tax authorities. Rigby Group (RG) plc's UK tax policy can be found at www.rigbygroupplc.com.

BRANCHES

Nuvias Unified Communications Limited has a branch in France and in the Netherlands. SCC France SAS has a branch in Germany.

RESEARCH AND DEVELOPMENT EXPENDITURE

During the year we invested £4.6m, in research and development, primarily in our technology division driven by the need to develop innovative solutions to meet the needs of our customers. £1.2m has been charged the profit and loss account (2022: £3.1m) and we have capitalised a further £3.4m (2022: £1.0m).

DIRECTORS and DIRECTOR'S INDEMNITIES

The directors who served during the year and subsequently were as follows:

Sir Peter Rigby (Chairman)
P A Rigby
J P Rigby (Co CEO)
S P Rigby (Co CEO)
P N Whitfield (CFO)
H W Campion

Company Secretary
JA Mortimer

The company has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report. These provisions are in place for both the Company and it's subsidiaries.

DIRECTORS RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently.
- make judgments and accounting estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom

RIGBY

governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

POST BALANCE SHEET EVENTS

On 4 April 2023 the group declared and paid dividends of £10,700,000 in total to the shareholders.

On 23 May 2023, the Group completed the acquisition of 100% of NGC Networks Group Limited and it's subsidiaries for an initial consideration of £5.4m.

On 25th August 2023 the Group completed the acquisition of 79.97% of Nimble Delivery Limited for an initial consideration of £29.4m.

On 5th September 2023 the Group completed the acquisition of 100% of 4Sight Communications Limited for an initial consideration of £5.6m.

STATEMENT OF DISCLOSURE TO THE AUDITOR

Each of the directors at the date of 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;

- the director has taken all 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 that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

AUDITOR

Deloitte LLP have expressed their willingness to continue in office as auditor of the company. A resolution to reappoint Deloitte LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

Rigby Group (RG) plc is incorporated as a public limited company and is registered in England and Wales with the registration number 03437118.

Approved by the Board of Directors and signed on behalf of the Board

22 September 2023

Peter Rigby

SIR PETER RIGBY
DIRECTOR

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RIGBY GROUP (RG) PLC

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

In our opinion the financial statements of Rigby Group (RG) PLC (the 'parent company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2023 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated profit and loss account;
- the consolidated statement of comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement; and
- the related notes 1 to 32.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the group's business sector.

We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included Employment Law, Environmental Regulations (including Streamlined Energy and Carbon Reporting), UK Civil Aviation Authority Regulations, Health & Safety and Bulding Regulations and The Data Protection Act 2018.

We discussed among the audit engagement team including significant component audit teams and relevant internal specialists such as tax, valuations, pensions and IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our procedures performed to address them are described below:

Valuation of investment properties

Investment properties are measured at fair value at year end with any fair value changes recognised through the income statement. Management's valuation model involves the use of an asset yield percentage which is determined based on various inputs such as the market value of annual rent, quality, void space and future capex maintenance for each asset. These inputs are subject to estimation by management. The inherent subjectivity in relation to these inputs, coupled with the fact that only a small percentage difference in individual asset valuations, when aggregated, could result in a material misstatement on the consolidated income statement and the consolidated balance sheet, warrants specific audit focus in this area.

To address this risk:

- We have evaluated the methodology and assumptions used in the valuation by working with our Real Estate Valuation specialists to challenge the reasonableness of key inputs subject to estimation as detailed above. Our specialists have held discussions with the group's valuation team to understand the valuation methodology applied and have benchmarked this methodology to normal market practice;
- For a sample of properties, we have considered the key inputs used in determining the asset yield percentage and assessed the appropriateness of such to determine the valuation, by reference to market information where possible; and
- We have verified the accuracy and completeness of such key inputs by corroborating to underlying investment property schedules and supporting lease agreements.

Revenue cut-off in the SCC UK Division

In relation to product revenue cut-off, there are a significant number of transactions that occur immediately prior to the year-end and management could record fictitious sales in order to meet performance expectations. With the increase in the volume of sales towards the end of the year, especially in the week immediately prior to 31 March, there is a risk that error in cut-off of recognition of product sales could result in a material error in revenue.

In order to assess that revenue was recognised in the correct period, we performed the following procedures:

- Assessed design and implementation and operating effectiveness of management's control over the accuracy, completeness, cut-off and occurrence of revenue; and
- tested a sample of transactions in revenue over the final week in March and first week of April for accuracy, occurrence and cut-off of revenue by agreeing details of the sales to invoices, customer orders and evidence of shipments.

Revenue recognition based on percentage of complietion in Technology France division

In relation to percentage of completion, each of these contracts varies in size and complexity and there are a number of contracts which span multiple financial years. The existence of long-term contacts result in a risk of a potential misstatement of revenues, costs and profits through management's assumptions used in generating the estimates of the remaining cost to complete the projects being inaccurate or inappropriate. In order to assess that revenue was recognised in the correct period, we performed the following procedures:

- obtained an understanding of the relevant controls over the group's assessment of cost to complete on percentage of completion and milestone contracts;
- sampled on-going contracts and traced these through to latest customer confirmations, sales invoices and cash receipts; and
- tested actual cost incurred, post-balance sheet performance and expectation of cost to complete prepared by management to assess actual stage of completion and correctness of estimated revenue.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Under the Companies Act 2006 we are required to report in respect of the following matters 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 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 respect of these matters.

USE OF OUR REPORT

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

ANDREW HALLS FCA
(SENIOR STATUTORY AUDITOR)

For and on behalf of Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom
22 September 2023

RIGBY
Est. 1975

FINANCIAL STATEMENTS

RIGBY GROUP (RG) PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2023

	Note	2023 Continuing £'000	2023 Discontinued £'000	2023 Total £'000	2022 Continuing £'000	2022 Discontinued £'000	2022 Total £'000
Turnover	3, 4	3,540,839	352,997	3,893,836	2,892,892	471,351	3,364,243
Cost of sales		(3,132,383)	(319,053)	(3,451,436)	(2,533,861)	(421,315)	(2,955,176)
Gross profit		408,456	33,944	442,400	359,031	50,036	409,067
Other operating expenses		(342,151)	(32,658)	(374,809)	(292.663)	(41,728)	(334,391)
Goodwill amortisation	12	(6,736)	(1,276)	(8,012)	(3,068)	(1,006)	(4,074)
Impairment of fixed assets	13	(76)	-	(76)	-	-	-
Loss arising on revaluation of investment property	13	(4,443)	-	(4,443)	(330)	-	(330)
Total operating expenses		(353,406)	(33,934)	(387,340)	(296,061)	(42,734)	(338,795)
Other operating income		3,207	-	3,207	6,280	25	6,305
Operating profit	6	58,257	10	58,267	69,250	7,327	76,577
Gain on disposal of subsidiaries		-	104,907	104,907	-	-	-
Adjusted Operating profit	6	58,257	104,917	163,174	69,250	7,327	76,577
Share of joint ventures' and associates' operating loss	14	(150)	-	(150)	(92)	-	(92)
Profit before finance charges		58,107	104,917	163,024	69,158	7,327	76,485
Finance charges (net)	5	(5,554)	(1,466)	(7,020)	(3,685)	(2,889)	(6,574)
Profit before taxation		52,553	103,451	156,004	65,473	4,438	69,911
Tax on profit	9	(14,422)	(123)	(14,545)	(22,663)	(1,265)	(23,928)
Profit after taxation		38,131	103,328	141,459	42,810	3,173	45,983
Profit for the period attributable to:							
Non-controlling interest				(1,443)			213
Equity shareholders of the company				142,902			45,770
				141,459			45,983

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 MARCH 2023

	Note	2023 Total £'000	2022 Total £'000
Profit for the financial year		141,459	45,983
Currency translation difference on foreign currency net investments		5,589	(105)
Cash flow hedge		299	1,298
Re-measurement of net defined benefit liability	27	2,969	2,091
		8,857	3,284
Tax relating to components of other comprehensive income		(729)	(468)
Other comprehensive income		8,128	2,816
Total comprehensive income		149,587	48,799
Total comprehensive income for the period attributable to:			
Non-controlling interest		(1,416)	207
Equity shareholders of the company		151,003	48,592
		149,587	48,799

CONSOLIDATED BALANCE SHEET

YEAR ENDED 31 MARCH 2023

	Note	2023 £'000	2022 £'000
Fixed assets			
Positive goodwill	12	33,409	34,817
Negative goodwill	12	(2,669)	(9,465)
Goodwill - net balance	12	30,740	25,352
Customer relationships and other intangibles	12	41,200	42,592
Intangible assets	12	71,940	67,944
Tangible assets	13	298,676	319,794
Fixed asset investments	14	37,865	3,040
		408,481	390,778
Current assets			
Stocks	15	62,920	105,940
Debtors			
- due within one year	16	742,630	610,016
- due after more than one year	16	20,511	18,942
Current asset investments	17	80,307	1,189
Cash at bank and in hand		578,792	595,027
		1,485,160	1,331,114
Creditors: amounts falling due within one year	18	(1,265,550)	(1,219,050)
Net current assets		219,609	112,064
Total assets less current liabilities		628,090	502,842
Creditors: amounts falling due after more than one year	19	(75,849)	(90,797)
Provisions for liabilities and charges	21	(33,599)	(33,941)
Net assets excluding pensions liability		518,642	378,104
Net pension liability	27	(13,392)	(15,384)
Net assets		505,250	362,720
Capital and reserves			
Called up share capital	24	16,750	16,750
Share premium account	24	11,369	11,369
Capital redemption reserve	24	512	512
Other reserves	24	3,117	3,117
Profit and loss account	24	465,416	330,530
Shareholders' funds		497,164	362,278
Non-controlling interests		8,086	442
Total capital employed		505,250	362,720

The consolidated financial statements of Rigby Group (RG) plc, registered number 03437118, were approved by the Board of Directors and authorised for issue on 22 September 2023 and signed on its behalf by:

Sir Peter Rigby,
Director

COMPANY BALANCE SHEET

YEAR ENDED 31 MARCH 2023

	Note	2023 £'000	2022 £'000
Fixed assets			
Intangible assets	12	101	256
Tangible assets	13	1,103	1,206
Investments in subsidiaries	14	75,668	76,028
Fixed asset investments	14	34,974	-
Debtors due within one year	16	43,519	-
		155,365	77,490
Current assets			
Debtors			
- Due within one year	16	21,915	99,715
- Due after more than one year	16	512	1,181
Current asset investments	17	50,752	1,189
Cash at bank and in hand		58,564	23,722
		131,743	125,807
Creditors: amounts falling due within one year	18	(22,858)	(5,140)
Net current assets		108,885	120,667
Total assets less current liabilities		264,250	198,157
Creditors: amounts falling due after more than one year	19	(16)	(42)
Provisions for liabilities and charges	21	(1,171)	-
Net assets		263,063	198,115
Capital and reserves			
Called-up share capital	24	16,750	16,750
Share premium	24	11,220	11,220
Capital redemption reserve	24	512	512
Profit and loss account	24	234,581	169,633
Shareholders' funds		263,063	198,115

The profit for the year dealt with in the financial statements of the company was £76,648,000 (2022: £75,588,000). The Company paid a dividend during the year of £11,700,000 (2022: £6,850,000). As permitted by section 408 of the Companies Act 2006 no separate profit and loss account is presented in respect of the parent company.

The financial statements of Rigby Group (RG) plc, registered number 03437118, were approved by the Board of Directors and authorised for issue on 22 September 2023 and signed on its behalf by:

Sir Peter Rigby,
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 MARCH 2023

	Called-up Share Capital £'000	Share Premium Account £'000	Capital Redemption Reserve £'000	Retained Earnings £'000	Other Reserves £'000	Equity Attributable to the Owners of the Parent £'000	Non-controlling Interest £'000	Total Equity £'000
Balance as at 31 March 2021	16,750	11,369	512	290,076	3,117	321,824	1,609	323,433
Profit for the financial year	-	-	-	45,770	-	45,770	213	45,983
Currency translation differences	-	-	-	(99)	-	(99)	(6)	(105)
Share-based payments	-	-	-	-	-	-	-	-
Cash flow hedge	-	-	-	1,298	-	1,298	-	1,298
Re-measurement of net defined benefit liability	-	-	-	2,091	-	2,091	-	2,091
Tax relating to items of other comprehensive income	-	-	-	(468)	-	(468)	-	(468)
Total comprehensive income for the year	-	-	-	48,592	-	48,592	207	48,799
Acquisition of non-controlling interest	-	-	-	(1,288)	-	(1,288)	(1,220)	(2,508)
Dividends declared to non-controlling interests	-	-	-	-	-	-	(154)	(154)
Dividends paid on equity shares	-	-	-	(6,850)	-	(6,850)	-	(6,850)
Balance as at 31 March 2022	16,750	11,369	512	330,530	3,117	362,278	442	362,720
Profit for the financial year	-	-	-	142,902	-	142,902	(1,443)	141,459
Currency translation differences	-	-	-	5,562	-	5,562	27	5,589
Cash flow hedge	-	-	-	299	-	299	-	299
Re-measurement of net defined benefit liability	-	-	-	2,969	-	2,969	-	2,969
Tax relating to items of other comprehensive income	-	-	-	(729)	-	(729)	-	(729)
Total comprehensive income for the year	-	-	-	151,003	-	151,003	(1,416)	149,587
Issue of shares to non-controlling interest (note 24)	-	-	-	(4,417)	-	(4,417)	9,217	4,800
Dividends declared to non-controlling interests	-	-	-	-	-	-	(157)	(157)
Dividends declared to equity shareholders (note 10)	-	-	-	(11,700)	-	(11,700)	-	(11,700)
Balance as at 31 March 2023	16,750	11,369	512	465,416	3,117	497,164	8,086	505,250

Information on the called-up share capital, share premium account, capital redemption reserve and retained earnings are contained in note 24.

COMPANY STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 MARCH 2023

	Called-up Share Capital £'000	Share Premium Account £'000	Capital Redemption Reserve £'000	Retained Earnings £'000	Total £'000
At 31 March 2021	16,750	11,220	512	100,895	129,377
Total comprehensive income	-	-	-	75,588	75,588
Dividends paid on equity shares (note 10)	-	-	-	(6,850)	(6,850)
At 31 March 2022	16,750	11,220	512	169,633	198,115
Total comprehensive income	-	-	-	76,648	76,648
Dividends paid on equity shares (note 10)	-	-	-	(11,700)	(11,700)
At 31 March 2023	16,750	11,220	512	234,581	263,063

Information on the called-up share capital, share premium account, capital redemption reserve and retained earnings is contained in note 24.

CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2023

	Note	2023 £'000	2022 £'000
Net cash inflow from operating activities	25	105,545	91,615
Cash flows from investing activities			
Purchase of tangible fixed assets		(22,545)	(26,345)
Purchase of intangible fixed assets		(10,876)	(5,392)
Sale of tangible fixed assets		28,356	4,038
Capital expenditure		(5,065)	(27,699)
Sale of subsidiary undertakings		63,645	-
Purchase of subsidiary undertakings	29	(24,043)	(15,503)
Purchase of non-controlling interest		-	(2,508)
Proceeds from issue of shares to non-controlling interest		3,500	-
Disposals / (acquisitions)		43,102	(18,011)
Amounts (paid) / advanced under finance lease receivable arrangements		(748)	4,758
Amounts paid to related parties		(3,945)	(3,577)
Repayment of loans advanced to related parties		1,309	1,025
Interest received		3,405	82
Interest and dividends received on current asset investments		565	66
Net cash movement on current asset investments		(79,450)	(81)
Fees paid on current asset investments		(40)	(4)
Payment of deferred consideration on acquisitions	29	(2,080)	-
Net cash flows from investing activities		(42,947)	(43,441)
Cash flows from financing activities			
Dividends paid to equity shareholders	10	(11,700)	(6,850)
Dividends paid to minority shareholders		(157)	(154)
Payments to shareholders		(11,857)	(7,004)
Advances of bank and other loans		8,524	37,173
Repayments of bank and other loans		(14,453)	(5,650)
Loans advanced by related parties	28	17,048	1,404
Repayment of loans from related parties	28	(1,910)	(1,404)
Debt advances and repayments		9,209	31,523
Capital element of finance lease rental payments		(5,024)	(2,194)
Interest paid		(8,434)	(6,327)
Net cash flows (used in) / from financing activities		(16,106)	15,998
Net increase in cash and cash equivalents		46,492	64,172
Cash and cash equivalents at the beginning of the year		528,694	461,507
Effect of foreign exchange rate changes		2,180	3,015
Cash and cash equivalents at the end of the year		577,366	528,694
Reconciliation to cash at bank and in hand:			
Cash at bank and in hand		578,792	595,027
Bank overdraft		(1,426)	(66,333)
Cash and cash equivalents at the end of the year		577,366	528,694

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

1. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies in the Group are summarised below. They have all been applied consistently throughout the year and in the preceding year.

1.1 GENERAL INFORMATION AND BASIS OF ACCOUNTING

Rigby Group (RG) plc is a public company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The registered office is provided in the Company Information section of the annual report.

The principal activities of the company and its subsidiaries (the Group) and the nature of the Group's operations are set out in the Strategic Report.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The Group uses two non Generally Accepted Accounting Practice (non-gaap) financial measures in addition to those required under FRS102. The directors consider that the use of the measure "Adjusted Profit" assists in providing additional information and improves understanding of financial performance and improves understanding of performance between financial years. The directors consider that the use of the measure "Adjusted Operating profit" assists in excluding gains on disposal arising during the year from Operating profit, improving understanding of performance and improving understanding of performance between financial years.

The functional currency of Rigby Group (RG) plc is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates. The consolidated financial statements are also presented in pounds sterling. Foreign operations are included in accordance with the policies set out below.

Rigby Group (RG) plc meets the definition of a qualifying entity under FRS102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to share-based payments, financial instruments, related party transactions including with wholly owned subsidiaries, presentation of a cash flow statement and remuneration of key management personnel.

1.2 BASIS OF CONSOLIDATION

The Group's financial statements consolidate the financial statements of the Rigby Group (RG) plc and its subsidiary undertakings drawn up to 31 March each year.

The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

The financial statements of the company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Inter-company balances and transactions and unrealised profits or losses have been fully eliminated.

The share of profit or loss of associate companies and jointly controlled entities is accounted for under the equity method.

1.3 GOING CONCERN

The Group's business activities, together with factors likely to affect its future developments, performance and position are set out within the Strategic Report and Directors' Report.

At 31 March 2023 the Group had net assets of £505.3m and has delivered growth in turnover, gross profit, profit after tax and net assets. The directors believe that management have sufficient flexibility in adverse circumstances to maintain adequate resources to continue in operational existence for the foreseeable future, which is a period of at least 12 months from the date of signing the financial statements. The Group is well placed to manage its business risks successfully and the Group's projections show that each of the divisions should continue to be cash generative. As covered in the viability section of this Strategic Report above the Directors have taken due consideration of the impacts of sensitivities and uncertainties in the formation of their opinion regarding the future of the Group. The directors therefore continue to adopt the going concern basis of accounting in the preparation of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

1.4 INTANGIBLE ASSETS - GOODWILL

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight-line basis over its useful economic life. In the opinion of the directors, the normal expected useful life will not exceed 10 years. Provision is made for any impairment.

Negative goodwill arising on the acquisition of businesses, representing any deficit of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and is credited to the profit and loss account in the period in which the acquired non-monetary assets are recovered through depreciation or sale. Negative goodwill in excess of the fair values of the non-monetary assets acquired is credited to the profit and loss account in the periods expected to benefit.

1.5 INTANGIBLE ASSETS – SOFTWARE COSTS

Software costs are capitalised as intangible assets and amortised over the expected useful economic life on a straight-line basis. Typically, this period is between two to fifteen years. Provision is made for any impairment.

1.6 INTANGIBLE ASSETS – OTHER

Research and development
Research expenditure is written off as incurred. Software development expenditure is also written off as incurred except where the directors are satisfied as to the technical, commercial and financial viability of individual projects.

In such cases and provided they meet the criteria in accordance with Section 18 of the FRS 102, the identifiable expenditure is capitalised as an intangible asset. Amortisation is not provided on software development until the asset is complete and ready for its intended use.

Once development activity is complete and ready for its intended use expenditure is reclassified as software and will be amortised in line with the above policy.

Customer relationships, supplier relationships, trademarks, patents
Separately acquired patents, trademarks and other intangibles are included at cost and amortised in equal annual instalments over their useful economic lives.

Intangible assets acquired as part of a business combination, such as customer lists, customer relationships, vendor relationships and trademarks are measured at fair value at the acquisition date and amortised in equal annual instalments over its useful economic life. This period is between five and fifteen years. Provision is made for any impairment.

1.7 TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets that are in use, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Hotels	
Land	Not depreciated
Structural Buildings	200 years
Ancillary Buildings	50 years
Runways	
Bases	50 to 100 years
Other Assets	10 to 50 years
Other	25 to 50 years
Leasehold	Lower of remaining lease period or 40 years
Short	Lower of remaining lease period or 10 years
Fixtures	
Hotel fixtures and fittings	5 to 10 years
Datacentres fixtures and fittings	4 to 10 years
Other fixtures and fittings	1 to 20 years
Motor Vehicles	3 to 6 years
Aircraft	20 years or on the basis of hours flown

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

Depreciation is not provided on assets in the course of construction until the asset is complete and ready for its intended use.

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Investment Properties
Investment properties for which fair value can be measured reliably are measured at fair value annually with any change recognised in the profit and loss account.

1.8 INVESTMENTS

Fixed asset investments in subsidiaries in the Company's balance sheet are shown at cost less any provision for impairment.

In the Group financial statements investments in associates and jointly controlled entities are accounted for using the equity method.

Investments in associates and joint ventures
Investments in associates and jointly controlled entities are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the Group's share of associates' and jointly controlled entities' profits or losses and other comprehensive income. Goodwill arising on the acquisition of associates and joint ventures is accounted for in accordance with the policy set out above. Any unamortised balance of goodwill is included in the carrying value of the investment in associates and joint ventures.

1.9 IMPAIRMENT OF ASSETS

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets
An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units (CGU) of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

Financial assets
For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

1.10 STOCKS

Stocks held for resale are stated at the lower of cost and net realisable value. Cost comprises third party purchase cost net of attributable rebates and is calculated using the FIFO (first-in, first-out) method. No internal labour or overhead costs are included. Provision is made for obsolete, slow moving or defective items where appropriate.

Maintenance spare part stocks are stated at purchase cost less a provision created to reflect age and the current levels of usage within the business. Where fully written down spares are used in a future period, a value may be attributed to them based on the then current replacement cost.

1.11 SHARE BASED PAYMENTS

Certain subsidiary undertakings of the Group issue equity-settled and cash-settled share-based payments to certain employees. Equity-settled share-based payment transactions are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant through profit and loss. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

Fair value is measured by the use of a valuation model considered to be most appropriate by the management.

A liability equal to the portion of the services received is recognised at and re-measured based on the current fair value determined at each balance sheet date for cash-settled share based payments, with any changes in fair value recognised in profit or loss.

The cost of awards to employees that take the form of shares or rights to shares are recognised over the period to which the employee's performance relates.

The cost is calculated as the difference between the fair value of the shares at the date of grant (or book value of the shares if already held by the company) and the amount of the consideration that the employees may be required to pay for the shares.

The period over which the charge is recognised is the shorter of the performance period of the options (if performance related) or the period from the date the option is granted to the date that the employee becomes unconditionally entitled to the shares.

1.12 EMPLOYEE BENEFITS

For defined benefit schemes the amounts charged to operating profit are the costs arising from employee services rendered during the period and the cost of plan introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to profit or loss and included within finance costs. Re-measurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

Assets held to fund pension schemes are held separately from those of the Group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and those actually paid are shown as either accruals or prepayments in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

1.13 CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments (such as short term deposits and money market funds) with original maturities of three months or less.

Bank overdrafts are shown within borrowings in current liabilities unless there is a legal right of offset in which case they are included in cash and cash equivalents.

1.14 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when, there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Debt instruments which meet the conditions of being basic financial instruments as defined in FRS 102.11.9 are subsequently measured at amortised cost using the effective interest method.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(ii) Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

In the company balance sheet, investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

(iii) Equity instruments

Equity instruments issued by the company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

(iv) Hedge accounting

The Group designates certain derivatives as hedging instruments in cash flow hedges and fair value hedges.

At the inception of the hedge relationship, the entity documents the economic relationship between the hedging instrument and the hedged item, along with its risk management objectives and clear identification of the risk in the hedged item that is being hedged by the hedging instrument.

Furthermore, at the inception of the hedge the Group determines and documents causes for hedge ineffectiveness.

(v) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods in which the hedged item affects profit or loss or when the hedging relationship ends, except for the hedging of inventory purchases when the amount is reclassified from the hedging reserve and included in the cost of inventory at initial recognition.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any gain or loss accumulated in equity at that time is reclassified to profit or loss when the hedged item is recognised in profit or loss. When a forecast transaction is no longer expected to occur, any gain or loss that was recognised in other comprehensive income is reclassified immediately to profit or loss.

vi) Derivative financial instruments

The Group holds foreign currency forward contracts in order to reduce exposure to foreign exchange risk. The Group holds interest rate swaps in order to reduce exposure to interest rate risk. The Group also holds derivative financial instruments for speculative purposes within current asset investments.

Forward contracts are initially recognised at fair value at the date the contract is entered into and are subsequently re-measured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately.

Interest rate swaps are initially recognised at fair value at the date the swap is entered into and are subsequently re-measured to their fair value at each reporting date. The Group applies hedge accounting to these arrangements and the gain or loss is recognised through other comprehensive income.

(vii) Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

1.15 TAXATION

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Group is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets 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 liabilities or assets are expected to be settled or recovered.

1.16 FOREIGN CURRENCY

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results and cash flows of operations whose functional currency is not pound sterling are translated at the average rates of exchange during the year and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and on foreign currency borrowing to the extent that they hedge the group's investment in such operations, are reported in other comprehensive income (attributed to non-controlling interests as appropriate).

Other exchange differences are recognised in the profit and loss in the period in which they arise except for:

- Exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income; and
- In the case of the consolidated financial statements, exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reported under equity.

1.17 LEASE ACCOUNTING

The Group as lessee

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

RIGBY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

The Group as lessor

(a) Finance leases

Lease contracts which transfer substantially all of the risks and rewards of ownership to the lessee are classified as finance leases.

Finance leases are accounted for on the basis of gross receivables less unearned income and provision for bad debts, and are included within debtors. Unearned income is allocated to future periods to give a constant periodic rate of return on the net investment.

(b) Operating leases

Lease contracts which do not transfer substantially all risk and rewards of the ownership to the lease are classified as operating leases and the equipment is recorded at cost in fixed assets. Depreciation is charged on a straight-line basis to bring the equipment to a net book value based on the estimated market value.

Rental income from such leases is recognised on a straight-line basis over the period of the contract. Rental costs represent the depreciation charge of the leased equipment.

1.18 INTEREST INCOME

Interest income is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

1.19 INVESTMENT INCOME

Dividends are recognised when the shareholder's right to receive payment is established.

1.20 REBATES AND MARKETING INCOME

Vendor rebates, allowances and marketing income are recorded as a reduction to the cost of sales in the period in which the related goods and services are provided, or deducted from the cost of stock as appropriate in accordance with the underlying agreement with the vendor. Amounts received that require specific performance are recognised when the performance is satisfied, the amount is fixed and determinable and the collection is reasonably assured. Lump sum payments received in advance of performance are recognised over the period of the agreement.

1.21 GOVERNMENT GRANTS

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to performance or to assets. Grants relating to performance are recognised in income over the period in which the performance-related conditions are met. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Government support provided to the Group in response to the Covid 19 pandemic are recognised as Other Operating Income.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

1.22 PROVISIONS

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

1.23 TURNOVER

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes. Revenue is recognised when persuasive evidence of an arrangement with a customer exists, delivery has occurred or all significant performance obligations have been completed, the price is fixed or determinable and the collection of the amount due is reasonably assured.

Income from service contracts is recognised on a straight-line basis over the period of the contract, or on a percentage completion basis based on contract deliverables and milestones as appropriate.

Rebates due to customers are accrued for in accordance with relevant contracts. Rebates reduce turnover and are held as other creditors until settlement is made.

Where a contract has only been partially completed at the balance sheet date Turnover represents the fair value of the service provided to date based on the stage of completion of the contract activity at the balance sheet date.

Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Turnover relating to property sales is accounted for when there is an exchange of unconditional contracts, the significant risks and rewards in the property are considered to have been transferred to the buyer, and the collection of the amount due is reasonably assured.

Turnover in respect of transactions involving deferred payment terms is recognised at the present value of future cash flows receivable determined on the basis of constant periodic rate of return.

Rental income from investment property is recognised as turnover on a straight-line basis over the lease term. Lease incentives, such as rent-free periods and cash contributions to tenant fit out, are recognised on the same straight line basis.

Construction contracts
Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date. This is normally measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion.

Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

2.1 CRITICAL JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES

There were no critical judgements made by the directors during the year in applying the Group's accounting policies.

2.2 KEY SOURCES OF ESTIMATION OF UNCERTAINTY

The key assumptions concerning the future, and other sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing material adjustment to the carrying value of the assets and liabilities within the next financial year, are discussed below.

Valuation of investment properties
The Group carries its investment property at fair value, with changes in fair value being recognised in the profit and loss account. There is a lack of comparable market data because of the nature of the properties. The valuation technique applies a discounted rental yield depending on the location and the quality of the property, tenant and lease. Therefore the determined fair value is most sensitive to the estimated yield.

At 31 March 2023, overall portfolio yields vary between 6.91% and 9.40% dependent on location. This overall rate is then amended for each property, tenant and lease as appropriate. An increase in yield of 0.5% across the whole portfolio would result in the balance sheet fair value reducing by £7.6m whereas a decrease in the yield of 0.5% would result in an increase in the fair value of £9.0m.

Net defined benefit obligations
Provisions for retirement obligations under defined benefit arrangements in the Group of £13.4m (2022: £15.4m) are calculated by reference to key actuarial assumptions concerning the workforce. These assumptions include staff turnover rates and employee retirement dates in the French subsidiaries of the Technology division, see note 28.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

3. TURNOVER

Turnover by geographical destination:	2023 £'000	2022 £'000
United Kingdom	1,246,407	1,217,555
Continental Europe	2,622,826	2,118,402
Rest of World	24,603	28,286
	3,893,836	3,364,243

Turnover by geographical origin:	2023 £'000	2022 £'000
United Kingdom	1,314,594	1,269,435
Continental Europe	2,579,242	2,094,808
	3,893,836	3,364,243

An analysis of the group's turnover is as follows:	2023 £'000	2022 £'000
Sale of goods	3,301,017	2,794,354
Rendering of services	545,743	527,553
Income from construction contracts	32,760	29,656
Rental income	12,133	10,861
Grants	2,183	1,819
	3,893,836	3,364,243

The Group has the following primary sources of grant income:

In Romania, grants have been made in respect of job roles created and investment made in our global delivery centre. The grant income is recognised in the profit and loss account in accordance with the underlying costs incurred. It is a condition of the grant that the roles created are maintained for a period of five years from the date of the grant which extends to 2021 and that an appropriate level of taxes are paid within the period.

In France, our Altimance business has grant income in respect of job roles created in our regional delivery centre. The grant income is recognised in the profit and loss account in accordance with the underlying recruitment and employment costs incurred. It is a condition of this grant that the roles created are maintained for a period of five years extending to 2023 and that appropriate contributions are made to the fiscal budget through employment tax payments. In addition grant income has been recognised for French employees working reduced hours under the Chomage Partial scheme owing to COVID-19.

In the UK, the grant received represents amounts received in respect of our data centre operations and is being released to the profit and loss account over the useful economic life of those assets. There are no further conditions which need to be satisfied in respect of the grant received.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

4. DIVISIONAL PERFORMANCE

An analysis of the Group's turnover by division is as follows:

	2023 £'000	2022 £'000
SCC	3,287,257	2,662,702
Rigby Group Technology Investments	110,289	108,416
Airports	94,099	77,405
Central Operations	29,362	24,939
Hotels	16,665	16,214
Real Estate	3,167	3,216
Discontinued Operations	352,997	471,351
	3,893,836	3,364,243

An analysis of the Group's operating profit/(loss) by division is as follows:

	2023 £'000	2022 £'000
SCC	68,942	64,459
Rigby Group Technology Investments	(5,604)	2,125
Airports	2,937	8,243
Central Operations	(7,503)	(9,547)
Hotels	(2,257)	1,064
Real Estate	1,742	2,906
Discontinued Operations & Gains on Disposal	104,917	7,327
	163,174	76,577

An analysis of the Group's net assets/(liabilities) by division is as follows:

	2023 £'000	2022 £'000
SCC	201,088	166,209
Rigby Group Technology Investments	805	17,456
Airports	64,886	63,378
Central Operations	213,420	76,892
Hotels	25,989	27,655
Real Estate	(938)	(1,110)
Discontinued Operations & Gains on Disposal	-	12,240
	505,250	362,720

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

5. FINANCE CHARGES (NET)

Investment (charges)/income on current asset investments	2023 £'000	2022 £'000
Charges	(40)	(4)
Gains / (Losses) on current asset investments	910	(95)
Interest and dividends received from current asset investments	565	66
	1,435	(33)

Other investment income	2023 £'000	2022 £'000
Interest receivable from bank deposits	1,446	53
Interest receivable on loans to related parties	15	4
Fair value adjustments on derivative instruments	-	177
Other interest receivable	1,624	25
	3,085	259

Interest payable and similar charges	2023 £'000	2022 £'000
Interest on bank loans and overdrafts	8,143	3,634
Interest on interest rate swaps	-	459
Finance leases and hire purchase contracts	41	288
Interest on factoring arrangements	1,225	422
Interest payable on loans from related parties	1,400	1,400
Fair value adjustment on derivative instruments	126	-
Unwinding of discounts on long term creditors	90	311
Other interest payable	284	125
	11,309	6,639

Net interest payable	2023 £'000	2022 £'000
Investment income / (losses) on current asset investments	1,435	(33)
Other investment income	3,085	259
Less: interest payable and similar charges	(11,309)	(6,639)
Net return on pension scheme (see note 27)	(231)	(161)
	(7,020)	(6,574)

RIGBY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

6. PROFIT BEFORE TAXATION

Profit before taxation is stated after charging / (crediting):	2023 £'000	2022 £'000
Depreciation of tangible fixed assets (see note 13)	17,353	19,678
Impairment of tangible fixed assets (see note 13)	76	-
Amortisation of goodwill (see note 12)	9,361	6,137
Amortisation of negative goodwill (see note 12)	(1,349)	(2,063)
Amortisation of intangibles (see note 12)	3,973	3,992
Other operating income - Government grant income	(355)	(5,261)
Operating lease rentals	17,988	25,020
Foreign exchange (gain) / loss	(7,964)	253
(Profit) on disposal of fixed assets (see note 25)	(15,155)	(19)
Loss on fair value movement of investment property (see note 13)	4,443	330
(Gains) / Loss on fair value movement of current asset investments (see note 22)	(155)	95

Amortisation of intangible assets is included in operating expenses.

An analysis of auditor's remuneration is as follows:

	2023 £'000	2022 £'000
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	223	192
Fees payable to the Company's auditor and their associates for other services to the Group - the audit of the Company's subsidiaries pursuant to legislation	1,181	1,338
Total audit fees	1,404	1,530
Other services pursuant to legislation		
- Other taxation advisory services	234	66
- Other services	98	81
Total non-audit fees	332	147

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

7. STAFF COSTS

The average monthly number of employees (including executive directors) of the Group was:

	Group		Company	
	2023 Number	2022 Number	2023 Number	2022 Number
Sales	1,877	1,797	-	-
Administration	2,538	2,558	40	40
Engineering and production	3,316	3,015	-	-
Warehouse and distribution	282	276	-	-
	8,013	7,646	40	40

Their aggregate remuneration comprised:

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Wages and salaries	322,076	291,015	5,467	4,617
Social security costs	69,531	62,915	945	614
Other pension costs (see note 27)	5,825	5,197	192	79
	397,432	359,127	6,604	5,310

The remuneration above excludes redundancy payments of £3,312,000 (2022: £5,594,000).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

8. DIRECTORS' REMUNERATION

The remuneration of the directors was as follows:

	2023 £'000	2022 £'000
Emoluments	2,562	2,575
Pension	12	10

The number of directors for whom the Group made contributions to pension schemes was one (2022: one).

The Group considers the directors of the Company to be the key management personnel.

Highest paid director

The above amounts for remuneration include the following in respect of the highest paid director:

	2023 £'000	2022 £'000
Emoluments	1,057	1,101
Pension	-	-

The highest paid director has no share options.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

9. TAX ON PROFIT

The tax charge comprises:

	2023 £'000	2022 £'000
Current tax		
UK corporation tax	1,336	3,528
Foreign tax	19,915	13,403
	21,251	16,931
Adjustments in respect of prior years		
- UK corporation tax	392	(535)
- Foreign tax	(755)	823
Total current tax	20,888	17,219
Deferred tax		
Origination and reversal of timing differences	(5,637)	(277)
Adjustments in respect of prior years	(172)	658
Effect of changes in tax rate	(534)	6,328
Total deferred tax (note 21)	(6,343)	6,709
Total tax on profit	14,545	23,928

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

9. TAX ON PROFIT (CONTINUED)

The differences between the current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax are as follows:

	2023 £'000	2022 £'000
Profit before tax	156,004	69,911
Tax on group profit at standard UK corporation tax rate of 19% (2022 - 19%)	29,641	13,283
Effects of:		
Expenses not deductible for tax purposes	4,731	2,528
Income not taxable in determining taxable profit	(1,715)	(2,010)
Income not taxable in respect of gain on disposal	(19,925)	-
Movement on unrecognised deferred tax on losses	(1,097)	(1,042)
Movements in other deferred tax not recognised	(10)	8
Foreign tax charged at different rates than standard UK rate	3,439	3,463
Other taxes and tax reliefs	459	276
Adjustments to tax charge in respect of previous periods	(535)	946
Effects of tax rate changes	(534)	6,328
Movement of deferred tax on disposal of capital gains	91	-
	-	148
Group tax charge for the year	14,545	23,928

The standard rate of corporation tax in the UK is currently 19%. An increase to the main rate of corporation tax in the UK to 25% from April 2023 was substantively enacted on 24 May 2021. This will increase the Group's future current tax charge accordingly. Deferred tax at the balance sheet date has been measured using these enacted tax rates and reflected in these financial statements.

Deferred tax assets and liabilities of the foreign entities have been measured utilising the corresponding foreign standard rates of Corporation Tax substantively enacted at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

10. DIVIDENDS

	2023 £'000	2022 £'000
Dividends declared and paid		
Interim dividend approved of £85 (2022: £85) per 'A' preference share for 7,200 shares	612	612
Interim dividend approved of £102 (2022: £102) per 'B' preference share for 8,576 shares	875	875
Interim dividend approved of £100 (2022: £100) per Preferred Ordinary share for 53,634 shares	5,363	5,363
Interim dividend approved of £0.29 (2022: £0) per 'B' ordinary share for 16,852,430 shares	4,850	-
	11,700	6,850

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

11. SHARE-BASED PAYMENTS

Cash-Settled

There are no shares in issue under cash-settled employee share schemes.

Equity-Settled

The following subsidiaries have issued shares under equity-settled employee share schemes.

Allect

Allect Holdings Limited has issued shares to management amounting to 50% of the issued share capital. The Group's liability in respect of this scheme at the balance sheet date is £nil (2022: £nil).

12. INTANGIBLE ASSETS

	Goodwill £'000	Negative goodwill £'000	Software £'000	Customer relationships £'000	Supplier relationships £'000	Trade marks £'000	Total £'000
Group							
Cost							
At 1 April 2022	103,399	(26,236)	61,441	4,176	7,210	1,846	151,836
Additions	-	-	10,821	-	-	-	10,821
Acquisition of subsidiary undertakings (see note 29)	22,767	-	482	-	-	-	23,249
Disposals	-	-	(1,585)	-	-	-	(1,585)
Disposal of subsidiary undertakings	(31,797)	8,161	(8,563)	(511)	(7,249)	(1,569)	(41,528)
Exchange adjustments	1,530	-	402	1	39	3	1,975
At 31 March 2023	95,899	(18,075)	62,998	3,666	-	280	144,768
Amortisation							
At 1 April 2022	68,582	(16,771)	24,497	2,512	3,254	1,818	83,892
Charged / (released) during the year	9,361	(1,349)	3,278	397	311	(13)	11,985
Disposals	-	-	(1,511)	-	-	-	(1,511)
Disposal of subsidiary undertakings	(16,685)	2,714	(3,495)	(497)	(3,581)	(1,534)	(23,078)
Exchange adjustments	1,232	-	313	(30)	16	9	1,540
At 31 March 2023	62,490	(15,406)	23,082	2,382	-	280	72,828
Net book value							
At 31 March 2023	33,409	(2,669)	39,916	1,284	-	-	71,940
At 31 March 2022	34,817	(9,465)	36,944	1,664	3,956	28	67,944

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

12. INTANGIBLE ASSETS (CONTINUED)

Goodwill of £11,663,000 has been recognised in the year for the acquisition of Visavvi and £11,104,000 has been recognised in the year for the acquisition of Vohkus, see note 29.

Company	Software £'000	Total £'000
Cost		
At 1 April 2022	876	876
Additions	22	22
At 31 March 2023	898	898
Amortisation		
At 1 April 2022	620	620
Charge for the year	177	177
At 31 March 2023	797	797
Net book value		
At 31 March 2023	101	101
At 31 March 2022	256	256

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

13. TANGIBLE ASSETS

	Land and Buildings					
	Investment Properties		Freehold land and buildings			
Group	Airport Properties £'000	Other £'000	Hotels £'000	Runways £'000	Other freehold £'000	Leasehold £'000
Cost or valuation						
At 1 April 2022	95,238	43,806	38,844	35,644	33,591	60,446
Additions	92	1,772	-	42	14	3,596
Acquisition of subsidiary undertakings	-	-	-	-	-	2
Revaluations	(3,425)	(1,018)	-	-	-	-
Disposals	-	-	-	-	-	(29,875)
Disposal of subsidiary undertakings	-	-	-	-	(531)	407
Transfers	-	-	466	2,273	(33)	35
Exchange adjustments	-	-	-	-	465	505
At 31 March 2023	91,905	44,560	39,310	37,959	33,506	35,116
Depreciation						
At 1 April 2022	-	-	5,755	12,986	4,422	28,853
Charge for the year	-	-	-	1,148	1,084	1,945
Impairment	-	-	-	7	-	13
Disposals	-	-	-	-	-	(17,084)
Disposal of subsidiary undertakings	-	-	-	-	-	(59)
Transfers	-	-	278	-	(352)	408
Exchange adjustments	-	-	-	-	222	263
At 31 March 2023	-	-	6,033	14,141	5,376	14,339
Net book value						
At 31 March 2023	91,905	44,560	33,277	23,818	28,130	20,777
At 31 March 2022	95,238	43,806	33,089	22,658	29,169	31,593

Finance leased and hire purchase assets included above:

Net book value						
At 31 March 2023	-	-	-	-	-	-
At 31 March 2022	-	-	-	-	-	9,844

Hotel freehold land and buildings with a net book value of £16,334,000 (2022: £16,281,000) have been charged as security for loans of £7,252,000 (2022: £7,300,000) provided to the group as detailed in note 20.

Investment properties with a net book value of £129,547,000 (2022: £131,522,000) have been charged as security for loans of £83,294,000 (2022: £83,294,000) provided to the group as detailed in note 20.

Freehold land amounting to £20,353,000 (2022: £20,353,000) has not been depreciated.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

13. TANGIBLE ASSETS (CONTINUED)

Group	Fixture and fittings £'000	Motor Vehicles £'000	Aircraft and helicopters £'000	Assets in the course of construction £'000	Total £'000
Cost or valuation					
At 1 April 2022	141,627	1,601	14,260	3,847	468,904
Additions	7,991	350	517	8,056	22,430
Acquisition of subsidiary undertakings	399	192	-	-	593
Revaluations	-	-	-	-	(4,443)
Disposals	483	(485)	3,102	(130)	(26,905)
Disposal of subsidiary undertakings	(3,676)	(104)	(15,759)	-	(19,663)
Transfers	2,611	-	-	(5,352)	-
Exchange adjustments	669	50	-	-	1,689
At 31 March 2023	150,104	1,604	2,120	6,421	442,605
Depreciation					
At 1 April 2022	90,066	803	6,225	-	149,110
Charge for the year	12,503	307	366	-	17,353
Impairment	39	17	-	-	76
Disposals	655	(451)	3,102	-	(13,778)
Disposal of subsidiary undertakings	(1,610)	(42)	(8,176)	-	(9,887)
Transfers	(344)	10	-	-	-
Exchange adjustments	520	50	-	-	1,055
At 31 March 2023	101,829	694	1,517	-	143,929
Net book value					
At 31 March 2023	48,275	910	603	6,421	298,676
At 31 March 2022	51,561	798	8,035	3,847	319,794

Finance leased and hire purchase assets included above:

Net book value					
At 31 March 2023	2,176	597	-	-	2,773
At 31 March 2022	619	584	-	-	11,047

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

13. TANGIBLE ASSETS (CONTINUED)

Investment properties

The Group has a number of properties which were held at fair value at 31 March 2023. The valuation was undertaken by employees of the Real Estate division holding relevant professional qualifications and recent experience in the class of the investment property being valued. An external valuation was conducted at 31 March 2023 or at the date of acquisition if later. In determining fair value, a discounted cashflow method has been applied, with the discount rate reflecting local market conditions, the covenant of tenants across the portfolio and the condition of properties. There are no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal.

The historic cost of these properties held at fair value was £111,192,000 (2022: £111,947,000).

The operating profit is stated after charging (crediting):

	2023 £'000	2022 £'000
Rents receivable	9,889	10,239
Contingent rents recognised as income	2,045	438
Fair value loss	(4,443)	(330)

At the balance sheet date, the Group had contracted with tenants for the following future minimum lease payments:

	2023 £'000	2022 £'000
Within one year	8,187	8,353
In the second to fifth years inclusive	24,844	25,219
After five years	83,640	103,123

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

13. TANGIBLE ASSETS (CONTINUED)

	Leasehold £'000	Fixtures and fittings £'000	Motor Vehicles £'000	Assets in the course of construction £'000	Total £'000
Company					
Cost or valuation					
At 1 April 2022	1,521	748	226	-	2,495
Additions	-	4	96	-	100
At 31 March 2023	1,521	752	322	-	2,595
Depreciation					
At 1 April 2022	579	584	126	-	1,289
Charge for the year	108	57	38	-	203
At 31 March 2023	687	641	164	-	1,492
Net book value					
At 31 March 2023	834	111	158	-	1,103
At 31 March 2022	942	164	100	-	1,206

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

14. FIXED ASSET INVESTMENTS

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trade investments	34,974	-	34,974	-
Joint ventures	2,891	3,040	-	-
Investments in subsidiary undertakings	-	-	75,668	76,028

Trade investments	Group and Company £'000
Cost and net book value	
At 1 April 2022	-
Additions	34,974
As at 31 March 2023	34,974

In November 2022 the Group sold the Nuvias business to Infinigate.

Following the sale the Group acquired a trade investment in European Digital Security Holdco Sarl, the parent company of Infingate.

Joint ventures	Group £'000
Cost or share of net assets	
At 1 April 2022	3,040
Share of retained losses for the year	(149)
As at 31 March 2023	2,891

The Group participates in one joint venture at 31 March 2023, the Arden Hotel Waterside LLP.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

14. FIXED ASSET INVESTMENTS (CONTINUED)

The Group's share of joint ventures is as follows:	2023 £'000	2022 £'000
Turnover	1,214	927
Loss before taxation	(150)	(92)
Share of assets		
Fixed assets	3,739	3,859
Current assets	72	139
Share of liabilities		
Liabilities due within one year	(273)	(312)
Liabilities due after more than one year	(647)	(647)
Share of net assets	2,891	3,040

	Company	
	2023 £'000	2022 £'000
Ordinary and preferred ordinary shares in subsidiary undertakings	75,668	76,028

Ordinary and preferred ordinary shares in subsidiary undertakings	Company £'000
Cost	
At 1 April 2022	112,372
Additions	
As at 31 March 2023	112,372
Impairment	
At 1 April 2022	(36,344)
Impairment	(360)
As at 31 March 2023	(36,704)
Net book value at 31 March 2023	75,668
Net book value at 31 March 2022	76,028

In accordance with sections 611, 612, 613 and 615 of the Companies Act 2006, the company has taken no account of any premium on shares issued during the years ended 31 March 2010, 2013 and 2017 and has recorded the cost of the investment at the nominal value of the shares issued.

A full list of subsidiaries and related undertakings can be found in note 32.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

15. STOCKS

	Group	
	2023 £'000	2022 £'000
Goods held for resale	49,100	92,293
Maintenance stock and spares	8,014	7,802
Work in progress	5,806	5,845
	62,920	105,940

There is no material difference between the balance sheet value of stocks and their replacement cost. The company has no stocks at either year end.

16. DEBTORS

Amounts falling due within one year:

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trade debtors	443,705	371,707	118	11
Amounts owed by group undertakings	-	-	20,069	96,999
Amounts receivable under finance leases	1,804	1,478	-	-
Other debtors	76,160	81,481	-	-
VAT	58,374	7,533	-	472
Corporation tax	5,588	3,216	128	1,364
Prepayments and accrued income	144,469	140,811	890	814
Derivative financial assets (see note 23)	12	382	-	-
Amounts owed by related parties (see note 28)	3,454	520	-	-
Deferred taxation (see note 21)	9,062	2,888	710	55
	742,630	610,016	21,915	99,715

Trade debtors include receivables which act as security for confidential invoice discounting facilities.

Amounts owed by group undertakings comprises trade receivables and short-term loans that are unsecured, incur interest at 0% to 6% and are expected to be settled within 12 months.

Amounts included within Fixed Assets

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Amounts owed by group undertakings	-	-	43,519	-
	-	-	43,519	-

Amounts owed by group undertakings comprises loans that are unsecured, incur interest ranging from 0% to 6%, have no fixed date of repayment and are repayable on demand. In the prior year these balances were included in amounts falling due within one year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

16. DEBTORS (CONTINUED)

Amounts falling due after more than one year:

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trade debtors	540	1,769	-	-
Amounts receivable under finance leases	2,506	1,803	-	-
Amounts owed by related parties (see note 28)	542	1,249	418	1,129
Derivative financial assets (see note 23)	3,276	597	-	-
Deferred taxation (see note 21)	11,467	10,054	93	52
Other debtors	2,180	3,470	1	-
	20,511	18,942	512	1,181

17. CURRENT ASSET INVESTMENTS

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Listed investments - at fair value	80,307	1,189	50,752	1,189
	80,307	1,189	50,752	1,189

The fair value of listed investments, which are all traded in active markets, was determined with reference to the quoted market price at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Obligations under finance leases and hire purchase contracts (see note 20)	737	4,907	-	-
Bank loans and overdrafts (see note 20)	39,957	122,945	-	-
Loans from related parties (see note 20 and note 28)	15,675	124	15,675	124
Trade creditors	920,629	823,365	229	94
Corporation tax	4,103	4,336	(281)	3,150
Amounts owed to group undertakings	-	-	4,599	48
Other taxation and social security	62,501	45,784	(765)	-
Other creditors	98,725	86,488	259	229
Government grants	103	336	-	-
Accruals and deferred income	122,994	130,599	3,142	1,495
Derivative financial instruments (see note 23)	126	166	-	-
	1,265,550	1,219,050	22,858	5,140

Within amounts owed to group undertakings the Company has an outstanding loan of £4.6m (2022: £0.0m) with Imperial Park Bournemouth Limited which is not subject to interest and is payable on demand.

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Obligations under finance leases and hire purchase contracts (see note 20)	947	1,533	16	42
Bank loans (see note 20)	46,070	55,116	-	-
Loans from related parties (see note 20 and note 28)	20,000	20,000	-	-
Derivative financial instruments (see note 23)	-	76	-	-
Trade creditors	4,296	5,757	-	-
Accruals and deferred income	1,253	4,655	-	-
Government grants	3,283	3,660	-	-
	75,849	90,797	16	42

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

20. BORROWINGS

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Bank loans, including mortgages	84,601	111,728	-	-
Bank overdrafts	1,426	66,333	-	-
Loans from related parties	35,675	20,124	15,675	124
Obligations under finance leases and hire purchase contracts	1,684	6,440	16	42
	123,386	204,625	15,691	166

Borrowings are repayable as follows:

	Group		Company	
In one year or less	47,376	127,977	15,675	124
In more than one year but no more than two years	32,167	13,657	16	42
In more than two years but no more than five years	43,225	46,353	-	-
After five years	618	16,639	-	-
	123,386	204,626	15,691	166

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

20. BORROWINGS (CONTINUED)

The Group's divisions have a range of borrowing facilities in place that are adequate to finance their requirements, which fluctuate during the year.

The facilities are provided by the Group's core relationship banks and the agreements are entered into by subsidiary companies. Where applicable the facilities are secured on the assets within those businesses without recourse to the ultimate parent.

Further details on the related party loans are provided in note 28.

Borrowing Class	Currency	Rate	Term End	Facility Value
Overdraft	GBP	Base + 1.65	Rolling	20,000,000
	GBP	Base + 1.75	Rolling	4,000,000
	EUR	1M EURIBOR + 0.75	Rolling	8,000,000
	EUR	1M EURIBOR + 0.50	Rolling	9,300,000
	EUR	3M EURIBOR + 0.65	Rolling	5,000,000
	EUR	1M EURIBOR + 0.90	Rolling	8,000,000
	EUR	3M EURIBOR + 0.90	Rolling	8,500,000
Non-Recourse Facility	GBP	Base + 1.25	Rolling	60,000,000
	EUR	3M EURIBOR + 0.65	Rolling	130,000,000
Recourse Facility	GBP	Base + 1.90	Rolling	5,000,000
	GBP	Base + 1.25	Rolling	20,000,000
Term Loan	GBP	5m Fixed SONIA 1.03%	2024	7,252,000
	GBP	2.94%	2027	579,784
	GBP	2.35%	2024	4,000,000
	GBP	Sonia+ 3.25% Tranche B/Non Util fee 1.4%	2029	3,500,000
	GBP	Sonia + 2.25% Tranche A	2029	21,000,000
	GBP	7%	2027	20,000,000
	GBP	SONIA + 3.0	2024	40,569,168
	GBP	1% P.A	2030	241,667
Mortgage	GBP	Sonia +1.80	2026	1,925,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

21. PROVISIONS FOR LIABILITIES AND CHARGES

	Group		
	Deferred tax liability £'000	Deferred consideration & other £'000	Total £'000
At 1 April 2022	31,094	2,847	33,941
Adjustment to profit and loss in respect of prior years	(243)	-	(243)
Adjustment to other comprehensive income in respect of prior years	3	-	3
(Credit)/charge to profit and loss account	(1,572)	251	(1,321)
Credit to other comprehensive income	283	-	283
Exchange adjustments	5	-	5
Acquisition of subsidiary undertakings	(2,172)	1,536	(636)
Transfer to deferred tax asset	4,318	-	4,318
Utilised	-	(2,751)	(2,751)
At 31 March 2023	31,716	1,883	33,599

Opening deferred consideration of £2,080,000 arose on the acquisition of SCC AVS Limited and was fully settled during the year. Deferred consideration of £1,331,000 arose in the year on the acquisition of Vohkus Limited and is expected to be paid by 31 July 2024. Other provisions of £552,000 relates to termination costs associated with the closure of Specialist Computer Services Limited including an onerous contract provision to recognise projected future losses in respect of ongoing contracts which are due to end in 2023, of which £414,000 was utilised during the year.

The movement on deferred taxation assets are as follows:	Group	Company
	Deferred tax asset £'000	Deferred tax asset £'000
At 1 April 2022	(12,942)	(107)
Adjustment in respect of prior years	71	15
Credit to profit and loss account	(4,624)	(711)
Credit to other comprehensive income	478	-
Movement arising from acquisition of a business	1,110	-
Exchange adjustments	(304)	-
Transfer from deferred tax liability	(4,318)	-
At 31 March 2023	20,529	(803)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

21. PROVISIONS FOR LIABILITIES AND CHARGES (CONTINUED)

Net deferred taxation liability / (asset) is recognised as follows:	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Fixed asset timing differences	16,672	14,852	(93)	(55)
Tax losses available	(8,255)	(4,833)	(190)	-
Other timing differences	(4,897)	(3,020)	(520)	(52)
Pension	(5,527)	(3,843)	-	-
Revaluations / fair value adjustments	13,194	15,014	-	-
Tax repayable on directors loans	-	(18)	-	-
Undiscounted liability / (asset) for deferred taxation	11,187	18,152	(803)	(107)

Tax losses of £4,694,000 (2022: £440,000) are expected to be utilised within one year and £3,562,000 (2022: £4,393,000) are expected to be utilised in more than one year.

The deferred tax assets and liabilities will reverse over the following periods:

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Within one year	(7,891)	(1,739)	(710)	(107)
After more than one year	19,078	19,891	(93)	-
Undiscounted liability / (asset) for deferred taxation	11,187	18,152	(803)	(107)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

21. PROVISION FOR LIABILITIES (CONTINUED)

The net reversal of deferred tax assets and liabilities expected in the 12 months to 31 March 2024 is £7,891,000. This is expected to arise because depreciation is anticipated to be lower than available capital allowances or due to the reversal of short-term timing differences and utilisation of brought forward tax losses. Further reversals (or further increases in deferred tax balances) may arise as a result of revaluations of investment property or changes in the defined benefit pension provisions. As future deferred tax balances, if any, will be dependent on future changes in fair values of assets and liabilities, it is not possible to estimate any further future reversals.

Group	2023 £'000	2022 £'000
Fixed asset timing differences	(300)	134
Tax losses available	(1,347)	3,609
	(1,647)	3,743

A deferred tax asset amounting to £1,347,000 (2022: £3,609,000) for trading losses has not been recognised because it is not sufficiently certain that there will be suitable taxable profits available in the relevant tax jurisdictions in the foreseeable future to utilise these tax losses.

A deferred tax asset amounting to £300,000 (2022: £134,000) for other timing differences has not been recognised because it is not sufficiently certain that there will be future taxable profits available in the relevant tax jurisdictions when these timing differences reverse.

There is £nil unprovided deferred tax in the company at 31 March 2023 (2022: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

22. FINANCIAL INSTRUMENTS

The carrying values of the Group and Company's financial assets and liabilities are summarised by category below:

	Group	
	2023 £'000	2022 £'000
Financial asset		
Measured at fair value through profit and loss		
- Current asset listed investments	80,307	1,189
Measured at undiscounted amount receivable		
- Trade and other debtors	589,358	465,437
Measured at discounted amount receivable		
- Long-term trade and other debtors	5,718	6,488
- Amounts receivable under finance leases	4,310	3,281
Measured at carrying value		
- Cash and cash equivalents	578,792	595,027
	1,258,485	1,071,422

	2023 £'000	2022 £'000
Financial liability		
Measured at fair value through profit and loss		
- Derivative financial liabilities	(1,370)	(242)
Measured at amortised cost		
- Loans payable	(120,276)	(131,852)
- Bank overdraft	(1,426)	(66,333)
- Long-term trade and other creditors	(7,579)	(9,417)
- Obligations under finance leases	(1,684)	(6,440)
Measured at undiscounted amount payable		
- Trade and other creditors	(1,086,061)	(960,309)
	1,218,396	(1,174,593)

The Group's income, expense, gains and losses in respect of financial instruments are summarised below:

	2023 £'000	2022 £'000
Interest Income and Expense		
Total interest income for financial assets at amortised cost	1,553	77
Total interest income for financial assets at discounted amount receivable	51	(37)
Total investment income for financial assets measured at fair value through profit and loss account	1,590	(128)
Total interest expense for financial liabilities at amortised cost	(10,529)	(6,762)
Fair value gains and losses		
On financial assets measured at fair value through profit or loss	155	(95)
On derivative financial liabilities designated in effective hedging relationships	(126)	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

23. DERIVATIVE FINANCIAL INSTRUMENTS

	Due within one year		Due after one year	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Group assets				
Forward foreign currency contracts	12	382	-	-
Interest rate swaps	-	-	3,276	597
	12	382	3,276	597

	Due within one year		Due after one year	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Group Liabilities				
Forward foreign currency contracts	126	166	-	-
Interest rate swaps	-	-	-	76
	126	166	-	76

Interest rate swaps

The Group's interest rate risk arises primarily from its borrowings. Borrowings taken out with variable interest rates expose the Group to cash flow interest rate risk that the Group seeks to hedge, according to the interest rate views and risk appetite of the Group. This is achieved by entering in to interest rate swaps that are designated to hedge certain underlying borrowings. The following table details the notional principal amounts and remaining terms of interest rate swap contracts outstanding as at the reporting date.

	Average contract fixed interest rate		Notional value		Fair value	
Outstanding receive floating pay fixed contracts	2023 Rate	2022 Rate	2023 £'000	2022 £'000	2023 £'000	2022 £'000
2-5 Years	1.68%	1.29%	61,419	57,556	64,695	58,119

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is three months' SONIA. The Group will settle the difference between the fixed and floating interest rate on a net basis.

All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges to reduce the Group's cash flow exposure resulting from variable interest rates on borrowings. The hedged cash flows are expected to occur and to affect profit or loss over the period to maturity of the interest rate swaps.

Net gains of £1,543,000 (2022: £1,298,000) were recognised in other comprehensive income. No amounts were recognised in the profit and loss account in the year (2022: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

23. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Forward foreign currency contracts

Forward foreign currency contracts are valued using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts.

The following table details the forward foreign currency contracts outstanding as at the year-end:

	Average contractual exchange rate		Nominal value		Market Value	
Outstanding contracts	2023 Rate	2022 Rate	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Buy US Dollar						
Less than 3 months	1.210	1.325	4,658	6,022	4,533	6,123
in 4 months to 1 year	1.210	1.120	1,568	1,568	1,578	1,579
Buy EUR						
Less than 3 months	0.000	1.184	-	1,846	-	1,845
			6,226	9,436	6,111	9,547
Sell EUR						
Less than 3 months	0.000	1.184	-	17,606	-	17,455
in 4 months to 1 year						
Sell US Dollars						
Less than 3 months	0.000	1.317	-	268	-	267
Sell Swiss Francs						
Less than 3 months	0.000	0.000	-	-	-	193
			-	17,874	-	17,915

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

23. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

	Average contractual exchange rate		Nominal value		Market Value	
USD CONTRACTS:	2023 Rate	2022 Rate	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Buy EUR						
Less than 3 months	0.000	1.151	-	576	-	558
Buy Swiss Francs						
Less than 3 months	0.000	0.903	-	165	-	162
Buy Norwegian Krone						
Less than 3 months	0.000	8.989	-	128	-	154
Buy Swedish Kroner						
Less than 3 months	0.000	9.551	-	704	-	688
			-	1,573	-	1,562
Sell EUR						
Less than 3 months	0.000	1.117	-	20,975	-	20,962
Sell Swiss Francs						
Less than 3 months	0.000	0.903	-	114	-	117
Sell Danish Krone						
Less than 3 months	0.000	6.733	-	223	-	224
Sell Norwegian Krone						
Less than 3 months	0.000	8.882	-	250	-	254
			-	21,562	-	21,557
EUR CONTRACTS:						
Sell Swedish Kroner						
Less than 3 months	0.000	10.537	-	561	-	555
Sell Norwegian Krone						
Less than 3 months	0.000	9.874	-	98	-	96
			-	659	-	651

The group has entered into forward foreign currency contracts to hedge the exchange rate risk arising from these anticipated future transactions, which are considered by management as hedges of foreign exchange risk in highly probable forecast transactions. The hedged cash flows are expected to occur and to affect profit or loss within the next three financial years.

A net loss of £125,000 (2022: gain of £177,000) was recognised in the profit or loss account during the year on the recognition of fair values on the forward contracts.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

24. CALLED UP SHARE CAPITAL AND RESERVES

Share Capital

Class	Voting Rights per Share	Dividend Rights per Share (i)	Dividend Rights Rank (i)	Capital Rights per Share (ii)	Capital Rights per Share (ii)	Number Issued and Fully Paid	Par Value £	2023 & 2022 £'000
'A' Preference	-	£85	1st	£1,000	1st	7,200	1000.00	7,200
'B' Preference	-	£102	2nd	£1,000	2nd	8,576	1000.00	8,576
Preferred Ordinary	-	£100	3rd	£10	3rd	53,634	3.40	182
'B' Ordinary	1	Remainder	4th	Remainder	4th	16,852,430	0.047	792
								16,750

(i) B Ordinary shares are entitled to any profits available for distribution after the satisfaction of the dividend rights of the A Preference, B Preference and Preferred Ordinary shares.
The dividend ranking is subject to the satisfaction of prior year shortfalls where applicable.

(ii) B Ordinary shares are entitled to a return of capital only after the satisfaction of the capital rights of the A Preference, B Preference and Preferred Ordinary shares.

All dividends are discretionary. No other classes of share capital have shares in issue at 31 March 2023.

Share Premium and Other Reserves

	Group 2023 £'000	Group 2022 £'000	Company 2023 £'000	Company 2022 £'000
Share Premium	11,369	11,369	11,220	11,220
Capital Redemption Reserve	512	512	512	512
Other Reserves	3,117	3,117	-	-
Profit and Loss Account	465,416	330,530	234,581	169,663

Share premium of £11,220,000 arose in the Company during the year ended 31 March 2019 on the issue of a tranche of new B Ordinary shares as part of a capital restructuring. £149,000 arose on the merger of SCC UK Holdings Limited (then known as Specialist Computer Holdings (UK) plc) and Specialist Computers International Limited during the year ended 31 March 2004.

Capital redemption reserve of £512,000 arose in the Company during the year ended 31 March 2022 on the buyback of C and F Ordinary and A, B C, and D Deferred Ordinary shares as part of a capital restructuring.

Other reserves comprises of £3,289,000 which arose pursuant to sections 131 and 133 of the Companies Act 1985 on the acquisition of Prime Properties Developments Limited on 1 August 2003, less £172,000 which arose on the merger of SCC UK Holdings Limited (then known as Specialist Computer Holdings (UK) plc) and Specialist Computers International Limited during the year ended 31 March 2004.

During the year shares were issued to non-controlling interest for consideration of £4,800,000 which gave rise to a movement in reserves of £(4,417,000).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

25. RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOWS

	2023 £'000	2022 £'000
Operating profit	163,174	76,577
Profit on disposal of fixed assets	(15,155)	(19)
Depreciation	17,353	19,678
Impairment of tangible fixed assets	76	-
Gain on disposal of subsidiary	(104,871)	-
Increase in fair value of investment property	4,443	330
Amortisation of negative goodwill	(1,349)	(2,063)
Amortisation of positive goodwill	9,361	6,137
Amortisation of other intangible fixed assets	3,973	3,992
Share based payments	1,007	-
Other	163	255
Operating cashflow before movement in working capital	78,175	104,887
Decrease / (increase) in stocks	13,045	(35,322)
Increase in debtors	(228,314)	(129,610)
Increase in creditors	265,847	167,214
	50,578	2,282
Income tax paid	(23,208)	(15,554)
Net cash inflow from operating activities	105,545	91,615

RIGBY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

26. FINANCIAL COMMITMENTS

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Contracted for but not provided for				
- Capital expenditure	8,224	6,246	-	-
	8,224	6,246	-	-

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Group 2023		Group 2022	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Leases repayable				
- Within one year	4,052	4,859	10,926	7,078
- Between two and five years	13,755	6,451	15,881	15,740
- After five years	52,177	-	41,653	-
	69,984	11,310	68,460	22,818

	Company 2023		Company 2022	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Leases repayable				
- Within one year	-	-	-	-
- Between two and five years	600	-	-	-
- After five years	-	-	3,452	-
	600	-	3,452	-

A subsidiary of Rigby Group has the benefit of a lease with a profit share rent payable which is dependent upon the cumulative balance standing to the credit of the subsidiary's income statement. At present, any such future commitment cannot be quantified as to either timing or amount, although the profit share rental is capped at a maximum of £500,000 per annum in the first ten financial years and £750,000 per annum for years eleven to twenty-five. The obligation arising under the arrangement in the year ended 31 March 2023 is £nil (2022: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

27. EMPLOYEE BENEFITS

Defined contribution schemes

The Group makes contributions to defined contribution pension plans for which the pension cost charge for the year amounted to £4,812,000 (2022: £4,184,000).

Defined benefit schemes

The group has the following defined benefit post-employment benefits:

	2023 £'000	2022 £'000
Exeter and Devon Airport Limited "EDAL" 1991 Pension Scheme	-	243
SCC France Retirement Indemnity Provision	14,183	14,986
SCC UK Defined Benefit Schemes	(791)	155
	13,392	15,384

Exeter and Devon Airport Limited "EDAL" 1991 Pension Scheme

A subsidiary of Rigby Group operates the Exeter and Devon Airport Limited "EDAL" 1991 Pension Scheme. This is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities. A full actuarial valuation has been carried out at 31 March 2022 and has been updated to 31 March 2023 by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown below.

The most recent actuarial valuation showed a deficit of £1,049,000. The employer has agreed with the trustees that it will aim to eliminate the deficit over a period of 5 years from 1 April 2023 by paying monthly contributions of £16,444 to 30 June 2023, reducing to £5,333 from 1 July 2023, and subsequently increasing by 3% on 1 April each year until 31 March 2028. In addition, and in accordance with the actuarial valuation, the employer has agreed with the trustees that it will meet expenses of the scheme and levies to the Pension Protection Fund.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

27. EMPLOYEE BENEFITS (CONTINUED)

Exeter and Devon Airport Limited "EDAL" 1991 Pension Scheme (continued)

The key assumptions used in the valuation of this scheme as at 31 March were as follows:

	2023 %	2022 %
Discount rate	4.8	2.8
Inflation (RPI)	3.3	3.7
Inflation (CPI)	2.8	3.2
Allowance for revaluation of deferred pensions	2.50 - 2.80	2.50 - 3.2
Allowance for pension in payment increases	2.00 - 3.00	2.20 - 3.50
Allowance for commutation of pension for cash at retirement	80%	75%

of Post A Day (Commutation Factor: 13:1 Male at 65)

Mortality assumptions adopted at 31 March 2023 imply the following life expectancies:

	2023 Years	2022 Years
Retiring today:		
Males	22.3	21.9
Females	24.4	23.6
Retiring in 20 years:		
Males	23.6	23.2
Females	25.9	25.1

SCC EMEA Retirement Indemnity Provision

Certain French subsidiaries have a legal obligation to pay a lump sum benefit to employees on retirement. The lump sum entitlement is dependent upon the length of service and final salary at retirement age.

Key assumptions used in the assessment of the liability at the balance sheet date are as follows:

	2023 %	2022 %
Wage inflation	1.5	1.3
Discount rate	3.7	1.5
Staff turnover rates:		
<34 years	18.0	18.0
35 – 44 years	9.5	9.5
45 – 54 years	6.5	6.5
>55 years	1.2	1.3

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

27. EMPLOYEE BENEFITS (CONTINUED)

SCC Defined Benefit Schemes

Specialist Computer Centres Plc is the employer under two defined benefit pensions scemes described below.

(i) the Specialist Computer Centres Section of the Railway Pension Scheme, a shared cost final salary pension scheme which is closed to new members. The scheme has no remaining active members and as such there will be no future contributions made to the scheme made by the members or the employer. A formal actuarial valuation was undertaken as at 31 December 2019, an actuarial valuation on the scheme at 31 December 2022 is currently ongoing, the next valuation being due as at 31 December 2025.

(ii) the Specialist Computer Centres Section of the Federated Pension Plan, a shared final salary pension scheme which is closed to new members. The scheme has 3 active members (2022: 3 members) and the best estimate of the contributions payable by the Company for the next financial year is £29,000. A formal actuarial valuation was undertaken at 5 April 2022, the next valuation being due as at 5 April 2025. The latest valuation revealed a funding shortfall of £6,000. No deficit contributions are required.

For the purposes of these financial statements and in order to account for both schemes under the provisions of Section 28 of Financial Reporting Standard 102 (FRS 102), the Company has engaged external actuaries to undertake FRS 102 valuations of both schemes as at 31 March 2023.

Key assumptions used in the assessment of the liability at the balance sheet date are as follows:

	2023 %	2022 %
Inflation	3.4	3.6
Future pension increases	3.0	3.2
Discount rate	4.8	2.7

Mortality assumptions:
The assumed average life expectancy of life in years for male and female members aged 65 years now and 65 in 20 years time is as follows:

	2023	2022
Male currently aged 65	20.2	20.5
Male currently aged 45	21.8	22.3
Female currently aged 65	23.2	23.5
Female currently aged 45	25.1	25.3

Aggregated Employee Benefit Disclosures

Amounts recognised in total comprehensive income in respect of all defined benefit schemes are as follows:

	2023 £'000	2022 £'000
Current service cost	1,054	1,013
Interest cost	231	161
Total recognised in profit and loss account	1,285	1,174
Recognised in other comprehensive income:	(2,969)	(2,091)
Total cost relating to defined benefit scheme	(1,684)	(917)

RIGBY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

27. EMPLOYEE BENEFITS (CONTINUED)

The amount included in the balance sheet arising from the Group's obligations in respect of its defined benefit schemes is as follows:

	2023 £'000	2022 £'000
Present value of defined benefit obligations	26,589	32,123
Fair value of scheme assets	(13,336)	(16,739)
Deficit in the scheme to be recognised	13,253	15,384
Other adjustments	139	-
Net liability recognised in the balance sheet	13,392	15,384

Movements in the present value of the defined benefit obligation were as follows:	2023 £'000	2022 £'000
At 1 April	32,123	33,119
Service cost	1,036	1,000
Interest cost	698	482
Actuarial gains and losses	(6,654)	(1,283)
Contributions	3	3
Benefits paid	(1,256)	(1,091)
Exchange adjustments	639	(107)
At 31 March	26,589	32,123

Movements in fair value of scheme assets were as follows:	2023 £'000	2022 £'000
At 1 April	16,739	15,891
Actuarial gains and losses	(3,204)	808
Return on plan assets	358	321
Contributions	224	229
Administration costs	(234)	(13)
Benefits paid	(547)	(497)
At 31 March	13,336	16,739

The allocation of the scheme assets (fair values) at the balance sheet date was as follows:	2023 £'000	2022 £'000
UK Equities	1,502	1,338
Overseas equities	-	1,338
Diversified growth funds	1,535	13,033
Government bonds	2,500	445
Cash and other	7,799	585
	13,336	16,739

None of the fair values of the assets shown above include any direct investments in any Group company's financial instruments.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

28. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption in FRS 102 from disclosing transactions with its wholly-owned subsidiaries.

Amounts payable to related parties

At 31 March, loans advanced from related parties comprised of the following:

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Loans from shareholders	15,675	124	15,675	124
Loans from related companies	20,000	20,000	-	-
Loans from minority shareholders	-	-	-	-
	35,675	20,124	15,675	124

The Group (and Company) has received loans from shareholders of £15,675,000 (2022: £124,000). The shareholders have advanced £17,048,000 (2022: £1,404,000) to the Group during the year and £1,910,000 (2022: £1,404,000) was repaid by the Group to the shareholders.

The loans from shareholders were subject to interest at 4% p.a. and interest of £412,000 (2022: £30,000) was accrued during the year. Interest of £0 (2022: £1,666,000) was paid in the year. Interest of £412,000 (2022: £124,000) remains unpaid at the year end.

The Group has received a loan from a related company of £20,000,000 (2022: £20,000,000). The Group repaid £nil (2022: £nil) during the year. This loan is subject to interest at 7.0% p.a. and interest of £1,400,000 (2022: £1,400,000) was accrued and paid during the year.

Amounts receivable from related parties

At 31 March, amounts owed by related parties comprised of the following:

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Loans advanced to shareholders	419	1,189	419	1,129
Loans advanced to related entities	3,435	-	-	-
Loans advanced to joint ventures and associates	19	12	-	-
Loans advanced to minority shareholders of subsidiary companies and key management	124	568	-	-
	3,997	1,769	419	1,129

The Group (and Company) has advanced loans to shareholders of £419,000 (2022: £1,189,000) which are subject to interest at 2.5% p.a. Interest of £14,000 (2022: £nil) remains unpaid at 31 March 2023.

The Group made loans to directors of subsidiary companies of £124,000 (2022: £120,000). Advances in the year were £nil (2022: £nil) and repayments in the year were £33,000 (2022: £16,000).

The Group has an outstanding loan balance with Nuvias UC Holdings Limited, a Group company of which 30% is owned by a minority interest. The outstanding balance amounted to £15,891,000 as at 31 March 2023, and the Group has advanced £25,000,000, repaid £9,990,000 and incurred interest charges of £891,000 on this loan during the year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

28. RELATED PARTY TRANSACTIONS (CONTINUED)

The Group also has an outstanding loan balance with Nuvias UC Limited, a Group company of which 30% is owned by a minority interest. The outstanding balance amounted to £1,197,000 as at 31 March 2023, and the Group has advanced £1,137,000, repaid £nil and incurred interest charges of £60,000 on this loan during the year.

Trading with related parties

The Group sold goods and services of £50,000 (2022: £50,000) to Arden Hotel Waterside LLP, a joint venture partnership whose interest is held by a Group company, Arden Hotel Investments Limited. The amount due to the group from Arden Hotel Waterside LLP is £118,000 at 31 March 2023 (2022: £118,000).

The Group sold goods and services of £7,342,000 (2022: £3,511,000) to Nuvias UC Limited, a Group company of which 30% is owned by a minority interest.

The Group sold goods and services of £5,318,000 (2022: £nil) to Alliance Technologies GmbH, a Group Company of which 30% is owned by a minority interest.

29. ACQUISITIONS

Visavvi Group

On 6 May 2022 Specialist Computer Centres Plc acquired the entire share capital of SEA Holdings (UK) Limited, an audio-visual specialist group trading as Visavvi and incorporated in the UK, which included subsidiary undertakings of SEA Holdings Limited, The Saville Group Limited and Quadra Concepts (UK) Ltd. Total consideration was £15.3m and cash acquired was £1.2m.

In the year ended 31 March 2023 turnover of £23.0m and profit of £231k was included in the consolidated profit and loss account since the date of acquisition.

Vohkus Group

On 23 March 2023 Specialist Computer Centres Plc acquired the entire share capital of IT reseller Vohkus Limited group, consisting of Vohkus Limited (IT reseller incorporated in the UK), E-Plenish Limited (IT reseller incorporated in the UK), Meggha Technology SRL (incorporated in Romania), Meggha Private Ltd (incorporated in Singapore), Meggha Technologies Private Ltd (incorporated in India) and Meggha Technologies SRL (incorporated in Spain).

Total consideration was £15.2m, of which £1.6m was deferred and expected to be paid by 31 July 2024, and cash acquired was £3.6m.

In the year ended 31 March 2023 turnover of £3.9m and profit of £212k was included in the consolidated profit and loss account since the date of acquisition.

SCC AVS Limited

On 29 April 2022, Specialist Computer Centres plc acquired the remaining 20% shares in SCC AVS Limited for £2.1m resulting in the settlement of the deferred consideration recognised (see note 21). Investment was accounted as 100% owned from inception, there is no impact on Non-Controlling Interest on exercise of this call option.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

29. ACQUISITIONS (CONTINUED)

The fair value of the assets and liabilities acquired in each acquisition are given in the table below.

	Visavvi	Vohkus
Fixed assets		
Intangible	-	482
Tangible	491	102
Current assets		
Stocks	2,187	1,900
Debtors	6,927	9,618
Cash at bank and in hand	1,222	3,638
Total assets	10,827	15,740
Creditors		
Bank loans / Financing	-	(3,020)
Trade Creditors	(3,057)	(6,846)
Accruals	(3,750)	(2,128)
Provisions	(205)	-
Taxation	(186)	324
Total liabilities	(7,198)	(11,670)
Net assets	3,629	4,070
Goodwill	11,663	11,104
	15,292	15,174
Satisfied by		
Cash consideration	14,794	12,736
Legal and other fees	499	874
Deferred consideration	-	1,563
	15,293	15,173
Summary of cash impact		
Cash consideration	14,794	12,736
Legal and other fees	499	874
Cash acquired	(1,222)	(3,638)
	14,071	9,972

RIGBY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

30. CONTROLLING PARTY

Sir Peter Rigby controls the Company as a result of owning 52.02% of the issued ordinary share capital and by holding 60% of the voting rights.

31. POST BALANCE SHEET EVENTS

On 4 April 2023 the group declared and paid dividends of £10,700,000 in total to the shareholders.

On 23 May 2023, the Group completed the acquisition of 100% of NGC Networks Group Limited and it's subsidiaries for an initial consideration of £5.4m.

On 25th August 2023 the Group completed the acquisition of 79.97% of Nimble Delivery Limited for an initial consideration of £29.4m.

On 5th September 2023 the Group completed the acquisition of 100% of 4Sight Communications Limited for an initial consideration of £5.6m.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

32. SUBSIDIARIES AND RELATED UNDERTAKINGS

The Company has direct and indirect investments in the ordinary share capital of the following subsidiaries and related undertakings:

Subsidiary and associated undertakings	Address of the registered office	Principal activity	Percentage holding
Technology			
SCC EMEA Limited	James House, Warwick Road, Birmingham, B11 2LE United Kingdom	Holding company	100%
Specialist Computer Centres plc		Systems integration	100%
Specialist Computer Services Limited		Bureau services	100%
SCC AVS Limited		Audio visual services	100%
SCC UK Holdings Limited		Holding company	100%
SCC Overseas Holdings Limited		Holding company	100%
Oworx Limited		Dormant	100%
SCC (UK) Limited		Dormant	100%
Specialist Data Centre Services Limited		Dormant	100%
SCC Capital Limited		Dormant	100%
M2 Digital Limited		Dormant	100%
M2 Smile Limited		Dormant	100%
Sea Holdings Limited	The Saville Group Ltd, Millfield Lane, Nether Poppleton, York, North Yorkshire, YO26 6PQ	Holding company	100%
Sea Holdings (UK) Limited	Unit 5 Millfield Lane, Nether Poppleton, York, England, YO26 6PQ	Holding company	100%
Visavvi Limited		Audio visual services	100%
Quadra Concepts (UK) Limited		Audio visual services	100%
Quadra AV Furniture Limited		Dormant	100%
The Saville Group Limited		Dormant	100%
Savulle Audio Visual Limited		Dormant	100%
Altimance SAS	258 Avenue Roland, Moreno, Helios Batiment A, Parc de Rives Creatives, 59410, Anzin, France	Systems integration	
E- Altimance SAS		Systems integration	100%
Rigby Capital SAS	91 Rue Salvador Allende 92000, Nanterre, France	Systems integration	100%
Large Network Administration (LNA) SAS		Systems integration	100%
Rigby Group SAS	96 Rue des 3 Fontanot, 92000, Nanterre, France	Holding company	100%
SCC France SAS		Systems integration	
Recyclea SAS	Rue Michel Faye, ZAC de Maupertuis, 03410 Domerat, France	IT Recycling	100%
Flow Line Technologies SAS	575-655 Batiment D, 575 Alle Des Parcs 69800, Saint Priest, France	Systems integration Systems integration	100%
Specialist Computer Centres SL	Calle Teide, 4-Nucleo 2 -1a Planta 28703, San Sebastian de los Reyes, Madrid, Spain	Systems integration	100%
Specialist Computer Services SL		Systems integration	100%
S.C. SCC Romania S.R.L.	Soseaua Pacurari 138, Building IDEO, PC 700544, Lasi, Romania	Systems integration	100%
Specialist Computer Centres Vietnam Company Limited	8th Floor, Mapletree Business Centre, Nguyen Van Linh Boulevard, District 7, Ho Chi Minh City, Vietnam	Systems integration	100%

32. SUBSIDIARIES AND RELATED UNDERTAKINGS (CONTINUED)

Subsidiary and associated undertakings	Address of the registered office	Principal activity	Percentage holding
Technology (Continued)			
Vohkus Limited	Centurion House, Barnes Wallis Road, Fareham, Hampshire, England, PO15 5TT	Systems integration	100%
E-Plenish Limited		Systems integration	100%
Azure Factory Limited		Dormant	100%
Meggha Limited		Dormant	100%
Meggha Technologies SRL	Cluj Business Campus, Strada Henri Barbusse, Cluj-Napoca, Romania	Support provider	100%
Meggha Private Limited	112 Robinson Road, Singapore	Marketing	100%
Meggha Technologies Private Limited	Purva Premiere, Residency Road, Ward NO 76, Bengaluru (Bangalore) Urban, Karnataka, 560025	Systems integration	100%
Meggha Technologic Services S.L	Carrer Del Pallas 193, Barcelona, 08005, Espana	Systems integration	100%
Hotels			
Eden Hotel Collection Limited	Mallory Court Hotel, Harbury Lane, Bishop Tachbrook, Leamington Spa, CV33 9QB, UK	Holding company	100%
Mallory Court Hotel Limited		Hotel operator	100%
Buckland Tout–Saints Hotel Limited		Dormant	100%
Arden Hotel Investments Limited		Holding company	100%
EHC Estates Limited		Group services	100%
The Greenway Hotel & Spa Limited		Hotel operator	100%
Brockencote Hall Hotel Limited		Hotel operator	100%
Arden Hotel Waterside LLP	44 Waterside, Stratford-Upon-Avon, Warwickshire, CV37 6BA	Hotel operator	50%
Bovey Castle Property Limited	Bridgeway House, Bridgeway, Stratford-Upon-Avon, Warwickshire, CV37 6YX, UK	Hotel operator	100%
Airports			100%
Regional & City Airports Holdings Limited	Bridgeway House, Bridgeway, Stratford-Upon-Avon, Warwickshire, CV37 6YX	Holding company	100%
			100%
Regional & City Airports Group Limited		Holding company	100%
Regional & City Airports (Investments) Limited		Holding company	100%
			100%
Regional and City Airports Limited		Airport management	100%
Bournemouth International Airport Limited		Airport operator	100%
ABP 1 Limited		Investment Property	100%
XLR Executive Jet Centres Limited		Airport management	
Coventry Airport Limited	Airport House, Coventry, Airport North, Rowley Road, Coventry, England, CV3 4FR	Airport operator	100%
Exeter and Devon Airport Limited	Airport House, Exeter Airport, Exeter, Devon, England, EX5 2BD	Airport operator	100%
Omniport Limited	Norwich Airport, Terminal Building Amsterdam Way, Norwich, Norfolk, NR6 6JA	Holding company	100%
Omniport Norwich Limited		Holding company	100%
Norwich Airport Limited		Airport operator	100%
Legislator 1364 Limited		Dormant	100%

32. SUBSIDIARIES AND RELATED UNDERTAKINGS (CONTINUED)

Subsidiary and associated undertakings	Address of the registered office	Principal activity	Percentage holding
Real Estate			
Imperial Park Bournemouth Limited	Bridgeway House, Bridgeway, Stratford-Upon-Avon, Warwickshire, CV37 6YX, UK	Investment property	100%
Ostrava Property Limited		Dormant	100%
Rigby Real Estate Limited		Property development	100%
Allect			
Allect Holdings Limited	Bridgeway House, Bridgeway, Stratford-Upon-Avon, Warwickshire, CV37 6YX, UK	Holding company	100%
Allect Limited		Interior design and property services	100%
Lawson Robb Design Limited		Dormant	100%
Rigby & Rigby Limited		Dormant	100%
Helen Green Design Limited	29 Milner Street, London, SW3 2QD	Dormant	100%
Nuvias UC			
Nuvias UC Holdings Limited	Bridgeway House, Bridgeway, Stratford-Upon-Avon, Warwickshire, CV37 6YX, UK	Holding company	70%
Nuvias UC Limited	Suite 10, Brecon House, William Brown Close, Llantarnam Industrial Park, Cwmbran, Torfaen, NP44 3AB, UK	Specialist IT distributor	70%
Alliance Technologies GmbH	Castillostraße 1, 61348 Bad Homburg vor der Höhe, Germany	Specialist IT distributor	70%
Rigby Capital			
Rigby Capital Holdings Limited	Bridgeway House, Bridgeway, Stratford-Upon-Avon, Warwickshire, CV37 6YX, UK	Holding company	100%
Rigby Capital Limited		Leasing	100%
CloudClevr			
CloudClevr Holdings Limited	Bridgeway House, Bridgeway, Stratford-Upon-Avon, Warwickshire, CV37 6YX, UK	Holding company	64%
CloudClevr Investments Limited		Investment company	64%
Central			
Rigby Group Technology Investments Limited	Bridgeway House, Bridgeway, Stratford-Upon-Avon, Warwickshire, CV37 6YX, UK	Holding company	100%
Rigby Private Equity Limited		Holding company	100%
Nuvias Unified Communications Overseas Limited		Holding company	100%
33 Dover St Limited		Investment property	100%
Capital Air Charter Holdings Limited	XLR Business Aviation Centre, Terminal Road, Birmingham Airport, Birmingham, England, B26 3QN	Dormant	100%
Patriot Aerospace Limited		Holding company	100%
Patriot Aviation Limited		General aviation	100%

RIGBY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2023

32. SUBSIDIARIES AND RELATED UNDERTAKINGS (CONTINUED)

The Company directly owns 100% of SCC EMEA Limited, Patriot Aerospace Limited, Eden Hotel Collection Limited, Regional & City Airports Holdings Limited, 33 Dover St Limited, Rigby Real Estate Limited and Rigby Group Technology Investments Limited.

All companies are incorporated in the country in which the registered office is located.

Information Regarding the Scope of Consolidation

The above companies have been included in the scope of Rigby Group (RG) plc's consolidation. Rigby Group (RG) plc approved the resolutions to exempt the subsidiaries listed below from the requirements of the Companies Act 2006 related to the audit of individual accounts by virtue of article 479A (2) (a) of the said Act for the financial year ended 31 March 2023.

Subsidiary and associated undertakings	Address of the registered office	Registered Company Number
Rigby Group Technology Investments Limited	Bridgeway House, Bridgeway, Stratford-Upon-Avon, Warwickshire, CV37 6YX, UK	09347794
Rigby Private Equity Limited		09422470
Rigby Capital Holdings Limited		10645860

COMPANY INFORMATION

YEAR ENDED 31 MARCH 2023

DIRECTORS

Sir Peter Rigby
Ms PA Rigby
Mr JP Rigby
Mr SP Rigby
Mr HW Campion
Mr PN Whitfield

COMPANY SECRETARY

Ms JA Mortimer

REGISTERED OFFICE

Bridgeway House
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Warwickshire
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United Kingdom

AUDITOR

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Statutory Auditor
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BANKERS

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Commercial SA (CIC)
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Corporate & Commercial
Banking
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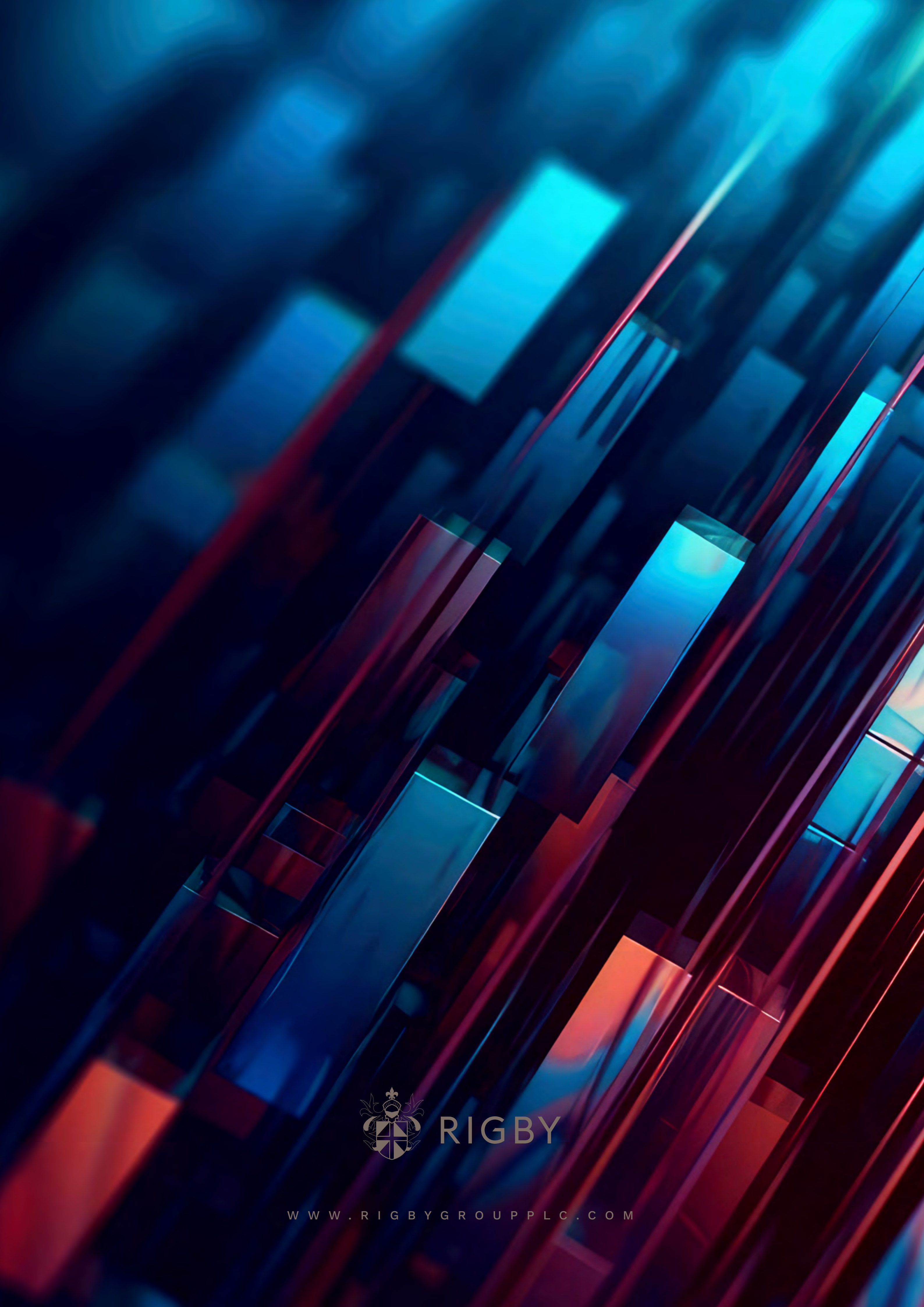

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