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RIGBY

ANNUAL REPORT 2021

RIGBY GROUP. A MULTINATIONAL GROUP

RIGBY

ANNUAL REPORT 2021

THE DIRECTORS PRESENT THEIR STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2021

RIGBY

SIR PETER RIGBY,
CHAIRMAN'S STATEMENT

RESPONDING TO THE CHALLENGE; READY FOR THE FUTURE

IN COMMON WITH MANY BUSINESSES, THE MOST RECENT FINANCIAL YEAR HAS BEEN OVERSHADOWED BY THE COVID 19 PANDEMIC, HOW IT HAS AFFECTED OUR CUSTOMERS AND OUR STAFF AND BY THE GOVERNMENT'S RESPONSE.

LIKE MOST COMPANIES EACH OF OUR DIVISIONS HAS BEEN AFFECTED BY COVID 19 TO SOME EXTENT, BUT WE HAVE RISEN TO THE CHALLENGE DRAWING UPON THE SKILLS AND RESILIENCE OF OUR PEOPLE TO CARRY POSITIVE MOMENTUM INTO A BRIGHTER AND MORE HOPEFUL FUTURE.

It is against this extremely testing economic backdrop that the Group's executive teams, led by our Co-Chief Executives, James and Steve Rigby, have responded quickly to the challenges as they have unfolded. This early and decisive action has guided the Group to deliver a creditable financial performance. The past year has tested our agility and resilience and we have responded positively to the challenges the pandemic has created.

Whilst our people have always been and always will be at the heart of everything we do, this year extremely difficult decisions have had to be made - often at short notice and with limited information - in the knowledge that those decisions regrettably will affect people's lives. It has also been necessary to seek assistance from government financial support schemes where our business was most affected and where it was necessary to protect the long-term future of as many roles as possible. Acting in the long-term best interests and welfare of our staff continues to remain our primary concern.

Rigby Group shareholders have not taken a dividend, in respect of the current financial year, and will not do so until the financial position of the Group is more certain.

We recognise and value the support that we as a group have received from national governments, specifically the UK and French governments, and the opportunity that this has created to quickly adapt and prepare our business for the future. We will remain a UK based business, paying tax in the UK and other countries as appropriate. We will continue to support the UK economy as the UK government has supported us over the past year, and we are proud of the work which we have done in supporting the UK government and the NHS over the past year notably in the Technology and Aviation divisions.

Investment has been more limited over the last year and focused on the completion of our committed work programmes in Technology and Airports. However, we continue to develop innovative new business initiatives and investment opportunities. Our core divisions continue to make strategic investments: our Real Estate business is working closely with our partners in the development of the proposed West Midlands Gigafactory site.

Rigby Group operates many different companies in 20 countries worldwide, with more than 7,700 people focussed principally on technology led business. We see as much opportunity for growth and expansion today as we did when SCC was first established over 46 years ago.

Investment is essential to a healthy future, and we remain firmly committed to investing in our business and in our people for strategic and sustainable growth.

The core of our business is technology innovation and the benefits that it brings remain at the centre of our strategy. We continue to develop local innovative projects including the Digital Hub initiative we launched at the South Warwickshire NHS Foundation Trust. Our established charity, The Rigby Foundation, continues to proactively support sustainable charitable initiatives through donations and corporate social responsibility programmes in our operating businesses. In recognition of many young people who now more than ever need help and support in developing their IT skills, SCC and our Foundation will shortly be launching The SCC Academy in the UK.

We have always valued our people, their skills and the loyalty they have shown as part of our family business. However, I would like to thank them for their exceptional support during this uniquely difficult year in helping to ensure a bright future for our Group. We have always been and remain committed to the personal and professional development of our people, encouraging them to unleash their potential. 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.

We closed our financial year as the impact of the vaccine programme started to have a positive effect in the UK. We are seeing improved performance in a number of our divisions and have a clearer vision of how others will return to profitability. Uncertainty surrounds recovery timing particularly in our Airports division and our operations in countries where vaccination programmes are less advanced. However, our executive teams have taken all prudent actions to prepare for the future.

Whatever the continuing challenges of the coming year, we have a strong business, culture and drive for innovation which creates unique potential for our people and our business. I am confident that Rigby Group is well prepared and will continue to prosper.

Peter Rigby

Sir Peter Rigby
Chairman

RIGBY

20 21

GROUP OVERVIEW

DIVISIONAL PERFORMANCE

GROUP TURNOVER

£3.0BN

+6.0%
FY20 £2.9BN

OPERATING PROFIT

£39.4M

+12.0%
FY20 £35.1M

TECHNOLOGY

TURNOVER
£2.5BN
+9%
FY20 £2.3BN

OPERATING PROFIT
£45.9M
+49%
FY20 £30.7M

AIRPORTS

TURNOVER
£39.7M
-34%
FY20 £60.0M

OPERATING PROFIT
£0.4M
-96%
FY20 £11.0M

NUVIAS

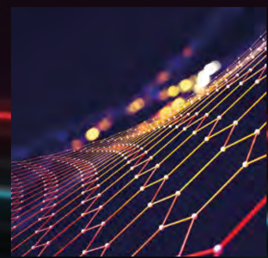
TURNOVER
£415.3M
+6%
FY20 £392.1M

OPERATING PROFIT
£3.6
+182%
FY20 £1.3M

RIGBY CAPITAL UK

TURNOVER
£38.2M
-40%
FY20 £64.0M

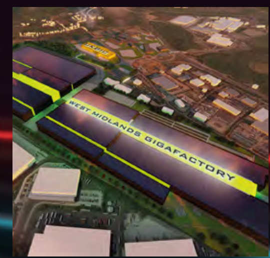
OPERATING PROFIT
£0.6M
+625%
FY20 £(0.1)M



REAL ESTATE

TURNOVER
£3.0M
+9%
FY20 £2.7M

OPERATING PROFIT
£2.6M
-81%
FY20 £13.6M



ALLECT

TURNOVER
£23.1M
-3%
FY20 £24.0M

OPERATING PROFIT
£0.2M
+116%
FY20 £(1.4)M

HOTELS

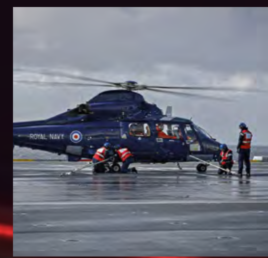
TURNOVER
£6.6M
-66%
FY20 £19.5M

OPERATING LOSS
£(2.2)M
+76%
FY20 £(9.2)M

AVIATION

TURNOVER
£22.8M
-4%
FY20 £23.4M

OPERATING LOSS
£(2.9)M
+34%
FY20 £(4.4)M



RIGBY

BOARD OF DIRECTORS

SIR PETER RIGBY

Sir Peter Rigby is the Founder, and Chairman of Rigby Group.

Sir Peter Rigby is a serial entrepreneur who, for more than four decades, has been one of the UK's most respected and successful business leaders. Sir Peter started the founding company for Rigby Group in 1975 and today it is one of the largest privately owned businesses in the UK.

Away from Rigby Group, Sir Peter has chaired the Coventry and Warwickshire Local Enterprise Partnership (CWLEO), 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 in the Midlands.

JAMES RIGBY

James Rigby is Co Chief Executive Officer of Rigby Group.

Under James' leadership SCC, Europe's biggest independent technology solutions provider, has grown rapidly, repeatedly achieving double-digit growth. James joined SCC in 1993 in the Engineering Services division and was appointed to run the Technology Sourcing division in 1995. Subsequently, he was made General Manager and took on responsibility for service delivery operations across Europe, as well as playing a major role in all Group acquisitions.

STEVE RIGBY

Steve Rigby is Co Chief Executive Officer of Rigby Group.

Steve heads up the Group's Real Estate, Nuvias and Rigby Capital divisions. He is also responsible for finance, M&A and the family office investment portfolio. Steve sits on the boards of Technology, Nuvias and Regional and City Airports businesses and chairs the boards of Allect and Rigby Capital, the Group's financial services business. Steve has three children and splits his time between London and his home in the Midlands and is a keen polo player and sailor.

PETER WHITFIELD

Peter Whitfield is Chief Financial Officer of Rigby Group.

Peter was appointed to Rigby Group board in December 2020 having previously undertaken the role of CFO for the Technology Division. Peter joined the Group in 2000, has held a number of roles in the finance team for that division and is a chartered accountant with a career which commenced with KPMG, Birmingham and includes roles at Barclays Bank and the Bridgestone Group.

GEORGE CAMPION

George Campion is a Non-Executive Director for Rigby Group.

George enjoys a reputation as one of Birmingham's leading business advisors. George has held various senior roles throughout his 30-year career, first at Arthur Andersen and then at Deloitte. George's roles at Andersen and Deloitte included the positions of Senior Partner in Birmingham, leader of the Tax Practice in Central and Eastern Europe and Head of Real Estate in the Midlands.

MISSION + VISION

TWENTY TWENTY ONE

OUR MISSION IS TO DOUBLE THE ACHIEVEMENTS OF THE PAST 46 YEARS CREATING A BUSINESS WITH A £1BN MARKET VALUE BY 2025.

WE ARE RIGBY GROUP

Our Vision
Our vision is to become the most successful wholly owned family business the UK has ever produced and, in doing so, always remain:

- trusted by our customers and partners
- dedicated to delivery
- committed to our people
- drivers of innovation
- a highly effective, lean and fast-moving business

Our Values
Rigby Group is a values-led business built around three core principles:

Foresight
Smart, strategic and independent thinking has enabled us to diversify from our 1975 origins, as a technology start-up, into a £3.0bn revenue British success story and will continue to guide our development into the future.

Working hard
Rigby Group is committed to achieving excellence in all that we do. We are renowned for our industry, our seamless execution and a peerless approach to acquiring and nurturing businesses to unleash their potential.

Enabling others
We have a federated approach to our valued team, liberating companies within the Group and trusting their leaders to be the very best they can be; providing expert and highly personal leadership and swift yet sound decision making, always with an eye firmly on the long term outcome.

Our Strategy
Rigby Group's strategy is to optimise performance through both investor led and business operator activities with a focus on growth through entrepreneurship, innovation and adaptability at the individual, team, company and Group level.

Our in-house M&A team focus their ability on being able to pick well and buy well, targeting investment opportunities that will either support our existing operations or will complement our existing portfolio of companies by leveraging expertise within our senior executives.

For our operating divisions the Group focus is on long-term return on equity and 5 Year profitability targets tailored for each business to match our risk, reward, effort policy and our desire to have a balanced portfolio.

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

SECTION 172 STATEMENT

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.

Our directors across the Group and 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.

Board and Governance Activity

Rigby Group is a family managed business, our shareholders are directors of Rigby Group and are represented on the boards of divisions and key subsidiaries. Shareholder representation enables us to take a long-term view of the management of the business without pressure to achieve short-term returns and ensures that our shareholders are fully informed.

The appointment of James Rigby and Steve Rigby as Co-Chief Executive Officers has been a catalyst for change to management and governance across the Group, supported by enhancement to the Group's finance organisation with the appointment of Peter Whitfield to the role of Chief Financial Officer (CFO) responsible for the whole of Rigby Group. Peter has worked in the Group's Technology division for 20 years most recently as Chief Financial Officer of the division.

During the year we formalised the Audit, Risk and Remuneration Committee, a committee of Rigby Group Board, chaired by non-executive director, George Campion. With responsibility over financial reporting, risk management and governance, internal and external audit and executive remuneration policy, the main board formed the committee to provide greater focus on these key elements of good governance. Board directors who are members of the committee are James Rigby, Peter Whitfield and George Campion and they are joined on the committee by senior financial and legal executives, Julie Mortimer (Rigby Group Financial Controller) and Georgina Garrett (Group Head of Legal and Company Secretary).

New management teams have been created in Technology. In the UK, the appointment a new UK CEO is complimented with by a new dedicated CFO. In France a new CEO has been joined by an expanded team, with appointment of a new CFO and a new key role of Chief Operating Officer appointed to support the growth in the business and its significant change programme. In both territories we have promoted experienced long-standing executives from within the division to the key CEO roles.

In our Nuvias division we have refreshed our governance, with a new chairman and non-executive roles filled by shareholders and executives from the wider group and appointed a new CEO and a non-executive chairman to the board of our Unified Communications business to support the growth and evolution from the shareholder managed business we acquired in 2019.

The directors consider governance and high standards of business conduct to be a priority for the Group. The expectation of good practice in these areas is communicated directly to the divisional boards and onwards to our employees through our culture. We believe that the right way to conduct business is through transparency, fairness and integrity. Our reputation is fundamental to our business, to our relationships and to our continuing success.

The Rigby Group board aims to meet ten times throughout the year and more frequently if needed. At these meetings shareholders are updated on the performance of the Group and each of its divisions individually. These updates cover the financial performance, sales and commercial activities, legal matters, strategy updates and the general business environment of each division. Key matters are discussed by the board, and decisions are reached collectively with all shareholders having access to the same information.

During the year ten board meetings were scheduled and held with an average of 73% attendance of eligible directors.

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 are managed through Sub-committees covering Audit and Risk and Residual Values.

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	How Stakeholders were Considered
FY22 Financial Business Plan	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.
Covid 19 Business Transformation plans	Employees, Customers, Suppliers	The Board have considered the need to support customers in the short and long term and also how to protect long term employment when taking decisions on business transformation plans. This includes considering the need to maintain supplier partnerships and the ability to reinstate services to our customers at short notice.
Dividend payments – decision for no dividends to be declared in respect of the FY21 financial year	Shareholders, Customers, Suppliers, Employees	The Group's dividend policy is to ensure a long-term return to our Shareholders. In the current year this was reconsidered, and a decision made to pay no dividends in respect of the FY21 financial year. This decision took into account the Board's need to ensure that there remains sufficient cash in the business to meet current working capital requirements, and that sufficient resources remain available for longer term investments in the Group. This is also to safeguard employees and customer interests. In the long term the Board will continue to monitor the suitability to pay dividend taking into consideration the public interest where government support has been provided to a division, the long-term returns required to our Shareholders and also the need to retain sufficient cash reserves in the Group.
Application for Covid 19 Governmental support	Shareholders, Customers, Suppliers, Employees	The Board took the decision to apply for Covid 19 Governmental support to safeguard long-term job retention of our employees. In some divisions government support was utilised to ensure appropriate levels of liquidity when trading was most impacted by the Covid measures in place and to maintain as much as possible the Group's goal of divisional liquidity independence.

Banks
Engagement with the Group's banking partners takes place both in divisions through their boards of directors and through the Group directors who maintain oversight of relationships, facilities and significant transactions. Regular reporting of financial performance and discussion of future prospects is undertaken at Group and divisional levels, with Group directors maintaining direct relationships with senior bank representatives to discuss ongoing performance and in relation to new initiatives.

Over the last year where economic uncertainty has been heightened, the directors have increased the frequency of contact to ensure that the banks are fully appraised of the latest trading position and future prospects.

Shareholders
Rigby Group shareholders are represented on the Group board of directors taking executive roles as the Co-Chief Operating Officers and as Executive Chairman. Communication between shareholders and between the shareholders and other members of the board of directors takes place predominantly as part of the day to day running of the group as well as within the more formal setting of the Group board meetings.

Customers
Customers are at the very heart of everything Rigby Group does. Whilst the way in which each division interacts and responds to the needs of its customers varies, each business seeks to build long-term, mutually beneficial partnerships, underpinned by the Group's strong family values and commitment to operational excellence. Although Covid 19 brought many challenges to the Group we remained committed to engaging with and supporting customers facing their own challenges. During this period, we have taken action to ensure we understand our customers and how we can best work together to support each other through uncertainty. Each division has engaged proactively. Driven by the diversity of the Group's interests, our customers span a wide range of businesses and consumers from large-listed companies, private businesses, government departments, not for profit organisations, Airlines and their passengers, Hotel guests and super-prime property owners. Each division is focused on supporting their unique customer set and adopts engagement policies appropriate to the division and to their customers' needs whilst working within the Group principle of keeping the customer at the centre of the way we do business.

Suppliers
We recognise the importance of our suppliers and how they are also important to our businesses and our success depends on maintaining the right level of relationships with our suppliers. Working with global and local suppliers, our divisions forge partnerships with some of the world's best and most innovative suppliers and work collaboratively to deliver the right results to our customers. Long term relationships are important to us as foundations for success and our divisions manage their supplier relationships around this principal.

People
With over 7,700 staff around the world, in multiple sectors and with a huge variety of skills, our people are central to our success. Individual businesses range in scale from a handful of staff to those with many thousands of employees, however we share in common our principles of family values and keep people and their role in the future success of the Group as a principal with which we manage our businesses to help our shared success.

Engaging with our people wherever possible is important to us to optimise their success and their contribution to the Group. We provide them with opportunities to develop and for them to help define our culture. Divisional executives engage with staff keeping them appraised of news and developments, directly and through regular on-line updates.

Communication with employees to improve their understanding of the business and their roles and to help their technical skills is supported by feedback and employee surveys which are important to executives in managing the success of our teams.

Health, Safety and employee well-being are essential for a healthy business and we encourage divisions to go further than any legal requirement to ensure that we provide good working environments for all of our staff. Divisions adopt well-being programmes appropriate to their locations and size of teams including health assessments and healthy eating programmes. Health and safety compliance is central to many of our operations and governance boards are required to maintain focus on key measures of performance. During the Covid 19 pandemic each division prioritised the health and well-being of its employees by taking appropriate action to facilitate homeworking where practical and to promote safe social distancing whether this be in our offices, hotels, airports or on construction sites.

Training initiatives and employee rewards are in place in many divisions and the Group encourages the development of these programmes. Working flexibility and support of our staff over the last year has been essential and we have provided our people with the resources necessary to enable remote working wherever they have been located. Staff whose roles could not be undertaken locally have been supported to ensure the necessary health protection measures have been in place through the year.

We also value diversity and believe that a richly diverse business allows innovation to thrive and allows us to align to our customers We are also committed to a policy of equal opportunities regardless of race, ethnicity and gender in all aspects of employment. Our remuneration principles ensure that race, ethnicity and gender is not a factor in how people are paid or rewarded.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Communities and Environment
Our Communities and the Environment are important to our shareholders, to our people and our customers. We take seriously our responsibilities and legal obligations in protecting the environment supporting the wider community and our people in their desire to engage with community-based experiences.

Divisional boards of directors lead their division's engagement with their local communities and on environmental matters. The Group directors have representation on divisional boards and ensure that through their presence on these boards, the Group's principals are cascaded through the organisation and that the obligations of the Group are being fully met.

Sir Peter Rigby, Chairman of The Rigby Group leads the Group's charitable initiatives which are coordinated through the Rigby Foundation Charitable Trust. Individual boards of directors direct Corporate Social Responsibility (CSR) programmes which include charitable activity approved by the Group with reference to the overall Group policies. More detail is provided in the Corporate Social Responsibility section of this report.

'WE ALSO VALUE DIVERSITY AND BELIEVE THAT A RICHLY DIVERSE BUSINESS ALLOWS INNOVATION TO THRIVE.'

TWENTY TWENTY ONE

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

AN EXTRAORDINARY YEAR BRINGING MANY CHALLENGES TO OUR DIVERSE GROUP

TURNOVER GROWTH TO £3BN+6%;
OPERATING PROFIT OF £39M +12%

AS THE GLOBAL PANDEMIC TOOK HOLD IN THE FINAL WEEKS OF OUR PREVIOUS FINANCIAL YEAR, THE YEAR UNDER REVIEW HAS BEEN WHOLLY AFFECTED BY THE CONSEQUENT ECONOMIC AND SOCIAL EFFECTS.

INTRODUCTION AND OVERVIEW

Covid 19 impacted each division of our Group and we needed to respond quickly to support our employees and our customers many of whom rely on our services to maintain their own operations. At the same time we have also had to enact our own contingency plans, make difficult decisions, find new ways of working and adapt to the new realities which the pandemic has brought to our customers and the markets in which we operate. Each of our divisions has had their own set of challenges.

Throughout this time, the safety and the wellbeing of our employees has been a constant priority. Impact assessments were proactively undertaken in each division and we have followed government guidelines implementing remote working wherever possible and appropriate whilst maintaining service levels to our customers who have also been managing their own situations.

In our first quarter, management took steps to protect the business and employees whilst continuing to support customers and planning for an uncertain future. Plans to manage our cost base were enacted and action taken to ensure adequate cash reserves and availability to support the Group and each of its divisions through a potentially difficult period. With significant uncertainty and certain material impact on some of our divisions we accessed government support schemes in businesses where it was appropriate to do so, and these schemes enabled us to protect jobs and respond quickly to the return of demand. We acknowledge and appreciate the support which government has provided to the Group and the impact this has had on the Group's readiness for an exit to the pandemic.

All of our divisions have responded well to different ways of working and executive teams have challenged their teams to adapt to the more difficult remote working conditions, despite which we have been able to maintain good operational focus. As we are now exiting from some lockdown restrictions our teams are able to spend more time working in more traditional ways and although we do not expect to return to the same conditions as before the pandemic, we welcome the change for the good health and well-being of our staff.

Group financial performance for the year was adversely affected by the economic impact of the Covid situation in part supported by government, and the actions taken to remove loss-making operations and to restructure businesses for the future.

As the economy recovered and the effects of our corrective actions took hold in our second half, financial performance in some divisions made a recovery.

'WE ARE CONFIDENT THAT ALL OUR BUSINESSES HAVE BRIGHT FUTURES.'

TWENTY TWENTY ONE

RIGBY

Overall turnover for the year grew by 6% to £3,023m and operating profit by 11% to £39m.

Actions taken in each division are explained in more detail in the review of each divisional performance. Our overall strategy has been to dispose or cease operating businesses which could no longer generate Earnings before interest, tax, depreciation, and amortisation (EBITDA) in the long term. We have therefore disposed of three hotels and ceased operating our medical repatriation services.

The way people work in future, how and where they work and the technology they use, will be influenced by the enforced Covid 19 working environments over the last year. Rigby Group too has reviewed the way we deploy our resources, our needs, those of our employees and the changes we must make to align them. Such changes are difficult in normal times but essential in such difficult and disruptive times. Central to our future success will continue to be the need to maintain focus on understanding our customers and to respond quickly to their changing circumstances.

Investment remains important to long term success and despite uncertainty and at times challenging trading conditions. We have completed key investments including the complete redevelopment of our Technology Division Global Headquarters, a fully refurbished, high tech facility which has been established for the collaborative and flexible working needs of the future. In the UK we launched the Digital Innovation Hub at the South Warwickshire hospital, working in conjunction with the NHS trust, deploying new digital solutions in healthcare utilising artificial intelligence and machine learning. Investment in critical projects in our Airports division has been maintained and in Real Estate we have completed revenue generating investment projects and are looking at new opportunities, notably in relation to the West Midlands Gigafactory proposal. As we look to the future we will continue to invest in our systems and in our people, to grow organically and make appropriate acquisitions to generate greater shareholder value.

We recognise and are grateful for the contribution made by our dedicated employees and through the leadership of our executive teams in tackling the challenges of the past year and in preparing us for the future. Remaining responsive to changing customer demands as well as accelerating trends in technology initiated by the pandemic will continue to be important to ensure success in our Group. As we start the new financial year the Group is in good health and whilst there remains considerable uncertainty, notably in the timing for recovery in the Airports division, we remain cautiously optimistic and are confident that we have the plans and financial security in place which will enable us to continue to prosper.

LOOKING TO THE FUTURE

As with previous recessions and periods of prolonged uncertainty, our Group through the leadership team has reshaped the Group to be leaner, tightly governed, and ready for the significant economic tail wind that will present itself in 2021 and 2022.

We are confident that all our businesses have bright futures and this coming financial year with see a material return to M&A activity in our technology divisions. The family remain ambitious and committed and together with our 7,700 staff, we plan to strengthen each business in its respective marketplace and look to further develop Rigby Group to achieve our stated aim to build a £1bn business by 2025.

TECHNOLOGY

TECHNOLOGY IS THE CORNERSTONE OF OUR GROUP. TURNOVER OF £2.5BN +9%; OPERATING PROFIT OF £46M +49%

RIGBY

ADAPTING TO CHANGE BY ENABLING NEW WAYS OF WORKING ACCELERATING DIGITAL TRANSFORMATION

SCC'S PORTFOLIO OF SERVICES SPANS FROM SUPPLY THROUGH TO FULLY MANAGED SERVICES, INFRASTRUCTURE OPTIMISATION, UNIFIED COMMUNICATIONS AND DATA CENTRE SERVICES

HEADQUARTERED IN BIRMINGHAM IN THE UK, SCC HAS REGIONAL HEAD OFFICES IN PARIS, MADRID, IASI, AND HO CHI MINH CITY.

Technology is the Group's largest division and remains the cornerstone of our financial performance, reporting turnover of £2.5bn and operating profit of £46m growth in turnover and operating profit was 9% and 49% respectively.

Strong performance in the French market, notably in the second half, where growth in software sales and government contracts were very strong and improved performance in our services operations resulted in growth in revenue and profitability. In the UK we were able to navigate the pandemic with swift cost action to address exposure to retail and office working services and were able to maintain performance with a stronger close to the year.

Our Technology businesses have been essential suppliers during the Covid 19 period. Engineer, data centre technicians, their supporting specialists and staff have been delivering critical IT services around the clock to many organisations including enabling the UK government remote working and supporting many NHS organisations. Performance was particularly impacted in the first half of the year notably in the UK where our services operations were less able to deliver the normal volume of activity. Flexibility from furlough schemes enabled operations to resume as demand picked up through the year.

Financial performance in the division reflects the strength of our French business and its focus on supporting the government sector, together with the speed at which government support, in both the UK and France, was made available, and management action was taken to put the business in good shape for the critical second half of the fiscal period.

Our Technology businesses are robust and agile with strong balance sheets and management teams enabling us to respond to the crisis. A strong emphasis on working capital management in the year helped boost cash at the close of the year by £74m enabling us to close the year with strong balances and access to cash. We did not undertake any acquisition activity during the past year however if circumstances and opportunities allow then we will continue to invest in the future of the division.

UK

In the UK, although we did not repeat the same level of gross margins as in the prior year, we reported stronger final quarter numbers as business recovered from the more difficult first half and as cost efficiency programmes took effect.

Overall, turnover was broadly flat up 0.6% against the prior year, with product revenues showing growth of 5% and services a decline of 5%. Operating profit was slightly up on last year at £15.5m, compared to £15.4m in the prior year.

Inevitably, our customers' IT infrastructure decisions were delayed by the pandemic, many customers were required to close their premises and their staff were furloughed or required to work from home and these decisions have affected performance in the year. Our customer onsite activities such as print services were significantly impacted by changes in office use although core annuity services such as our data centre activities did not face the same issues. The final quarter saw a return of product activity in most sectors, with previously postponed projects being brought back to life benefiting our professional services business. We have also seen volumes for field service and print related services increase as many of our customers are able to start a return to work.

SCC

In response to the decline in demand and the future uncertainty we placed increased focus on costs, reducing unfortunately, our headcount. Where feasible we furloughed staff and the availability of this scheme has undoubtedly saved many roles in our business where we were unable to see a return in demand.

Throughout the period, despite the market challenges, we have continued to take a long-term view of our business and we have continued to invest. We completed the refurbishment of our Global headquarters and our new UK Field Services IT platform went live. We were also able to maintain some investment launching the Digital Innovation Hub at the South Warwickshire hospital. Working in conjunction with the NHS trust and opened by the UK Health secretary in December 2020, this initiative deploys new digital solutions in healthcare utilising artificial intelligence and machine learning in practical environments supporting medical practitioners.

France
Under the leadership of our local CEO and executive team, performance in our French technology business has been particularly strong with our public sector and software practices leading growth in country revenues of 11%. Operating profits grew in the year by £15m, an improvement of 95%.

Growth came from new and existing customers with our product and software businesses leading the higher turnover. Strong software services with private and public sector clients supported our supply business which grew by 12.5%. Notable contracts include an extended 5-year relationship with Safran; new services contract with the Ministry of Justice, IOT contracts with SNCF and a new relationship with Klesia. We are now also supporting UGAP by providing consultancy licencing and services around Microsoft Workspace solutions.

During the year we have developed enhanced consultancy services and via our Helios web platform we are now able to support existing and many new businesses with their software procurement and asset management. As software moves towards more subscription-based models, we are already enabling 50 customers to join this digital journey with this new service.

Since the introduction of health measures linked to the pandemic, customers in France have significantly changed their way of working, adopting teleworking or abandoning projects. Our service activities have been particularly affected by the current health crisis, with nearly 75% of these activities on site, requiring a close relationship with infrastructure, equipment, the environment, or client users directly. Whilst all sectors have been impacted, private sector business in aeronautics and the automobile industries have been most severely affected. Wherever possible we have adapted the working practices of our own staff to the remote working conditions and provided flexibility to support them with the effects of the restrictions on their own families.

Extended lockdowns from Covid 19 affected our services business, turnover for which fell behind the prior year levels until the final quarter recovery to finish flat on the year. Cost efficiency plans underway prior to the start of the year have helped to improve performance in the services business although this was not sufficient to offset the impact of the pandemic.

Given the initial uncertainty in our services business in particular, transformation plans were put in place early in the year to correct our cost base in both our product and services businesses and these programmes continue. Significant disruption to our services business during the year with varying levels of customer activity required the management team to utilise the governments partial employment scheme which provided support during the year, which helped retain staff until such time as customer demand returned or changed permanently and resource levels could be corrected and to maintain high levels of customer service.

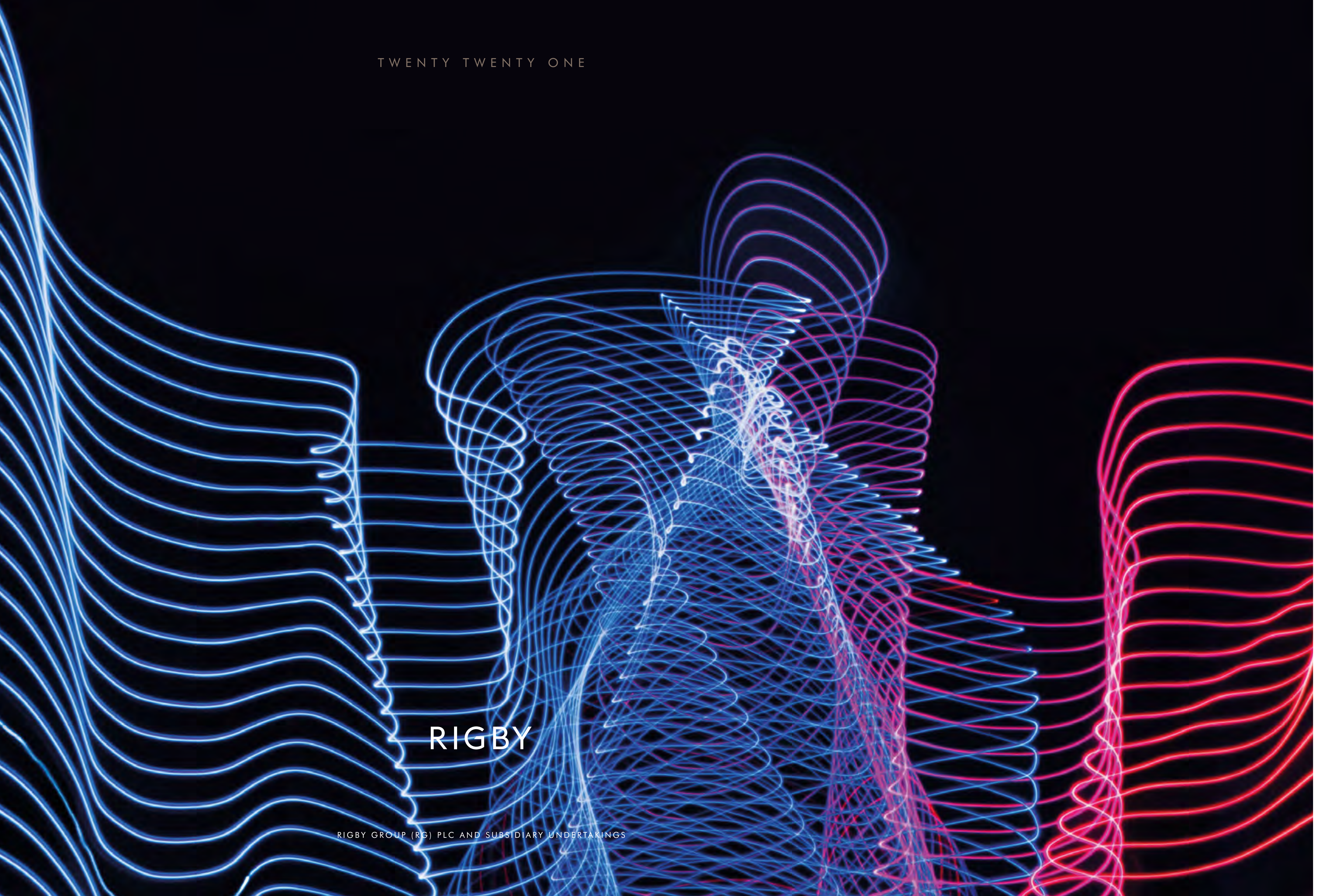
We have continued to review our organisation making changes to our sales divisions and reorganising our operational departments to become more efficient. A key element of our transformation plan has been the modernisation of our supply chain management through creation of a new operations department to which we appointed a new Chief Operating Officer. We will improve client services, operational efficiency and will integrate this activity with our IT transformation programme to develop long term solutions and to support future logistics solutions.

As our current service desk operations are projected to reach their capacity of 300 heads in the coming period, we have taken steps to continue to invest by opening a new service desk, "AltimanceA" in Montlucon in the Allier region at the site of our recycling business. New customers are already being supported from the location

'WE HAVE CONTINUED TO TAKE A LONG-TERM VIEW OF OUR BUSINESS AND WE HAVE CONTINUED TO INVEST.'

‘ADAPTING TO CHANGE BY ENABLING NEW WAYS OF WORKING.’

TWENTY TWENTY ONE



with 60 new staff in place. The new location will complement existing activities in Valenciennes and at our Group delivery centre in Romania supporting our multi-national clients.

Our leasing business in France - Rigby Capital, partners with our core SCC business to deliver financing solutions, has seen a 58% growth in operating profit to €4.9m. As the IT market moves towards more “as-a-service” offerings we expect this part of the business to continue to grow and make a valuable contribution towards future profitability.

SCC France were awarded the Partner Excellence Award by the data security and analysis vendor Varonis. Together with SCC in the UK, SCC France attained the status of both “Marketplace Skilled Consulting Partner” and of “Advanced Consulting Partner” with Amazon Web Services. In addition, we were recognised by Citrix and as the Purestorage partner of 2020.

SCC France have received ISO27001 accreditation for their Information Security Management System and moved from a Gold to a Platinum EcoVadis certification joining the top 1% of technology businesses at this standard.

SCC France and the Rigby Group have been working with the Secretary of State for Digital Transition and Electronic Communications, and Business France to create an industrial technological hub with the first phase in the Paris-Lyon-Marseille regions. The objective for SCC is to establish itself as a technological federator allowing local authorities and technological suppliers to accelerate the adoption of new applications and support for startups companies nationwide.

In the new financial year we will to continue our transformation programmes to optimise our organisational efficiency and to reduce the cost of delivery in our services business, both of which are important in supporting and growing our operating profit returns.

With Covid 19 still having an impact in France we will continue to operate our remote working solutions for as long as necessary to support our employees and our customers. In due course we will be refurbishing our Paris headquarters offices to make the space more modern and supportive of our staff and for enhanced collaborative working.

In **Spain** local conditions resulted in our teams working from home for the whole of the year and despite this disruption we have been able to complete a change of office location to a smaller office in Madrid and deliver strong financial performance. Operating profit has risen by €0.4m to €1m.

Global Delivery Centres in **Romania** and **Vietnam** have continued to provide support to customers in the UK and in France. Offices in Iasi, Romania have been relocated with the same planned for our Bacau location, changes which will enhance the staff experience, and which demonstrate our commitment to the country and the support services the teams provide. SCC Romania was recognised at the CEE Business Services Awards as the most transformed workplace in the year. Our Vietnam operation has grown to become an increasingly important element in both support to customers and development of internal software and support.

In Summary for the Technology Division. Our balance sheet and cash reserves are strong, and we continue to look to grow the business organically and through acquisitions where appropriate. With a broad-based vendor independent capability, re-envigored management teams and robust efficiency and transformation programmes, our technology operations have adapted well to the change of the past year and should prosper in the coming year.

AIRPORTS

REGIONAL AND CITY AIRPORTS –
A LEADING UK AIRPORT OPERATOR
TURNOVER £40M -34%, OPERATING PROFIT £0.5M -95%,
EBITDA* £3.4M -75%

RIGBY

ALTHOUGH HUGELY AFFECTED BY THE CESSATION OF AIR TRAVEL, WE REMAIN COMMITTED TO OUR AIRPORTS DIVISION WHICH HAS ADAPTED WELL TO THE EXCEPTIONAL TIMES AND ALTHOUGH PROFITABILITY HAS BEEN ALL BUT REMOVED THIS YEAR, WE HAVE STILL DELIVERED AN OPERATING PROFIT WHICH WHILST MODEST IS A CREDIT TO THE ACTION TAKEN BY THE EXECUTIVE TEAMS TO ADAPT AND FIND NEW REVENUE STREAMS.

4 AIRPORTS,
4 LUXURY JET CENTRES,
CAA TOP RATING

Our Airport division (RCA) owns and operates Bournemouth, Coventry, Exeter, and Norwich Airports, and holds management contracts for Blackpool and Solent Airports. RCA also owns and operates XLR Executive Jet Centres, a fixed base operator (FBO) with a portfolio of four luxury private jet centres at Birmingham, Liverpool John Lennon, Bournemouth, and Exeter Airports.

Trading throughout the year took place in the shadow of the Covid 19 pandemic which fundamentally disrupted the everyday lives and travel patterns of citizens and businesses around the world. Travel has been one of the hardest hit sectors, with three separate lock downs in England restricting people's ability to move around both domestically and internationally.

Early in the year airlines cancelled flights and shut down many operations. Despite some relief from restrictions in summer 2020, there was little opportunity to restart significant domestic or international travel. Throughout the period RCA continued to work closely with government, both in its own right and as a board member of the Airport Operators Association, to communicate the impact of the health restrictions on regional airports, to ensure government support and to help inform government plans to enable the safe restart of travel.

RCA recognised that the year would be heavily disrupted by the pandemic and acted quickly and decisively to mitigate as far as possible the impact on its revenues and liquidity. It was necessary to make extensive use of the Coronavirus Job Retention Scheme (CJRS), whilst seeking to retain as many skilled employees as possible to ensure operations could be restarted when permitted. Nevertheless, the Group regrettably had to make structural reductions in its staff numbers, resulting in around a 30% reduction in the number of employees across the division. Support was also available from the government's Airport and Ground Operations Support Scheme (AGOSS) and Local Restrictions Support Grants (LRSG) and Additional Restrictions Grant (ARG) schemes.

With the Aviation industry so significantly impacted by the pandemic and with changes in government restrictions during the year it has not been possible to maintain prior year levels of financial performance.

Whilst overall turnover for the year fell by 34% to £40m and operating profit fell by £10.6m to £0.5m, we still delivered an EBITDA of £3.4m supported by an expansion in cargo operations which helped to boost turnover at Bournemouth Airport by 36% to £22.8m.

The fair values of our investment properties have risen during the year also helping operating profit by £2.3m and reflecting the resilience of these investments with tenants primarily in the ecommerce and distribution sectors proving resistant to the impact of the pandemic.

During the year it was necessary to close our travel agency business, Travel Norwich Airport Limited to support our financial position. The business was unable to make profits and there was no realistic means to make the business viable.

* see page 59 for definition of EBITDA and the reconciliation between EBITDA and Operating profit.

Businesses based at our airports are important partners and it was essential that support was offered as far as possible to help them navigate the pandemic and be ready to recover strongly. Offshore oil and gas transport operations, professional pilot training, military operations, Maintenance and Repair Operations (MRO), cargo and overnight mail operations have all continued from RCA's airports throughout the pandemic, ensuring these crucial services could continue to support local regions and the wider economy.

RCA welcomed 186,000 passengers and handled 152,000 flights in the year a passenger reduction of 92% on the previous year, reflecting the extent of the travel restrictions.

At Exeter Airport, many of the routes operated by flybe were filled by new airlines and whilst these routes were then unable to start due to Covid 19, the outlook for the recovery of the domestic network from Exeter looks more positive. We have been able to attract a major new MRO organisation, Exeter Aerospace, part of the Dublin Aerospace Group, to the modern hangar facilities that will become available in 2021. In addition, Exeter Airport reached an agreement with two local authorities for the widening and modernisation of the road infrastructure, a key project for the future development of the airport.

At Norwich Airport, work was completed on KLM UK Engineering's new 54,000 sq. ft hangar and adjacent workshop facilities, enabling that organisation to compete even more strongly with state-of-the-art facilities. Norwich Airport achieved a key strategic objective by finalised arrangements to insource the supply of aviation fuel through the acquisition of a new fuel farm asset with operations transferring from the incumbent operator in April 2021.

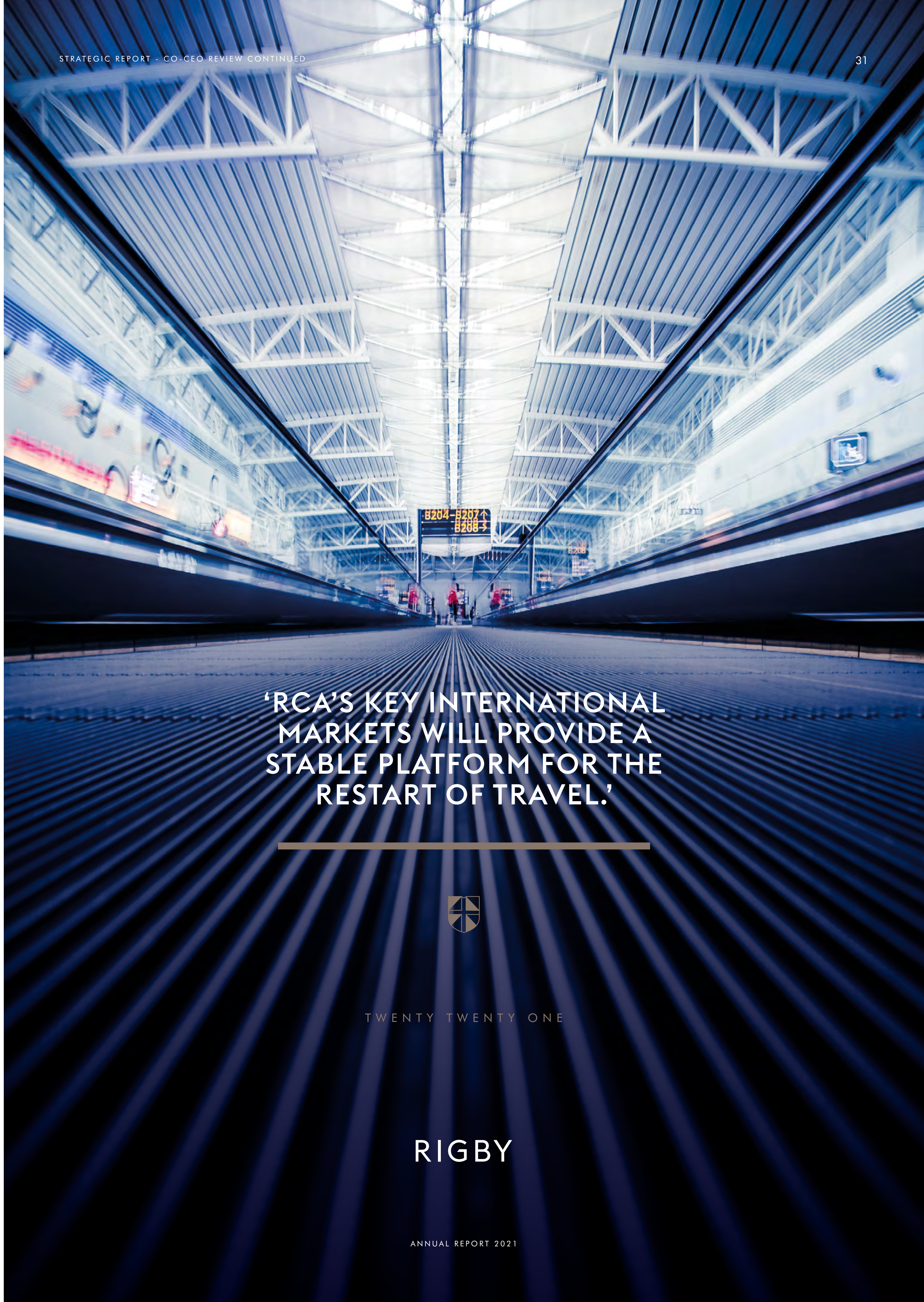
At Bournemouth Airport, with little passenger activity for most of the year we were able to develop cargo operations to support the urgent requirement for certain types of goods in the UK. Investment has been made in a new cargo transit shed and handling facilities for a major new customer who is in the early stages of developing a global network from the airport. Cargo activity is now established as a key strategic opportunity for the Airport beyond the Covid 19 recovery phase.

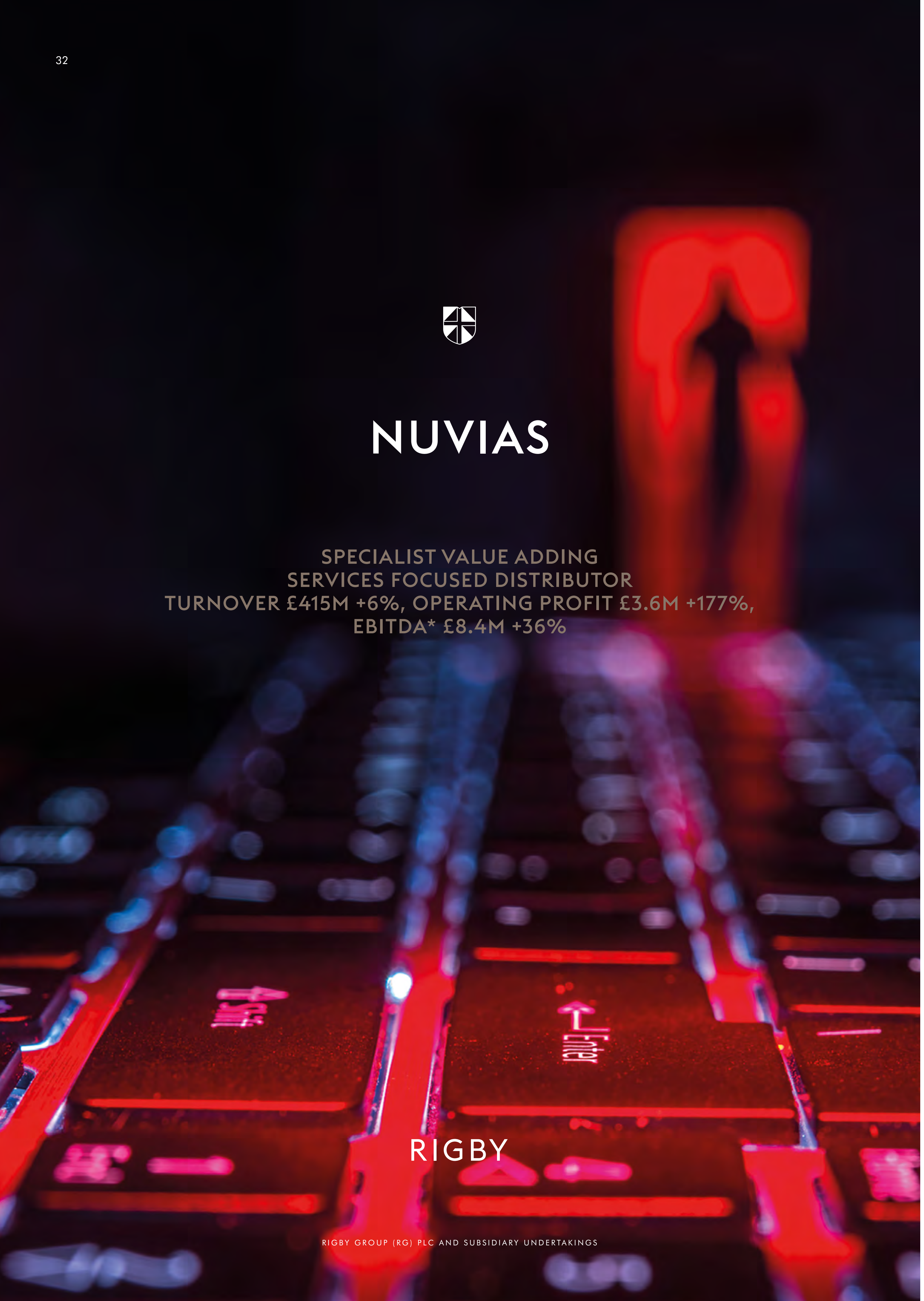
XLR's jet centres continued to trade throughout the year, offering their class leading services to the UK military and other clients ranging from elite sports teams to private travellers.

Throughout this unprecedented period, RCA has relied heavily on its excellent people, with employees across the Group going above and beyond to ensure the ongoing safe and secure operation of the Group's businesses in the face of adversity. The government's announcement that it intends to review the level of domestic Air Passenger Duty with a view to reducing this burden on domestic flights is very welcome and it is hoped the outcome of the government's consultation will result in a positive change that is vital to ensure the sustainability of regional air connectivity in the UK.

Regional airports are vitally important to the economic development of the regions in which they are located. RCA's strategy is to help smaller regional airports to prosper through effective management and collaboration, enabling them to benefit from the economies of scale and sharing of best practice traditionally enjoyed by larger airports, and to promote the enormous social and economic benefits offered by regional airports in the UK. Looking forward, our Airports division will continue to face challenges from the pandemic with considerable uncertainty about the timing and nature of the restart of international travel in particular, however there is growing confidence that the successful vaccination programs gathering momentum not only in the UK but in RCA's key international markets will provide for a stable platform for the restart of travel, albeit in the short term with varying degrees of restrictions which will dampen demand.

Overall, the division has taken the necessary actions during the year to be well prepared for the post Covid 19 recovery phase and has opened new revenue streams which will endure post the pandemic. Liquidity has been supported in part by Rigby Group funds and in the main by the Airport division's funding partners who have provided covenant waivers and repayment holidays. We expect to agree alternate covenants for the remainder of the current financing term and to conclude refinancing within the next twelve months. Within these expectations, the division has adequate liquidity until operations return to normality.





NUVIAS

SPECIALIST VALUE ADDING
SERVICES FOCUSED DISTRIBUTOR
TURNOVER £415M +6%, OPERATING PROFIT £3.6M +177%,
EBITDA* £8.4M +36%

RIGBY

OPERATING IN MORE THAN A DOZEN EUROPEAN COUNTRIES, THE NUVIAS DIVISION IS OUR SPECIALIST VALUE ADDING DISTRIBUTOR OF CYBER SECURITY AND ADVANCED NETWORKING PRODUCTS WITH A DEDICATED BUSINESS UNIT FOR OUR UNIFIED COMMUNICATIONS SOLUTIONS, "NUVIAS UC".

CYBER SECURITY, ADVANCED NETWORKING AND UNIFIED COMMUNICATIONS

Turnover for the division has grown by 6% to £415m, a return to growth after a modest decline in the prior year. Despite the disruption of the pandemic, we have built on the foundations established in previous years, delivering growth of 36% in our key divisional profitability measure of EBITDA, which rose to £8.4m from £6.1m in the previous year.

Distribution of Cyber Security solutions and Advanced Networking grew by 5% to £352m, continued the development of the division's management and governance structures whilst managing through the impact of the pandemic. Unified Communications grew by 11% to £63m.

Nuvias: Cyber Security and Advanced Networking
Our organisation has evolved, creating a new vendor alliances Group bringing all vendor engagement under single executive responsibility to enhance and expand vendor partnerships and appointing a digital transformation and customer success executive to consolidate and drive our digital agenda, essential to support revenues from subscription services and "as a service" solutions. We have consolidated our regional management and brought together business development and marketing activities.

Divisional governance has been enhanced with a new chairman and non-executive roles filled by shareholders and executives from the wider Group supporting the more streamlined executive team.

Maintaining service levels whilst adapting to the health restrictions has been an important achievement, with employees supported through work from home and partial office openings through the year as appropriate to their national territories. Prior year investments in systems and careful integration of acquisitions have supported our ability to maintain and improve customer service levels and support the success of our future growth potential.

Focus on our customer and vendor partnership has been important over the year and essential for our future, with recognition of progress reflected in several EMEA and a Global supplier partner awards. During the year we were awarded EMEA partner of the year for Fortinet, Juniper and Riverbed.

As markets reopen and the impact of Covid 19 subsides we anticipate increased demand for both cyber technology and advanced networking. Many companies are moving to hybrid working, maintaining offices as the main hub for work, whilst continuing to support home office working. A need for technology is being created beyond the already expected increase in demand for Cyber Security products and Advanced Networking solutions.

In the coming year we expect to continue to grow with our existing vendors and partners and to add new partnerships to further deepen our value propositions to support partners in Cyber Security and Advanced Networking. As the market accelerates the move to "as a service" models we expect to launch new subscription services, enriched with Nuvias services to help assure customer success through the channel.

* see page 59 for definition of EBITDA and the reconciliation between EBITDA and Operating profit.

We expect to grow organically and where appropriate by acquisition. Following the end of the financial year we acquired Cloud Distribution Limited a UK distributor specializing in cloud-first, innovative, cyber security, networking and "software as a service" solutions.

On 1 April 2021 we acquired the remaining share capital of Nuvias UC and we are pleased that the business has delivered improved revenues and started a journey of significant change in scale and organisation. Nuvias UC is aiming to be the leading European reseller of value-added distribution and UC services and solutions.

We provide a range of innovative services and solutions designed to secure customer success and accelerate partner and vendor growth. By collaborating with leading technology suppliers, we provide security, agility and manageability for clients, networks, and cloud technology solutions through an ecosystem of channel partners. Our history started with the provision of high-quality services as a systems integrator, then expanding our distribution capabilities providing us the expertise to bring together reseller partners, vendors, and service providers.

Overall revenue increased by 11% to £63m and whilst operating profits at £1.2m were lower-than the previous year, that year enjoyed strong margins from non-repeating business. The business closed the latest year, strongly poised for significant growth to become a £100m revenue business and with improving operating profitability projected.

Strong growth from key vendors Poly and Yealink over the second half of the year has driven overall revenue improvement and with European wholesale and agency distribution of Zoom now secured, we expect to grow further in the coming financial year.

Our customer base has expanded following our investment in 20 highly skilled staff to support customers previously supported by ScanSource in the UK and in France bringing growth in our market share of Poly video to 45% from less than 20% in the year before.

Covid 19 did impact the business with lower on-premise activity and a significant shift in demand towards headsets, bringing more revenue but at lower margins. Like our other technology related businesses, our teams have been able to work well remotely throughout the year and have successfully support growth and significant change in the business. We were able to avoid making redundancies and only minimal use of government CJRS support required.

Nuvias UC has now begun to evolve from a successful owner managed and led business into a rapidly growing business with a broad management team. Led by a new Chief Executive Officer and supported by a new non-executive chairman growth in headcount from 90 to 150 is expected to take place over the coming year.

Vendor relationships are very important to our success and we have continued to develop those partnerships during the year. Our relationship with Zoom Video Communications has now expanded so that in addition to being an agent we are also now appointed as distributor across Europe. Since the end of the year we have added the UK distribution of Logitek to those important partnerships.

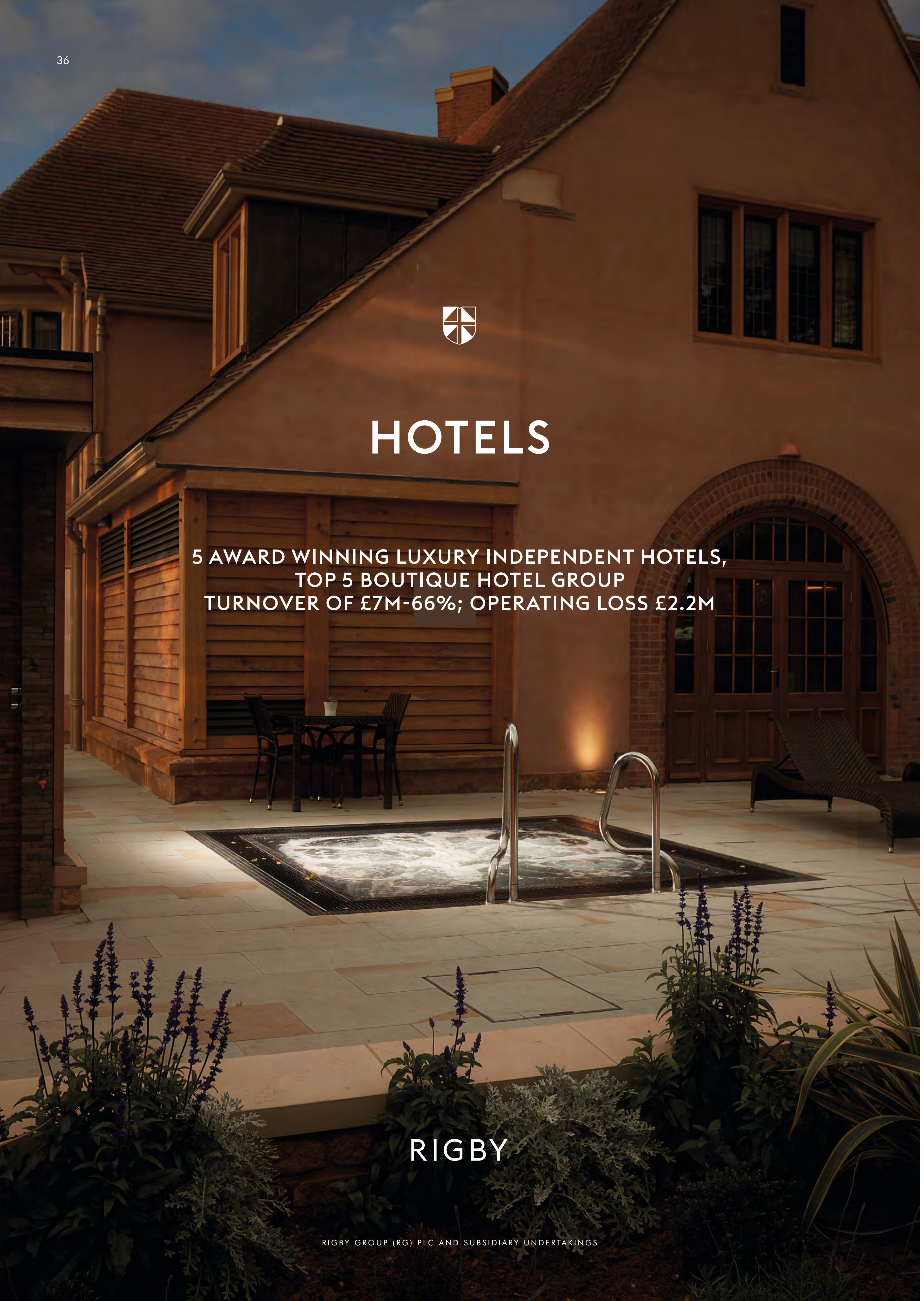
With increased awareness and demand for Unified Communications solutions heightened by remote working, Nuvias UC is in a good position to continue its journey of growth and to deliver enhanced returns as the business matures over the coming years.

Growth prospects are good, and we have already seen higher revenues in France in the final quarter of the last financial year following the investment we made in new people and in the coming year we plan to invest further in the Netherlands and in Germany.

Prospects for our unified communications business in general are very positive and although the impact of Covid 19 will still be a factor in our key markets we look forward to a year of growth and positive change in an exciting marketplace.

Our Nuvias division has matured and with "in demand" services and solutions, we expect that the investment of prior years will bring strong returns for shareholders in the future.

'BY COLLABORATING WITH LEADING TECHNOLOGY SUPPLIERS, WE PROVIDE SECURITY, AGILITY AND MANAGEABILITY.'



HOTELS

5 AWARD WINNING LUXURY INDEPENDENT HOTELS,
TOP 5 BOUTIQUE HOTEL GROUP
TURNOVER OF £7M-66%; OPERATING LOSS £2.2M

RIGBY

WITH THE HOSPITALITY SECTOR SIGNIFICANTLY IMPACTED BY COVID 19 AND WITH ALL PROJECTIONS INDICATING A PROTRACTED PERIOD OF TRADING DIFFICULTY, WE INSTIGATED A RESTRUCTURING PLAN TO PUT THE BUSINESS IN THE RIGHT SHAPE FOR THE RETURN OF DEMAND.

PERSONAL CARE AND ATTENTION, OWNERSHIP AND DEDICATED TEAMS

With trading dominated by leisure which has been curtailed for much of the year, and with an absence of corporate events and weddings it was necessary to make significant changes.

Turnover for the year declined to £7m from £20m in the previous year as the business was materially impacted by Covid 19. Operating losses are £2.8m from £9.2m in the prior year which included impairments of £6.6m.

Three loss making hotels were sold, two of which were disposed of in the year and the third shortly after the close of the period. A complete review was undertaken of the remaining operational teams and cost base following which it was necessary to remove 28% of our headcount through voluntary and compulsory redundancies, to protect the long-term future of hotels. Government support from the furlough scheme was important to enable us to open hotels in July 2020, although the ongoing restrictions and variations to them, made substantial opening of hotels very difficult in particular as regional tiering made travel and therefore visits to our hotels at best problematic. Multiple changes to regulations in November and December hampered planning and the associated restrictions resulted in the collection's hotels being open for only 33% of the year with some hotels for as little as 14 weeks.

The combination of the restrictions which prevented opening hotels and the effect of those which were sold have reduced turnover which was down 66% compared to the prior year. Overall operating losses for the division reduced by £6.4m to £2.8m of which £2.0m is represented by hotels which are continuing to trade in the coming year. Hotels which we have now sold did not trade in the year, accounting for £3.1m of the turnover decline and £800k of operating losses, a reduction of £1.6m over the prior year.

Government support in the form of business rates reduction, CJRS, local support grants and lower VAT rates has helped to soften the impact of the pandemic although restructuring and hotels disposals have also been fundamental to the improved financial position.

Despite the decline in customer numbers, the division embraced the need for Covid 19 safe customer assurance, participating in the safe assurance schemes - "We're Good to Go (Visit England)" AA Covid 19 Confident, and "World Travel & Tourism Council (WTTC) international 'Safe Travels" as well as ensuring that the appropriate guarantees were in place for those customers with sufficient confidence to book with deposits.

Our Hotels remain focused on providing a high-quality experience for customers and a good place to work for our staff. Our strength comes from the individual nature of our Hotels, the care and attention that comes from personal ownership and our dedicated teams who care deeply about their guests and hotels. Reflecting on changing customer demands, we have rethought and rebranded our restaurants at Bovey Castle, Mallory Court and The Arden Hotel.

'OUR HOTELS REMAIN FOCUSED ON PROVIDING A HIGH-QUALITY EXPERIENCE FOR CUSTOMERS.'

TWENTY TWENTY ONE

RIGBY

Despite the turmoil of the financial year our restructuring has improved financial performance and we have started the new financial year with strong advance bookings from pent up demand and signs of a return of corporate interest in use of our venues. Furlough support has enabled us to continue to retain key staff and the government support for business rates will also continue to be required to provide support until demand fully recovers and restrictions recede.

Attracting and retaining staff in the hospitality sector is currently a challenge and will continue to be a priority for us in the coming year however we will not compromise on the high standards we set and are optimistic that all of our Hotels will be an attractive place to work and experience for customers to enjoy.

Our Hotels division has taken significant steps in response to the leisure restrictions to transform and be ready for the return of customers. As the economy starts to open and restrictions decline, the division can look forward with some confidence having acted early to implement a robust plan and prepare to generate profits in the future. With strong bookings, and improved financial performance, we can look forward to the coming year.

RIGBY REAL ESTATE

THE GROUP'S COMMERCIAL REAL ESTATE BUSINESS TURNOVER £3.0M +9%; OPERATING PROFIT £2.6M -81%; 21% INCOME GROWTH.

RIGBY

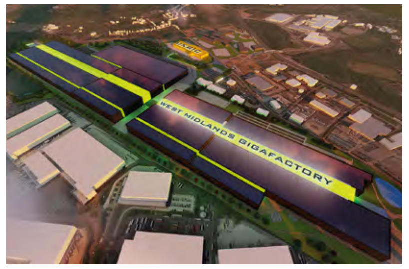
IN OUR REAL ESTATE DIVISION (RRE), THE GROUP'S COMMERCIAL REAL ESTATE BUSINESS, KEY PROJECTS HAVE BEEN COMPLETED AND OUR RENTAL OPERATIONS PROVED TO HAVE A CUSTOMER BASE RESILIENT TO THE PANDEMIC. NEW PROJECTS ARE LED BY THE IMPORTANT WEST MIDLANDS GIGAFACTORY PROJECT AT COVENTRY AIRPORT.

LOCATION FOR A PROPOSED UK GIGAFACTORY DEVELOPMENT

INVESTMENT, DEVELOPMENT, REGENERATION

8,000,000 SQ. FT. OF DEVELOPMENT

£32M PROPERTY PORTFOLIO; 500 ACRES OF DEVELOPMENT LAND; 200 OCCUPIERS



In our Real Estate division (RRE), the Group's commercial real estate business, key projects have been completed and our property portfolio proved to have a tenant base resilient to the pandemic. New projects are led by the important West Midlands Gigafactory project at Coventry Airport, for which first stage planning has been submitted.

RRE has continued to develop core airport related projects at Norwich Imperial Park and at Bournemouth Aviation Park. Norwich Imperial Park is located at Norwich Airport and Bournemouth Aviation Park is positioned at Bournemouth Airport. Both airports are owned by the Rigby Group and operated by the Group's Airports Division.

Divisional turnover for the financial year improved by 21% and whilst operating profit reduced by £11.1m underlying profitability (excluding the impact of the division's prior-year disposal of its interest in the Coventry and Warwickshire Development Partnership) increased by 64% to £2.6m.

At Norwich we completed a 2-bay airside hangar and workshop 70,000 square metre facility for KLM UK Engineering, a £7m investment on behalf of Norwich Airport which provides expanded capacity for aircraft maintenance and repair services. The development continues our programme of investment in the region and at a location where we have further planning in process for the coming year.

At Bournemouth, our rental properties proved extremely resilient to the Covid 19 pandemic with rental occupancy rates at over 95% throughout the year and a low level of churn. With customers operating in distribution and e-commerce, sectors which have not been as adversely affected as others, we have maintained good operational performance and cash collection rates. RRE's management of Aviation Park has created a long-term resilient revenue stream with sector diversified tenants.

Rigby Real Estate is developing a proposition for Coventry Airport to be the preferred site for a West Midlands Gigafactory and an outline planning application is now being brought forward by a Joint Venture made up of Coventry City Council and Coventry Airport Ltd, supported by the West Midlands Combined Authority, Coventry & Warwickshire LEP, Warwick District Council, and Warwickshire County Council. A Gigafactory is a fundamental piece of national infrastructure needed to manufacture electric vehicle batteries at scale.

Coventry and Warwickshire have emerged as a centre of excellence in battery technology and has successfully facilitated the delivery of the UK Battery Industrialisation Centre adjacent to which is the site for the Gigafactory. Also close by is the Warwick Manufacturing Group at Warwick University, which is delivering cutting-edge research and industrial partnerships in battery technology. Our proposals will create at least 4,500 jobs directly and tens of thousands more in the supply chain.

Looking forward to the coming year, the division has exciting opportunities notably the West Midlands Gigafactory site location to develop at Coventry airport and we are confident that the division will continue to identify and develop opportunities focused on our other airport locations.

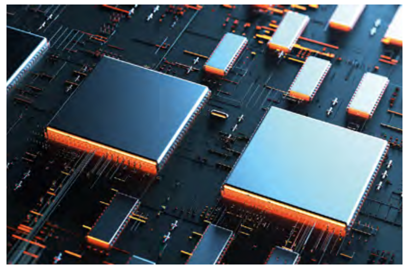
RIGBY CAPITAL

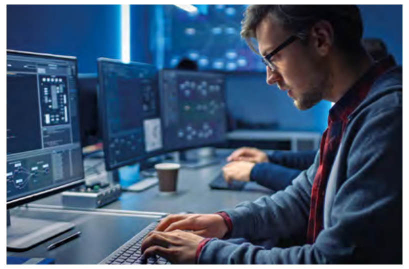
TOP TEN INDEPENDENT EMEA TECHNOLOGY FINANCING GROUP (UK AND FRANCE)
TURNOVER £53M -24%
RIGBY CAPITAL UK OPERATING PROFIT OF £0.6M (FY20 LOSS £(0.2)M)

RIGBY

RIGBY CAPITAL WORKS WITH OUR GROUP BUSINESSES, AND WITH INDEPENDENT THIRD-PARTY ORGANISATIONS SUCH AS IT DISTRIBUTORS, IT VENDORS, IT RESELLERS AND DIRECTLY WITH ENTERPRISE CUSTOMERS TO PROVIDE INNOVATIVE FINANCE SOLUTIONS FOR PROCURING IT AND TECHNOLOGY RELATED EQUIPMENT.

ENABLING 'AS A SERVICE' AND WORKING CAPITAL MANAGEMENT





As investment priorities adjusted to the economic effects of Covid 19 over the last financial year, turnover for Rigby Capital UK was impacted, declining by 24% to £53m. Covid 19 affected activity in key sectors such as office print and disturbed and delayed the nature and timing of our customers' buying and financing decisions. Despite the decline in turnover and ongoing economic uncertainty, the executive maintained focus on reducing overhead spend which has decreased by 14% on prior year with much lower travel related expenditure and other discretionary spend.

Rigby Capital provides lease receivable and payment structures across hard and soft assets directly and indirectly creating bespoke programmes for customers. As well as standard lease products, Rigby Capital aims to embed innovative finance solutions in response to the market trend towards subscription-based or consumption-based procurement and ownership models, helping customers and partners to embrace these trends.

Our shared service business model which leverages the UK and French operations continues to evolve with a change to the leadership within the UK business and finance now consolidated under single leadership. Each country's sales organisation has been restructured to focus on sales enablement supported with new investment in marketing and program management. Refreshing our systems and processes to make the business fit for the future has been a focus area for the business and a roadmap is in place to make enhancements to support future growth.

In the UK the business delivered an operating profit of £0.6m which is an improvement over the losses in the previous year due predominantly by the impact of the maturing portfolio on secondary rentals.

Our French business, the results of which are included in the performance of our Technology division, has performed well over the last year returning operating profits of £4.4m. Organisational changes to combine the management of these related businesses commenced in the previous financial year under a single Chief Executive Officer, single Chief Financial Officer and single Chief Operating Office with a separate Managing Director for each business and have been successful in delivering best practice, risk management, governance and cost-effective system and product development.

We have developed a clear niche as one of the few non-bank owned companies focused on developing solutions to support customers 'as-a-service' solution's alongside of the needs of channel resellers and vendors for working capital based solutions. Working through our technology businesses in the UK and in France and with channel partners we aim to continue with this strategy in the coming years whilst ensuring we maintain balance in the asset categories we finance.

Looking ahead the demand for financing solutions remains strong and the relevance of Rigby Capital in providing 'as-a-service' together with working capital solutions is such that we continue to have confidence in the potential for the division to provide significant returns to the Group.

ALLECT INTERNATIONAL DESIGN

INTERNATIONAL DESIGN GROUP BRINGING TOGETHER THE FINEST NAMES IN LUXURY INTERIOR DESIGN.
TURNOVER £23M -3.4%
OPERATING PROFIT £0.2M
(FY20 LOSS £(1.4)M)

RIGBY

ALLECT IS OUR INTERNATIONAL DESIGN GROUP WHICH BRINGS TOGETHER DEVELOPMENT MANAGEMENT, ARCHITECTURE, INTERIOR DESIGN, CONSTRUCTION AND PRIVATE CLIENT SERVICES. THE GROUP TRADES UNDER THREE INTERNATIONALLY RECOGNISED BRANDS: RIGBY & RIGBY, HELEN GREEN DESIGN AND LAWSON ROBB DESIGN.

BASED IN LONDON, UK
MULTI-DISCIPLINARY STUDIO OF PROFESSIONALS SPECIALISING IN ULTRA-PRIME DESIGN AND DELIVERY

Our year was impacted by the pandemic, which initially prevented access to sites with construction activity slowing notably in April and May and later reduced the speed of our building and development cycles. Despite this, the division delivered a vastly improved result in the year.

By their nature, design and construction projects are not short term in their creation or delivery, nor are they consistent in value, resulting in fluctuating annual performance in line with project timelines and values. The quantity and quality of our projects is key to our success. We have been able to complete a number of important projects this year and although our turnover declined modestly by 3%, the financial performance of the business has improved significantly with operating profits increasing by £1.6m, from an operating loss of £1.4m in FY20 to an operating profit of £0.2m in the current year.

Our operational and financial performance benefited from a lower overhead cost base following the integration of the three separate trading divisions into one business, delivering a single more effective and efficient business. The Group implemented operational and organisational efficiency programmes developed in the prior financial year, driving lower overheads and a more agile management structure.

Despite the challenges of Covid 19 we have continued to develop our national and international presence through the year and are now working in 16 countries. We continue to mitigate the risk of exposure to one sector (super prime residential in London) by diversifying into multiple sectors and jurisdictions. We are engaged on the designs for two superyachts for private clients, Hotels in Monaco and London, a private family office in Oslo, retail and offices in the UK, a restaurant in the UK, in addition to residences in the UK, Thailand, Japan Dubai, Russia and Austria,

All of our brands featured in the Great British Brands 2021 Edition, we have achieved a Blue Plaque award from English Heritage, Certificates of Excellence on two London projects and have been shortlisted in the International Design and architecture Awards 2021.

Looking forward we have been appointed on an ultra-prime private residential property development in Tokyo, working with one of the world's top architects, Kengo Kuma Associates. In the UK we have launched our Country Projects and are now the first studio to be achieve a Wellness Accreditation for private residential development.

Revenues were 3% (£0.8m) down on the prior year due to project timings and relative scale. Changes in the project mix resulted in gross margins being 7% (£0.4m) lower than the prior year, however a 15% (£0.5m) reduction in direct overheads meant that gross profit was 5% higher. Distribution and administration costs were cut by 38% (£1.3m) scaling back property requirements and centralising operations and finance.

Order books are currently full with a strong pipeline of activity over the next 18 to 24 months and, whilst planning consents can impact the timing of some projects, contracts are generally multi-year providing strong degree of comfort over the coming financial year.

AVIATION

BRITISH INTERNATIONAL HELICOPTER SERVICES,
INTERNATIONAL SEARCH AND RESCUE
REVENUE OF £23M -3.7%
OPERATING LOSS £(2.9)M
(FY20 LOSS £(4.4)M)

RIGBY

REVENUE GROWTH OF £10.6M, IN OUR KEY INTERNATIONAL HELICOPTER TRADING OPERATIONS, WHERE WE ACQUIRED PRIME CONTRACT FOR SEARCH AND RESCUE IN THE FALKLANDS ISLANDS, WAS OFFSET BY A DECLINE IN TURNOVER OF £9.7M FROM THE CLOSURE OF OUR MEDICAL REPATRIATION OPERATIONS. REVENUE IN THE DIVISION DECLINED OVERALL BY 3%.

INTERNATIONAL SEARCH AND RESCUE

BIH AS365 Dauphin Helicopter lands onboard HMS Queen Elizabeth aircraft carrier on Exercise Joint Warrior in the Irish Sea

The division's programme of restructuring instigated to address continuing losses in the previous year, was continued through into the current year and was accelerated in response to the significant impact of Covid 19 on the aviation industry resulting in significant change to our aviation division.

Our core strength is our helicopter search and rescue operations and so in order to focus on this key business, we reviewed all non-core operating assets and operations and completed a programme of disposal during the year with a few remaining assets sold after the close of the period.

In April 2020 when air travel came to a halt, the demand for international medical repatriation services operated by our Capital Air Ambulance service ceased. With no reasonable prospect of a solution to the decline in this loss-making operation, the business was wound down with a trade sale completed during the year helping to protect employment of our Channel Islands team.

Our aircraft engineering business closed in early 2020 avoiding a continuation of losses experienced in the prior year and so together with closure of the air ambulance operation, overall operating losses for the financial year narrowed by £1.4m over the previous year to £3.0m.

With lower operating costs now established and without both further closure costs and the losses from these activities which contributed £3.1m to the loss reported in the year, the business expects now to deliver an operating profit in the forthcoming year.

Our helicopter business has been able to continue delivering services and meeting its commitments to the Royal Navy sea training areas in the UK and to British forces in the Falkland Islands where we also provide Search and Rescue services. Programme management, flight operation, maintenance, logistic and facilities support 8000 miles from the UK has been tested during the past year however we have maintained high standards of operational performance. Of particular note was 5-day operation 180 miles from land during which two extensive complex rescues were undertaken in severe weather with strong gale force winds and high swell to successfully recover two casualties despite minimal time available to conduct the necessary stretcher transfer.

Looking forward the division will remain focused on its core specialism of search and rescue operations aiming to add new long-term contracts supporting public sector and defence customers around the world. Experience with modern aircraft, expertise in supporting contracts in remote locations together with a focus on maintenance and safety will underpin annuity revenues and future operating profitability.

JAMES RIGBY
CO-CEOS

STEVE RIGBY
CO-CEOS

COMMUNITIES AND THE ENVIRONMENT

The Group recognises the importance of its environmental responsibilities in each of our all divisions and all of the territories in which we operate. We seek to go beyond the legal obligations in place towards ensuring that we protect, conserve and enhance all aspects of the environment and work with the communities in which we operate, and we continue to raise employee awareness of environmental issues in order to minimise our impact on the environment.

The Group has put in place the necessary systems to manage, control and monitor performance in respect of environmental matters. It aims to reduce our energy consumption, reduce water and waste consumption, increase employee awareness and wellbeing, increase recycling across each division, decrease noise and air pollution, and decrease consumption of paper and packaging.

The Group works hard to care for all its stakeholders, including its neighbours and the wider communities in which its businesses operate. We support employee participation in initiatives that not only benefit society, but also their own development.

The Group is the main donor to the Rigby Foundation Charitable Trust which was founded and operated on the principle that success in business goes hand in hand with putting back into society and communities The Rigby Foundation invests in causes relating to lifelong learning, health and education, and is supported by strategic guidance and oversight from senior Rigby Group executives.

We recognise the importance of our environmental responsibilities in all markets in which we operate and seek to reduce our energy consumption. The large, UK-based subsidiaries of Rigby Group disclose their CO2 emissions in accordance with the Energy and Carbon Regulations (SECR). Across the Group, where we have control of the choice of energy supplier, we purchase 100% renewable zero carbon electricity.

ENERGY AND CARBON: UK EMISSIONS IN ACCORDANCE WITH THE SECR REGULATIONS

	Year ended 31 March 2021	Year ended 31 March 2020*
Energy consumption used to calculate emissions (kWh)	37,593,832	44,484,136
Emissions from combustion of gas (tCO2e)	371.300	398.926
Emissions from combustion of fuel for transport purposes (tCO2e)	1,189.613	1,990.056
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (tCO2e)	130.882	709.230
Emissions from purchased electricity	7,099.653	8,149.472
Total gross tCO2e	8,791.448	11,247.684
Intensity ratio: tCo2e/£100,000 turnover	0.29	0.4
Methodology		GHG Protocol

*2020 data has been re-baselined to ensure only reportable entities are included and to ensure energy consumed by and recharged to third parties is also fully excluded from our consumption figures.

Gross tCO2e have fallen 22% on prior year with the subsidiaries in scope of SECR having made emissions of 8,791 tCO2e, which equates to 0.29 tCO2e per £100,000 of revenue from those subsidiaries.

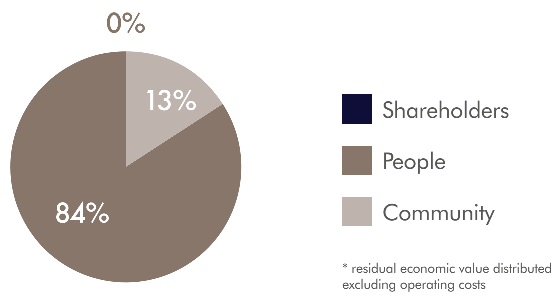
During the year the technology division, SCC, has purchased 100% renewable, REGO backed electricity where we are responsible for the supply, which our data centre customers also benefit from. They continue to work with carbon management company co2balance offsetting Scope 1, market-based Scope 2 and business travel Scope 3 emissions and are working towards achieving ISO 50001 accreditation during the next 12 months. In addition, the completion of the SCC global headquarters in Birmingham during the year is also expected to save 400MWh of electricity and 580MWh of gas annually through use of heat pumps, heat recovery ventilation, LED lighting, metering, and controls.

The group continues to improve the efficiency of our fleet and implement remote working and meeting technology to reduce the need for business travel where possible.

DELIVERING VALUE TO OUR STAKEHOLDERS

£'000 Economic Value Generated	Growth +6%	FY21 3,023,402	FY20 2,863,287
Shareholders	-100%	0	8,872
People	-3%	291,624	299,278
Communities	1%	73,104	72,160
Operating Costs	7%	2,608,783	2,434,045
Value Retained	2%	**49,891**	**48,931**

RESIDUAL ECONOMIC VALUE DISTRIBUTED*



* residual economic value distributed excluding operating costs

Economic value, represented by turnover, generated in the last year has grown by 6% to £3.0bn. Of the value generated 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.

Tax Strategy
We establish levels of risk management and governance which are appropriate to our business. These include the operation of an internal audit function and by working closely with dedicated tax specialists in our tax team.

In addition, we obtain specialist external tax advice for significant transactions and continuously improve our financial systems to reduce levels of risk where possible.

We structure our financial transactions in a manner consistent with the economic substance of the underlying activity and have no appetite for tax motivated planning, artificial tax structures, or offshore activities designed to avoid meeting our responsibilities to pay taxes.

RISK MANAGEMENT

‘EFFECTIVE RISK MANAGEMENT IS KEY TO DELIVERING OUR STRATEGIC OBJECTIVES.’

Under the current regulatory regime 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.

Risk Management is at the core of our internal control framework.
We have a risk management policy which defines how we identify, assess and manage risks throughout the organisation

The Group board's assessment of the principal risks facing the Group, and the change since last year, is presented in the following table and is not in any order of priority. Risk level is based on the possible impact of the risk and the likelihood of an event occurring.

During the year a newly appointed Audit, Risk and Remuneration Committee (ARR) has been formalised which is chaired by the non-executive director. The role of this committee is to drive internal governance and risk management across Rigby Group.

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

When assessing risk, the RG board looks to balance growth against maintaining stakeholder satisfaction and protecting the asset base of the Group and adopts the three lines of defence to risk management.

Operational Management
The senior team of each division of the Group are charged with reviewing risk and implementing and maintaining effective internal control systems to mitigate identified risk across the companies they manage. These risks and controls are reported to Rigby Group board.

Board Oversight
The Rigby Group board reviews material risks facing each business, the internal control procedures and mitigate in place to reduce the Group's exposure. During the year the Board appointed a new Risk, Audit and Remuneration Committee (RAR), chaired by the non-executive director to provide further governance and oversight over the review and monitoring of risk in each division.

Independent Assurance
The technology division, as the largest division has an internal audit function that reports into Rigby Group CFO and undertakes assignments based on risk.

Although the external auditors do not provide assurance over our control environment, the relationship we have with them is a valuable source of independent assurance over our financial statements. We are committed to supporting greater value to our shareholders from our external audit and we work closely with them to ensure that we support them in providing an annual audit which is as effective as possible.

Regular engagement through the year as part of formal Audit Committee arrangements and informal business updates are designed to keep our auditors fully appraised of changes within the business and to support improvements in the quality of assurance our stakeholders receive from our annual audit.

RISK ASSESSMENT

Understanding all of the risks facing the business is an important step to successfully managing the business for the long term. Further to the outbreak of Covid 19 the board have considered the impact that this could have on its businesses and the action taken to mitigate its impact. This impact and associated mitigation is included under the relevant principal risk below.

ECONOMIC AND POLITICAL CONDITIONS

RISK LEVEL: HIGH

Uncertain economic and political conditions may impact both the ability of the company to meet its strategic objectives customers' investment decisions

Potential Impact	Response & Mitigation	Update	Movement
• Economic downturn or uncertainty may reduce customer demand • Sustained periods of lower demand may reduce prices for goods and services • Customer defaults may increase • Corporate customers may delay investment decisions, cancel planned projects or cut back on operating expenditure • The length of any downturn and timing of recovery may have a critical impact on some businesses • Government legislation around Covid 19 may restrict the ability of businesses to operate	• Economic conditions are closely observed with credit insurance taken to mitigate customer default • The agility of the Group's operations enables quick response to adverse changes • The UK's plans to exit the EU are monitored by the Board, along with business responses • Divisional management engage with industry bodies and government representatives to understand and influence measures introduced	• Additional planning activity to review performance were put in place with more focus on cash management • Frequency of I board meetings were initially increased to facilitate decision making • Review of operating and capital expenditure has been undertaken to identify opportunities for reductions • Government guidelines and initiatives were monitored are implemented as appropriate	↔

IT INFRASTRUCTURE AND SECURITY

RISK LEVEL: HIGH

Loss of IT systems due to failure or external attack may impact the business' ability to serve customers and / or compromise data

Potential Impact	Response & Mitigation	Update	Movement
• System interruption may lead to reduced service to customers and reputational damage • Loss of Customer, personal or business data • Data breaches may result in potential financial penalties	• Security testing and investment programme to keep abreast of new threats and maintain protection • Systems are built and operate on high availability platforms with failover replication. • Delivery of IT projects is structured with appropriate levels of governance, and delivery of projects is assured from strong level of internal project management	• Covid 19 has increased potential for malicious activity. • High Standards ahead of Covid 19 underpin our ability to mitigate this risk • It has not been possible to complete refinancing in our Airports division in the year. This important facility will be refinanced in the coming year but the shorter tenure increases liquidity risk.	↑

COMPETITION AND TECHNOLOGY CHANGE

RISK LEVEL: HIGH

Failure to deliver an effective, coherent and consistent strategy to respond to competition and changes in technology

Potential Impact	Response & Mitigation	Update	Movement
• Decline in demand for our services or knowledge • Loss of market share and failure to improve profitability • Failure to identify and invest in the appropriate new technology demands or vendor developments • Failure to understand our customers and respond to changes in their requirements	• Divisional Boards actively develop and regularly challenges the strategic direction of the business and actively seek to be competitive on price, range and service • Experienced Executive teams who are practised in managing technology change • Long standing customer and vendor relationships, with careful partner selection in terms of vendors • Vendor independence allowing a selection of the most appropriate solutions for customers • Ongoing review of internal technical expertise to ensure it is up to date and relevant • Innovation teams within Divisions who are dedicated to identifying technology trends and respond	• Executives are keeping up to date with change • Covid 19 remote working accelerated the speed of change and impact on the services demanded.	↑

LIQUIDITY AND FOREIGN EXCHANGE MANAGEMENT

RISK LEVEL: HIGH

Financial risk exists that the Group does not generate sufficient cash resource to achieve its strategic objectives or meet its banking covenants. Increased exposures to volatile foreign currency fluctuations may result in financial losses

Potential Impact	Response & Mitigation	Update	Movement
• Constraints on completing new acquisitions limiting the Group's strategic aspirations • Debt may become more expensive if gearing levels increase • Foreign currency fluctuations may impact profitability and cashflows • Failure to meet debt covenants may ultimately result in facilitates being withdrawn	• 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 • Strong and open relationships are maintained with key banking partners.	• Covid 19 and the associated economic downturn have put significant stress on covenants in some divisions. • Rigby Group has worked in hand with banking partners secure ongoing access to lines of funding. • Scenario planning has been expanded and used to put informed continuity plans put in place	↑

RISK ASSESSMENT

- CONTINUED

DEPENDENCE ON KEY STAKEHOLDERS

RISK LEVEL: MODERATE

The Group is dependent on certain key vendors, customers and partners. If any one of these terminates, fails to renew or materially adversely changes its agreement or arrangements with the Group, it could harm business performance

Potential Impact	Response & Mitigation	Update	Movement
• Reduced financial performance including reduction of Group Revenue and operating profits	• Strategic reviews assess the importance of managing vendor partners • Strong and long-standing stakeholder relationships and working closely with stakeholders to meet and understand their needs • Regular meetings with stakeholders and contractual agreements in place to assess performance • Agreement of long-term contracts	• The economic environment and Covid 19 has had a significant impact on some of our key stakeholders. • Rigby businesses continue to work with and support stakeholders whilst limiting risk of financial exposure.	⟷

HEALTH AND SAFETY

RISK LEVEL: MODERATE

The Group's business is complex and varied with operations which by their nature have the potential for injuries and fatal accidents to employees, contractors, visitors and customers. The operation of airports, aviation and construction projects provide sector specific risk

Potential Impact	Response & Mitigation	Update	Movement
• Injury to staff • Breach of health and safety legislation would have a significant adverse impact on the Group's reputation and ability to maintain regulatory approvals and customer confidence	• Health and safety is managed by divisional management with Health and Safety policies updated to reflect specific sector requirements. Any incidents would be responded to with the highest rigour and priority	• Full Covid 19 assessments have been made to ensure safety of staff and customers. • Government guidelines are actively monitored and implemented as appropriate	⟷

PEOPLE

RISK LEVEL: MODERATE

The Group's future success is linked to on the continued employment of certain key employees, the availability of appropriately skilled employees in the market and the ability of the Group to attract talent

Potential Impact	Response & Mitigation	Update	Movement
• Failure to attract and retain the required capability of employees could impact delivery of our objectives • Loss of key individuals could alter relationships with key vendors and customers who are particularly important to the business	• Reviews of employee technical skill sets with action to train and enhance skills mix. • Periodic reviews of the organisational structure to enhance its depth and effectiveness • Employee incentive plans in place for key Executives • Provide ongoing opportunities for personal and professional development	• Covid 19 safe working environments introduced across all divisions as appropriate • Furlough schemes and flexible working patterns adopted where appropriate • Remuneration and growth opportunities continue to be monitored	⟷

INVESTMENT PROPERTY VALUATION

RISK LEVEL: MODERATE

The Group's exposure to investment property has grown as it invests in new opportunities. The Group could be adversely affected by a decline in the property market

Potential Impact	Response & Mitigation	Update	Movement
• Property market movements could result in fair value losses • Environmental risks - changes in building regulation and obsolescence, climate change and increased energy costs could impact profitability • In times of economic uncertainty tenants may suffer financial distress, impacting on property yields. • Economic instability increases uncertainty in the valuation of investment property, which may result in the economic value to the Group being significantly different to that stated in the financial statements	• Senior management have extensive market knowledge and experience. External advisors are used for support on significant transactions • Investment decisions are subject to thorough evaluation and subsequent approval by the Board • Regulatory changes are assessed for potential impact on property investment portfolio. Where necessary, vacant buildings are refurbished to comply with regulations • Internal Valuation expertise has been enhanced through recruitment of qualified individuals	• The property market remains very uncertain following the Covid 19 outbreak. • Rental collections are monitored and remain above market average	⟷

BRAND AND REPUTATION

RISK LEVEL: MODERATE

The Group could suffer damage to its reputation and company brands in the event of non-compliance with relevant legislation or a negative social media campaign

Potential Impact	Response & Mitigation	Update	Movement
• Damage to the Rigby family name and reputation which leads to the Group being unable to continue to deliver its strategic objectives. • Customers or vendors choose to buy from competitors leading to a decline in revenue and associated profits • Banks & other lenders choose to withdraw debt finance	• The Group prides itself on its ethical values and is committed to operating in a transparent manner • Decisions are taken based on sound third party advice and to ensure compliance with relevant laws & regulations • Senior executives are informed quickly and are able to respond quickly to emerging issues	• The Board continues to actively focus on strong corporate values and meeting the needs of its stakeholders.	⟷

FINANCIAL REVIEW HIGHLIGHTS

RIGBY GROUP (RG) PLC

RIGBY

TWENTY TWENTY ONE

TURNOVER

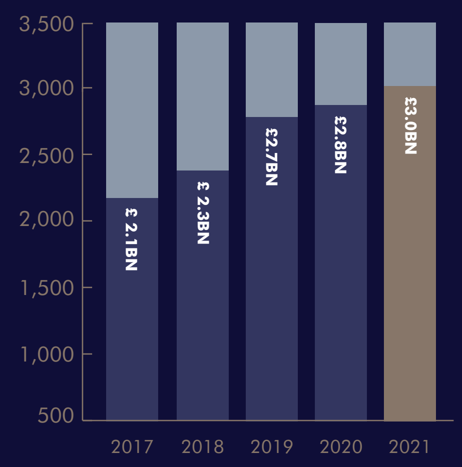
£3.0BN

+6.0%
FY20 £2.9BN

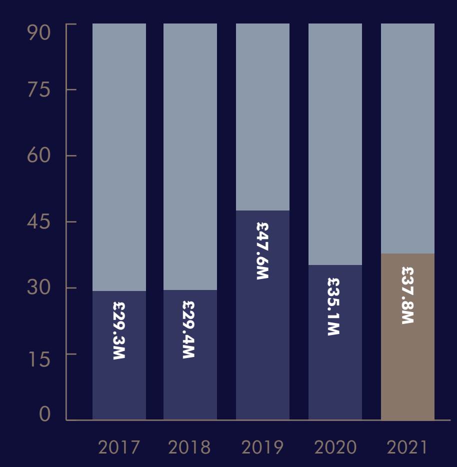
OPERATING PROFIT	PROFIT BEFORE TAX
£39.4M	**£32.6M**
+12%	+16%
FY20 £35.1M	FY20 £28.1M

CASH	NET ASSETS
£531.8M	**£323.4M**
+11.1%	+6%
FY20 £478.7M	FY20 £305.2M

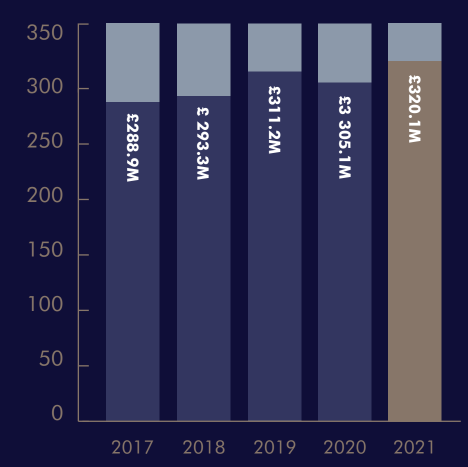
GROUP TURNOVER



OPERATING PROFIT



NET ASSETS



RIGBY GROUP FY21
GROUP FINANCIAL REVIEW

Whilst financial performance within divisions reflect the varied experiences of Covid 19, cost management and business entity rationalisation – matters dealt with in more detail in the CEO review, overall Group financial performance for the year has been good and the Group closed the year in good financial health.

Group Turnover
Group Turnover has grown overall by 6% to £3bn. Turnover is dominated by the Technology division which at £2.5bn represents 82% of Group turnover and grew by 9% as our French business performed strongly, growing 11%. Our specialist technology distribution business Nuvias also improved turnover by 6% growing to £415m. Outside of higher rentals in our Real Estate division, all other divisions showed declines due to the pandemic and consequent economic circumstances.

In the Airports division, total turnover declined by 34% as our ability to support passenger traffic out of Bournemouth, and Exeter was severely curtailed, although the impact was in part offset by new cargo activity at Bournemouth such that revenues for this airport finished up 36%. The Hotel division's turnover declined by 66% due to the very restricted capacity to open, impact of local lockdowns and the disposal of loss-making businesses which accounted for 16% of the reduction. Aviation turnover was lower due to closure of the Capital Air Ambulance business in the year and cessation of the engineering business which did not fully offset the growth in turnover of the core helicopter operations arising on acquisition of the prime contract in our Falklands operation. Rigby Capital UK had a quieter year with revenue at £38.2m, down 40% on prior year as investment priorities and decisions changed in the economic conditions.

Operating Profitability
Group Operating Profits grew by 12% to £39.4m. Growth came from the Technology division where after a weaker first half, the much stronger second half and last four months in particular, pushed annual profits 49% higher and from the Nuvias division which delivered profit of £3.5m, an improvement of £2.2m. Our Airport division closed the year with operating profits of £0.5m, a robust performance in the circumstances although this was a decline from the prior year of £10.9m.

Removing loss making businesses within the Hotels division avoided losses recorded in the prior year of £1.6m which together with significant cost action, reduced operating losses to £2.8m for the division and improvement on the prior year which was affected by asset write downs.

The removal of non-profitable activities in the Aviation division helped reduce losses and together with asset disposals and restructuring, operating losses fell to £3.0m from £4.4m in the prior year and have prepared the division for a return to profit in the coming financial year. In the Real Estate division, operating profit of £2.6m was a good performance although not comparable to the £13.6m in the prior year which arose from the sale of our interest in Coventry and Warwickshire Development Partnership.

Additional costs connected to the pandemic and consequent reorganisations occurred mainly in the first half of the year with improved trading performance, combined with a lower cost base in the final quarter improving full year operating profitability. Support from government was centred on the first half of the year where activity was constrained and margins reduced, falling away in the second half as activity and demand lifted and operating profits were supported by cost reduction programmes. Details of the support received are included in the Covid Impact Assessment below. We do not expect that government support will be a significant factor for the Group in the coming financial year, although support for our Airports division remains extremely important. We recognise and appreciate the valuable contribution made by the government support schemes in protecting our employees and in enabling the group to be ready to support customers in the second half of the year.

Significant restructuring gave rise to costs we would not expect to recur, and which do not reflect the underlying performance of the Group over the last financial year. Asset disposals in the Aviation division following closure of non-profit making activities resulted in charges of £2.0m (2020: £0) whilst redundancies and reorganisation costs across the Group totalled another £5.3m (2020: £3.9m).

Investment Property revaluations have increased profit by £3.8m. We continue to invest in airport related fully tenanted airside and land side property. Land side property remains very attractive to distribution and e-tailing businesses which have prospered well over the last year. Investment properties were valued at £127.2m at the close of the year with yield sensitivity in the range of +£9.8m to -£8.4m for a +/- 0.5% change.

Covid 19 Impact Assessment
It is not possible to measure the full adverse impact of the Covid 19 pandemic on the financial result of the business and we have not excluded any positive or negative impacts from this report.

We can however report where the Group has benefited from government support and on how the facilities made available have been used within the Group. Each division accessed the support based on its own plans only as a requirement to protect the long-term future of the business and the employment prospects of its employees. Whilst part of the wider Group, all divisions accessed support to meet their own requirements and with no funds transferred between divisions.

Support principally came in the form of national equivalents of the CJRS schemes both in the UK and in France, which comprised 90% of the support received and provided flexibility to retain employees until demand returned. CJRS schemes were used in Technology £6.1m in the UK and £2.9m in France, in Airports £6.0m, Hotels £2.7m and other divisions in total of £0.9m. Airports accessed £1.6m from the AGOSS scheme and other LRSG/ARG grants supported Airports by £0.2m and Hotels by £0.1m. The post-tax contribution from government support totalled £15.9m.

In the UK our divisions accessed support through the UK's VAT deferment scheme to protect liquidity at the early stages of the pandemic. In the Technology division this support was fully repaid by the end of the year and across our other divisions £0.8m was outstanding at the year-end and is being repaid on an instalment basis.

Corporate taxes accrued against profitability for the year totalled £11.0m (2020: £9.6m) and cash paid for corporate taxes was £10.9m (2020: £5.7m).

EBITDA
We track EBITDA by division as a key measure alongside of Operating Profit to show the impact of non-cash elements of profit. EBITDA generated in the year was £67.8m and is £1.8m higher than in the prior year, whilst growth at an Operating Profit level was £4.2m. Growth in Operating profit is £2.4m higher than that in EBITDA due to lower asset depreciation in Technology, the charge for which was particularly high in the prior year following impairments and only a partial year of negative goodwill in the Aviation division.

Group EBITDA grew by 2.7% to £67.8m

2021	Operating Profit £'000	Depreciation Total £'000	Amortisation of other intangibles £'000	Goodwill Amortisation £'000	EBITDA £'000
Technology	45,868	11,099	2,452	3,878	63,297
Airports	457	4,056	122	(1,230)	3,405
Real Estate	2,573	1	1	-	2,575
Nuvias	3,613	710	2,047	2,013	8,383
Rigby Capital Limited	640	-	-	-	640
Allect Group	214	198	39	466	917
Hotels	(2,186)	1,286	-	(0)	(900)
Aviation	(2,896)	1,781	5	(1,030)	(2,139)
Central	(8,862)	312	162	-	(8,387)
Total	39,422	19,445	4,828	4,097	67,792

2020	Operating Profit £'000	Depreciation Total £'000	Amortisation of other intangibles £'000	Goodwill Amortisation £'000	EBITDA £'000
Technology	30,707	12,015	2,332	4,238	49,292
Airports	10,982	4,056	52	(1,749)	13,341
Real Estate	13,633	1	1	-	13,636
Nuvias	1,280	730	2,060	2,000	6,070
Rigby Capital Limited	340	-	-	-	340
Allect Group	(1,353)	195	44	467	(647)
Hotels	(9,175)	1,663	-	14	(7,498)
Aviation	(4,398)	1,866	5	333	(2,194)
Central	(6,827)	349	154	-	(6,324)
Total	35,189	20,875	4,649	5,303	66,016

	2021 £'000	2020 £'000
Change in Net Cash and Debt During the Year		
Net Cash / (Debt) at the start of year	283,606	230,674
Operating Profit	39,422	35,189
Adjust for Non - Cash Items	27,067	24,905
Working Capital Movements	63,618	59,158
Tax Paid	(10,932)	(5,700)
Cash generated from operations	119,175	113,552
Capital Expenditure	(16,944)	(42,766)
Acquisitions	(5,835)	5,519
Interest (paid)/received	(5,872)	8,314
Dividends	(9,033)	(7,011)
Finance Leases	(1,579)	(3,452)
Repayment of borrowings	(1,843)	(21,388)
Foreign Exchange on cash	(9,372)	164
Total Movement in Cash/ Debt	68,697	52,932
Net Cash/(Debt) at the end of the year	352,304	283,606
Components of Net Cash/(Debt)		
Cash at Bank	531,796	478,680
Bank Overdrafts	(70,289)	(56,035)
Cash and Cash equivalents	461,507	422,645
Bank Loans	(80,214)	(108,286)
Finance Leases	(8,153)	(10,086)
Related Party Loans	(19,998)	(19,402)
Derivatives	(838)	(1,266)
Net Cash(Debt)	352,304	283,606

Cash and Overdrafts

Total Cash and cash equivalents have increased by £48.2m before foreign exchange effects of £9.5m to £461.5m. Debt of £139m in the prior year has declined by £30m to £109m, such that combined Cash net of debt improved by £68.7m.

Operating profits adjusted for non-cash items generated in the year of £66.5m. Improvements in working capital have been led by in the Technology division where cash collections improved in the UK returning to normalised levels after short term delays at the start of the financial year, together with improvements in the Nuvias division such that working capital may now be optimised in the current model and future focus will be on maintaining over time the current cash conversion cycles in core working capital generating businesses. Working capital generated in our Nuvias business has enabled the pay down of debt.

Of the cash generated, £16.9m has been used for capital expenditure and £10.9m for tax payments. Foreign exchange effects reflect the impact of the exchange rate particularly of the Euro against Sterling during the year when retranslating the cash positions of the French businesses.

Cash net of Debt

Capital expenditure was much lower than prior year and predominantly came from £12.7m in the Technology division which completed the refurbishment of their global headquarters and continues to invest in its data centre capability and from £8.3m in our Airports division where essential infrastructure developments were completed. There were some gains on disposal of assets in the Hotels and Aviation division reducing the net cash cost from capital spend.

Pre-tax profitability growth in the French Technology business, where corporate tax rates are comparatively higher, together with changes in the local tax regime, have pushed tax charges and cash tax £5.2m higher.

Dividends of £9.0m paid in the year relate to the payments in respect of dividends declared in FY20 financial year. No shareholder dividend payments have been declared or paid in respect to the FY21 financial year.

Cash paid on acquisitions was in respect of deferred consideration on prior year acquisitions with no new acquisitions in the year.

The Group has established relationships with banking partners which remain strong, and we have sufficient cash resources to meet our current and future operational needs.

Assets

Group Net Assets have grown by £18m to £323m. No shareholder dividends and post-tax profitability of £21.7m, although higher than the £18.6m in the prior year, has been reduced by currency effects and retirement benefits provisions which overall reduce growth in net assets by £3.6m.

Tangible asset values have tracked down reflecting normal levels of depreciation, stable at £20m., There have been lower levels of capital expenditure than usual and no assets acquired through acquisition. Intangible asset values have declined as goodwill is amortised and in the absence of acquisition activity no new goodwill has been created.

Outlook

The Group closes a year of economic disruption and significant restructuring with a strong net cash position and having delivered growth in net assets. Working capital has been improved, our access to cash has increased and we are able to sustain our principal of maintaining financial independence for our divisions.

The benefit of the decisive actions taken to manage cost and to remove underperforming assets in the last financial year will flow through into the coming year for which improved profitability is projected. Resources are available to make investments for organic or acquisitive growth where required to achieve strategic objectives.

VIABILITY STATEMENT

This viability statement is prepared to provide guidance to stakeholders in relation to the long-term viability of the Group and is not prepared as part of the requirements of the UK Corporate Governance code such that it is also not subject to the associated audit requirements.

The Board considers the Group's viability as part of its continuing programme of strategic planning, monitoring, and managing risk. The Board have assessed the prospects of the Group over 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 annual strategic planning process where divisional medium-term plans are bought together with the longer-term goals and expectations of the shareholders. These plans build upon the rigorous annual business planning and quarterly reforecasting cycles across the Group which consider profit, cash flows and working capital performance. The output of this planning cycle 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, to ensure that financial projections reflect relevant future customer demand and market expectations.

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

CURRENT PERFORMANCE

Growth in operating profit whilst maintaining a good cash profile

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 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 and 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 risks which may arise in the future

Divisional liquidity independence.

Uncertainties arising from political uncertainties in the UK surrounding the country's decision to leave the EU, combined with the impact of Covid 19 created challenges for the Group and for our customers. We have discussed these impacts and the actions we have taken elsewhere in this strategic report and do not consider that the financial performance of the last financial year is an indication of any doubt about the viability of the Group.

As part of our approach to managing our risk the impacts of Covid 19 were closely monitored. Detailed profitability and cash scenario planning was undertaken across all divisions and at the consolidated Group level. Prompt decisions were taken to ensure the availability of liquid assets and defer non-critical capital expenditure whilst suspending our dividend policy for the year. These actions were prudent in the light of the unprecedented circumstances though our subsequent performance was not dependent upon them. A detailed review of all of our key banking facilities and covenant structures was also undertaken to ensure that sufficient funds would be available to support the operational requirements of the Group. Facility headroom and access to cash were maintained at a level which the board consider more than adequate to support the Group through the current crisis.

Our business continuity plans were successfully enacted and have enabled our business to continue to operate to the extent permitted by government guidelines. In the UK, SCC plc, part of our Technology division, and our Airports were designated as a Key Business providing essential services to support key sectors including healthcare and we were able to maintain operations within this division throughout the pandemic working closely with customers to provide continuity of support during the lockdown period and in anticipation of the future.

We have re-assessed the operating models across each division and will continue to review any actions should they become necessary, to ensure that we are fit for the future.

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 in the diligence and careful analysis which we have undertaken and in the financial performance projected for the coming year. Having traded throughout the extreme pressures of the last financial year and successfully adapted our businesses and generated cash, we have demonstrated that we can continue to deliver in line with our financial projections in the future.

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 in France. During the last few years we have worked 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. Cash generation despite the pressures of the past financial year evidence good control and the adaptability of our divisions.

Action taken over the last two years to reduce our cost base and to remove underperforming business activities are a sound base for our future projections and provide confidence in our ability to achieve our financial targets.

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.

Performance in the financial year following the end of the year reported on supports the confidence that the directors have in the future of each division and for the Group.

Going Concern
At 31 March 2021 the Group had net assets of £321.8m and has delivered growth in turnover, gross profit, profit after tax and net cash. The directors believe that management 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 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.

The Strategic Report has been approved by the Board of directors and signed on behalf of the board on 25 August 2021.

Peter Rigby

Sir Peter 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 2021.

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.

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 Corporate Social Responsibility 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 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 directors are not aware, as at the date of this report, of any likely major changes in the Group's activities in the next financial year.

The subsidiary undertakings principally affecting the profits or net assets 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 £32,638,000 (2020: £28,182,000). The Group profit for the year, attributable to equity shareholders, amounted to £21,526,000 (2020: £18,103,000).

No dividends have been declared by Rigby Group (RG) plc in the year or up to the date of signing these accounts. In the prior year dividends were declared for the A preference shares of £612,000, the B preference shares of £875,000, the Preferred Ordinary shares of £5,363,000. Also, in the prior year a dividend of £0.60 per share was declared on the B ordinary shares, a holder of 13,481,944 shares waived their dividend resulting in a dividend of £2,022,000 being paid to the holders of the remaining 3,370,486 B ordinary shares.

Acquisitions, Disposals and Goodwill
During the year the Group has continued with its pre-COVID restructuring activity to remove loss making activities from within both the hotel and aviation divisions. This has resulted in the sale of the Kings Hotel and the Mount Somerset which completed during the year and a further sale of Buckland Tout Saints which has been finalised subsequent to the year end. Within the Aviation division both Capital Air Ambulance and Capital Air Holdings have ceased to trade as has Travel Norwich in our Airports division. There have been no acquisitions for the Group during the year albeit our M&A team remain active to seek future opportunities.

Charitable Donations and Political Contributions
During the year the Group made £1.2m of cash donations to the Rigby Foundation, a registered charity, 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.

In addition, the Group has a long history of supporting the communities directly touched by our business and believes that 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 are able to support diverse organisations supporting a range of people and their families. Charitable donations, excluding the Rigby Foundation, were made during the year totalling £49,000 (2020: £9,000).

Political contributions totalling £70,000 (2020: £50,000) were made during the year, £50,000 to the West Midlands Mayoral Campaign and £20,000 to the Conservative party.

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
British International Helicopters Limited has a Falkland Islands branch and Nuvias Unified Communications Limited has a branch in France.

Research and Development Expenditure
During the year we invested £2.2min research and development, primarily in our technology division, of which £0.7m has been capitalised. This is driven by the need to develop innovative solutions to meet the needs of our customers.

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 (Joint CEO)
S P Rigby (Joint CEO)
P N Whitfield (appointed 1 December 2020)
H W Campion

Company Secretary
G Garratt (appointed 1 December 2020)
S P Rigby (resigned 1 December 2020)

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.

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", (FRS 102). 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 judgements 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 governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Post Balance Sheet Events
On 1st April 2021 the Group acquired a further 10.5% of the share capital of Siphon Networks limited for £2.5m bringing the Group's ownership up to 100%.

On May 5th 2021 the Group disposed of the trade and assets of the Buckland Tout Saints Hotel.

On 24th May 2021 the Group acquired 100% of the share capital of Cloud Distribution Limited for initial consideration of £3.5m and an estimated future contingent consideration of £3.8m.

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 and of Rigby Group. 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 25 August 2021.

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 2021 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 31.

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 about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework 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 Global Data Protection Regulation, employment law, health & safety and building regulations, UK Civil Aviation Authority Regulations and Streamlined Energy and Carbon Reporting Regulations.

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 area, and our specific procedures performed to address this are described below:

Valuation of Investment Properties
Investment properties are measured 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.
- We have verified the accuracy and completeness of such key inputs by corroborating to underlying investment property schedules and supporting lease agreements.

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 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
25 August 2021

FINANCIAL STATEMENTS

RIGBY

CONSOLIDATED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2021

	Note	2021 £'000	2020 £'000
Turnover	3	3,023,402	2,863,287
Cost of sales		(2,671,686)	(2,481,801)
Gross profit		351,716	381,486
Other operating expenses		(332,807)	(333,350)
Goodwill amortisation	12	(4,097)	(5,303)
Gain arising on revaluation of investment property	13	3,785	1,489
Exceptional item: Impairment of fixed assets		-	(9,644)
Total Operating Expenses		(333,119)	(346,808)
Other operating income	6	20,825	511
Operating profit		39,422	35,189
Share of joint ventures' and associate's operating loss	14	(331)	(122)
Profit before finance charges		39,091	35,067
Finance costs (net)	5	(6,453)	(6,885)
Profit before taxation	6	32,638	28,182
Tax on profit	9	(10,986)	(9,601)
Profit for the financial year		21,652	18,581
Profit for the financial year attributable to:			
Non-controlling interest		126	478
Equity shareholder of the Group		21,526	18,103
		21,652	18,581

The notes form part of these financial statements.

All activity in the current and prior year relates to continuing operations.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 MARCH 2021

	Note	2021 £'000	2020 £'000
Profit for the financial year		21,652	18,581
Currency translation differences on foreign currency net investments		(2,220)	487
Cash flow hedge		175	(462)
Actuarial movements in net defined benefit obligation	27	(1,493)	(526)
		(3,538)	(501)
Tax relating to components of other comprehensive income	21	312	275
Other comprehensive expense		(3,226)	(226)
Total comprehensive income		18,426	18,355
Attributable to:			
Non-controlling interest		115	450
Equity shareholders of the Group		18,311	17,905
		18,426	18,355

CONSOLIDATED BALANCE SHEET

YEAR ENDED 31 MARCH 2021

	Note	2021 £'000	2020 £'000
Fixed assets			
Positive goodwill	12	24,740	31,471
Negative goodwill	12	(11,527)	(14,019)
Goodwill - net balance	12	13,213	17,452
Software and other intangibles	12	42,332	42,402
Intangible assets	12	55,545	59,854
Tangible assets	13	317,343	323,582
Investments in associates and joint ventures	14	3,132	3,463
		376,020	386,899
Current assets			
Stocks	15	70,618	56,575
Debtors			
- due within one year	16	482,320	536,909
- due after more than one year	16	10,805	14,814
Current asset investments	17	1,229	1,279
Cash at bank and in hand		531,796	478,679
		1,096,768	1,088,256
Creditors: amounts falling due within one year	18	(985,886)	(1,018,753)
Net current assets		110,882	69,503
Total assets less current liabilities		486,902	456,402
Creditors: amounts falling due after more than one year	19	(123,124)	(112,971)
Provisions for liabilities and charges	21	(23,117)	(22,393)
Net assets excluding pensions liability		340,661	321,038
Net pension liability	27	(17,228)	(15,857)
Net assets including pension liability		323,433	305,181
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	290,076	272,282
Shareholders' funds		321,824	304,030
Non-controlling interests		1,609	1,151
Total capital employed		323,433	305,181

The consolidated financial statements of Rigby Group (RG) plc, registered number 03437118, were approved by the Board of Directors and authorised for issue on 25 August 2021 and signed on its behalf by:

Peter Rigby

Sir Peter Rigby,
Director

COMPANY BALANCE SHEET

YEAR ENDED 31 MARCH 2021

	Note	2021 £'000	2020 £'000
Fixed assets			
Intangible assets	12	361	508
Tangible assets	13	1,406	1,624
Investments in subsidiaries	14	79,273	79,273
		81,040	81,405
Current assets			
Debtors - due within one year	16	69,105	62,530
Investments	17	1,229	1,279
Cash at bank and in hand		29,254	48,229
		99,588	112,038
Creditors: amounts falling due within one year	18	(51,209)	(62,285)
Net current assets		48,379	49,753
Total assets less current liabilities		129,419	131,158
Creditors: amounts falling due after more than one year	19	(42)	-
Net assets		129,377	131,158
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	100,895	102,676
Shareholders' funds		129,377	131,158

The loss for the year dealt with in the financial statements of the company was £1,781,000 (2020: £5,113,000). 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 25 August 2021 and signed on its behalf by:

Peter Rigby

Sir Peter Rigby,
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 MARCH 2021

	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
At 1 April 2019	16,750	11,369	512	266,699	3,117	298,447	12,769	311,216
Profit for the financial year	-	-	-	18,103	-	18,103	478	18,581
Currency translation differences	-	-	-	515	-	515	(28)	487
Cash flow hedge	-	-	-	(462)	-	(462)	-	(462)
Actuarial movements in net defined benefit obligation	-	-	-	(526)	-	(526)	-	(526)
Tax relating to items of other comprehensive income	-	-	-	275	-	275	-	275
Total comprehensive income	-	-	-	17,905	-	17,905	450	18,355
Acquisition of non-controlling interest	-	-	-	(3,450)	-	(3,450)	(11,907)	(15,357)
Dividends declared to non-controlling interests	-	-	-	-	-	-	(161)	(161)
Dividends declared to equity shareholders (note 10)	-	-	-	(8,872)	-	(8,872)	-	(8,872)
At 31 March 2020	16,750	11,369	512	272,282	3,117	304,030	1,151	305,181
Profit for the financial year	-	-	-	21,526	-	21,526	126	21,652
Currency translation differences	-	-	-	(2,209)	-	(2,209)	(11)	(2,220)
Cash flow hedge	-	-	-	175	-	175	-	175
Actuarial movements in net defined benefit liability (note 27)	-	-	-	(1,493)	-	(1,493)	-	(1,493)
Tax relating to items of other comprehensive income (note 21)	-	-	-	312	-	312	-	312
Total comprehensive income	-	-	-	18,311	-	18,311	115	18,426
Acquisition of non-controlling interest	-	-	-	(517)	-	(517)	507	(10)
Dividends declared to equity shareholders (note 10)	-	-	-	-	-	-	-	-
Dividends declared to non-controlling interests	-	-	-	-	-	-	(164)	(164)
At 31 March 2021	16,750	11,369	512	290,076	3,117	321,824	1,609	323,433

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 2021

	Called-up Share Capital £'000	Share Premium Account £'000	Capital Redemption Reserve £'000	Profit and loss account £'000	Total £'000
At 1 April 2019	16,750	11,220	512	116,661	145,143
Loss for the financial year and total comprehensive income	-	-	-	(5,113)	(5,113)
Dividends declared to equity shareholders (note 10)	-	-	-	(8,872)	(8,872)
At 31 March 2020	16,750	11,220	512	102,676	131,158
Loss for the financial year and total comprehensive income	-	-	-	(1,781)	(1,781)
Dividends declared to equity shareholders (note 10)	-	-	-	-	-
At 31 March 2021	16,750	11,220	512	100,895	129,377

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

CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2021

	Note	2021 £'000	2020 £'000
Net cash inflow from operating activities	25	119,175	113,552
Cash flows from investing activities			
Interest received		163	1,486
Interest and dividends received on current asset investments		92	502
Net cash movement on current asset investments		85	14,117
Fees paid on current asset investments		(6)	(43)
Purchase of tangible fixed assets		(19,616)	(33,144)
Purchase of intangible fixed assets		(5,256)	(10,926)
Sale of tangible fixed assets		7,928	1,304
Sale of subsidiary undertakings		-	16,869
Purchase of subsidiary undertakings		-	4,007
Purchase of non-controlling interest		(10)	(15,357)
Amounts advanced under finance lease receivable arrangements		308	(940)
Amounts advanced to related parties		38	(7,191)
Repayment of loans advanced to related parties		2,504	1,178
Net cash flows used in investing activities		(13,770)	(28,138)
Cash flows from financing activities			
Interest paid		(6,206)	(7,748)
Interest on finance lease rentals		(362)	(454)
Dividends paid to equity shareholders (note 10)		(8,872)	(6,850)
Dividends paid to non-controlling interests		(161)	(161)
New Borrowings		5,078	42,598
Repayment of borrowings		(33,223)	(16,265)
Payment of deferred consideration on acquisitions		(5,825)	-
Loans advanced by related parties		-	7,744
Repayment of loans from related parties		(6,074)	(17,682)
Repayment of obligations under finance leases		(1,525)	(2,058)
Net cash flows used in financing activities		(57,170)	(876)
Net increase in cash and cash equivalents		48,235	84,538
Cash and cash equivalents at the beginning of the year		422,644	337,942
Net increase in cash and cash equivalents		48,235	84,538
Effect of foreign exchange rate changes		(9,372)	164
Cash and cash equivalents at the end of the year		461,507	422,644
Reconciliation to cash at bank and in hand:			
Cash at bank and in hand		531,796	478,679
Bank overdraft		(70,289)	(56,035)
Cash and cash equivalents at the end of the year		461,507	422,644

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

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 this 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 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 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 2021 the Group had net assets of £321.8m and has delivered growth in turnover, gross profit, profit after tax and net cash. The directors believe that management 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 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 2021

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	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	3 to 6 years
Aircraft	20 years or on the basis of hours flown

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2021

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 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 2021

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 EMPLOYEE BENEFITS

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 SHARE BASED PAYMENTS

Certain companies within the Group have issued equity-settled and cash-settled share based payments to certain employees.

Equity-settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of the grant.

The fair value determined at the grant date of the equity-settled share based payment 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2021

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 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 2021

(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.

(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 2021

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2021

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 shall be 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 2021

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 is stated net of sales taxes and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer. Turnover 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.

Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. 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 2021

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 investments in subsidiaries
The carrying values of the investments in subsidiaries held in the books of the Company have been reviewed for impairment. In the context of the Covid 19 pandemic this assessment is a key estimate.

In arriving at the valuations management have considered the value of businesses through ongoing operation, sale of shares and sale of assets.

All investments held by the Company were reviewed for indicators of impairment. The Hotels, Aviation, Airports divisions were then reviewed in detail. The valuation of the investments was calculated using external evidence, EBITDA multiples and, in the case of hotels, "per key" multiples. No impairments were identified.

No other investments in subsidiaries showed any indicators of impairment.

The total remaining value of all investments in subsidiaries after this assessment is £79.3m. Further information is included in note 14.

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.

There is additional uncertainty around the carrying value of the properties at the balance sheet date as a result of the Covid 19 pandemic. This uncertainty has been recognised through an additional adjustment to the estimated yield.

At 31 March 2021, overall portfolio yields vary between 7.65% and 8.25% 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 £8.4m whereas a decrease in the yield of 0.5% would result in an increase in the fair value of £9.8m.

Net defined benefit obligations
Provisions for retirement obligations under defined benefit arrangements in the Group of £17.2m (2020: £15.9m) 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. Staff turnover rates for employees over 60 years old is considered to be a sensitive assumption. The assumption used to calculate the provision is 2% (2020: 3.5%). If this was changed to 0% this would create an additional provision of £1.6m (2020: £2.2m).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2021

3. TURNOVER

Turnover by geographical destination:	2021 £'000	2020 £'000
United Kingdom	1,039,194	1,096,121
Continental Europe	1,975,479	1,749,364
Rest of World	8,729	17,802
	3,023,402	2,863,287

Turnover by geographical origin:	2021 £'000	2020 £'000
United Kingdom	1,090,079	1,142,165
Continental Europe	1,933,323	1,721,122
	3,023,402	2,863,287

By category	2021 £'000	2020 £'000
Sale of goods	2,530,130	2,287,007
Rendering of services	462,670	540,288
Income from construction contracts	23,152	23,960
Rental income	6,022	10,093
Grants	1,428	1,939
	3,023,402	2,863,287

In the Technology division grants have been received in respect of job roles created at a regional delivery centre in France and at a global delivery centre in Romania. Grants have also been received in the UK in relation to our data centre operations.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2021

4. DIVISIONAL PERFORMANCE

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

	2021 £'000	2020 £'000
Technology	2,464,768	2,273,062
Airports	39,738	60,623
Real Estate	2,968	2,857
Nuvias	415,261	392,070
Rigby Capital	53,876	70,659
Allect	23,152	23,960
Hotels	6,558	19,512
Aviation	22,779	23,645
Central and Consolidation	(5,698)	(3,101)
	3,023,402	2,863,287

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

	2021 £'000	2020 £'000
Technology	45,868	30,707
Airports	457	10,982
Real Estate	2,573	13,633
Nuvias	3,613	1,280
Rigby Capital	(1,241)	340
Allect	214	(1,353)
Hotels	(2,186)	(9,175)
Aviation	(2,896)	(4,398)
Central and Consolidation	(6,980)	(6,827)
	39,442	35,189

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

	2021 £'000	2020 £'000
Technology	196,890	169,122
Airports	52,480	54,167
Real Estate	(176)	(276)
Nuvias	25,740	22,753
Rigby Capital	4,295	5,278
Allect	(1,637)	(1,761)
Hotels	23,009	24,850
Aviation	3,192	5,659
Central and Consolidation	19,640	25,389
	323,433	305,181

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2021

5. FINANCE (CHARGES) INCOME (NET)

Investment income on current asset investments	2021 £'000	2020 £'000
Charges	(6)	(43)
Gains / (Losses) on current asset investments	129	(125)
Interest and dividends received from current asset investments	92	502
	215	334

Other investment income	2021 £'000	2020 £'000
Interest receivable from bank deposits	125	1,429
Interest receivable on loans to related parties	4	4
Unwinding of discounts on long term debtors	163	-
Other interest receivable	34	53
	326	1,486

Interest payable and similar charges	2021 £'000	2020 £'000
Interest on bank loans and overdrafts	3,419	4,451
Interest on interest rate swaps	426	208
Finance leases and hire purchase contracts	362	454
Interest in factoring arrangements	514	1,588
Interest payable on loans from related parties	1,497	1,406
Fair value adjustment on derivative instruments	15	120
Unwinding of discounts on long term creditors	244	175
Other interest payable	350	95
	6,827	8,497

Net interest payable	2021 £'000	2020 £'000
Investment income on current asset investments	215	334
Other investment income	326	1,486
Less: Interest payable and similar charges	(6,827)	(8,497)
Net return on pension schemes (see note 27)	(167)	(208)
	(6,453)	(6,885)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2021

6. PROFIT BEFORE TAXATION

Profit before taxation is stated after charging/(crediting):

	2021 £'000	2020 £'000
Depreciation of tangible fixed assets (see note 13)	19,445	20,875
Impairment of tangible fixed assets (see note 13)	1,749	-
Reversal of impairment of tangible fixed assets (see note 13)	(606)	-
Amortisation of goodwill (see note 12)	6,595	7,077
Amortisation of negative goodwill (see note 12)	(2,498)	(1,774)
Amortisation of intangibles (see note 12)	5,163	4,649
Government grant income	(1,428)	(1,939)
Other operating income - CJRS - Government grant	(18,452)	-
Other operating income - AGOSS - Government grant	(1,597)	-
Other operating income - ARG - Government grant	(150)	-
Other operating income - LRSG - Government grant	(116)	-
Operating lease rentals	26,742	21,254
Foreign exchange losses	4,573	830
Loss on disposal of fixed assets	351	274
Gain on fair value movement of investment property (see note 13)	(3,785)	(1,489)
(Gain) / Loss on fair value movement of current asset investments	(129)	125
Exceptional items - impairment of tangible fixed assets	-	9,644

Exceptional items in the prior year comprise impairments of aircraft held by the Aviation division and impairments of freehold property and fixtures and fittings held by the Hotels division. In addition to the government grants disclosed above, the Group has benefited from deferral of VAT payments during the period. These are substantially repaid at 31 March 2021.

Amortisation of intangible assets is included in operating expenses.

The analysis of auditor's remuneration is as follows:	2021 £'000	2020 £'000
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	165	140
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	1,136	735
Total audit fees	1,301	875
- Other taxation advisory services	112	-
- Other services	76	279
Total non-audit fees	188	279

No services were provided pursuant to contingent fee arrangements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2021

7. STAFF COSTS

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

	Group		Company	
	2021 Number	2020 Number	2021 Number	2020 Number
Sales	1,737	1,799	-	-
Administration	2,598	2,756	38	44
Engineering	3,130	3,234	-	-
Warehouse	291	331	-	-
	7,756	8,120	38	44

Their aggregate remuneration comprised:

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Wages and salaries	282,090	289,619	2,922	3,601
Social security costs	61,899	62,259	337	409
Pension costs	5,132	5,512	84	185
	349,121	357,390	3,343	4,195

The remuneration above excludes redundancy payments of £5,288,000 (2020: £3,935,000).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2021

8. DIRECTORS' REMUNERATION AND TRANSACTIONS

The remuneration of the directors was as follows:

	2021 £'000	2020 £'000
Emoluments	297	876
Pension	3	-

The number of directors for whom the Group made contributions to pension schemes was one (2020: nil).

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:

	2021 £'000	2020 £'000
Emoluments	87	505
Pension	3	-

The highest paid director has no share options.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2021

9. TAX ON PROFIT

The tax charge comprises:

	2021 £'000	2020 £'000
Current tax		
UK corporation tax	1,074	5,949
Foreign tax	10,440	5,509
	11,514	11,458
Adjustments in respect of prior years		
- UK corporation tax	(242)	(976)
- Foreign tax	79	(71)
Total current tax	11,351	10,411
Deferred tax		
Origination and reversal of timing differences	(1,125)	(2,808)
Adjustments in respect of prior years	497	324
Effect of changes in tax rate	263	1,674
Total deferred tax (note 21)	(365)	(810)
Total tax on profit	10,986	9,601

The standard rate of Corporation Tax in the UK is 19% with effect from 1 April 2017.

The Finance Act 2016 includes a reduction in the standard rate of Corporation Tax from 19% to 17% from 1 April 2020. However, on 11 March 2020 in the UK Budget it was further announced that the cut in the tax rate to 17% will now not occur and the tax rate will instead remain at 19%. This rate change was substantively enacted on 17 March 2020 via the Provisional Collection of Taxes Act 1968. As this change had been substantively enacted at the Balance Sheet date it is reflected in these financial statements.

The March 2021 Budget announced a further increase to the main rate of corporation tax in the UK to 25% from April 2023. This rate has not been substantively enacted at the balance sheet date and as a result, deferred tax balances as at 31 March 2021 continue to be measured at 19%.

If all of the deferred tax relating to UK entities was to reverse at the amended 25% rate the impact on the closing deferred tax position would be to increase the net deferred tax liability by £6.0m.

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 2021

9. TAX ON PROFIT (CONTINUED)

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

Factors affecting the tax charge for the year	2021 £'000	2020 £'000
Profit before tax	32,638	28,182
Tax on group profit at standard UK corporation tax rate of 19% (2020 - 19%)	6,201	5,355
Effects of:		
Expenses not deductible for tax purposes	2,633	2,886
Income not taxable for tax purposes	(729)	(427)
Movement on unrecognised deferred tax on losses	(568)	(692)
Movement in deferred tax asset not recognised	(72)	132
Effect of overseas tax rates	3,385	1,672
Other overseas taxes	223	(27)
Adjustment in respect of prior years	334	(723)
Effect of tax rate changes	263	1,674
Property revaluations	-	(249)
Movement in deferred tax on disposal of property	(684)	-
Group total tax charge for year	10,986	9,601

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2021

10. DIVIDENDS

Dividends declared on shares in issue at 31 March 2021	2021 £'000	2020 £'000
Interim dividend approved of £nil (2020: £85) per 'A' preference share for 7,200 shares	-	612
Interim dividend approved of £nil (2020: £102) per 'B' preference share for 8,576 shares	-	875
Interim dividend approved of £nil (2020: £100) per Preferred Ordinary share for 53,634 shares	-	5,363
Interim dividend approved of £nil (2020: £0.60) per 'B' ordinary share for 16,852,430 shares *	-	2,022
	-	8,872

*In the prior year, a dividend of £0.60 per share was declared on the B Ordinary share class. A shareholder of 13,481,944 shares waived the dividend. The dividend paid was £0.60 per share for 3,370,486 shares.
The dividend declared in the prior year was paid in the year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2021

11. SHARE-BASED PAYMENTS

Cash-Settled

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

Rigby Capital
Rigby Capital Limited had 210,000 'A' ordinary shares in issue at 1 April 2019 under an employee share scheme. The options were exercised during the prior year. Amounts due to participants have now been settled and the liability in respect of these shares at 31 March 2021 is £nil (2020: £131,000).

Technology

On 28 July 2020 a put option was exercised by a director selling 72,000 shares in Specialist Computer Centres plc to SCC UK Holdings Limited for consideration of £1,337,133. There is no liability remaining.

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 31 March 2021 is £nil (2020: £nil).

Central
RPE Investments Limited (formerly Ingleby (1981) Limited) has 666 'A' ordinary shares in issue. During the year, 266 'A' ordinary shares were acquired by Rigby Private Equity Limited from an employee, giving rise to a share-based payment expense of £1,475,000. The remaining 400 'A' ordinary shares in issue are held by shareholders of Rigby Group and are not connected to their employment. The liability in respect of these shares at 31 March 2021 is £nil (2020: £100,000).

RPE Investments Limited (formerly Ingleby (1981) Limited) has 400 'B' ordinary shares in issue and these are held by shareholders of Rigby Group and are not connected to their employment.

RPE Investments Limited (formerly Ingleby (1981) Limited) has 150 'C' ordinary shares in issue held by an employee of Nuvias. The liability arising in respect of these shares at 31 March 2021 (and share based payment expense in the year) is £293,000 (2020: £nil).

The Group's total liability arising in respect of all schemes at the balance sheet date was £293,000 (2020: £231,000).

The total fair value charge for all schemes recognised in the profit and loss account of the Group was £1,768,000 (2020: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2021

12. INTANGIBLE FIXED ASSETS

	Goodwill £'000	Negative goodwill £'000	Software costs £'000	Customer relationships £'000	Supplier relationships £'000	Trade marks £'000	Total £'000
Group							
Cost							
At 1 April 2020	92,098	(26,414)	52,330	4,162	7,282	1,850	131,308
Additions	-	-	5,256	-	-	-	5,256
Acquisitions	-	(7)	-	-	-	-	(7)
Disposal	(3,267)	185	(174)	-	-	-	(3,256)
Exchange	(1,393)	1	(429)	(5)	(62)	(3)	(1,891)
At 31 March 2021	87,438	(26,235)	56,983	4,157	7,220	1,847	131,410
Amortisation							
At 1 April 2020	60,627	(12,395)	17,688	1,704	2,206	1,624	71,454
Charged / (released) during the year	6,595	(2,498)	3,985	453	540	185	9,260
Disposals	(3,267)	185	(175)	-	-	-	(3,257)
Exchange	(1,257)	-	(272)	(42)	(22)	1	(1,592)
At 31 March 2021	62,698	(14,708)	21,226	2,115	2,724	1,810	75,865
Net book value							
At 31 March 2021	24,740	(11,527)	35,757	2,042	4,496	37	55,545
At 31 March 2020	31,471	(14,019)	34,642	2,458	5,076	226	59,854

Company	Software £'000
Cost	
At 1 April 2020	801
Additions	15
At 31 March 2021	816
Amortisation	
At 1 April 2020	293
Charge for the year	162
At 31 March 2021	455
Net book value	
At 31 March 2021	361
At 31 March 2020	508

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2021

13. TANGIBLE ASSETS

	Land and Buildings					
	Investment Properties		Freehold land and buildings			
	Airport Properties £'000	Other £'000	Hotels £'000	Runways £'000	Other freehold £'000	Leasehold £'000
Group						
Cost						
At 1 April 2020	78,606	40,940	45,663	23,060	30,409	58,214
Additions	2,868	591	3	5,979	1,563	355
Revaluations	2,256	1,529	-	-	-	-
Disposals	-	-	(4,931)	-	(189)	(519)
Transfers	735	(310)	17	834	6,390	2,100
Exchange adjustments	-	-	-	-	4	(1,214)
At 31 March 2021	84,465	42,750	40,752	29,873	38,177	58,936
Depreciation						
At 1 April 2020	-	-	6,481	4,875	7,928	25,672
Charge for the year	-	-	829	1,382	844	2,302
Impairment / (Impairment Reversal)	-	-	(560)	-	-	-
Disposals	-	-	(1,144)	-	(56)	(244)
Transfers	-	-	10	227	(18)	387
Exchange adjustments	-	-	-	-	-	(649)
At 31 March 2021	-	-	5,616	6,484	8,698	27,468
Net book value						
At 31 March 2021	84,465	42,750	35,136	23,389	29,479	31,468
At 31 March 2020	78,606	40,940	39,182	18,185	22,481	32,542

Finance leased and hire purchase assets included above:

Net book value						
At 31 March 2021	-	-	-	-	-	9,909
At 31 March 2020	-	-	-	-	-	10,332

Hotel freehold land and buildings with a net book value of £16,118,000 (2020: £16,287,000) have been charged as security for loans of £8,300,000 (2020: £8,500,000) provided to the group as detailed in note 20.

Investment properties with a net book value of £127,215,000 (2020: £119,546,000) have been charged as security for loans of £72,898,000 (2020: £72,898,000) provided to the group as detailed in note 20.

Leasehold land and buildings includes £26,347,000 (2020: £26,516,000) which relates to the lease of a distribution warehouse in France which expires in July 2022.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2021

13. TANGIBLE ASSETS (CONTINUED)

	Fixture and fittings £'000	Motor Vehicles £'000	Aircraft and helicopters £'000	Assets in the course of construction £'000	Total £'000
Group					
Cost					
At 1 April 2020	131,609	2,460	21,461	19,120	451,542
Additions	9,260	105	523	(1,631)	19,616
Revaluations	-	-	-	-	3,785
Disposals	(4,844)	(425)	(4,997)	(148)	(16,053)
Transfers	2,595	-	(48)	(12,313)	-
Exchange adjustments	(599)	-	-	(2)	(1,811)
At 31 March 2021	138,021	2,140	16,939	5,026	457,079
Depreciation					
At 1 April 2020	76,824	1,082	5,098	-	127,960
Charge for the year	12,230	454	1,404	-	19,445
Impairment / (Impairment Reversal)	(46)	-	1,749	-	1,143
Disposals	(4,788)	(396)	(1,145)	-	(7,773)
Transfers	(606)	-	-	-	-
Exchange adjustments	(392)	2	-	-	(1,039)
At 31 March 2021	83,222	1,142	7,106	-	139,736
Net book value					
At 31 March 2021	54,799	998	9,833	5,026	317,343
At 31 March 2020	54,785	1,378	16,363	19,120	323,582

Finance leased and hire purchase assets included above:

Net book value					
At 31 March 2021	2,157	731	85	-	12,882
At 31 March 2020	2,723	955	-	-	14,010

Borrowing costs amounting to £nil (2019: £nil) have been included in the cost of tangible fixed assets.

Freehold land amounting to £13,355,000 (2020: £19,056,000) has not been depreciated.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2021

13. TANGIBLE ASSETS (CONTINUED)

Investment properties

The Group has a number of properties which were held at fair value at 31 March 2021. The valuation was undertaken by an employee of the Real Estate division holding relevant professional qualifications and recent experience in the class of the investment property being valued. 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.

An external valuation was conducted at 31 March 2016 or at the date of acquisition if later.

The historic cost of these properties held at fair value was £95,620,000 (2020: £95,905,000).

The operating profit is stated after crediting / (charging):

	2021 £'000	2020 £'000
Rents receivable	8,269	8,108
Contingent rents recognised as income	62	1,985
Fair value gains	3,785	1,489

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

	2021 £'000	2020 £'000
Within one year	8,647	6,912
In the second to fifth years inclusive	25,924	19,522
After five years	73,489	66,796

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2021

13. TANGIBLE ASSETS (CONTINUED)

	Leasehold £'000	Fixtures and fittings £'000	Motor Vehicles £'000	Total £'000
Company				
Cost or valuation				
At 1 April 2020	1,931	721	144	2,796
Additions	4	10	80	94
Disposals	-	-	-	-
Transfers	-	-	-	-
At 31 March 2021	1,935	731	224	2,890
Depreciation				
At 1 April 2020	667	381	124	1,172
Charge for the year	179	119	14	312
Disposals	-	-	-	-
Transfers	-	-	-	-
At 31 March 2021	846	500	138	1,484
Net book value				
At 31 March 2021	1,089	231	86	1,406
At 31 March 2020	1,264	340	20	1,624

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2021

14. FIXED ASSET INVESTMENTS

	Company 2021 £'000	Company 2020 £'000
Ordinary and Preferred Ordinary shares in subsidiary undertakings	79,273	79,273

	Group 2021 £'000	Group 2020 £'000
Joint ventures and associates	3,132	3,463

Ordinary and Preferred Ordinary shares in subsidiary undertakings

	Company £'000
Company	
Cost	
At 31 March 2021 and 31 March 2020	112,372
Provision for impairment	
At 31 March 2021 and 31 March 2020	(33,099)
Net book value at 31 March 2021 and 31 March 2020	79,273

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 31.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2021

14. FIXED ASSET INVESTMENTS (CONTINUED)

Joint Ventures	Group 2021 £'000
Cost or share of net assets	
At 1 April 2020	3,661
Share of retained loss for the year	(331)
Disposals	-
As at 31 March 2021	3,330
Provision for impairment	
At 1 April 2020	(198)
At 31 March 2021	(198)
Net book value	
At 31 March 2021	3,132
At 31 March 2020	3,463

The net book value at 31 March 2021 includes £3,132,000 (2020: £3,463,000) relating to joint ventures.

The share of retained losses for the year ended 31 March 2021 includes loss of £331,000 (2020: Loss £122,000) relating to joint ventures.

The group's share of joint ventures is as follows:

	2021 £'000	2020 £'000
Turnover	277	1,265
Profit before taxation	(331)	(122)
Share of assets		
Fixed assets	3,933	4,039
Current assets	82	37
Share of liabilities		
Liabilities due within one year	(76)	(264)
Liabilities due after more than one year	-	-
Share of net assets	3,939	3,812

The group participates in one joint venture as at 31 March 2021, the Arden Hotel Waterside LLP.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2021

15. STOCKS

	Group	
	2021 £'000	2020 £'000
Goods held for resale	63,149	47,685
Maintenance stock and spares	7,351	8,551
Work in progress	118	339
	70,618	56,575

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	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Trade debtors	269,947	292,082	-	-
Amounts owed by Group undertakings	-	-	67,768	56,661
Amounts receivable under finance leases	6,236	5,663	-	-
Other debtors	63,903	85,715	-	16
VAT	3,355	1,135	449	-
Corporation tax	2,759	2,419	-	1,706
Prepayments and accrued income	133,499	145,715	462	1,071
Derivative financial assets (note 23)	125	152	-	-
Amounts owing by related parties (note 28)	492	3,139	-	2,418
Deferred taxation (note 21)	2,004	889	426	658
	482,320	536,909	69,105	62,530

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2021

16. DEBTORS (CONTINUED)

Amounts falling due after more than one year:

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Trade debtors	2,456	9,684	-	-
Amounts owed by related parties (note 28)	136	-	-	-
Deferred taxation (note 21)	5,199	5,036	-	-
Other debtors	3,014	94	-	-
	10,805	14,814	-	-

17. CURRENT ASSET INVESTMENTS

	Group and Company	
	2021 £'000	2020 £'000
Listed investments - at fair value	1,229	1,279
	1,229	1,279

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 2021

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Obligations under finance leases and hire purchase contracts (see note 20)	1,743	2,622	26	-
Bank loans and overdrafts (see note 20)	71,723	100,270	-	-
Loans from related parties (see note 20 and note 28)	1,760	1,677	1,760	1,677
Trade creditors	681,908	686,563	158	66
Corporation tax	2,149	1,917	2,191	3,157
Amounts owed to group undertakings	-	-	45,567	45,617
Other taxation and social security	42,982	32,352	-	-
Other creditors	79,160	63,820	171	193
Government grants	103	103	-	-
Accruals and deferred income	104,297	114,419	1,336	2,703
Derivative financial instruments (see note 23)	61	313	-	-
Deferred consideration	-	5,825	-	-
Declared dividend	-	8,872	-	8,872
	985,886	1,018,753	51,209	62,285

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

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Obligations under finance leases and hire purchase contracts (see note 20)	6,410	7,464	42	-
Bank loans (see note 20)	78,781	64,051	-	-
Loans from related parties (note 20 and note 28)	20,000	19,409	-	-
Derivative financial instruments (note 23)	777	952	-	-
Trade creditors	8,283	5,387	-	-
Accruals and deferred income	4,677	11,552	-	-
Government grants	3,903	3,925	-	-
Share based payment liabilities	293	231	-	-
	123,124	112,971	42	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2021

20. BORROWINGS

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Bank loans, including mortgages	80,215	108,286	-	-
Bank overdrafts	70,289	56,035	-	-
Loans from related parties	21,760	21,086	1,760	1,677
Obligations under finance leases and hire purchase contracts	8,153	10,086	68	-
	180,417	195,493	1,828	1,677

Borrowings are repayable as follows:

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
In one year or less	89,649	104,570	1,786	1,677
In more than one year but no more than two years	39,491	13,327	42	-
In more than two years but no more than five years	40,986	54,015	-	-
After five years	10,291	23,581	-	-
	180,417	195,493	1,828	1,677

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

At 31 March 2021, bank borrowings were primarily held under the following significant facilities:

- Receivables finance facilities totalling £216,000,000 (2020: £212,000,000), providing a combination of recourse and non-recourse financing.
- Overdraft facilities considering cash pooling arrangements of £49,000,000 (2020: £51,000,000).
- Revolving credit facilities of £19,000,000 (2020: £19,000,000).
- Term loans and mortgages of £75,000,000 (2020: £71,000,000).
- Various finance leases, aircraft mortgages and hire purchase contracts.

The above facilities are provided by the Group's core relationship banks and sit within each of the respective divisions. Where applicable these are secured on the assets within those businesses without recourse to the ultimate parent.

The average remaining life of the Group's term facilities is 2.5 years. These are predominantly Sterling denominated loans with a minority based in Euros.

Approximately 85% (2020: 71%) of the Group's term loan facility interest is fixed.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2021

21. PROVISIONS FOR LIABILITIES

	Group		
	Deferred tax liability £'000	Other £'000	Total £'000
At 1 April 2020	17,543	4,850	22,393
Adjustment to profit and loss account in respect of prior years	547	-	547
Adjustment to other comprehensive income in respect of prior years	17	-	17
Charge to profit and loss account	266	519	785
Credit to other comprehensive income	(128)	-	(128)
Utilised	-	(570)	(570)
Exchange adjustments	73	-	73
At 31 March 2021	18,318	4,799	23,117

Other provisions brought forward comprise a provision relating to ground water and sewerage at Bournemouth International Airport Limited. This is expected to be utilised over the next 2-3 years.

The acquisition of SCC AVS Limited in 2019 gave rise to a deferred contingent consideration based on the performance of the company in the financial years ending 31 March 2020 and 31 March 2022 for which a provision of £1,480,000 has been recognised.

The movements on deferred taxation assets are as follows:	Group	Company
	Deferred taxation asset £'000	Deferred taxation asset £'000
At 1 April 2020	(5,925)	(658)
Adjustment in respect of prior years	(108)	44
Credit to profit and loss account	(1,070)	188
Credit to other comprehensive income	(201)	-
Exchange adjustments	101	-
At 31 March 2021	(7,203)	(426)

Net deferred taxation liability (asset) is recognised as follows:	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Revaluations / fair value adjustments	11,498	11,020	-	-
Fixed asset timing differences	9,734	9,104	(31)	(14)
Pension	(4,143)	(3,514)	-	-
Tax losses available	(3,557)	(2,977)	-	-
Other timing differences	(2,399)	(1,997)	(395)	(644)
Tax repayable on directors' loans	(18)	(18)	-	-
	11,115	11,618	(426)	(658)

Tax losses of £907,000 (2020: £392,000) are expected to be utilised within one year and £2,650,000 (2020: £2,585,000) are expected to be utilised in more than one year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2021

21. PROVISION FOR LIABILITIES (CONTINUED)

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

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Within one year	(2,527)	(1,202)	(426)	(658)
After more than one year	13,642	12,820	-	-
	11,115	11,618	(426)	(658)

The net reversal of deferred tax assets and liabilities expected in the 12 months to 31 March 2022 is £2,527,000. 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.

Deferred taxation asset not recognised is as follows:

Group	2021 £'000	2020 £'000
Fixed asset timing differences	68	83
Tax losses available	5,107	6,487
Other timing differences	-	34
	5,175	6,604

A deferred taxation asset amounting to £68,000 (2020: £83,000) for fixed asset timing differences has not been recognised because it is not sufficiently certain that there will be suitable taxable profits available to utilise the capital allowances.

A deferred taxation asset amounting to £5,107,000 (2020: £6,487,000) 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 taxation asset amounting to £nil (2020: £34,000) 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 no unprovided deferred tax in the company at 31 March 2021 (2020: £Nil)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2021

22. FINANCIAL INSTRUMENTS

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

	Group	
	2021 £'000	2020 £'000
Financial asset		
Measured at fair value through profit and loss		
- Current asset listed investments	1,229	1,279
Measured at undiscounted amount receivable		
- Trade and other debtors	340,581	384,642
Measured at discounted amount receivable		
- Long-term trade and other debtors	5,606	9,778
- Amounts receivable under finance leases	6,236	5,663
Measured at carrying value		
- Cash and cash equivalents	531,796	478,679
	885,448	880,041

	2021 £'000	2020 £'000
Financial liability		
Measured at fair value through profit and loss		
- Derivative financial liabilities	(838)	(1,265)
Measured at amortised cost		
- Loans payable	(101,975)	(129,372)
- Bank overdraft	(70,289)	(56,035)
- Long-term trade and other creditors	(12,479)	(9,543)
- Obligations under finance leases	(8,153)	(10,086)
Measured at undiscounted amount payable		
- Trade and other creditors	(806,302)	(799,452)
	(1,000,036)	(1,005,753)

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

	2021 £'000	2020 £'000
Interest Income and Expense		
Total interest income for financial assets at amortised cost	159	1,482
Total interest income for financial assets at discounted amount receivable	163	222
Total investment income from financial assets measured at fair value through profit and loss account	344	209
Total interest expense for financial liabilities at amortised cost	(6,954)	(8,456)
Fair value gains and losses		
On financial assets measured at fair value through profit or loss	129	(125)
On derivative financial liabilities designated in effective hedging relationships	(15)	(120)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2021

23. DERIVATIVE FINANCIAL INSTRUMENTS

	Due within one year		Due after one year	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Group assets				
Forward foreign currency contracts	125	152	-	-
	125	152	-	-

	Due within one year		Due after one year	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Group Liabilities				
Forward foreign currency contracts	22	272	-	-
Interest rate swaps	39	41	777	952
	61	313	777	952

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 into interest rate swaps that are designated to hedge under certain underlying borrowings. The following table details the notional principal amounts and remaining terms of interest rate swaps contracts outstanding as at the reporting date.

	Average contract fixed interest rate		Notional value		Fair value	
Outstanding receive floating pay fixed contracts	2021 Rate	2020 Rate	2021 £'000	2020 £'000	2021 £'000	2020 £'000
2-5 Years	1.1%	1.1%	38,707	40,257	37,891	39,264

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is three months' LIBOR. 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 £175,000 (2020: losses of £462,000) were recognised in other comprehensive income. No amounts were recognised in the profit and loss account in the year (2020: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Forward foreign currency contracts

Forward foreign currency transactions are valued at fair value at the period end 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 at the year-end:

	Average contractual exchange rate		Nominal value		Fair Value	
Outstanding contracts	2021 Rate	2020 Rate	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Buy US Dollar						
Less than 3 months	1.399	1.275	7,533	5,672	7,658	5,834
Buy Euros						
Less than 3 months	1.174	1.133	925	23	925	23
Buy Swiss Francs						
Less than 3 months	1.296	1.234	210	203	211	209
Buy Hungarian Forint						
Less than 3 months	-	392.924	-	456	-	439
			8,668	6,354	8,794	6,505

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2021

23. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

	Average contractual exchange rate		Nominal value		Fair Value	
Outstanding contracts	2021 Rate	2020 Rate	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Sell Euros						
Less than 3 months	1.174	1.092	722	543	722	526
Sell US Dollar						
Less than 3 months	1.392	1.304	1,970	5,329	1,992	5,611
Sell Hungarian Forint						
Less than 3 months	427.155	-	61	-	62	-
Sell Swiss Francs						
Less than 3 months	1.296	1.234	193	203	193	209
			2,946	6,075	2,969	6,346

The group has entered into contracts with suppliers to buy goods and services in US Dollars. The group has entered into contracts to supply goods and services to customers in Euros. Certain group companies in Germany, Sweden, UK and Poland that trade with each other in currencies including Euros, Norwegian Kroner, Swedish Kroner and Polish Zloty.

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 gain of £103,000 (2020:loss of £120,000) was recognised in the profit or loss account during the year on the recongnition of fair values on the forward contracts.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2021

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 £	2021 & 2020 £'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 2021.

Share Premium and Other Reserves

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'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	290,076	272,282	100,895	102,676

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 2019 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2021

25. NET CASH FLOWS FROM OPERATING ACTIVITIES

	2021 £'000	2020 £'000
Operating profit	39,422	35,189
Depreciation of tangible fixed assets	19,445	20,875
Amortisation of intangible fixed assets	5,163	4,649
Amortisation of positive goodwill	6,595	7,077
Amortisation of negative goodwill	(2,498)	(1,774)
Loss on sale of tangible fixed assets	351	274
Impairment of tangible fixed assets	1,143	9,644
Gain on disposal of subsidiary	-	(14,718)
Increase in fair value of investment property	(3,785)	(1,489)
Other	653	367
Operating cash flow before movement in working capital	66,489	60,094
Increase in stocks	(14,043)	(7,596)
Decrease in debtors	57,569	28,440
Increase in creditors	20,092	38,314
	63,618	59,158
Income tax paid	(10,932)	(5,700)
Cash generated by operations	119,175	113,552

The gain on disposal of subsidiary in 2020 relates to the sale of certain property interests within the Real Estate division. The sale was structured in the form of a share sale but was operational in nature and the associated profit is reported within operating profit.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. FINANCIAL COMMITMENTS

Group	2021 £'000	2020 £'000
Capital commitments contracted but not provided for:		
- Property, non-finance leases	3,276	3,856

The Company has no capital commitments in the current or prior year.

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

	2021		2020	
Group	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Leases repayable				
- Within one year	6,076	6,749	5,584	6,394
- Between two and five years	21,953	19,023	31,769	18,360
- In over five years	46,479	631	19,633	3,713
	74,508	26,403	56,986	28,467

	2021		2020	
Company	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Leases repayable				
- Within one year	76	26	583	-
- Between two and five years	-	43	1,655	-
- In over five years	3,846	-	2,266	-
	3,922	69	4,504	-

A subsidiary of the 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 this arrangement in the year ended 31 March 2021 is £nil (2020: £nil)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2021

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 £4,117,000 (2020: £4,673,000).

Defined benefit schemes

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

	2021 £'000	2020 £'000
Exeter and Devon Airport Limited "EDAL" 1991 Pension Scheme	2,046	1,678
SCC France Retirement Indemnity Provision	14,465	13,798
SCC UK Defined Benefit Schemes	717	381
	17,228	15,857

Exeter and Devon Airport Limited "EDAL" 1991

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 2019 and has been updated to 31 March 2020 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 £2,946,000. The employer has agreed with the trustees that it will aim to eliminate the deficit over a period of 10 years from 1 April 2020 by paying no contributions between 1 April 2020 and 31 March 2021, followed by monthly contributions of £15,500 , increasing by 3% on 1 April each year until 31 March 2030. 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 2021

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:	2021 %	2020 %
Discount rate	2.1	2.3
Inflation (RPI)	3.3	2.6
Inflation (CPI)	2.8	2.1
Allowance for revaluation of deferred pensions	2.50 - 2.80	2.1
Future pension increases	2.10 - 3.10	1.80 - 2.60
Allowance for commutation of pension for cash at retirement	75% of Post A Day (Commutation Factor: 13:1 Male at 65)	

Mortality assumptions

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

	2021 Years	2020 Years
Retiring today:		
Males	21.8	21.8
Females	23.6	23.5
Retiring in 20 years:		
Males	23.1	23.1
Females	25.1	25.0

SCC France Retirement Indemnity Provision

Certain French subsidiaries have a statutory 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:

Group	2021 %	2020 %
Wage inflation	1.2	1.2
Discount rate	0.8	0.9
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	2.0	3.5

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2021

27. EMPLOYEE BENEFITS (CONTINUED)

SCC UK Defined Benefit Schemes

Specialist Computer Centres Plc is the employer under two defined benefit pensions schemes 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, the next valuation being due as at 31 December 2022.

(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 4 active members (2019: 5 members) and the best estimate of the contributions payable by the Company for the next financial year is £52,000. A formal actuarial valuation was undertaken at 5 April 2019, the next valuation being due as at 5 April 2022.

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 2020.

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

	2021 %	2020 %
Inflation rate	3.2	2.5
Future pension increases	2.8	1.8
Discount rate	2.1	2.2

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:

	2021	2020
Male currently aged 65	20.2	21.5
Male currently aged 45	21.8	23.1
Female currently aged 65	22.9	24.1
Female currently aged 45	24.5	25.7

Aggregated Employee Benefit Disclosures

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

	2021 £'000	2020 £'000
Current service cost	1,015	839
Interest cost	167	208
Total recognised in profit and loss account	1,182	1,047
Recognised in other comprehensive income:	1,493	526
Total cost relating to defined benefit scheme	2,675	1,573

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2021

27. EMPLOYEE BENEFITS (CONTINUED)

Aggregated Employee Benefit Disclosures (continued)

Amount included in balance sheet arising from the Group's obligations

	2021 £'000	2020 £'000
Present value of defined benefit obligations	33,119	29,666
Fair value of scheme assets	(15,891)	(13,809)
Net liability recognised in the balance sheet	17,228	15,857

Movements in the defined benefit obligations were as follows:	2021 £'000	2020 £'000
At 1 April	29,666	28,936
Acquisitions	-	-
Current service cost	979	839
Expenses	-	-
Interest cost	475	541
Actuarial gains	3,664	(301)
Contributions	4	3
Actual benefit payments	(1,050)	(703)
Exchange adjustments	(619)	351
At 31 March 2021	33,119	29,666

Movements in fair value of scheme assets were as follows:	2021 £'000	2020 £'000
At 1 April 2020	13,809	14,457
Interest income on assets	2,171	(818)
Loss on plan assets	308	333
Contributions	89	161
Actual benefit payments	(450)	(315)
Administration costs	(36)	(9)
At 31 March 2021	15,891	13,809

The analysis of the scheme assets at the balance sheet date was as follows:	2021 £'000	2020 £'000
UK equities	1,361	882
Overseas equities	1,361	882
Government bonds	3,040	3,334
Diversified growth funds	9,741	8,296
Cash	388	415
Total asset value	15,891	13,809

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 2021

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 2021, loans advanced from related parties comprised of the following:

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Loans from shareholders	1,760	1,677	1,760	1,677
Loans from related companies	20,000	19,409	-	-
	21,760	21,086	1,760	1,677

The Group (and Company) has received loans from shareholders of £1,760,000 (2020: £1,677,000). The shareholders have advanced £6,074,000 (2020: £4,439,000) to the Group during the year and £6,074,000 (2020: £17,682,000) was repaid by the Group to the shareholders.

The loans from shareholders were subject to interest at 4% p.a. and interest of £101,000 (2020: £344,000) was accrued during the year. Interest of £1,760,000 (2020: £1,677,000) remains unpaid at the year end.

The Group has received a loan from a related company of £20,000,000 (2020: £19,409,000) during the prior year to fund the purchase of Bournemouth Airport. The Group repaid £104,000 (2020: £1,725,000) during the year. This loan is subject to interest at 7.0% p.a. and interest of £1,388,000 (2019: £1,406,000) was accrued during the year.

Amounts receivable from related parties

At 31 March 2021, loans advanced from related parties comprised of the following:

	Group		Company	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Loans advanced to shareholders	60	2,367	-	2,307
Loans advanced to joint ventures and associates	11	48	-	-
Loans advanced to minority shareholders of subsidiary companies and key management	557	724	-	111
	628	3,139	-	2,418

The Group (and Company) has advanced loans to shareholders of £60,000 (2020: £2,367,000) which are subject to interest at 2.5% p.a. Interest of £nil (2020: £14,000) remains unpaid at 31 March 2021.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2021

28. RELATED PARTY TRANSACTIONS (CONTINUED)

The Group has made loans to directors of a subsidiary company of £421,000 (2020: £481,000) which are not subject to interest.

The Group (and Company) has made loans to a director of a subsidiary company of £111,000 (2020: £111,000) which are not subject to interest. The balance was repaid in full during the year.

The Group made loans to directors of subsidiary companies of £136,000 (2020: £132,000). Advances in the year were £11,000 (2020: £132,000) and repayments in the year were £7,000 (2020: £136,000).

Trading with related parties

The Group sold goods and services of £1,000 (2020: £100,000) 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 £82,000 at 31 March 2021 (2020: £nil).

29. CONTROLLING PARTY

Sir Peter Rigby controls the Company as a result of owning 68.28% of the issued ordinary share capital and 80% of the voting rights.

The results of the Company, Rigby Group (RG) plc, registered in England and Wales, are consolidated into those of Rigby Group, being the smallest and largest group for which consolidated and financial statements are prepared and whose principal place of business is at Bridgeway House, Bridgeway, Stratford upon Avon, Warwickshire CV37 6YX, which is its registered office.

30. POST BALANCE SHEET EVENTS

On 1 April 2021, the Group acquired a further 10.5% of the share capital of Siphon Networks Limited bringing the Group's shareholding up to 100%. The consideration and fees paid were £2,508,000.

On 24th May 2021 the Group acquired 100% of the share capital of Cloud Distribution Limited for initial consideration of £3.5m and an estimated future contingent consideration of £3.8m.

On 5th May 2021 the Group disposed of the trade and assets of the Buckland Tout-Saints Hotel.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2021

31. SUBSIDIARIES AND RELATED UNDERTAKINGS

The Company directly and indirectly holds investments in the following subsidiaries and related undertakings:

Subsidiary and associated undertakings	Address of the registered office	Principal activity	Percentage holding
Technology Division			
SCC EMEA Limited Specialist Computer Centres plc Specialist Computer Services Limited SCC AVS Limited SCC UK Holdings Limited SCC Overseas Holdings Limited Oworx Limited SCC (UK) Limited Specialist Data Centre Services Limited SCC Capital Limited M2 Digital Limited M2 Smile Limited	James House, Warwick Road, Birmingham, B11 2LE United Kingdom	Holding company Systems integration Bureau services Audio Visual Services Holding company Holding company Dormant Dormant Dormant Dormant Dormant Holding company	100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100% 100%
Altimance SAS	258 Avenue Roland, Moreno, Helios Batiment A, Parc de Rives Creatives, 59410, Anzin, France	Systems integration	100%
Rigby Capital SAS Large Network Administration (LNA) SAS	91 Rue Salvador Allende 92000, Nanterre, France	Systems integration Systems integration	100% 100%
Rigby Group SAS SCC France SAS	96 Rue des 3 Fontanot, 92000, Nanterre, France	Holding company Systems integration	100% 100%
Recyclea SAS	Rue Michel Faye, ZAC de Maupertuis, 03410 Domerat, France	IT recycling	55%
Flow Line Technologies SAS	575-655 Batiment D, 575 Alle Des Parcs 69800, Saint Priest, France	Systems integration	100%
Specialist Computer Centres SL Specialist Computer Services SL	Calle Teide, 4-Nucleo 2 -1a Planta 28703, San Sebastian de los Reyes, Madrid, Spain	Systems integration Systems integration	100% 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%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2021

31. SUBSIDIARIES AND RELATED UNDERTAKINGS (CONTINUED)

Subsidiary and associated undertakings	Address of the registered office	Principal activity	Percentage holding
Hotels Division			
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		Hotel operator	100%
The Kings Hotel (Chipping Campden) Limited		Hotel operator	100%
Arden Hotel Investments Limited		Holding company	100%
EHC Estates Limited		Group Services	100%
The Mount Somerset Hotel & Spa Limited		Hotel operator	100%
The Greenway Hotel & Spa Limited		Hotel operator	100%
Brockencote Hall Hotel Limited		Hotel operator	100%
Mallory Court Hotel Conference & Banqueting Limited		Dormant	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 Division			100%
Regional & City Airports Holdings Limited	Bridgeway House, Bridgeway, Stratford-Upon-Avon, Warwickshire, CV37 6YX	Holding company	100%
Regional & City Airports Group Limited		Holding company	100%
Regional & City Airports (Investments) Limited		Holding company	100%
Regional and City Airports Limited		Airport management	100%
Bournemouth International Airport Limited		Airport operator	100%
Bournemouth Airport Property Investments (Industrial) Limited		Dormant	100%
Bournemouth Airport Property Investments (Offices) Limited		Dormant	100%
Bournemouth Airport Core Property Investments Limited		Dormant	100%
XLR Executive Jet Centres Limited		Airport management	100%
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%
Travel Norwich Airport Limited		Travel agent	100%
Legislator 1364 Limited		Dormant	100%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2021

31. SUBSIDIARIES AND RELATED UNDERTAKINGS (CONTINUED)

Subsidiary and associated undertakings	Address of the registered office	Principal activity	Percentage holding
Real Estate Division			
Rigby Real Estate Limited	Bridgeway House, Bridgeway, Stratford-Upon-Avon, Warwickshire, CV37 6YX, UK	Property development	100%
Imperial Park Bournemouth Limited		Investment property	100%
Ostrava Property Limited		Dormant	100%
RRE Commercial Limited		Holding company	100%
Allect Division			
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%
Aviation Division			
Capital Air Ambulance Limited	Airport House, Exeter International Airport, Exeter, England, EX5 2BD	General aviation	100%
Volante Aviation Limited	Airport House, Rowley Road, Coventry, Warwickshire, CV3 4FR, UK	Dormant	100%
Capital Air Charter Holdings Limited	XLR Business Aviation Centre, Terminal Road, Birmingham Airport, Birmingham, England, B26 3QN	Holding company	100%
British International Helicopter Services Limited		General aviation	100%
Patriot Aerospace Limited		Holding company	100%
Patriot Aviation Limited		General aviation	100%
Patriot Aviation Engineering Limited		General aviation	100%
Nuvias Division			
Nuvias Group Limited	Unit 1 Genesis Business Park, Albert Drive, Woking, Surrey, United Kingdom, GU21 5RW	Holding company	100%
Wick Hill Group Limited		Holding company	100%
Nuvias (UK & Ireland) Limited		Specialist IT distributor	
Ingleby (1977) Limited		Holding company	100%
Nuvia Networks Limited		Holding company	100%
Guaranteed Results Limited		Marketing	100%
Zycko Group Limited	Lakeview House The Mallards, Broadway Lane South Cerney, Cirencester, Gloucestershire, GL7 5TQ, UK	Holding company	100%
Zycko Overseas Limited		Holding company	100%
Nuvias Global Services Limited		IT procurement specialist	100%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2021

31. SUBSIDIARIES AND RELATED UNDERTAKINGS (CONTINUED)

Subsidiary and associated undertakings	Address of the registered office	Principal activity	Percentage holding
Nuvias BVBA Data Communications Business BV	J.F. - Kennedyplien 5A1, 1930 Zaventem, Belgium	Specialist IT distributor Specialist IT distributor	100% 100%
Nuvias Iberia SL	Calle Ochandiano, 8, 28023 Madrid, Madrid, España	Specialist IT distributor	100%
Nuvias Polska Z.O.O.	ul.Bonifraterska 17, 00-203 Warsaw, Poland	Specialist IT distributor	100%
Zycko Holding GmbH Nuvias Deutschland GmbH	Kurfurstendamm 182, Berlin, 10707, Germany	Holding company Specialist IT distributor	100% 100%
Nuvias Norway AS	Leif Weldingsvei 6, 3208, Sandefjord, Norway	Specialist IT distributor	100%
Nuvias SAS	10-12 rue Andras Beck, 92360 Meudon La Forêt, France	Specialist IT distributor	100%
Nuvias SrL	Via Cardano 2, Agrate Brianza, 20864, Italy	Specialist IT distributor	100%
Nuvias BV	Gooimeer 2 (1.14), 1411 DD Naarden, the Netherlands	Specialist IT distributor	100%
Wick Hill Kommunikationstechnik GmbH	Sachsenfeld 4, 20097, Hamburg, Germany	Specialist IT distributor	100%
Nuvias Österreich GmbH	Bosendorferstrasse 9, 1100 Vienna, Austria	Specialist IT distributor	100%
Siphon Networks Limited	Suite 10, Brecon House, William Brown Close, Llantarnam Industrial Park, Cwmbran, Torfaen, NP44 3AB, UK	Specialist IT distributor	89.5%
Nuvias AG	Hardturmstrasse 120, 8005 Zürich	Specialist IT distributor	100%
Nuvias Inc	80 Brook Street, Mayfair, London, England, W1K 5EG	Specialist IT distributor	100%
Rigby Capital Division			
Rigby Capital Holdings Limited Rigby Capital Limited	Bridgeway House, Bridgeway, Stratford-Upon-Avon, Warwickshire, CV37 6YX, UK	Holding company Leasing	100% 100%
Central			
Rigby Group Finance Limited Rigby Private Equity Limited RPE Investments Limited Nuvias Unified Communications Overseas Limited	Bridgeway House, Bridgeway, Stratford-Upon-Avon, Warwickshire, CV37 6YX, UK	Holding company Holding company Holding company Holding company	100% 100% 100% 100%

The Company directly owns 100% of SCC EMEA Limited, Patriot Aerospace Limited, Eden Hotel Collection Limited, Regional & City Airports Holdings Limited, Rigby Real Estate Limited, RRE Commercial Limited and Rigby Group Finance Limited.
All companies are incorporated in the country in which the registered office is located with the exception of Nuvias Inc which is incorporated in USA. The percentage holding indicates the percentage of ordinary share capital held.

COMPANY INFORMATION

COMPANY NUMBER 03437118

DIRECTORS

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

COMPANY SECRETARY

Ms GM Garratt

REGISTERED OFFICE

Bridgeway House
Bridgeway
Stratford-upon-Avon
Warwickshire
CV37 6YX
United Kingdom

AUDITOR

Deloitte LLP
Statutory Auditor
Four Brindleyplace
Birmingham
West Midlands
B1 2HZ
United Kingdom

LAWYERS

Gowling WLG (UK) LLP
2 Snowhill
Birmingham
West Midlands
B4 6WR
United Kingdom

BANKERS

HSBC UK Bank plc
120 Edmund Street
Birmingham
West Midlands
B3 2QZ
United Kingdom

Societe Generale SA
33 Avenue de Wagram
BP963-75829 Cedex 17
Paris, France

Credit Industriel et Commercial SA
57 Rue de la Victorie
75452 Cedex 09
Paris, France

HSBC Factoring France SA
103 Avenue des Champs-Élysées
75008
Paris, France

National Westminster Bank Plc
2 St Philips Place
Birmingham
B3 2RB

Lloyds TSB Bank Plc
10 Gresham St
London
EC2V 7AE

UBS AG
London Branch
1 Finsbury Avenue
London
EC2M 2AN

RIGBY GROUP (RG) PLC

8O BROOK STREET
LONDON
WIK 5EG

TELEPHONE O2O3 418O445

RIGBY GROUP (RG) PLC

BRIDGEWAY HOUSE,
BRIDGEWAY
STRATFORD UPON AVON,
WARWICKSHIRE
CV37 6YX

TELEPHONE O1789 61OOOO

WWW.RIGBYGROUPPLC.COM

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WWW.RIGBYGROUPPLC.COM