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RIGBY

SMART.STRATEGIC.INDEPENDENT.

RIGBY GROUP. A MULTINATIONAL GROUP

RIGBY

ANNUAL REPORT 2022

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THE DIRECTORS PRESENT THEIR STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2022

RIGBY

SIR PETER RIGBY, CHAIRMAN'S STATEMENT

AFTER TWO EXTREMELY DIFFICULT YEARS FOR EVERY COMMUNITY, FEW EXPECTED THE PANDEMIC TO BE QUICKLY FOLLOWED BY ONE OF THE MOST TURBULENT GLOBAL ECONOMIC PERIODS IN LIVING MEMORY, BUT ONCE AGAIN THE SKILLS AND RESILIENCE OF OUR PEOPLE CONTINUE TO SHINE THROUGH, WITH THE GROUP MAKING REAL STRIDES DESPITE THE UNCERTAINTY THAT SURROUNDS US.

When I sat down to write my annual statement in 2021, it was to reflect on the agility of which the Group's executive teams, led by our Co-Chief Executives, James and Steve Rigby, had demonstrated in the face of an extremely testing economic backdrop. A year on, I am delighted to be reporting that their early and decisive action over the course of the pandemic - combined with the efforts and perseverance of their remarkable teams - has carried us through to a point where we are now unveiling the best results in our group's history.

Our financial performance over the last year has been exceptional and I am extremely pleased that the decisive actions and strategic initiatives of recent years have delivered the best results ever in the group's history. Profitability and returns on investment have improved across the whole of the group and although our Airports and Hotels divisions were still held back by the prior year's health crisis, the executive teams have delivered against their recovery plans. Turnover for the group increased 11% reaching a new high of £3.4bn, Adjusted Profit exceeded £106.6m and Operating Profit doubled to £76.6m.

In recent months we completed our investment cycles with the disposal of the Aviation and the Cyber Security and Advanced Networking businesses and look forward to new investment in our core divisions.

In a group where our people have always been and always will be at the heart of everything we do, it is heartening to see that the many extremely difficult decisions that had to be made during the pandemic, while often painful, have been proven to have served the long-term best interests and welfare of our staff.

Investment has increased following the limitations of previous years and has seen us make great strides towards the completion of our committed work programmes in Technology and Airports. We have also continued to develop innovative new business initiatives and investment opportunities. Our core divisions continue to make strategic investments: notably our Real Estate business, which has made significant progress in our partnership development of the proposed West Midlands Electric Battery Gigafactory site.

Today, Rigby Group operates many different businesses in 20 countries worldwide, with more than 8,500 people focused principally on technology led businesses. We see as much opportunity for growth and expansion today as we did when SCC was first established over 46 years ago.

Tomorrow, this will remain the case. Investment is essential to a healthy future, and we remain firmly committed to investing in our business, our people and new technologies for strategic and sustainable growth. The Group's core has always been technology innovation and we intend to focus future growth on these investments - in addition to continuing to develop local innovative projects including the Healthcare Solutions Digital Hub we recently launched at the South Warwickshire NHS Foundation Trust Hospital in Stratford-upon-Avon.

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 has launched The SCC Academy based in Birmingham.

Over the coming year, our developing Environmental and Social Governance (ESG) strategy will seek to enshrine these initiatives and many more within the heart of the company, ensuring that the values developed over almost fifty years remain in place for the next fifty.

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

We also remain committed to being 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 in the past, and we are proud of the work which we have done in supporting both the country and the NHS over the past decades.

And most of all, we will continue to value our people, their skills and the loyalty they have shown as part of our family business. I would like to thank them for their exceptional support during what must feel like a very long period of difficulty and doubt, and promise them that our commitment as a group will also remain true to the personal and professional development of our people, and the importance of enabling them to unleash their potential.

As the economy slowly recovers from the pandemic, we are seeing improved performance across the board in a number of our divisions, with our hotels and airports divisions now beginning to spring back into life. The omens for our business are overwhelmingly positive, and while wider complex geopolitical and economic issues remain, and will no doubt present future challenges, that is something worth both celebrating and reflecting on.

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

Peter Rigby

Sir Peter Rigby
Chairman

RIGBY

GROUP FINANCIAL OVERVIEW

2022 FINANCIAL HIGHLIGHTS

TECHNOLOGY

TURNOVER
£2.64BN
+7%
FY21 £2.46BN

OPERATING PROFIT
£64.4M
+40%
FY21 £45.9M

AIRPORTS

TURNOVER
£77.4M
+95%
FY21 £39.7M

OPERATING PROFIT
£8.2M
>1000%
FY21 £0.5M

NUVIAS

TURNOVER
£557.3M
+34%
FY21 £415.3M

OPERATING PROFIT
£5.4M
+50%
FY21 £3.6M

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GROUP TURNOVER 2022

£3.4BN
+11%
FY21 £3.0BN

OPERATING PROFIT 2022

£76.6M
+94%
FY21 £39.4M

GROUP NET ASSETS

£362.7M
+12%
FY21 £323.4M

GROUP ADJUSTED PROFIT*

£106.6M
+57%
FY21 £67.8M

RIGBY CAPITAL

TURNOVER
£37.1M
-31%
FY21 £53.9M

OPERATING PROFIT
£0.1M
+109%
FY21 £(1.2)M

ALLECT

TURNOVER
£29.7M
+28%
FY21 £23.1M

OPERATING PROFIT
£0.0M
-85%
FY21 £0.2M

HOTELS

TURNOVER
£16.2M
+147%
FY21 £6.6M

OPERATING PROFIT
£1.1M
+149%
FY21 £(2.2)M

REAL ESTATE

TURNOVER
£3.2M
+7%
FY21 £3.0M

OPERATING PROFIT
£2.9M
+11%
FY21 £2.6M

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

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 the Rigby Group, Sir Peter has chaired the Coventry and Warwickshire Local Enterprise Partnership (CWLEP), 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 and in 2021 was the first British born businessman to receive France's highest civilian honour "La Légion d'Honneur" in recognition of his services to the French economy and promoting strong business relations between the UK and France.

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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 leads the Group's Finance and Assurance functions having joined the Group over 20 years ago during which time he has led the financial operations in a number of roles within the Technology businesses. Peter was appointed to the Group board in 2020 and is a chartered accountant trained with KPMG and has had previous roles at Barclays Bank and with the Bridgestone group.

GEORGE CAMPION

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

George is a retired Deloitte partner with 30 years of experience in the profession where he held various roles including Senior Partner in Birmingham, international management of the tax practices in Central and Eastern Europe and Head of Midlands Real Estate. George is also chairman of Lodders Solicitors, a mid-size Midlands based law firm, and has various business interests in real estate investment and merchant services. George chairs the Audit, Risk and Remuneration Committee and is central to the environmental, social and governance policies within the Group.

RIGBY

OUR MISSION, VISION AND VALUES

WE ARE RIGBY GROUP. A MULTI-NATIONAL GROUP.

OUR MISSION TO DOUBLE THE ACHIEVEMENTS OF THE PAST 46 YEARS CREATING A BUSINESS WITH A £1BN MARKET VALUE BY 2025 HAS BEEN ACHIEVED IN 2022.

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

Having set a goal of doubling our achievements of previous years to £1bn market capitalisation by 2025 we are delighted to have achieved this in 2022.

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 £3.4bn 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, buy well and sell well. We target investment opportunities that will either support our existing operations or will complement our existing portfolio of companies by leveraging expertise within our senior executives. Our divestment strategy focuses on the delivery of optimum value to the Group.

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

RIGBY

GOVERNANCE

BOARD AND GOVERNANCE ACTIVITY

WE BELIEVE THAT THE RIGHT WAY TO CONDUCT BUSINESS IS WITH INTEGRITY, TRANSPARENCY AND FAIRNESS. RIGBY GROUP IS A FAMILY MANAGED BUSINESS. THE SHAREHOLDERS ARE DIRECTORS OF THE RIGBY GROUP AND A NUMBER OF ITS SUBSIDIARIES AND ARE REPRESENTED ON THE DIVISIONAL BOARDS.

Shareholder representation is essential to secure a long-term view over the management of the business without the pressure of short-term goals and returns and ensures shareholders are fully informed.

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

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

The Rigby Group board is supported by the Audit, Risk and Remuneration (ARR) Committee, chaired by non-executive director, George Campion which has responsibility over financial reporting, risk management and governance, internal and external audit. Members of this committee are Group Board members James Rigby, Peter Whitfield and Julie Mortimer, Rigby Group Financial Controller and Company Secretary.

Executive teams are reviewed and strengthened where appropriate to support growth and ensure that we have the necessary skills and expertise to take the business forward. In the Technology division we have refreshed the executive in the UK by appointing a new Services Director and Chief People Officer, both of whom started after the close of the financial year.

We have also formalised the role of Head of Sustainability for the Group, appointing an established group executive to this key role to drive the coordination of our sustainability strategy, bringing together the excellent work undertaken in the divisions, into a programme to deliver the shareholders sustainability goals.

As the group evolves following the disposal of our Cyber Security and Advanced Networking division we will evolve our executive teams and governance frameworks to meet the new shape of the Group.

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

During the year ten board meetings were held with an average attendance of 83%.

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.

During the year the ARR refreshed the group's risk management process introducing an improved cycle of reporting and review which has been detailed in the Risk Management section of this report.

SECTION 172 STATEMENT

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

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

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.

‘EXECUTIVE TEAMS ARE REVIEWED AND STRENGTHENED WHERE APPROPRIATE TO SUPPORT GROWTH AND ENSURE THAT WE HAVE THE NECESSARY SKILLS AND EXPERTISE TO TAKE THE BUSINESS FORWARD.’

OUR STAKEHOLDERS

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.

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.

Customers

Customers are at the very heart of everything the 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. 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. In this post pandemic period the Group remains committed to engaging with and supporting customers facing the challenges ahead.

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 7,600 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. We encourage a flexible approach to working and have provided our people with the resources necessary to enable remote and hybrid working wherever they have been located.

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, or gender in all aspects of employment. Our remuneration principles ensure that race, ethnicity and gender are 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.

Decision Making

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

Key Decisions	Stakeholders Impacted	Outcomes and How Stakeholders were Considered
FINANCIAL		
FY23 Business Plan Approved	Shareholders, Employees, Customers, Suppliers	The Board take into consideration factors such as the sustainability of the business for employees and customers, growth in key services, a sufficient return on investment for Shareholder and the long-term investment plan when setting the Financial Business Plan. These considerations will continue to be made when setting future business plans.
Dividend Payments	Shareholders, Customers, Suppliers, Employee	Dividends to Group shareholders were considered taking into account pay-outs in prior years, the year's exceptional performance, cash availability and prospects for the future. A review of net asset returns and intra-group funding in the Technology division led to additional dividend declarations to provide clearer financial goals for management.
Application for Covid 19 Governmental support and Repayment of Support received	Shareholders, Customers, Suppliers, Employees	In the current year each division considered its need for ongoing governmental support in the light of improving customer demand and the impact on vendors and employees. Repayment of CJRS (Coronavirus Job Retention Scheme) support received by the Technology division at the start of FY22 was approved in recognition of an improved financial outlook and the desire for the group to act in the wider economic interest.
Approval of refinancing for the Airport's division	Shareholders, Customers, Suppliers, Employees	The Board supported the Airports division in its application for refinancing to ensure that the division has sufficient liquidity to support current and future activity as the business continues to recover in the post pandemic period.
STRATEGIC		
Approval of acquisitions in the Technology and Nuvias divisions	Shareholders, Customers, Suppliers, Employees	Approval was given for 2 investments in Technology; bringing enhanced AV and SAM capabilities to customers, growing supplier relationships and providing opportunities for employees. The Board approved 4 acquisitions to increase the scale of activity in the Nuvias division to support the wider breadth our suppliers and customers need and promote the long-term relevance of the division and security of employment.
Sale of the Nuvias Division	Shareholders, Employees, Customers, Suppliers	The decision to sell the Nuvias division post year end was taken to deliver an acceptable return to shareholders to fund future investment in core Group activities. A trade sale to a market leader provides the best outcome for employees, customers and suppliers.
Disposal of the Aviation Division	Shareholders, Customers, Suppliers	The Board considered that their investment and development of the division was complete and that long-term support for customers and the best interests of employees and suppliers will be better achieved by the business operating within a larger Aviation group.
Strategic Review of the Technology division in France and the UK.	Shareholders, Customers, Suppliers, Employees	The Board supported the programmes of the executive teams in France and the UK to review market trends and opportunities in refining their Strategic plans, considering customer needs and supplier goals to create the best possible shareholder returns and future employee opportunities.

RIGBY

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

CEO REVIEW

TURNOVER GROWTH TO £3.4BN +11%;
OPERATING PROFIT OF £76.6M +94%
EBITDA OF £104.3M +54%

AN EXCEPTIONAL AND TRANSFORMATIVE YEAR

WE ARE DELIGHTED TO PRESENT THE GROUP'S ANNUAL REPORT FOR THE YEAR ENDING 31 MARCH 2022, A YEAR IN WHICH OUR FINANCIAL PERFORMANCE HAS REACHED THE HIGHEST LEVEL IN THE GROUP'S HISTORY.

INTRODUCTION AND OVERVIEW

It has been a record year in all regards, with turnover, profitability and return on assets all reaching new records and with profitability in all of our divisions. Record performances were achieved in our SCC, Airports, Nuvias and Hotel divisions and all our core operations improved profitability over the prior year.

Operating profit of £76.6m was double that of the prior year and our post tax return on net assets at 15% exceeded our long-term goal. Adjusted Profit at £106.6m exceeded £100m for the first time.

Turnover at £3.4bn was 11% higher than our former high point in the previous financial year.

Our commitment to investing for the long term together with the completion of restructuring over the last couple of years to remove underperforming operations, has contributed to the excellent financial performance. Strategic initiatives continued post the year end with the completion of the investment cycle and disposal of our Aviation and Cyber Security and Advanced Networking businesses.

Five acquisitions were made during the year and one in the quarter following the year end. Acquisitive investment remains a focus and will continue to be so alongside of organic growth in the years ahead. Organic investment has been made in new business initiatives and in internal operations and technology in our SCC businesses. Property acquired in the year in our Airports division will provide development and investment opportunity and we have invested in a refurbishment programme in our Hotels.

We are clear on our strategic goals to grow the group as a long-term family-owned trading business focused on Technology, Airports, and Property, our areas of knowledge and expertise. Strategic reviews have been completed in our SCC businesses to ensure we have the best understanding of the future of technology, the right skills and implementation programmes to deliver success over the long term. Evolving our executive teams to meet the future challenges and examining the future of the workplace are key topics, to ensure we continue to provide the right environment for our people and the new skills we seek to attract. We are accelerating programmes of employee engagement, improving office experiences and investing in skills. Investment in our people has been a focus for the year just ended and will remain a key priority for the future.

Our divisional ESG initiatives already extensive in many of our business, will come together into a group wide programme to be led by our newly appointed a Head of Sustainability. This programme will reflect our family values, the views of our people and our wider obligations to society. Environmental initiatives have been expanded in each division with particular focus on achieving Net Zero status as soon as possible. Further details of these and other initiatives are provided within the ESG section of this report. Whilst our ESG strategy is still emerging we are looking forward to the long term and the needs of the next generation.

Our executive management teams have successfully led us through the disruption of recent years and we are confident that they will continue to respond well to the current global uncertainties. Strategic reviews have been performed and poorly performing operations ceased so we are well prepared for the future.

‘OUR COMMITMENT TO INVESTING FOR THE LONG TERM TOGETHER WITH THE COMPLETION OF RESTRUCTURING OVER THE LAST COUPLE OF YEARS TO REMOVE UNDERPERFORMING OPERATIONS, HAS CONTRIBUTED TO THE EXCELLENT FINANCIAL PERFORMANCE.’

In our Technology Division, SCC in the UK completed one acquisition in the year, that of the Licensing and Cloud Software Lifecycle management business of Civica UK which will increase SCC’s presence in the market and strengthen our software licensing and software asset management business.

Shortly after the year end, in May 2022 the UK business also acquired audiovisual (AV) specialist Visavvi, adding capacity to scale our existing unified communications business, SCC AVS. Visavvi is a global leader in AV, communication, and collaboration services, renowned for its high standards and has won AV Integrator of the Year three times, including in 2021.

In 2013, the Group’s aviation division acquired the operations of British International Helicopters and has transformed its operational and commercial foundations. Our cycle of investment in this business is now complete and in Bristow, we have found the right home for a business supporting the UK Ministry of Defence, which now needs to be part of a larger group to support its future growth.

Since our initial investment in 2015 in the Wick Hill group, we have grown the Nuvias group organically and through acquisition of the Zycko group, into a cyber security and advanced networking business with a turnover in excess of £450m and a presence in 10 countries. Investment through acquisition continued in the recent financial year with 4 new business acquired until we agreed to combine our business with that of Infinigate. This transaction to dispose of our cyber security interests to Infinigate is expected to complete subject to anti-trust clearance and certain other conditions within six months of the date of this report. We anticipated a trade sale for our investment in this business in line with our buy and build strategy and are delighted to have achieved a sale to Infinigate, a business in which we will hold an investment following completion of the transaction.

The Group will continue to hold its current investment in the fast-growing Nuvias Unified Communications business trading in the UK and in Germany where we made a recent acquisition and which is now trading with over £107m of turnover, having grown 68% in the last financial year.

As these investment cycles close, we are looking forward to reinvesting in our core businesses with funds available from divestment and from the excellent financial performance in the year, we will be able to accelerate organic growth and targeted acquisitions to further grow long term value for the shareholders.

Looking to the future

The Group continues to prosper and following an exceptional year’s performance, continued investment in our core businesses and the strategic direction to guide us, we have achieved our aim of building a £1bn business, and we can now look forward to further growth.

RIGBY

TECHNOLOGY

TECHNOLOGY IS THE CORNERSTONE OF OUR GROUP.

GROUP REVENUE £2.6BN - 7% GROWTH ON PRIOR YEAR
OPERATING PROFIT £64.4M - 40% GROWTH ON PRIOR YEAR
NET ASSETS £161.8M - 18% LOWER THAN PRIOR YEAR

TECHNOLOGY

AN EXCEPTIONAL YEAR WITH 40% GROWTH AND RECORD OPERATING PROFIT.

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

SCC

Performance Overview

FY22 has been a record year for the Technology Division (SCC) delivering 7% growth in revenues now exceeding £2.6bn and a staggering 40% growth in operating profit up to £64.4m. We are proud of and delighted with this performance and the progress made in the year.

France has had an outstanding year with revenues up 11% and a 57% growth in operating profit principally due to our continued strength in supporting public sector programmes which have flourished as we have seen continued investment particularly in software. Software growth more than mitigated some of the supply chain constraints impacting hardware sales across the IT industry.

In France, our services business revenue of €181m grew €42m (30%) compared to prior year; services gross margin increased by 12% to €37.7m delivering a 29.3% growth in operating profit. This is a pleasing recovery ahead of pre-Covid levels. We continued our business wide transformation programme and improving our services contract profitability management during the year, programmes which will support long term efficiency, market relevance and profitability growth.

UK revenues grew by 7%, with operating profit 32% higher following growth in all major business areas notably a return to growth for enterprise product and continued significant growth in software and security. The Audio-Visual business also delivered exceptional growth with 27% increase in revenue and operating profits up 115% to over £2m. Whilst data centre services, print and document services may have been slower to recover from the pandemic than other areas there are some encouraging signs that growth in these business units is now starting to pick up.

Spain delivered a record year with 12% growth in revenues across all areas of hardware, software and services which, combined with continued focus on overhead savings, has doubled our operating profit. Our Global delivery centres in Romania and Vietnam continue to support our customers across both UK and France with a primary focus on delivering efficiency improvements and automation.

We have made some significant changes to our leadership teams both in the UK and France appointing a new CFO in France and broadening the UK executive. SCC launched new values to truly reflect who we wish to be as an organisation and how we do business. Those values are: Responsibility, Passion, Customer First, Agility and Family. The strategic priorities of SCC focus on People, Customer and Communities with an ambition to be the most customer and employee centric IT systems integrator in Europe.

Digital transformation continues to be a trend for technology customers with collaboration tools and security becoming ever more important. In response SCC has simplified its product offering under three new towers of Digital Workplace, Hybrid Infrastructure and Security to make it more accessible.

Whilst the pandemic continued to impact the way that SCC, its customers and partners deliver business, putting customers at the heart of what SCC does has ensured that we remain relevant and agile to address their needs. Against this backdrop it is even more pleasing that we have been able to deliver growth across all our major businesses.

CONTINUED INVESTMENT IN SCC WILL MAINTAIN CUSTOMER RELEVANCE AND GROWTH IN THE LONG TERM VALUE OF THE DIVISION.

Investments

In February 2022 the UK acquired Civica's Cloud Licensing team with its existing customer and partner relationships increasing its presence in the Cloud Software Lifecycle business. This adds capability to the existing software licensing and software asset management (SAM) businesses and opens up the next phase of growth.

After the end of the financial year, in April 2022, the UK also acquired Audio Visual (AV) specialist Visavvi, a highly accredited business, 3 times winner of the AV Integrator of the Year Award, that complements our existing AV capability and culture. This additional capacity and expertise will support UK customers with the shift to the digital workspace.

We are confident that these additions to SCC will help us to continue to provide innovative customer solutions and support our growth objectives.

Capital expenditure in the year was £11.6m (2021: £13.4m). The reduction on prior year is mainly due to the completion of the UK headquarters refurbishment in the prior year.

SCC is committed to providing an open and inclusive culture with the best working environment and work life balance opportunities for its employees. Following on from the significant investment in the new European Headquarters last year we continue to invest in more modern and welcoming facilities at our French head office in Paris and across our regional offices.

We have also continued our investment in training and the empowerment of people to become the best they can be, helping us to retain talent within our family business and we very much support the current initiatives to establish working groups to focus on diversity and inclusion.

Social and Environmental programmes in SCC are a strong feature of the way we do business. We have expanded those programmes in the year and include updates on progress in the Environmental Social Governnace section of this report.

SCC delivered an excellent return on net assets of 40% which was above our group target. This measure takes into account the reorganisation of assets within the Technology group which we implemented in the year and provides a better measure of performance and a benchmark for the future.

Looking forward

The new additions to the SCC family provide additional capacity and expertise within the division creating exciting opportunities to further expand its capabilities and customer offerings. The financial success of the last year underpins its ability to continue to focus on its strategic agenda: People, Customer, Communities and we are confident that SCC will continue to deliver against its objectives.

RIGBY

AIRPORTS

REGIONAL AND CITY AIRPORTS – A LEADING UK AIRPORT OPERATOR

REVENUE £77.4M - 94% GROWTH ON PRIOR YEAR
OPERATING PROFIT £8.2M - 154% GROWTH ON PRIOR YEAR
EBITDA £11.7M - 244% HIGHER THAN PRIOR YEAR

REGIONAL AND CITY AIRPORTS

SIGNIFICANT PROGRESS BACK TOWARDS 2020 PRE-PANDEMIC LEVELS WITH TURNOVER OF £77.4M EXCEEDING MARCH 2020 BY 29% AND EBITDA OF £11.7M BEING ONLY 12% LOWER THAN MARCH 2020.

4 AIRPORTS,
4 LUXURY JET CENTRES,
CAA TOP RATING

Performance Overview

The Airports Division (Regional & City Airports, RCA) had a very successful year in which we have seen results make significant progress back towards 2020 pre-pandemic levels.

Whilst March 2022 saw the removal of all remaining Covid related travel restrictions on passengers arriving into the UK from abroad, the disruption to domestic and international travel caused by the pandemic which started in March 2020, has been something that RCA has endured for most of the current financial year.

The current year has been one of transition with the division remodelling the business to deliver significant EBITDA growth.

At Bournemouth Airport, further progress was made in the year developing air freight operations which began in the prior year. During the year the Airport established new handling capabilities, facilities, and operations supporting the existing airline operator and to service new carriers attracted by the Airport's proposition as a new UK import gateway offering faster, better quality and lower cost service. The growth and development of this business stream has become a core strategic objective for the group and has helped to compensate for the lower passenger numbers which at 276k were 66% below 2020 levels.

RCA has also completed a number of initiatives to insource key revenue streams across all airports, such as aviation fuel supply. At Norwich Airport, where passenger numbers of 147k were 71% below the 2020 level, the insourcing of fuel supply operations included the acquisition of a new fuel farm asset, with operations transferring from the incumbent operator in April 2021.

At Exeter Airport where full year passengers were 170k, 82% below the 2020 level, management have focussed on the restoration of the former Flybe network with all but one of the domestic routes coming back online with new operators, combined with renewed international connectivity to key European hub airports and leisure destinations. Work also began on improvements to the Airport approach road which, when complete, will substantially improve the surface access infrastructure serving the airport and associated businesses.

More broadly, management have also undertaken operational and cost reviews to drive efficiency and deliver a smaller cost base to secure higher margins from all revenue streams. This has been combined with continued investment in new property infrastructure to generate more reliable revenue.

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

Regional airports make a significant contribution to both the economic development of the regions that they serve and the wider economy. Throughout the year RCA's airports have continued to support offshore oil and gas transport operations, professional pilot training, military operations, MRO and cargo and overnight mail operations, ensuring these crucial services continue for the benefit of the local regions and the country.

As in the prior year, RCA worked closely with government, both in its own right and as a Board member of the Airport Operators Association, to communicate the evolving challenges of regional airports and to seek to ensure the government understands the opportunities presented by regional airports and, in that context, how best to support the sector's recovery and future growth.

Looking forward

Looking ahead, and notwithstanding the persistent risk that macro-economic pressures present, RCA is in good shape for the coming year. Fuel sales and cargo operations at Bournemouth, combined with passenger recovery since the year end with the removal of most travel restrictions, have created a sound base for the future. Based on airline customer feedback and passenger behaviour RCA can expect a far more normalised pattern of travel behaviour in the coming year.

Overall, the group is now well positioned to take advantage of the airport's industry recovery phase, and significant energy is being invested in building on the opportunities presented by the strategic actions taken during the pandemic, and in time these will result in a commercially stronger, more diversified and sustainable division.

RIGBY

NUVIAS

SPECIALIST VALUE ADDING SERVICES FOCUSED DISTRIBUTOR

REVENUE £557.3M - 34% GROWTH ON PRIOR YEAR
OPERATING PROFIT £5.4M - 50% GROWTH ON PRIOR YEAR
EBITDA £10.5M - 25% GROWTH ON PRIOR YEAR

NUVIAS

OPERATING IN MORE THAN A DOZEN EUROPEAN COUNTRIES, NUVIAS COMPRISES TWO SUB-DIVISIONS OF SPECIALIST VALUE ADDING DISTRIBUTORS.

CYBER SECURITY AND ADVANCED NETWORKING – TURNOVER OF £450.0M (2021: £350.7M)

UNIFIED COMMUNICATIONS SOLUTIONS, "NUVIAS UC" – TURNOVER OF £107.3M (2021: £64.6M)

Performance Overview

Combined turnover for the division has grown by 34% to £557m, our Cyber Security and Advanced Networking business has grown by 28% and our Unified Communications operations grew by 66%.

Operating profit for the division increased by 50% to £5.4m. Cyber Security and Advanced Networking growing by 44% and Nuvias UC 62%.

On 30th June 2022, the Group agreed to sell the Cyber Security and Advanced Networking business to Infinigate. Our Unified Communications business will remain in the group and continue its growth journey.

Nuvias UC

We have grown our UC business by increasing our breadth of vendor solutions, expanding geographically, deepening our existing customer relationships, as well as expanding the number of customers which have grown 32% year-on-year. In December we acquired Alliance Technologies GmbH a specialist UC business based in Germany which also support Austrian and Swiss customers, to complement our operations in the UK, France and the Netherlands.

We have made good progress towards each of our strategic initiatives during the year with notable highlights:-

- Developing our Cloud platform business with leading vendors such as Microsoft, Zoom, RingCentral, Cisco, and Oracle extending our technical services and solutions expertise.
- Deepening our UC video collaboration expertise adding services and solutions to existing and new customers and regions.
- Sustaining our focus on "Voice" with geographic and vendor expansion ensuring operational and customer excellence.
- Continuing our investment in a 'frictionless' customer experience through continued proprietary development of automation and customer platforms such as 'Hub'.

Revenue growth has been led by our relationship with key vendors Poly and Yealink particularly over the second half of the year and with European wholesale and agency distribution of Zoom now in place, we expect to grow further in the coming financial year.

Our customer base has expanded following 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.

Looking forward

In the coming year we expect to continue to grow with our existing vendors and partners and to add new partnerships grow revenue further and project further improvements in operating profit.

Cyber Security and Advanced Networking

Our Cyber Security and Advanced Networking activity continued to grow in line with strategic objectives, guided by the Nuvias 2.0 3-year strategic plan to achieve EURO 1 billion of Turnover by 2024 '1B'. The plan drives key execution strategies in vendor and sales engagement, people management and digital enablement.

Three acquisitions – Cloud Distribution in the UK, Deltalink in Belgium, and NetSafe Solutions in Southeast Europe were completed in the year to March 2022. Two new market differentiating programs Nuvias Digital and Nuvias Frontier were launched during the year and sixteen new vendors were added significantly expanding our solution coverage and enablement for partners. Progress to our strategic goals over the last year has been clear and was meeting our expectations, however disposal of the group represented an opportunity to realise our investment early and to deliver the best return of value to the group's shareholders.

RIGBY

RIGBY CAPITAL

TOP TEN INDEPENDENT EMEA TECHNOLOGY FINANCING GROUP (UK AND FRANCE)

TURNOVER £37.1M - DOWN 31% ON PRIOR YEAR
OPERATING PROFIT £0.1M - UP 109% ON PRIOR YEAR
EBITDA £0.1M - UP 109% ON PRIOR YEAR

RIGBY CAPITAL

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 FINANCE SOLUTIONS FOR PROCURING IT AND TECHNOLOGY RELATED EQUIPMENT ACROSS HARD AND SOFT ASSETS.

ENABLING 'AS A SERVICE' AND WORKING CAPITAL MANAGEMENT

Performance Overview

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 finance solutions for procuring IT and technology related equipment across hard and soft assets. As well as providing standard lease products, Rigby Capital embeds 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.

The year to 31 March 2022 was challenging for Rigby Capital UK with a slow start to the financial year coming out of the pandemic affected prior year. External factors included the ongoing pandemic and industry wide hardware supply shortages contributed to delays in large IT infrastructure projects which typically create the demand for its financing solutions. Performance lifted through the year with the final month of the year recording an historic record volume and value of new deals for the company however full year turnover remained disappointing delivering only 68% of prior year performance. We have restructured our sales function to ensure the business is fit for the future.

Rigby Capital has refreshed its brand emphasising the enablement role which Rigby Capital plays in helping customers and partners maximise their objectives in digital transformation and Environmental Social Governance (ESG) strategy, with a strong lifecycle asset management market proposition. Our new brand reflects the value we can deliver in all territories and is used by our UK and France operations.

We have reviewed and refreshed our core values the expression of which we consider essential to attracting, developing and retaining talented colleagues.

We continued to improve efficiency across its back-office operations and finance helping to mitigate some of the costs of investing in our restructured sales function. New investment in lease management software will go live in the new financial year, demonstrates our on-going commitment to improving underlying processes and efficiency.

Looking Forward

A focus on partnership activity with our key strategic partner SCC along with closer management of our maturing portfolio and a record closing sales performance in March provides confidence and optimism for the forthcoming financial year.

The demand for financing solutions remains strong and relevant to current industry trends towards "as a service" IT solutions for customers and we continue to have confidence that Rigby Capital will provide significant returns to the group.

RIGBY

HOTELS

AWARD WINNING LUXURY INDEPENDENT HOTELS, TOP 5 BOUTIQUE HOTEL GROUP

REVENUE £16.2M - 131% GROWTH ON PRIOR YEAR
OPERATING PROFIT £1.1M - PRIOR YEAR LOSS £(2.2)M
EBITDA £2.1M - PRIOR YEAR LOSS £(0.9)M

EDEN HOTEL COLLECTION

THE LAST FINANCIAL YEAR FOR THE EDEN HOTEL COLLECTION WAS PRETTY TURBULENT AND NOT WITHOUT ITS CHALLENGES AS THE PANDEMIC RESTRICTIONS AFFECTED THE START AND CLOSE OF THE YEAR.

PERSONAL CARE AND ATTENTION, OWNERSHIP AND DEDICATED TEAMS

Performance Overview

Financial performance for the year was excellent and a significant step forward from the pandemic affected prior year, reflecting the strategic decisions taken to amend the operating models of each of the hotels and to divest of unprofitable activities. An operating profit of £1.1m and EBITDA of £2.1m is an historically strong performance for the division which pre-pandemic had struggled to make consistent operating profits.

Revenues reached £16.2m, 131% higher than 2021 and although only 83% of the pre pandemic years, this shortfall is explained by the disposal of three loss making Hotels.

Hotel opening was restricted in the first and final quarters of the year as the initial Covid-19 wave imposed closures in April and May and then later as the Omicron variant affected Christmas and the following months.

Pent up demand for UK domestic leisure business and deferred business filled the order books in the early months and the year was helped by a lack of opportunity for international travel. Room rates have been held and are running 20%-30% ahead of 2019 levels which has helped to offset the removal of government support in the form of VAT and grants. Key to current and future success has been the refining of the Hotels' service, maintaining the highest quality and remodelling opening hours to meet customer demand and deliver profitability without discounting.

Divesting the smaller loss-making hotels in 2020 has allowed the division to focus on profit making businesses and to re-invest profits to improve the overall quality of our service offerings.

Together with our financial success, we have maintained the quality of our Hotels recognised by receiving the Best Day Spa – Muddy Stilettos Award and Best of Bride Book Awards for Midlands Region for the Mallory Court Hotel and Trip Advisors Travellers Choice Award for Brockencote Hall.

Investment

We have continued to invest in the hotels across the collection over the last 12 months. Key projects have been an internal refurbishment at Bovey Castle with an upgrade to the 22 lodges and the addition of a new lodge reception with better roads and pathways connecting the lodges. At Brockencote Hall a new lodge increases bedroom stock by 15% and improved ancillary facilities and at The Arden Hotel all public social and event spaces were refurbished.

People

In common with the rest of the hospitality sector, access to appropriately skilled hospitality staff has been a challenge throughout the year and held back our ability to provide services in some instances. Our focus on providing high quality customer experiences as well as a good place for staff to work has been maintained through the year despite these continuing challenges.

Attracting and retaining talent remains critical to the success of the hotels and we have introduced a visa sponsorship licence, taken action on pay, conditions and well-being to support existing staff and encourage new people to join the business. We have operated "Well-being" weeks closing hotels to ensure that our staff get a break and are supported with well-being resources. Further to the year end, the launch of a new employee portal "Eden Engage" provides employees with relevant updates and access to a well-being page including the "Tea & Talk" initiative which gained recognition by being shortlisted for a prize at the national Springboard Hospitality Awards for Excellence.

Looking forward

A key focus for the coming year for the hotels will be to outline the Sustainability Policy and agree a strategy for the delivery of Sustainable Development Goals, reducing carbon emissions whilst remaining committed to the aim of providing intelligent luxury to hotel guests which does not compromise on guest experience or quality.

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.

The improved financial performance for 2021 reflects the successful restructuring activity taken in response to the pandemic and we are confident that the hotels will continue to be agile and successful as we enter the next financial year.

RIGBY

RIGBY REAL ESTATE

THE GROUP'S COMMERCIAL REAL ESTATE

TURNOVER £3.2M+7% - UP 7% ON PRIOR YEAR
OPERATING PROFIT £2.9M - UP 11% ON PRIOR YEAR

RIGBY REAL ESTATE (RRE)

THE GROUP'S COMMERCIAL REAL ESTATE BUSINESS LEADING THE WEST MIDLANDS GIGAFACTORY PROJECT.

8,000,000 SQ. FT. OF DEVELOPMENT
£41M PROPERTY PORTFOLIO;

OVER 500 ACRES OF CONSENTED DEVELOPMENT LAND;

200 LONG TERM CUSTOMERS

Performance Overview

The Group's commercial real estate business, RRE undertakes the principal activities of property investment, management, and development. Our property investment portfolio has continued to prove resilient with very low customer turnover and improved lease terms which has seen capital and profitable growth.

The West Midlands Gigafactory project continues to be the main development activity for the business. We have secured planning permission for the UK's largest battery Gigafactory being the only site available in the UK with a production capacity up to 60GWH per annum. A battery Gigafactory is a strategically crucial investment for the region and the UK. It will play a major role in securing the long-term electric future of British industry. It will directly create thousands of well-paid skilled jobs and thousands more in the wider supply chain, as well as protecting 105,000 jobs in the existing automotive industry.

The project is backed by a unique joint venture between Coventry Airport Ltd and Coventry City Council. Behind it sits an alliance of West Midlands industrial groups, local government and academia. This alliance includes the West Midlands Combined Authority, Warwick District Council, Warwickshire County Council, Coventry & Warwickshire LEP, Rugby Borough Council, WMG at the University of Warwick, Coventry University and the Manufacturing Technology Centre.

Alongside this flagship project RRE has continued to develop core airport related projects. At Norwich planning consent is being sought to develop Imperial Park, a 100 acre site to the north of the airport.

Meanwhile planning permissions have been granted for the first phases of development at Aviation Business Park adjacent to Bournemouth Airport. Both airports are owned by the Rigby Group and operated by the Group's Airports Division.

Strategic investment acquisitions have continued when in July 2021, the business successfully worked with European Aviation to acquire and lease back their headquarters based at Bournemouth Airport.

Divisional turnover for the financial year improved by 7% growing to £3.2m with 11% growth in operating profit to £2.9m.

Looking Forward

Looking forward to the coming year, we know the built environment sector has a key role to play in mitigating and adapting to climate change. Our purpose is to own, manage and develop real estate in response to these environmental challenges, meet occupiers' needs, deliver reliable, repetitive, and grow income-led returns. We will continue to progress the West Midlands Gigafactory and explore investment opportunities with global battery manufacturers to invest in the UK and West Midlands. We are confident that we will continue to identify and bring forward sustainable development opportunities focused on our existing property portfolio.

RIGBY

ALLECT INTERNATIONAL DESIGN

INTERNATIONAL DESIGN GROUP BRINGING TOGETHER THE FINEST NAMES IN LUXURY INTERIOR DESIGN.

TURNOVER £29.7M UP 29% ON PRIOR YEAR
EBITDA £0.7M DOWN 22% ON PRIOR YEAR

ALLECT INTERNATIONAL DESIGN

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.

Performance Overview

2022 marks the 20th anniversary of Helen Green Design and 15th year of business for Rigby & Rigby, a multi-disciplinary studio specialising in ultra-prime design and delivery and saw the launch of a new Creative division offering a full creative, digital and marketing agency, with capability to provide a sustainable ecosystem providing integrated solutions for every stage of development from concept to final completion and content management.

We enjoyed a strong year to March 2022, with a 29% growth in revenue. Continued focus on growing margin by improving efficiency and by providing an end-to-end service, has delivered very strong margin growth of 20%. A more efficient overhead base following the integration activity of the prior year continued to support our overall profitability.

EBITDA of £0.7m was tempered by finalisation of some contracts dampening margin by c. £1m without which the division would have reached a new record profit performance.

Allect's success is built on the quality of the projects delivered and we have been building our reputation as one of the of the most forward-thinking studios in the industry. Until recently, focused on residential design and development, the division has diversified successfully into Hospitality, Family Office and Food & Beverage sectors and has a global footprint in 22 countries. Our first step into Hospitality has been the design of all of the guest suites in the Aero wing of The Maybourne Riviera – one of the most anticipated hotels of the year.

Allect is the first studio in the UK, to have a Wellness Accreditation single private residence, has launched its NetZero programme and appeared in the Spears 500 Top Recommended Interior designers and Top Recommended Architects.

Each of Allect's specialisms has been professionally accredited, this year adding membership of the Federation of Master Builders to a certificate of excellence under the Considerate Constructors scheme and the Air rated certificate for the Lancelot House development.

Looking Forward

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

JAMES RIGBY
CO-CEO

STEVE RIGBY
CO-CEO

ENVIRONMENTAL SOCIAL GOVERNANCE (ESG) UPDATE

Environment

The Group recognises the importance of its environmental responsibilities across each of our divisions and all of the territories in which we operate. Whilst the Group is not subject to a specific corporate code, 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.

ESG and the impact we have on others lies at the heart of our family values.

The Group has put in place the necessary systems to manage, control and monitor performance in respect of environmental matters. We aim 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 our stakeholders, including our neighbours and the wider communities in which our businesses operate. We support employee participation in initiatives that not only benefit society, but also their own personal development.

	Year ended 31 March 2022	Year ended 31 March 2021*	Year ended 31 March 2020*
Energy consumption used to calculate emissions (kWh)	33,744,985	37,467,283	46,702,065
Emissions from combustion of gas (tCO_2e)	350.993	322.058	394.842
Emissions from combustion of fuel for transport purposes (tCO_2e)	1,559.189	1,189.613	2,512.435
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (tCO_2e)	195.313	130.882	709.339
Emissions from purchased electricity	5,992.008	7,033.701	8,162.730
Total gross tCO_2e	6,721.416	7,159.196	9,745.076
Intensity ratio: tCo_2e/£100,000 turnover	0.20	0.24	0.34
Methodology			GHG Protocol*

* comparatives have been amended in line with latest information available

Energy and Carbon: UK Emissions in accordance with the SECR regulations

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 CO_2 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.

Gross tCO_2e have fallen 6% on prior year with the subsidiaries in scope of SECR having made emissions of 6,721.416 tCO_2e, which equates to0.2 tCO_2e per £100,000 of revenue from those subsidiaries, (2021 7,159.196 tCO_2e and 0.24).

This decline is despite the prior year having been impacted significantly by the pandemic. The current year has actually fallen by 31% compared to the year ended March 2020 which is a more meaningful comparison given activity levels were relatively more aligned between these two years.

The Group continues to improve the efficiency of our fleet by introducing electric and hybrid vehicles and with more remote working and extensive use of meeting technology we continue to reduce the need for business travel where possible.

Environmental Initiatives

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 continue to work towards achieving ISO 50001.

In France SCC has committed to FRET 21 which means that they are committed to a 6% reduction in carbon emissions over a 3 year period, starting from 2021 and have a programme to achieve carbon neutrality by 2050.

Our Airports division achieved first level accreditation under the Airport Carbon Accreditation (ACA) program during the year and the directors are working towards establishing suitable business processes to achieve Level 2 accreditation in the coming year which requires CO_2 emissions to be reduced and continuously maintained.

During the year Exeter Airport formed part of a consortium which operated the UK's first commercially capable electric flight. The division continues to seek initiatives of this nature to lend expertise and support to delivering the next generation aviation technology.

Social Governance

The Group conducts its business to rigorous ethical, professional, and legal standards and we encourage all of our divisions to act in a responsible manner in accordance with our core family values.

As a group we are committed to diversity and inclusion amongst our employees and remain committed to providing equal opportunities regardless of age, gender, ethnicity, religion, disability or other dimension that can be used to differentiate groups and people. We believe that all of our employees contribute towards the success of our business and enable it to thrive.

The Group's technology division SCC, is part of the United Nations Global Compact the world's largest sustainability initiative. SCC supports the ten principles of the Global Compact with respect to human rights, labour, environment and anti-corruption as well as promoting Sustainable Development Goals (SDG's). In addition, we are thrilled that within this division Specialist Computer Centres plc has been awarded ISO 26001 – the international standard for Social Responsibility.

Philanthropy

The Group's main charitable donations are co-ordinated by the Rigby Foundation which was established by our Chairman Sir Peter Rigby as an independent charity and makes donations to various charitable organisations supporting the advancement of education, health and well-being. During the year the Group donated £2 million to the Rigby Foundation (2021 £1.2million).

During the year the Rigby Foundation established a new charity The SCC Academy which aims to support disadvantaged members of the community by providing access to IT training and hardware resources that would not otherwise be available to them.

Our Airports division continues to support both Devon and East Anglia Air Ambulance Trusts by the waiver of all fees for the use of Exeter and Norwich airports respectively which represents a combined donation in kind of £694,000 (2021: £757,000).

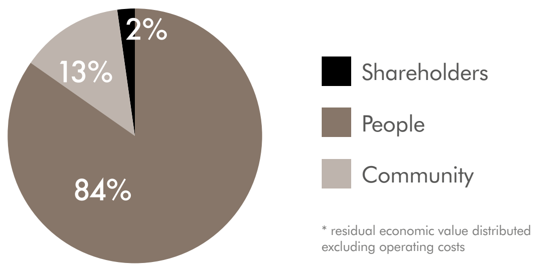
DELIVERING VALUE TO OUR STAKEHOLDERS

Economic value, represented by turnover, generated in the last year has grown by 11% to £3.4bn. Of the value generated 86% (2021:86%) is consumed by operating costs paid to our suppliers and the remainder is distributed between shareholders, people and communities or retained in the business for future investment.

£'000 Economic Value Generated	Growth +11%	FY22 3,364,243	FY21 3,023,402
Shareholders		6,850	0
People	+3%	301,498	291,624
Communities	+22%	89,113	73,104
Operating Costs	+11%	2,893,269	2,608,783
Value Retained	+47%	73,514	49,891

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

RESIDUAL ECONOMIC VALUE DISTRIBUTED*

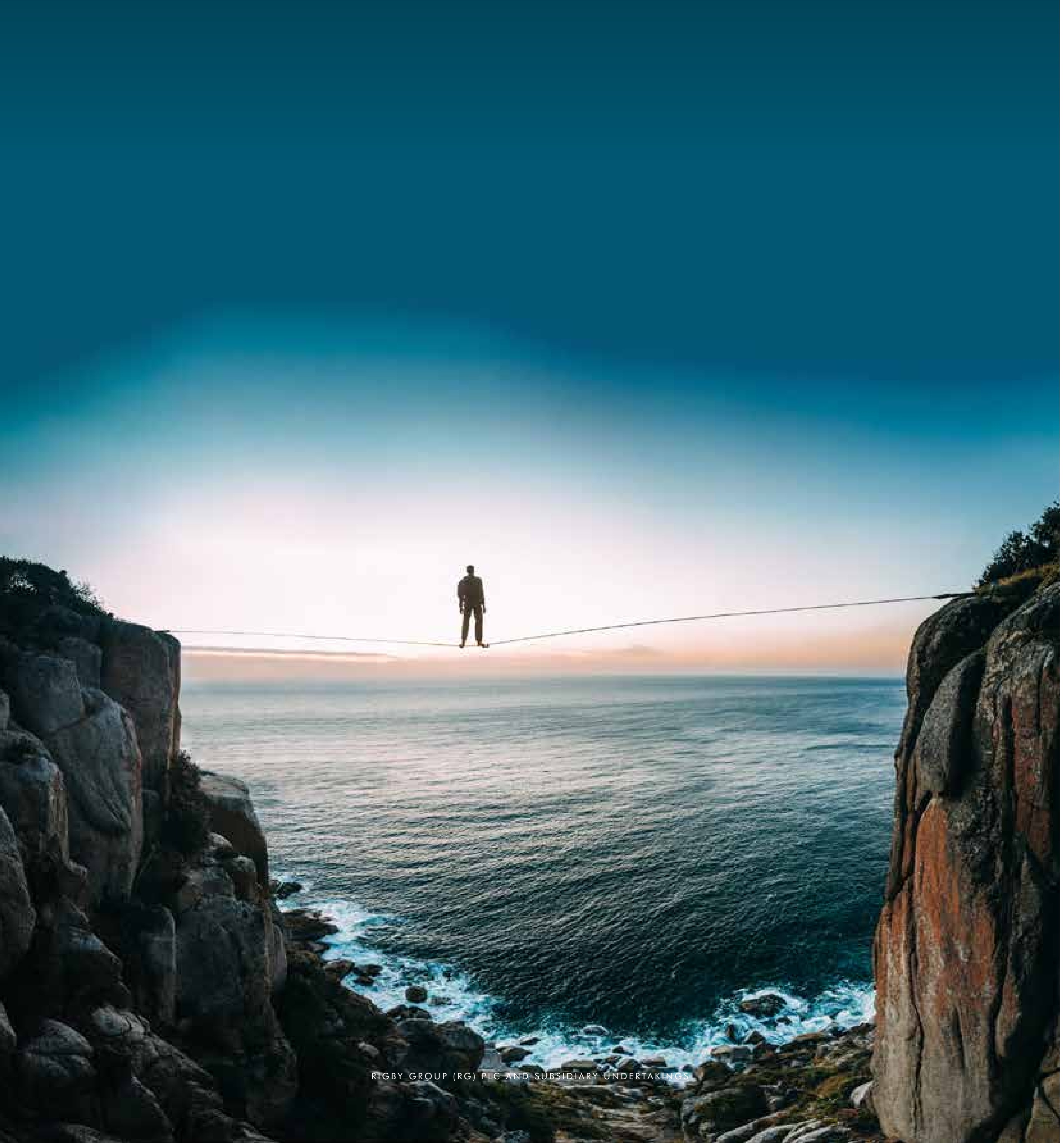


* residual economic value distributed excluding operating costs

'THE GROUP'S MAIN CHARITABLE DONATIONS ARE CO-ORDINATED BY THE RIGBY FOUNDATION WHICH WAS ESTABLISHED BY OUR CHAIRMAN SIR PETER RIGBY AS AN INDEPENDENT CHARITY.'

RISK MANAGEMENT

EFFECTIVE RISK MANAGEMENT IS KEY TO DELIVERING OUR STRATEGIC OBJECTIVES

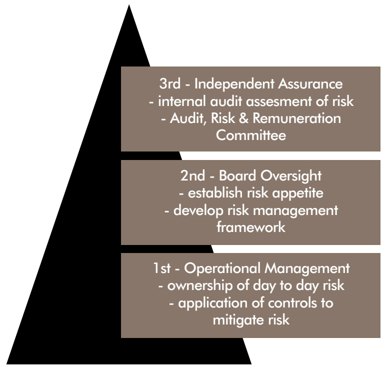


Under the current regulatory regime, the Rigby Group is not required to follow a formal Corporate Governance Code. Nevertheless, we take our obligations to our stakeholders seriously and we support initiatives designed to extend good corporate culture and behaviour.

Internal governance is an important aspect of our relationship with our shareholders, and we keep under review how we can improve our governance processes. This led to the roll out of an updated Rigby Group-wide risk management framework in the current year.

Internal Control & Risk Management

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



Operational Management

Operational management accept primary responsibility for identifying and managing risks, with board oversight and independent assurance ensuring that risk management is effective.

Board Oversight

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

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

Independent Assurance

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

Risk Management Framework

The management of risk is at the core of our internal control framework. In 2022 the Rigby Group updated its Risk Management Framework under the oversight of the ARR. Divisions began migrating to this framework during the year and, whilst the identification of key risks within the Group was not affected, the classification and grading of these risks is being aligned so there is a Rigby Group wide approach to risk management. The process to align the risk framework is expected to complete in 2023.

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

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

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

Risk Methodology

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

The risk register includes the following:

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

Framework for identifying risk

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

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

Methodology for assessing and prioritising risk

Risks are assessed and quantified in terms of likelihood and potential impact, taking into consideration control mitigation. These are then used to determine an overall mitigated risk rating which corresponds to a high, medium, or low risk level.

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

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

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

Risk Rating		Likelihood				
		5	4	3	2	1
Impact	5	25	20	15	10	5
	4	20	16	12	8	4
	3	15	12	9	6	3
	2	10	8	6	4	2
	1	5	4	3	2	1

Risk Level ● High ● Medium ● Low

Management of Risk

Actions, next steps and learning points are considered and documented for each risk. The risk owner is responsible for maintaining these, which will then have oversight by the ERO and the ARR.

PRINCIPAL RISKS AND MITIGATIONS

Understanding all of the risks facing the business is an important step to successfully managing the business for the long term. A summary of the key risks, mitigating factors and an update of the current status is provided below.

PROCESS/TECHNOLOGY: INFRASTRUCTURE SECURITY

Risk Description	Risk Mitigation	Risk Update	Risk Trend
• Loss of Data centre operations due to Cyber-attacks or a failure of physical or technical procedures resulting in interruption of services to customers and reputation damage. • Cyber-attack or other breach to our systems leading to a loss of customer, personal or business data. • Loss of service of internal systems disruption internal operations or customer experience.	• Data protection & information security policies, procedures, training, and controls. • Industry standard network protection and data centre infrastructure, including backup facilities. • Security testing and investment programme to keep abreast of new threats and maintain protection.	• General cyber risks faced by businesses are growing with increasingly sophisticated methods used by cyber attackers to exploit IT reliance and home working. • As an IT services business, the risk posed in this area therefore remains high and we take the threats posed seriously. • Cyber security remains a key focus of our assurance teams, with dedicated experts employed in this field as we continue to work hard to mitigate the risks posed.	→ Risk Level High

PROCESS/TECHNOLOGY: INTERNAL SYSTEMS PRODUCTIVITY

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

HUMAN CAPITAL: PEOPLE

Risk Description	Risk Mitigation	Risk Update	Risk Trend
• Failure to attract and retain our most talented colleagues. • Lack of readiness to support change initiatives. • Maintaining wrong skill sets to support customer requirements or generate new business. • Poor succession planning and overdependency on key individuals.	• Benchmarking industry norms, flexible working, feedback through the recruitment process. • Active change communications, planning and training; pre-change engagement and dialogue. • Opportunity and development through succession planning and investment in continued professional development. • Celebration of success through award schemes. • Undertake wellbeing & prosperity investment. • Personal development plans, internal courses, and external training • Annual resource planning, including redeployment and flex resourcing.	• Competitive job market increasing the difficulty in attracting and retaining the right people in the right roles. • Hybrid and flexible working arrangements adopted where appropriate.	↑ Risk Level High

STRATEGIC: COMPETITION AND TECHNOLOGY CHANGE

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

RISK ASSESSMENT

- CONTINUED

LEGAL, REGULATORY & COMPLIANCE: ENVIRONMENTAL, SOCIAL & GOVERNANCE COMMITMENTS

Risk Description	Risk Mitigation	Risk Update	Risk Trend
• Failure to plan for changes in environmental, social and governance commitments. • Lack of understanding of wider value expectations may create misalignment between company and client values creating unfavourable brand persona.	• Creation and continual development of ESG strategy detailing our commitments. • Sponsorship of targeted ESG work groups on key topics. • Establishment of clear, transparent, and accountable governance structures. • Vision Statement and supporting values (moral model). • Press and Public Relations, including Social Media Monitoring. • Feedback structures.	• ESG commitments increasingly an area of focus for stakeholders. • Continued development of ESG strategy. • Recognition as an independent risk for increased visibility.	→ Risk Level Medium

LEGAL, REGULATORY & COMPLIANCE: LICENCES, ACCREDITATIONS & OTHER REGULATIONS

Risk Description	Risk Mitigation	Risk Update	Risk Trend
• Failed, missing or lapsed licences or accreditations resulting in loss of business, damaged reputation, and fines. • Non-compliance with regulations or contracts resulting in loss of business, damaged reputation, and fines. • Breaches of environmental consents and licences. • 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. • Risk of failing to amend processes in line with new regulations.	• Automation renewals and notifications to shared resources rather than individuals. • Clear ownership of impact and outcomes. • Mapping of compliance and contract obligations to deliverables. • Documented procedures, active monitoring & reporting of compliance requirements including regular audits, inspections, sampling, and maintenance. • Health and Safety is managed by divisional management with Health and Safety policies updated to reflect specific sector requirements. • Provision of relevant staff training. • Membership to relevant industry bodies to keep abreast of changes.	• Continued monitoring of our compliance obligations. • Review to ensure accepted risks remain appropriate.	→ Risk Level Medium

FINANCIAL: CONTRACT MANAGEMENT

Risk Description	Risk Mitigation	Risk Update	Risk Trend
• Long term contracts become onerous due to poor risk identification and competitive pressures. • Contract management and delegated authorities become inadequate to identify and mitigate contractual risks. • Failure to deliver contractual obligations and meet required service levels.	• Commercial skills training including risk awareness. • Clearly defined processes, areas of responsibility and delegation of authority. • Review of detailed financial information to understand budgetary controls and financial behaviours.	• Contract management policy remains effective.	→ Risk Level Medium

FINANCIAL: BUSINESS ENVIRONMENT & MARKET CONDITIONS

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

FINANCIAL: LIQUIDITY MANAGEMENT

Risk Description	Risk Mitigation	Risk Update	Risk Trend
• Insufficient cash resources to meet strategic objectives, bank covenants or other liabilities as they fall due.	• Group maintains substantial cash reserves held at high credit-rated banks. • Debt within each division is ring-fenced, with borrowing and gearing levels across the Group's divisions are actively managed by the Group Treasury team, with close relationships held with a range of lending institutions. • Covenants for borrowings are monitored by the Group Treasury team with periodic reporting to the Group board, an increased focus on cash forecasting and working capital management.	• Group cash position and relationships with the banks remains strong. • Successful refinancing in the Airports division in the year decreasing liquidity risk.	↓ Risk Level Low

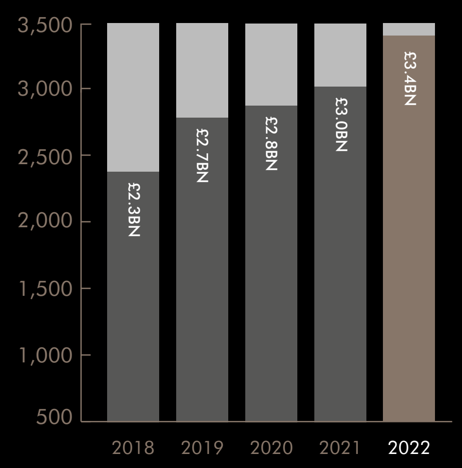
RIGBY

FINANCIAL REVIEW HIGHLIGHTS

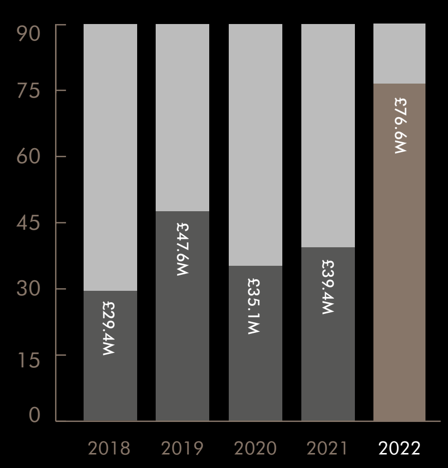
RIGBY GROUP (RG) PLC

	FY18	FY19	FY20	FY21	FY22	FY21 TO FY22
TURNOVER £M	2,373.5	2,771.7	2,863.3	3,023.4	3,364.2	11%
OPERATING PROFIT £M	29.4	47.6	35.2	39.4	76.6	94%
PROFIT BEFORE TAX £M	24.2	38.4	28.2	32.6	69.9	114%
CASH GENERATED BY OPERATIONS £M	124.7	128.5	134.0	126.9	107.2	-17%
NET ASSETS £M	293.4	311.2	305.2	323.4	362.7	12%
ADJUSTED PROFIT £M	58.7	78.7	66.0	67.8	106.6	57%

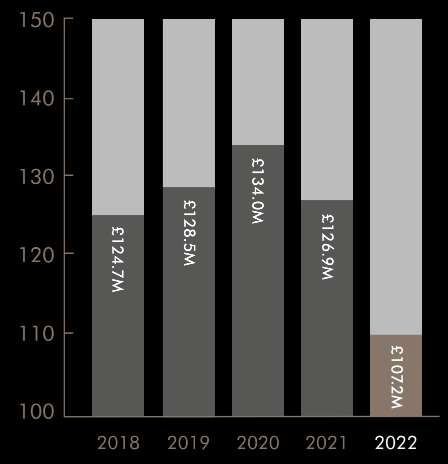
GROUP TURNOVER £BN



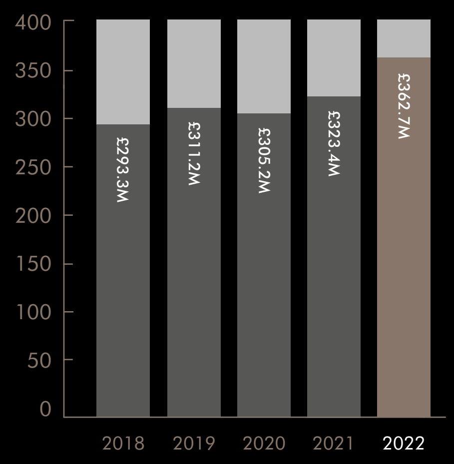
OPERATING PROFIT £M



CASH GENERATED BY OPERATIONS £M



NET ASSETS £M



RECONCILIATION OF OPERATING PROFIT TO EBITDA

2022	Operating Profit £'000	Depreciation £'000	Amortisation of other intangibles £'000	Goodwill amortisation £'000	EBITDA £'000
Technology	64,353	10,822	2,663	3,263	81,101
Airports	8,243	4,286	-	(795)	11,734
Real Estate	2,906	2	1	-	2,909
Nuvias	5,428	1,545	1,124	2,382	10,479
Rigby Capital	106	-	-	-	106
Allect	32	205	23	466	726
Hotels	1,064	1,066	-	-	2,130
Aviation	454	1,501	16	(1,242)	729
Central	(6,009)	251	165	-	(5,593)
Total	76,577	19,678	3,992	4,074	104,321

2021	Operating Profit £'000	Depreciation £'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	640	-	-	-	640
Allect	214	198	39	466	917
Hotels	(2,186)	1,286	-	-	(900)
Aviation	(2,896)	1,781	5	(1,030)	(2,140)
Central	(8,861)	314	162	-	(8,385)
Total	39,422	19,445	4,828	4,097	67,792

RIGBY GROUP FY22 CFO FINANCIAL REVIEW

PETER WHITFIELD, CHIEF FINANCIAL OFFICER

Exceptional financial results for the group in the last year, have been achieved through organic growth, combined with the result of strategic actions taken over the last couple of years and the start of the end of the impact of the pandemic.

Group financial performance in the year reached new records with improved financial performance in nearly every division. All divisions were profitable in the year.

Previously loss-making divisions were restructured or reorganised with disposals made or closure of loss-making operations in the year to March 2021, boosting the current years group results in comparison to that year.

Overall revenue growth of 11% was created from a 7% growth in the Technology division, which makes up 78% of the group's revenues and is now delivering £2,624m. Specialist distributor Nuvias grew 34% reaching over £550m primarily through organic growth. Recovering from a pandemic affected prior year, organic growth in Technology, Nuvias and Airports increased revenue to the Group's highest ever level of £3,364m (2021: £3,023m).

Revenues in Technology which had been partly affected by the pandemic recovered in most business units and saw significant growth in software, enough to propel performance to record levels. Whilst some work-place services have taken longer to recover, growth returned in enterprise products in the UK and software, where investment in people and relationships over the last few years in France have been important to continued growth in profitability. Pandemic related trading restrictions previously impacting Airports and Hotels whilst still representing a constraint on profitability in the year were not as impactful this year helping performance in these divisions.

Whilst Airports remained affected by uncertainty and loss of travel activity, our diversification and focus on cargo and fuel at the height of the pandemic have ensured we continue to trade profitably and have improved performance in the year, though without passenger activity, turnover and profit levels have not yet returned to the level of prior years.

Expectations for financial performance in the coming year to 31 March 2023 will reflect the cycle of group strategic investment as funds from profitable disposals will be available to drive future acquisitive investment in our core businesses.

Whilst we completed 5 acquisitions in the year, their timing late in the year was relatively small incrementing revenue by only £30m and generating an operating loss of £0.5m. Improved top line performance was carried through into improved profitability with operating profit stepping forward 94% to £77m. Adjusted Profit* which takes into account non-cash charges and acquisition related payments, exceeded £100m for the first time finishing on £106.6m (* A reconciliation of Adjusted Profit to Operating Profit is included in the CFO Report on page 52).

Improved performance in the Technology division, contributed 50% of the group's growth in operating profit. In total operating profit increased 40% to £64.4m for the year. Reselling of hardware and software in France, our largest business, drove higher revenues with growth coming from both public and private sectors and our software practice. Whilst headline growth was 6%, constant currency growth was 11%. Also, in France increased scale and investment in our services operations improved profitability significantly over prior years. Our French business delivered 70% of the growth in the Technology division.

In the UK, Technology services growth returned after a more difficult pandemic affected prior year as turnover growth returned in enterprise focused product supply, overall turnover growing by 7%. Changes in the use of offices and workplaces during and post the pandemic continued to affect UK managed and print services. Despite increased activity levels over the prior year, a slower return to more normal levels creating a drag on performance in the year. UK operating profit performance improved 32% achieving a record £23.6m.

In our Spanish Technology business, growth in services and a broader less software focused revenue mix, helped to improve margins which flowed through into a record profit performance.

Airports having been so affected by travel restrictions in the prior year were able to improve profitability with continued growth in the cargo business based out of Bournemouth and a modest improvement in passenger numbers. Turnover grew 95% and the division contributed £8.2m of operating profit in the year and more significantly £11.7m of EBITDA.

Nuvias, our specialist distributor expanded geographic operations and vendor reach, helping in the growth in operating profitability which rose 50% to £5.4m. Distribution of Unified Communications solutions grew 66% in the year adding £43m taking this business over £100m of revenue.

Hotels were able to open for substantially the whole year following a year when opening was severely restricted. As a result, turnover grew significantly – up £9.7m, 147% and operating profit for the division exceeded £1m. Disposal of loss-making hotel operations in prior years have streamlined the division delivering more stable levels of profitability.

Prior year costs associated with asset disposals relating to business closures in our Aviation division of £2.0m and restructuring costs of £5.3m elsewhere in the group have not repeated in the last year, although reorganisation activities have continued in the Technology group notably in France to ensure that we have the right resources and structures in place to support the needs of the business.

Covid 19 restrictions notably in travel have affected the group in the year, although their impact has been less widespread than the year before. Each division continued to independently consider their need for financial assistance and accessed government support only where necessary. Severe travel restrictions and a lack of certainty of when those restrictions would ease, required the Airports division to take all measures possible to protect the business, accessing the government CJRS scheme, AGOSS (Airport and Group Operations Support Scheme) and other LRSG/ARG (Local Restrictions Support Grant/Additional Restrictions Grant) grants. CJRS support for the division continued to the end of the scheme following which the Airports division implemented its own furlough scheme to provide flexibility in the light of ongoing disruption to travel. Whilst profitability has improved in the division, government measures have been key to protecting jobs and preparing for recovery during a year which has been financially uncertain.

Hotel operations continued to be affected by the pandemic, as changing regulations created an uncertain climate for customer confidence. When restrictions materially eased in May 2021, use of the CJRS scheme ceased as the outlook had improved sufficiently to provide confidence in future trading. The later virus variant had an impact on trading at Christmas and in the final quarter of the year during which financial performance was affected.

Within Technology UK, support for workplace-based services operations through the CJRS scheme was taken at the start of the year and then repaid as performance of the overall business lifted and the continued slow recovery in the services businesses affected no longer became a financial risk to the business. Profit for the Technology division does not include any pandemic related UK government financial support. Total support from the government in the year post tax was £2.2m (2021: £15.9m).

Labour costs have been held back in the last financial year as demand has been lower and organisational restructure has taken place, however as demand has grown the cost of labour has risen and action taken to ensure that reward and recruitment reflects these new realities. The impact of these changes on the financial year has been limited but will affect the coming year more significantly.

Revaluations of Investment Property generated operating losses of £0.3m (2021: Profit of £3.8m). Property at Bournemouth Airport was revalued downwards by £1.7m offset by gains at other airports overall reducing operating profit in the Airports division by £1.5m. Landside property at Bournemouth managed in our Real Estate division continues to appreciate and was valued £1.1m higher whilst other airside property was neutral overall. A continuation of low void rates supported the profitability of the Real Estate division with turnover 7% higher and operating profit at £2.9m.

Remote working over the last two years has reduced travel and entertaining related overheads. Although some of these costs are returning and will continue to rise in the coming year, we have benefited from more efficient ways of working and where appropriate we are adopting hybrid working solutions to maximise operational efficiency within our business and maintain the support for customers and employees central to our culture.

Acquisitions, Disposals and Organic Growth

Turnover growth has been organic, acquisitions in the year have not materially impacted revenue performance. Disposals in the Hotels divisions part way through the prior year have reduced their turnover in the current year although these transactions improved profitability.

Five acquisitions completed during the year with another in the first quarter of the new financial year. Three of the businesses acquired are part of the Nuvias Cyber Security business which we agreed to sell to Infinigate Hld Uk Limited on 30 June 2022. The combined annualised revenue expected from the remaining acquisitions is £62.3m.

Acquisitions: Division	Acquired Businesses	FY23 Revenue Forecast £m
Nuvias	Cloud Distribution Limited Delta Link BV Netsafe group	8 7 12
Nuvias UC	Alliance Technologies Gmbh (excluded from the Infinigate transaction	14.3
Technology	UK Software Asset Management business of Civica	23.7

Four acquisitions were in our Nuvias division contributing a combined turnover in the year of £30.3m and one in Technology UK which had a small impact on revenues having been acquired in the final quarter of the year.

Acquisition by the UK Technology division, of the Saville Group completed in May 2022 boosting the capabilities and scale of the existing Audio Visual and Collaboration business, adding another £24.3m of annualised turnover.

One disposal completed in the year, the sale of the Buckland Tout Saints Hotel.

Having invested over a number of years in creating a more streamlined and profitable Aviation business focused on delivering helicopter services in the UK and the Falklands, our investment cycle for this division was coming to a close by the end of the financial year. Finding a long-term home for this business within a larger organisation, more able to deliver long term growth and employee security, was the logical conclusion for this investment and we completed the sale in August 2022. Operating profit from this division for the year to 31 March 2022 of £0.5m is not significant to the future results of the remaining group.

Disposal of our Nuvias division will remove £450m of annualised revenues and £3.3m of annualised operating profit from the group, whilst delivering substantial profit and cash for further reinvestment in the financial year to 31 March 2023.

Investment

Investments in core systems in our Technology division have resumed following much reduced recent activity whilst management focused on the effects of the pandemic in the UK. Programmes for continued investment are in place in both the UK and in France to improve operational efficiency and capital programmes delayed due to economic uncertainties have started to be recommenced. Our Real Estate division has expanded its operations at Bournemouth Airport acquiring £10.6m of land and property which will be developed to provide land and airside facilities to support the airport and associated economy.

Adjusted Profit

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

By excluding these charges, Adjusted Profit provides a more comparable and informative measure of relative performance which is complementary to operating profit and appropriate for understanding profit performance in an acquisitive group. This measure Adjusted Profit was £106.6m and grew 57% in the year.

EBITDA and Adjusted Profit Reconciliation £m	2022 £m	2021 £m
Operating Profit	76.6	39.4
Depreciation	19.7	19.4
Amortisation	8.0	9.0
EBITDA	104.3	67.8
Acquisition Costs	2.3	-
Adjusted Profit	106.6	67.8

Net Finance Costs

Net financing charges of £6.6m (2021: £6.5m) are marginally higher, due to the non-repeat of £0.1m prior year current asset investment gains. Interest payments are down 3% in line with lower average facility usage.

Taxation

The group tax charge for the year was £23.9m (2021:£11.0m) on profit before taxation of £69.9m (2021:£32.6m), an effective tax rate of 34% (2021: 34%). Whilst the headline effective rate of tax remains unchanged from the prior year, there have been a number of changes to the Cash Tax Rate, the mix of taxable profits arising in the UK and in France and the tax charge arising from the change in future UK tax rates.

The Cash tax rate improved from 35% to 24% in the current year. This 11% decline arose due to the UK super-deduction 2.3%, One-Off credits in the current year resulting from movements in provisions 1.9%, reduced impact of non-deductible goodwill amortisation 1.2% and the proportion of overseas taxable profit 5.7%. With a return to profitability in the UK we expect future rates to be similar for the coming year before taking into consideration the impact of disposals in the coming year.
Despite significant growth in taxable profits in France, profit subject to overseas taxes comprised only 64% of total pre-tax profits compared to 90% in the previous year, as UK profitability notably in Airports, recovered from much lower levels.

The 11% improvement in the Cash Tax rate is offset by an increase of 10% in deferred tax arising from the change in UK rates which rise to 25% from 1 April 2023.

In the coming financial year, effective cash tax rates are expected to rise if as expected the mix of profit before taxation continues to favour non-UK jurisdictions. In the UK substantially enacted legislation will increase rates from 19% to 25% and will raise cash tax rates from the start of our financial year ended 31 March 2024. Deferred tax charges and therefore our effective tax rates already include the effect of this change in legislation. Should the UK government enact legislation to reverse the increase in tax rate from 1st April 2024, the effect will be to reduce future deferred tax charges by £6.2m.

Our Group Tax Policy was reviewed during the year by the Audit Risk and Remuneration Committee and approved on behalf of the Board. The Group's financial results reflect the economic substance of the underlying commercial transactions and we do not make artificial adjustments to the profit or losses in order to benefit one tax jurisdiction over another. All of our transfer pricing is consistent with approved programmes.
We pay taxes within the countries in which we operate and have no appetite for tax motivated planning, creation of artificial tax structures or offshore activities which do not reflect the economic substance of our businesses.

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

Dividends and Profit retained

Given economic uncertainties during and immediately after the end of the prior year ended 31 March 2021, we did not make any dividend declarations to shareholders relating to that year's performance. Now that the outlook is more certain we have made dividends to shareholders out of the profits generated in our Technology division. Dividends of £6.85m were paid in the year to shareholders of Rigby Group (RG) plc and following the year end additional dividends of £11.7m were declared and paid.

Dividend payments have been made in accordance with the Group dividend policy which restricts the combined payment of dividend, other shareholder remuneration and charitable donations to ensure adequate profit after tax is retained within in the group. Net Assets in the Company at the balance sheet stand at £198.1m (2021: £129.4m).

Segmental Turnover and Profitability

Technology represents 78% of Group turnover, and despite growing by £161m their share declined 3% from the prior year as turnover in the Nuvias division grew by £142m.

All divisions made a contribution to Adjusted Profit for the first time, a consequence of actions taken over the last few of years to cease or dispose of loss-making activities. Operating profit is generated predominantly by the Technology division which represent 84% of the Group total, a level consistent with pre-Covid year. Airports made a higher contribution to profitability in the last year and whilst the £8.2m achieved is not at the pre pandemic levels it is 11% of the Group operating profits.

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

Net Assets

Group Net Assets have grown by £39.3m to £362.7m a growth of 12% following an exceptional year which delivered £48.8m of total comprehensive income, after payment of dividends and £2.5m for the purchase of the remaining non-controlling interests of Nuvias UC Limited.

Technology net assets of £161.8m declined in comparison to the position at the start of the year, despite generating significant post tax profits solely as a result of the reorganisation and settlement of historic intercompany balances between Rigby Group and certain companies in the division.

Reorganisation of the divisional net assets involved the declaration of £45m of dividends offsetting intercompany balances with Rigby Group (RG) plc. No cash left the Technology division as part of this reorganisation and at the close of the year Technology Net Assets comprised 45% of the group net assets (2021: 61%). Net Asset returns to the Rigby Group from the Technology division will in future, be more representative of underlying performance following this balance sheet restructure.

Goodwill: The net book value of Goodwill rose by £10.1m to £34.8m. New goodwill of £15.6m arose on acquisitions in the year, of which £11m was in the Nuvias division and annual amortisation reduced the book value by £6.1m. In our Aviation division £2.1m of negative goodwill was released to profit leaving a balance at the year-end of £9.5m which will be removed in the coming year following disposal of the division.

Investment Properties: Overall our investment property values were little changed from the prior year at £139.0m (2021: £127.2m) after taking into account the purchase of £10.6m of property at Imperial Park Bournemouth which we will develop and deploy between our Airport operations and our real estate development divisions.

Cash Flow and Working Capital	FY22 £m	FY21 £m
Opening Cash & Cash Equivalents	461.5	422.6
Operating cashflow before movement in working capital	104.9	66.5
Movement in Working Capital	2.3	63.6
Cash generated from operations	107.2	130.1
Corporation Tax	(15.6)	(10.9)
Operational Capex	(17.1)	(16.9)
Capital Investments	(10.6)	0.0
Acquisitions	(18.0)	(0.0)
Interest & Current Asset Investments	0.1	0.3
Related Parties	(2.6)	2.5
Finance Leases	4.8	0.3
Investing Activities	(43.4)	(13.8)
Interest	(6.0)	(6.2)
New Facility Drawings	37.2	5.1
Loan Repayments	(5.7)	(33.2)
Related Parties	0.0	(6.1)
Finance leases	(2.5)	(1.9)
Deferred Consideration on Acquisitions	0.0	(5.8)
Dividends to Equity Shareholders	(6.9)	(8.9)
Dividends to Minority Interest	(0.2)	(0.2)
Financing Activities	16.0	(57.2)
Net Movement in Cash & Cash equivalents	64.2	48.2
FX Impacts	3.0	(9.4)
Closing Cash & Cash Equivalents	528.7	461.5

Operating profits adjusted for non-cash items of £104.9m (2021: £66.5m) were a significant improvement on the previous year, however we only generated £2.3m further cash from working capital unlike in the prior year when working capital improved by £63.6m, resulting in total cash generated from operations of £107.2m compared to £130.1m in the prior year.

Of this cashflow generated, we used £15.6m (2021:£10.9m) to settle taxes and used £43.4m (2021: £13.8m) on investing activities : Capital expenditure on core operations of £17.1m and the purchase of property at Bournemouth Airport of £10.6m. Unlike in the prior year there were relatively fewer asset disposals to offset the cash cost of investment. We used £18.0m to acquire new businesses and the remaining minority interest in Nuvias UC Limited.

We drew an additional £29.0m from our financing facilities to fund acquisitions in the year and working capital. By contrast, in the prior year we did not use cash on acquisitions and were able to pay down £31.7m of debt. Interest payments of £6.0m (2021: £6.2m) and dividends to Rigby Group equity holders of £6.9m (2021: £8.9m) were the principal other financing costs which totalled £16.0m in the year.

Overall, the net increase in cash and cash equivalents of £64.2m (2021: £48.2m) was not significantly higher than the previous year despite the higher operating profits due to the absence of working capital gains which generated cash in the prior year.

The rapid growth achieved in the Nuvias division required additional working capital to be used to support new vendors and longer supply chains which committed £21m of working capital not helped by the growing inventory commitment to customers in the face of global supply shortages. The Technology division improved working capital and this more than offset the capital committed in Nuvias. In France the business mix moved to software with poor supplier terms however this effect was offset by improved customer payments in the UK. Both operations increased inventory holdings during and at the year end.

Capital expenditure and expenditure on acquisitions and investment property purchases used some of the operating cash generated with free cash converting Adjusted Profit at 84% (2021: 167%).

Cash expended on acquisitions in Nuvias and Technology totalled £18.0m whilst £3.8m was generated from the sale of Buckland Tout Saints Hotel and some of the assets of the Aviation division. We paid £15.6m of corporate income taxes in the year.

Cash Conversion	FY22 £m	FY21 £m
Operating Profit	76.6	39.4
Depreciation Total	19.7	19.4
Amortisation Total	8.1	8.9
EBITDA	104.3	67.8
Acquisition Costs	2.3	-
Adjusted Profit	106.6	67.8
Cash generated by operations	107.2	130.1
Cash capital expenditure net of proceeds	(17.1)	(16.9)
Free Cash	90.1	113.2
Free Cash Conversion	84%	167%

Year-end cash positions are normally high compared to other months during the year and this year was no exception. A number of customers in the UK Technology business pay ahead of their payment terms in March and a high volume of public sector customers trading in the March month together with their inclination to reduce payment terms creates additional cash in the final few days of the year. As payments to suppliers are maintained to terms, good customer collections in March improves cash at the end of the year.

Business mix in the Technology division, between software and hardware products where supplier payment terms differ has an impact on cash flow throughout the year and as software revenues have grown, some of the cash generated has been consumed by working capital in our French Technology business.

Where customers request extended payment terms, we are in some situations able to support their request through the sale of receivables to a third-party financial organisation which collects payment as agreed between themselves. The cost of these arrangements is borne by the customer, so we are able to receive funds in full. Our group company Rigby Capital facilitates some of these transactions.

Growth in our Nuvias business and in particular in our Unified Communications division has absorbed cash in working capital where payment terms are less generous. Outside of Technology and Nuvias working capital demands have a more modest impact on the Group cash position and have not changed significantly.

Inventory levels have risen through the year in our Technology and Nuvias divisions. Global chip shortages have affected many of the vendor's products which we supply and incorporate into solutions for customers. Rising inventory has been the key change in the Group's working capital profile since the last balance sheet date. Extended procurement timescales have created the need for greater customer certainty and inventory purchasing has been intentionally increased to support customers. Providing complete customer solutions to previous timescales has become more challenging due to the breadth of these shortages and inventory levels have been increased to facilitate the completion of customer solutions.

Trade creditors in our Technology division are supported by strong balance sheets in the individual trading entities. In some instances, suppliers accelerate payments to themselves by the sale of their receivables to financial organisation which receive payments from ourselves in line with the normal contractual payment terms. Free credit periods under these arrangements are funded by suppliers in the same way as when payments are made to them directly. Longer payment terms may be offered by suppliers funded by their financial organisation and these terms may from time to time be accessed however they do not have a material impact on the cash balances held at the end of the year.

Capital Expenditure

Capital expenditure within core trading operations of £17.1m (2021: £16.9m) was only slightly higher than the prior year. Whilst some programmes had been scaled back due to the pandemic, spend did resume in the second half of the year. Technology and Airports divisions undertake the majority of the capital spend at 86% (2021: 85%).

A slower programme in systems investment in Technology drove the £2.8m lower spend in the division, whilst Airports had £2.9m lower spend on key projects completed in the prior year. Cash spent on capital assets included £10.6m of investment by the Real Estate division at Bournemouth Airport.

Group Cash and Net Funds

Net Cash increased by £37.2m over prior year (2021: £70.1m) after impacts of foreign exchange.

Cash on hand increase by £63.2m driven partially by an increase of £31.3m in facility drawings. Bank loans remained fairly static year on year and overdrafts were reduced by £4.0m.

	FY22 £m	FY21 £m
Net Cash/ (Debt) at beginning of year	359.5	289.4
Cash flows from operating activities	107.2	130.1
Cash capital expenditure	(27.7)	(16.9)
Tax Paid	(15.6)	(10.9)
Interest received and paid	(5.9)	(6.0)
Dividends paid	(7.0)	(9.0)
Acquisition and disposal of subsidiaries	(18.0)	(5.8)
Net movement on current asset investments	(0.1)	0.1
Movement on Finance Leases	2.3	(1.6)
Other	(1.0)	(0.5)
Net increase in net cash/(debt)	34.2	79.4
Effects of foreign exchange rates	3.0	(9.4)
Net Cash / (Debt) at end of year	396.6	359.5
Components of Net cash/(Debt)		
Cash at bank and in hand	595.0	531.8
Overdrafts	(66.3)	(70.3)
Current Asset Investments	1.2	1.2
Finance Facilities	(44.4)	(13.1)
Bank Loans and overdrafts	(67.4)	(67.2)
Related party loans	(18.4)	(21.1)
Obligations under finance leases and HP contracts	(3.2)	(1.9)
	396.6	359.5

Treasury Management

The Group has bank facilities in place for each division the majority of which are unchanged since the end of the previous year. In the Airport division our existing £40.9m term debt facilities were restructured into £41.7m facilities extended to July 2024 with new covenants and specific funding put in place to continue investment at Bournemouth Airport. Interest rates on these facilities are now fully hedged. Purchase of new property at Bournemouth Airport was part funded by a new £4m term loan. In Technology we have repaid €3.7m of term loans whilst increasing overdraft capacity by €5m, whilst in our Hotels division we have been able to pay down £0.5m of term loan facilities and remove £0.3m of unutilised overdraft capacity. Nuvias increased their invoice finance facilities by £2m through acquisition and £5m in the Unified Communications business offsetting a reduction in the division's term loan.

The Group has access to funds through cash and debt facilities. Banking facilities are held primarily in operating entities and set to meet the requirements of that business and its closely associated trading operations. Facilities are denominated and drawn in those currencies required to support the operations of each business. Where transactions take place between currencies, forward contract hedging transactions are put in place. Interest rate hedges are also in place where term debt is material to the division. The Group's policy is not to undertake any speculative trading in financial instruments. The principal risks arising from the Group's financial Instruments is interest rate risk our approach to which is explained in the Viability Statement.

Peter Whitfield FCA
Chief Financial Officer

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 a period longer than twelve months and has concluded that considering the diversity of the Group's operating divisions, the most relevant time horizon for this review is five years.

Strategic and Financial Planning

The starting point in assessing the prospects of the Group is the 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. Sensitivity analysis is performed in divisions and the group to ensure that financial projections are robust and reflect the relevant future customer demand and market expectations. Contingency provisions are used by group to reflect areas considered to be vulnerable to market uncertainties and key assumptions which may be sensitive to change.

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 & 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.

Post pandemic we have closely monitored the impacts of the return to different levels of normal trading and activities across each of our divisions. We continue to review the cash and working capital requirements of the Group and its divisions and to work with all of our key banking partners to ensure that sufficient funds are 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 for the period of our viability review.

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. We are confident that we will continue to deliver in line with our financial projections.

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

We have long term banking relationships with National Westminster Bank, Lloyds Bank and HSBC in the UK and 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.

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 2022 the Group had net assets of £362.7m 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. 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 26 September 2022.

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 2022.

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. Subsequent to the year end the group has entered into a transaction to sell RPE Investments Limited and all of those of its subsidiaries which comprise the Nuvias Cyber Security and Advanced Networking operations, to Infinigate Hld UK Limited. In addition, on 2nd August 2022 the Group disposed of its Aviation division with the sale of British International Helicopter Services Limited to Bristow Helicopters Limited.

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

Results And Dividends

The Group's activities resulted in a profit before tax of £69,911,000 (2021: £32,638,000). The Group profit for the year, attributable to equity shareholders, amounted to £45,770,000 (2021: £21,526,000).

Dividends declared by Rigby Group (RG) plc in the year were A preference shares of £612,000, the B preference shares of £875,000, the Preferred Ordinary shares of £5,363,000 (2021: nil).

Net assets of the Group have grown by £39,287,000 to £362,720,000 a growth of 12% in the year

Acquisitions, Disposals and Goodwill

During the year the Group acquired Cloud Distribution Limited, Deltalink BVBA, Alliance Technologies GmbH and the Netsafe Group into the Nuvias Division and Civica LCSL into the Technology division. More information on the impact of these acquisitions on the performance of the Group is provided in note 29 of these financial statements. There were no disposals that took place in the year under review.

Charitable Donations and Political Contributions

During the year the Group made donations of £2.0m to the Rigby Foundation (2021: £1.1 million). The Rigby Foundation is a registered charity established by Sir Peter Rigby 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. During the year the Foundation set up a new charitable venture, the SCC Academy, which aims to provide IT skills to disadvantaged members of the community with the provision of training and resources at the SCC Technology Campus.

The Group has a long history of supporting the communities directly touched by our business and believes that the building and maintaining relationships of trust in the community is vital to the sustainable future of our business. We choose local charity partners through which we are can support diverse organisations supporting a range of people and their families. Charitable donations, excluding the Rigby Foundation, were made during the year totalling £200,000 (2021: £49,000).

Political contributions totalling £20,000 (2021: £70,000) were made during the year to the Conservative Party - West Midlands Mayoral Campaign.

Business Ethics

We are committed to 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 £3.1m (2021:£2.2m) in research and development, primarily in our technology division, 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 (Co CEO)
S P Rigby (Co CEO)
P N Whitfield
H W Campion

Company Secretary
GM Garratt (resigned 6 May 2022)
JA Mortimer (appointed 6 May 2022)

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". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Post Balance Sheet Events

On 30 June 2022 the Group entered into a transaction to sell RPE Investments Limited and all of its subsidiaries to Infinigate HLD UK Limited for a debt free, cash value of £150 million. The transaction is subject to anti-trust clearance and other obligations including the transfer at market value of Alliance Technologies GmbH to Nuvias UC Limited, and Nuvias UC Limited to Nuvias UC Holdings Limited, a subsidiary of Rigby Private Equity Limited. The transaction is expected to complete within 6 months of the date of these financial statements.

On 6 May 2022, the Group completed the acquisition of 100% of SEA Holdings (UK) Limited and its subsidiaries. The consideration is subject to completion accounts and the outcome of certain future events which are not yet finalised.

On 2 August the Group completed the sale of British International Helicopter Services Limited to Bristow Helicopters Limited for £10.4 million.

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
- and the director has taken all steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

Auditor

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

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

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

26 September 2022

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 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

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

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

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

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

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included 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 areas, and our specific procedures performed to address it are described below:

Valuation of Investment Properties

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

To address this risk:

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

Revenue recognition around the year end in Technology UK and Nuvias division

- We addressed this risk by enhancing the scope of our testing of transactions around the year end to ensure revenue was recognised in the correct period.
- Performed designe and implemention of control around year end recognition of revenue.

Revenue recognition based on percentage of completion in Technology France division

In Technology France revenue is recognised based on level of estimates being used to determine future costs to complete in service contracts not being appropriately determined, and hence impacting the recognition of the related revenue for those contracts specifically relating to ongoing projects at the year end.

- We have examined unusual growth in revenues and accounts receivable, as well as incoherent movements in accrued / deferred revenue.
- We have performed substantive procedures to evaluate customers with large and long outstanding receivables.
- Challenged management's year end estimates and rational around the revenue adjustement at the year end and evaluated if they are appropriate.
- Performed design and implmentation of control around revnue being recognised based on percentage of completion.

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
28 September 2022

RIGBY

FINANCIAL STATEMENTS

RIGBY GROUP (RG) PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT
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CONSOLIDATED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2022

	Note	2022 £'000	2021 £'000
Turnover	3, 4	3,364,243	3,023,402
Cost of sales		(2,955,176)	(2,671,686)
Gross profit		409,067	351,716
Other operating expenses		(334,391)	(332,807)
Goodwill amortisation	12	(4,074)	(4,097)
(Loss)/gain arising on revaluation of investment property	13	(330)	3,785
Total operating expenses		(338,795)	(333,119)
Other operating income	6	6,305	20,825
Operating profit		76,577	39,422
Share of joint ventures' and associates' operating loss	14	(92)	(331)
Profit before finance charges		76,485	39,091
Finance charges (net)	5	(6,574)	(6,453)
Profit before taxation		69,911	32,638
Tax on profit	9	(23,928)	(10,986)
Profit after taxation	6	45,983	21,652
Profit for the period attributable to:			
Non-controlling interest		213	126
Equity shareholders of the company		45,770	21,526
		45,983	21,652

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 MARCH 2022

	Note	2022 £'000	2021 £'000
Profit for the financial year		45,983	21,652
Currency translation difference on foreign currency net investments		(105)	(2,220)
Cash flow hedge		1,298	175
Re-measurement of net defined benefit liability	27	2,091	(1,493)
		3,284	(3,538)
Tax relating to components of other comprehensive income (expense)		(468)	312
Other comprehensive income (expense)		2,816	(3,226)
Total comprehensive income		48,799	18,426
Total comprehensive income for the period attributable to:			
Non-controlling interest		207	115
Equity shareholders of the company		48,592	18,311
		48,799	18,426

CONSOLIDATED BALANCE SHEET

YEAR ENDED 31 MARCH 2022

	Note	2022 £'000	2021 £'000
Fixed assets			
Positive goodwill	12	34,817	24,740
Negative goodwill	12	(9,465)	(11,527)
Goodwill - net balance	12	25,352	13,213
Software and other intangibles	12	42,592	42,332
Intangible assets	12	67,944	55,545
Tangible assets	13	319,794	317,343
Investments in associates and joint ventures	14	3,040	3,132
		390,778	376,020
Current assets			
Stocks	15	105,940	70,618
Debtors			
- due within one year	16	610,016	482,320
- due after more than one year	16	18,942	10,805
Current asset investments	17	1,189	1,229
Cash at bank and in hand		595,027	531,796
		1,331,114	1,096,768
Creditors: amounts falling due within one year	18	(1,219,050)	(985,886)
Net current assets		112,064	110,882
Total assets less current liabilities		502,842	486,902
Creditors: amounts falling due after more than one year	19	(90,797)	(123,124)
Provisions for liabilities and charges	21	(33,941)	(23,117)
Net assets excluding pensions liability		378,104	340,661
Net pension liability	27	(15,384)	(17,228)
Net assets including pension liability		362,720	323,433
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	330,530	290,076
Shareholders' funds		362,278	321,824
Non-controlling interests		442	1,609
Total capital employed		362,720	323,433

The consolidated financial statements of Rigby Group (RG) plc, registered number 03437118, were approved by the Board of Directors and authorised for issue on 26 September 2022 and signed on its behalf by:

Sir Peter Rigby,
Director

COMPANY BALANCE SHEET

YEAR ENDED 31 MARCH 2022

	Note	2022 £'000	2021 £'000
Fixed assets			
Intangible assets	12	**256**	361
Tangible assets	13	**1,206**	1,406
Investments in subsidiaries	14	**76,028**	79,273
		77,490	81,040
Current assets			
Debtors			
- Due within one year	16	**99,715**	69,105
- Due after more than one year	16	**1,181**	-
Investments	17	**1,189**	1,229
Cash at bank and in hand		**23,722**	29,254
		125,807	99,588
Creditors: amounts falling due within one year	18	**(5,140)**	(51,209)
Net current assets		**120,667**	48,379
Total assets less current liabilities		**198,157**	129,419
Creditors: amounts falling due after more than one year	19	**(42)**	-
Net assets		**198,115**	129,377
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	**169,633**	100,895
Shareholders' funds		**198,115**	129,377

The profit for the year dealt with in the financial statements of the company was £75,588,000 (2021: £1,781,000 loss). The Company paid a dividend during the year of £6,850,000 (2021: £nil). 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 26 September 2022 and signed on its behalf by:

Sir Peter Rigby,
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 MARCH 2022

	Called-up Share Capital £'000	Share Premium Account £'000	Capital Redemption Reserve £'000	Retained Earnings £'000	Other Reserves £'000	Equity Attributable to the Owners of the Parent £'000	Non-controlling Interest £'000	Total Equity £'000
Balance as at 1 April 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	-	-	-	312	-	312	-	312
Total comprehensive income for the year	-	-	-	18,311	-	18,311	115	18,426
Acquisition of non-controlling interest	-	-	-	(517)	-	(517)	507	(10)
Dividends declared to non-controlling interests	-	-	-	-	-	-	(164)	(164)
Dividends declared to equity shareholders (note 10)	-	-	-	-	-	-	-	-
Balance as at 31 March 2021	16,750	11,369	512	290,076	3,117	321,824	1,609	323,433
Profit for the financial year	-	-	-	45,770	-	45,770	213	45,983
Currency translation differences	-	-	-	(99)	-	(99)	(6)	(105)
Cash flow hedge	-	-	-	1,298	-	1,298	-	1,298
Actuarial movements in net defined benefit liability (note 27)	-	-	-	2,091	-	2,091	-	2,091
Tax relating to items of other comprehensive income	-	-	-	(468)	-	(468)	-	(468)
Total comprehensive income for the year	-	-	-	48,592	-	48,592	207	48,799
Acquisition of non-controlling interest	-	-	-	(1,288)	-	(1,288)	(1,220)	(2,508)
Dividends declared to non-controlling interests	-	-	-	-	-	-	(154)	(154)
Dividends declared to equity shareholders (note 10)	-	-	-	(6,850)	-	(6,850)	-	(6,850)
Balance as at 31 March 2022	16,750	11,369	512	330,530	3,117	362,278	442	362,720

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 2022

	Called-up Share Capital £'000	Share Premium Account £'000	Capital Redemption Reserve £'000	Retained Earnings £'000	Total £'000
At 1 April 2020	16,750	11,220	512	102,676	131,158
Loss for the financial year	-	-	-	(1,781)	(1,781)
Dividends declared to equity shareholders (note 10)	-	-	-	-	-
At 31 March 2021	16,750	11,220	512	100,895	129,377
Profit for the financial year	-	-	-	75,588	75,588
Dividends declared to equity shareholders (note 10)	-	-	-	(6,850)	(6,850)
At 31 March 2022	16,750	11,220	512	169,633	198,115

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

CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2022

	Note	2022 £'000	2021 £'000
Net cash inflow from operating activities	25	107,169	130,107
Tax paid		(15,554)	(10,932)
Cash flows from investing activities			
Purchase of tangible fixed assets		(26,345)	(19,616)
Purchase of intangible fixed assets		(5,392)	(5,256)
Sale of tangible fixed assets		4,038	7,928
Capital expenditure		(27,699)	(16,944)
Purchase of subsidiary undertakings		(15,503)	-
Purchase of non-controlling interest		(2,508)	(10)
Acquisitions		(18,011)	(10)
Amounts advanced under finance lease receivable arrangements		4,758	308
Amounts (advanced to)/received from related parties		(3,577)	38
Repayment of loans advanced to related parties		1,025	2,504
Interest received		82	163
Interest and dividends received on current asset investments		66	92
Net cash movement on current asset investments		(81)	85
Fees paid on current asset investments		(4)	(6)
Net cash flows used in investing activities		(43,441)	(13,770)
Cash flows from financing activities			
Interest paid		(6,039)	(6,206)
Interest element of finance lease rentals and customer specific financing		(288)	(362)
Interest payments		(6,327)	(6,568)
Dividends paid to controlling equity shareholders		(6,850)	(8,872)
Dividends paid to non-controlling shareholders		(154)	(161)
Payments to shareholders		(7,004)	(9,033)
Advances of bank and other loans		37,173	5,078
Repayments of bank and other loans		(5,650)	(33,223)
Loans advanced by related parties		1,404	-
Repayment of loans from related parties		(1,404)	(6,074)
Debt advances and repayments		31,523	(34,219)
Payment of deferred consideration on acquisitions		-	(5,825)
Capital element of finance lease rental payments		(2,194)	(1,525)
Net cash flows from financing activities		15,998	(57,170)
Net increase in cash and cash equivalents		64,172	48,235
Cash and cash equivalents at the beginning of the year		461,507	422,644
Effect of foreign exchange rate changes		3,015	(9,372)
Cash and cash equivalents at the end of the year		528,694	461,507
Reconciliation to cash at bank and in hand:			
Cash at bank and in hand		595,027	531,796
Bank overdraft		(66,333)	(70,289)
Cash and cash equivalents at the end of the year		528,694	461,507

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

1 SIGNIFICANT ACCOUNTING POLICIES

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

1.1 GENERAL INFORMATION AND BASIS OF ACCOUNTING

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

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

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

The Group uses one non Generally Accepted Accounting Practice (non-gaap) financial measure in addition to those required under FRS102. The directors consider that the use of this one measure "Adjusted Profit" assists in providing additional information and improves understanding of financial performance and improves understanding of performance between financial years.

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

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

1.2 BASIS OF CONSOLIDATION

The Group 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 2022 the Group had net assets of £362.7m and has delivered growth in turnover, gross profit, profit after tax and net assets. The directors believe that management have sufficient flexibility in adverse circumstances to maintain adequate resources to continue in operational existence for the foreseeable future, which is a period of at least 12 months from the date of signing the financial statements. The Group is well placed to manage its business risks successfully and the Group's projections show that each of the divisions should continue to be cash generative. As covered in the viability section of this Strategic Report above the Directors have taken due consideration of the impacts of sensitivities and uncertainties in the formation of their opinion regarding the future of the Group. The directors therefore continue to adopt the going concern basis of accounting in the preparation of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

1.4 INTANGIBLE ASSETS - GOODWILL

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

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

1.5 INTANGIBLE ASSETS – SOFTWARE COSTS

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

1.6 INTANGIBLE ASSETS – OTHER

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

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

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

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

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

1.7 TANGIBLE FIXED ASSETS

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

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

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

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

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

1.8 INVESTMENTS

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

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

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

1.9 IMPAIRMENT OF ASSETS

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

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 2022

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 2022

(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 2022

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 2022

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

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

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

The Group as lessor

(a) Finance leases

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

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

(b) Operating leases

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

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

1.18 INTEREST INCOME

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

1.19 INVESTMENT INCOME

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

1.20 REBATES AND MARKETING INCOME

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

1.21 GOVERNMENT GRANTS

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

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)

2 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

2.1 CRITICAL JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES

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

2.2 KEY SOURCES OF ESTIMATION OF UNCERTAINTY

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

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

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 2022, overall portfolio yields vary between 6.47% and 9.28% 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 £9.0m whereas a decrease in the yield of 0.5% would result in an increase in the fair value of £10.4m.

Net defined benefit obligations
Provisions for retirement obligations under defined benefit arrangements in the Group of £15.3m (2021: £17.2m) 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 was considered to be a sensitive assumption in the prior year at 2%. This was revised to 0% in the current year, which increased the liability of the provision. This is no longer considered a sensitive assumption.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

3. TURNOVER

Turnover by geographical destination:	2022 £'000	2021 £'000
United Kingdom	1,217,555	1,039,194
Continental Europe	2,118,402	1,975,479
Rest of World	28,286	8,729
	3,364,243	3,023,402

Turnover by geographical origin:	2022 £'000	2021 £'000
United Kingdom	1,269,435	1,090,079
Continental Europe	2,094,808	1,933,323
Rest of World	-	-
	3,364,243	3,023,402

Turnover by activity:	2022 £'000	2021 £'000
Sale of goods	2,794,354	2,530,130
Rendering of services	527,553	462,670
Income from construction contracts	29,656	23,152
Rental income	10,861	6,022
Grants	1,819	1,428
	3,364,243	3,023,402

The Group has the following primary sources of grant income:

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

4. DIVISIONAL PERFORMANCE

An analysis of the Group's turnover by division is as follows:	2022 £'000	2021 £'000
Technology	2,625,591	2,464,768
Airports	77,405	39,738
Real Estate	3,216	2,968
Nuvias	557,350	415,261
Rigby Capital	37,111	53,876
Allect	29,656	23,152
Hotels	16,214	6,558
Aviation	19,088	22,779
Central and Consolidation	(1,388)	(5,728)
	3,364,243	3,023,402

An analysis of the Group's operating profit/(loss) by division is as follows:	2022 £'000	2021 £'000
Technology	64,353	45,868
Airports	8,243	457
Real Estate	2,906	2,573
Nuvias	5,428	3,613
Rigby Capital	106	640
Allect	32	214
Hotels	1,064	(2,186)
Aviation	454	(2,896)
Central and Consolidation	(6,009)	(8,861)
	76,577	39,422

An analysis of the Group's net assets/(liabilities) by division is as follows:	2022 £'000	2021 £'000
Technology	161,838	196,890
Airports	56,358	52,480
Real Estate	(1,110)	(176)
Nuvias	25,756	25,740
Rigby Capital	4,371	4,295
Allect	(2,063)	(1,637)
Hotels	23,655	23,009
Aviation	3,941	3,192
Central and Consolidation	89,974	19,642
	362,720	323,433

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

5. FINANCE (CHARGES) INCOME (NET)

Investment (charges)/income on current asset investments	2022 £'000	2021 £'000
Charges	(4)	(6)
(Losses) / Gains on current asset investments	(95)	129
Interest and dividends received from current asset investments	66	92
	(33)	215

Other investment income	2022 £'000	2021 £'000
Interest receivable from bank deposits	53	125
Interest receivable on loans to related parties	4	4
Unwinding of discounts on long term debtors	-	163
Fair value adjustments on derivative instruments	177	-
Other interest receivable	25	34
	259	326

Interest payable and similar charges	2022 £'000	2021 £'000
Interest on bank loans and overdrafts	3,634	3,419
Interest on interest rate swaps	459	426
Finance leases and hire purchase contracts	288	362
Interest in factoring arrangements	422	514
Interest payable on loans from related parties	1,400	1,497
Fair value adjustment on derivative instruments	-	15
Unwinding of discounts on long term creditors	312	244
Other interest payable	125	350
	6,639	6,827

Net interest payable	2022 £'000	2021 £'000
Investment (losses) / income on current asset investments	(33)	215
Other investment income	259	326
Interest payable and similar charges	(6,639)	(6,827)
Net return on pension scheme (see note 27)	(161)	(167)
	(6,574)	(6,453)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

6. PROFIT BEFORE TAXATION

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

	2022 £'000	2021 £'000
Depreciation of tangible fixed assets (see note 13)	19,678	19,445
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)	6,137	6,595
Amortisation of negative goodwill (see note 12)	(2,063)	(2,498)
Amortisation of intangibles (see note 12)	3,992	5,163
Government grant income - Foreign investment grants	(1,819)	(1,428)
Other operating income - Government grant income - CJRS	(1,417)	(18,452)
Other operating income - Government grant income - AGOSS	(1,106)	(1,597)
Other operating income - Government grant income - Other	(919)	(266)
Operating lease rentals	25,020	26,742
Foreign exchange losses	253	4,573
(Profit) / Loss on disposal of fixed assets	(19)	351
Loss / (Gain) on fair value movement of investment property (see note 13)	330	(3,785)
Loss / (Gain) on fair value movement of current asset investments	95	(129)

Amortisation of intangible assets is included in operating expenses.

An analysis of auditor's remuneration is as follows:

	2022 £'000	2021 £'000
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	192	165
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	1,338	1,136
Total audit fees	1,530	1,301
Other services pursuant to legislation		
- Other taxation advisory services	66	112
- Other services	81	76
Total non-audit fees	147	188

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

7. STAFF COSTS

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

	Group		Company	
	2022 Number	2021 Number	2022 Number	2021 Number
Sales	1,797	1,737	-	-
Administration	2,558	2,598	40	38
Engineering and production	3,015	3,130	-	-
Warehouse and distribution	276	291	-	-
	7,646	7,756	40	38

Their aggregate remuneration comprised:

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Wages and salaries	291,015	282,090	4,617	2,922
Social security costs	62,915	61,899	614	337
Other pension costs (see note 27)	5,197	5,132	79	84
	359,127	349,121	5,310	3,343

The remuneration above excludes redundancy payments of £5,594,000 (2021: £5,288,000).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

8. DIRECTORS' REMUNERATION

The remuneration of the directors was as follows:

	2022 £'000	2021 £'000
Emoluments	2,575	297
Pension	10	3

The number of directors for whom the Group made contributions to pension schemes was one (2021: one).

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

Highest paid director

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

	2022 £'000	2021 £'000
Emoluments	1,101	87
Pension	-	3

The highest paid director has no share options.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

9. TAX ON PROFIT

The tax charge comprises:

	2022 £'000	2021 £'000
Current tax		
UK corporation tax	3,528	1,074
Foreign tax	13,403	10,440
	16,931	11,514
Adjustments in respect of prior years		
- UK corporation tax	(535)	(242)
- Foreign tax	823	79
Total current tax	17,219	11,351
Deferred tax		
Origination and reversal of timing differences	(277)	(1,125)
Adjustments in respect of prior years	658	497
Effect of changes in tax rate	6,328	263
Total deferred tax (note 21)	6,709	(365)
Total tax on profit	23,928	10,986

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

9. TAX ON PROFIT (CONTINUED)

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

	2022 £'000	2021 £'000
Profit before tax	69,911	32,638
Tax on group profit at standard UK corporation tax rate of 19% (2021 - 19%)	13,283	6,201
Effects of:		
Expenses not deductible for tax purposes	2,528	2,633
Income not taxable in determining taxable profit	(2,010)	(729)
Movement on unrecognised deferred tax on losses	(1,042)	(568)
Movements in other deferred tax not recognised	8	(72)
Foreign tax charged at different rates than standard UK rate	3,463	3,385
Other taxes and tax reliefs	276	223
Adjustments to tax charge in respect of previous periods	946	334
Effects of tax rate changes	6,328	263
Movement of deferred tax on disposal of capital gains	148	(684)
Group tax charge for period	23,928	10,986

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

10. DIVIDENDS

	2022 £'000	2021 £'000
Dividends declared and paid		
Interim dividend approved of £85 (2021: £0) per 'A' preference share for 7,200 shares	612	-
Interim dividend approved of £102 (2021: £0) per 'B' preference share for 8,576 shares	875	-
Interim dividend approved of £100 (2021: £0) per Preferred Ordinary share for 53,634 shares	5,363	-
	6,850	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

11. SHARE-BASED PAYMENTS

Cash-Settled

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

Equity-Settled

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

Allect

Allect Holdings Limited has issued shares to management amounting to 50% of the issued share capital. The Group's liability in respect of this scheme at the balance sheet date is £nil (2021: £nil).

Central

RPE Investments Limited has 400 'A' ordinary shares in issue that are held by shareholders of Rigby Group and are not connected with their employment. The liability in respect of these shares is £nil (2021: £nil).

RPE Investments Limited has 400 'B' ordinary shares in issue that are held by shareholders of Rigby Group and are not connected with their employment. The liability in respect of these shares is £nil (2021: £nil).

RPE Investments Limited has 150 'C' ordinary shares in issue that are held by an employee of Nuvias. The liability in respect of these shares is £nil (2021: £293,000).

The Group's total liability arising in respect of all schemes at the balance sheet date was £nil (2021: £293,000).

The total fair value credit for all schemes recognised in the profit and loss account of the Group was £293,000 (2021: £1,768,000).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

12. INTANGIBLE ASSETS

	Goodwill £'000	Negative goodwill £'000	Software £'000	Customer relationships £'000	Supplier relationships £'000	Trade marks £'000	Total £'000
Group							
Cost							
At 1 April 2021	87,438	(26,235)	56,983	4,157	7,220	1,847	131,410
Additions	600	-	5,520	-	-	-	6,120
Acquisition of subsidiary undertakings (see note 29)	15,571	-	-	-	-	-	15,571
Disposals	(100)	-	(418)	-	-	-	(518)
Transfers	-	-	(584)	-	-	-	(584)
Exchange adjustments	(110)	(1)	(60)	19	(10)	(1)	(163)
At 31 March 2022	103,399	(26,236)	61,441	4,176	7,210	1,846	151,836
Amortisation							
At 1 April 2021	62,698	(14,708)	21,226	2,115	2,724	1,810	75,865
Charged / (released) during the year	6,137	(2,063)	3,076	383	533	-	8,066
Disposals	(100)	-	(418)	-	-	-	(518)
Transfers	-	-	668	-	-	-	668
Exchange adjustments	(153)	-	(55)	14	(3)	8	(163)
At 31 March 2022	68,582	(16,771)	24,497	2,512	3,254	1,818	83,892
Net book value							
At 31 March 2022	34,817	(9,465)	36,944	1,664	3,956	28	67,944
At 31 March 2021	24,740	(11,527)	35,757	2,042	4,496	37	55,545

£600,000 additional goodwill has been recognised in the year for the increase in deferred contingent consideration expected to complete the acquisition of SCC AVS Limited, see note 21.

Company	Software £'000	Total £'000
Cost		
At 1 April 2021	816	816
Additions	60	60
At 31 March 2022	876	876
Amortisation		
At 1 April 2021	455	455
Charge for the year	165	165
At 31 March 2022	620	620
Net book value		
At 31 March 2022	256	256
At 31 March 2021	361	361

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

13. TANGIBLE ASSETS

	Land and Buildings					
	Investment Properties		Freehold land and buildings			
Group	Airport Properties £'000	Real Estate £'000	Hotels £'000	Runways £'000	Other freehold £'000	Leasehold £'000
Cost or valuation						
At 1 April 2021	84,465	42,750	40,752	29,873	38,177	58,936
Additions	12,493	83	-	-	11	2,080
Acquisition of subsidiary undertakings (see note 29)	-	-	-	-	-	-
Revaluations	(1,303)	973	-	-	-	-
Disposals	-	-	(2,174)	-	-	(592)
Transfers	(417)	-	266	5,771	(4,597)	334
Exchange adjustments	-	-	-	-	-	(312)
At 31 March 2022	95,238	43,806	38,844	35,644	33,591	60,446
Depreciation						
At 1 April 2021	-	-	5,616	6,484	8,698	27,468
Charge for the year	-	-	-	1,346	990	1,963
Disposals	-	-	(128)	-	-	(569)
Transfers	-	-	267	5,156	(5,266)	207
Exchange adjustments	-	-	-	-	-	(216)
At 31 March 2022	-	-	5,755	12,986	4,422	28,853
Net book value						
At 31 March 2022	95,238	43,806	33,089	22,658	29,169	31,593
At 31 March 2021	84,465	42,750	35,136	23,389	29,479	31,468

Finance leased and hire purchase assets included above:

Net book value	Airport Properties £'000	Real Estate £'000	Hotels £'000	Runways £'000	Other freehold £'000	Leasehold £'000
At 31 March 2022	-	-	-	-	-	9,844
At 31 March 2021	-	-	-	-	-	11,117

Hotel freehold land and buildings with a net book value of £16,281,000 (2021: £16,118,000) have been charged as security for loans of £7,300,000 (2021: £8,300,000) provided to the group as detailed in note 20.

Investment properties with a net book value of £131,522,000 (2021: £127,215,000) have been charged as security for loans of £83,294,000 (2021: £72,898,000) provided to the group as detailed in note 20.

Leasehold land and buildings includes £26,953,000 (2021: £26,347,000) which relates to the lease of a distribution warehouse in France which expires in July 2022.

Borrowing costs amounting to £nil (2021: £nil) have been included in the cost of tangible fixed assets.

Freehold land amounting to £20,353,000 (2021: £13,355,000) has not been depreciated.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

13. TANGIBLE ASSETS (CONTINUED)

Group	Fixture and fittings £'000	Motor Vehicles £'000	Aircraft and helicopters £'000	Assets in the course of construction £'000	Total £'000
Cost or valuation					
At 1 April 2021	138,021	2,140	16,939	5,026	457,079
Additions	6,269	220	1,084	2,970	25,210
Acquisition of subsidiary undertakings (see note 29)	113	16	-	-	129
Revaluations	-	-	-	-	(330)
Disposals	(6,359)	(409)	(3,763)	(109)	(13,406)
Transfers	3,633	(367)	-	(4,039)	584
Exchange adjustments	(50)	1	-	(1)	(362)
At 31 March 2022	141,627	1,601	14,260	3,847	468,904
Depreciation					
At 1 April 2021	83,222	1,142	7,106	-	139,736
Charge for the year	13,928	314	1,137	-	19,678
Disposals	(6,226)	(406)	(2,018)	(39)	(9,386)
Transfers	(822)	(249)	-	39	668
Exchange adjustments	(36)	2	-	-	(250)
At 31 March 2022	90,066	803	6,225	-	149,110
Net book value					
At 31 March 2022	51,561	798	8,035	3,847	319,794
At 31 March 2021	54,799	998	9,833	5,026	317,343

Finance leased and hire purchase assets included above:

Net book value	Fixture and fittings £'000	Motor Vehicles £'000	Aircraft and helicopters £'000	Assets in the course of construction £'000	Total £'000
At 31 March 2022	619	584	-	-	11,047
At 31 March 2021	118	639	117	-	11,991

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

13. TANGIBLE ASSETS (CONTINUED)

Investment properties

The Group has a number of properties which were held at fair value at 31 March 2022. The valuation was undertaken by employees of the Real Estate division holding relevant professional qualifications and recent experience in the class of the investment property being valued. An external valuation was conducted at 31 March 2016 or at the date of acquisition if later. In determining fair value, a discounted cashflow method has been applied, with the discount rate reflecting local market conditions, the covenant of tenants across the portfolio and the condition of properties. There are no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal.

The historic cost of these properties held at fair value was £111,947,000 (2021: £95,620,000).

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

	2022 £'000	2021 £'000
Rents receivable	10,239	8,269
Contingent rents recognised as income	438	62
Fair value (loss) / gain	(330)	3,785

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

	2022 £'000	2021 £'000
Within one year	8,353	8,376
In the second to fifth years inclusive	25,219	25,623
After five years	103,123	68,667

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

13. TANGIBLE ASSETS (CONTINUED)

	Leasehold £'000	Fixtures and fittings £'000	Motor Vehicles £'000	Assets in the course of construction £'000	Total £'000
Company					
Cost or valuation					
At 1 April 2021	1,935	731	224	-	2,890
Additions	-	19	46	-	65
Disposals	(415)	(2)	(43)	-	(460)
At 31 March 2022	1,521	748	226	-	2,495
Depreciation					
At 1 April 2021	846	500	138	-	1,484
Charge for the year	137	85	29	-	251
Disposals	(405)	(2)	(41)	-	(447)
At 31 March 2022	579	584	126	-	1,289
Net book value					
At 31 March 2022	942	164	100	-	1,206
At 31 March 2021	1,089	231	86	-	1,406

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

14. FIXED ASSET INVESTMENTS

	Company 2022 £'000	Company 2021 £'000
Ordinary and preferred ordinary shares in subsidiary undertakings	76,028	79,273

	Group 2022 £'000	Group 2021 £'000
Joint ventures and associates	3,040	3,132

Ordinary and Preferred Ordinary shares in subsidiary undertakings	Company £'000
Cost	
At 1 April 2021 and At 31 March 2022	112,372
Impairment	
At 1 April 2021	(33,099)
Impairment	(3,245)
At 31 March 2022	(36,344)
Net book value at 31 March 2022	76,028
Net book value at 31 March 2021	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.

The Company's investment in Patriot Aerospace Limited has been impaired by £3,245,000 during the year. This is a result of the decision made before the year end to sell British International Helicopter Services Limited which comprised the majority of the remaining value in that division. The sale of BIH concluded after the end of the year, (see note 31).

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

14. FIXED ASSET INVESTMENTS (CONTINUED)

Joint ventures and associates	Group £'000
Cost or share of net assets	
At 1 April 2021	3,325
Share of retained loss for the year	(92)
Disposals	(193)
As at 31 March 2022	3,040
Provision for impairment	
At 1 April 2021	(193)
Disposals	193
At 31 March 2022	-
Net book value	
At 31 March 2022	3,040
At 31 March 2021	3,132

The net book value at 31 March 2022 includes £3,040,000 (2021: £3,132,000) relating to joint ventures.

The share of retained losses for the year ended 31 March 2022 includes £92,000 loss (2021: £331,000 loss) relating to joint ventures and £nil (2021: £nil) relating to associates.

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

	2022 £'000	2021 £'000
Turnover	927	227
Loss before taxation	(92)	(331)
Share of assets		
Fixed assets	3,859	3,933
Current assets	139	110
Share of liabilities		
Liabilities due within one year	(312)	(150)
Liabilities due after more than one year	(647)	(761)
Share of net assets	3,040	3,132

The group participates in one joint venture at 31 March 2022, the Arden Hotel Waterside LLP.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

15. STOCKS

	Group	
	2022 £'000	2021 £'000
Goods held for resale	92,293	63,149
Maintenance stock and spares	7,802	7,351
Work in progress	5,845	118
	105,940	70,618

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	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trade debtors	371,707	269,947	11	-
Amounts owed by group undertakings	-	-	96,999	67,768
Amounts receivable under finance leases	1,478	6,236	-	-
Other debtors	81,481	63,903	-	-
VAT	7,533	3,355	472	449
Corporation tax	3,216	2,759	1,364	-
Prepayments and accrued income	140,811	133,499	814	462
Derivative financial assets (see note 23)	382	125	-	-
Amounts owed by related parties (see note 28)	520	492	-	-
Deferred taxation (see note 21)	2,888	2,004	55	426
	610,016	482,320	99,715	69,105

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

16. DEBTORS (CONTINUED)

Amounts falling due after more than one year:

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trade debtors	1,769	2,456	-	-
Amounts receivable under finance leases	1,803	-	-	-
Amounts owed by related parties	1,249	136	1,129	-
Derivative financial assets (see note 23)	597	-	-	-
Deferred taxation (see note 21)	10,054	5,199	52	-
Other debtors	3,470	3,014	-	-
	18,942	10,805	1,181	-

17. CURRENT ASSET INVESTMENTS

	Group and Company	
	2022 £'000	2021 £'000
Listed investments - at fair value	1,189	1,229
	1,189	1,229

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 2022

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Obligations under finance leases and hire purchase contracts (see note 20)	4,907	1,743	-	26
Bank loans and overdrafts (see note 20)	122,945	71,723	-	-
Loans from related parties (see note 20 and note 28)	124	1,760	124	1,760
Trade creditors	823,365	681,908	94	158
Corporation tax	4,336	2,149	3,150	2,191
Amounts owed to group undertakings	-	-	48	45,567
Other taxation and social security	45,784	42,982	-	-
Other creditors	86,488	79,160	229	171
Government grants	336	103	-	-
Accruals and deferred income	130,599	104,297	1,495	1,336
Derivative financial instruments (see note 23)	166	61	-	-
	1,219,050	985,886	5,140	51,209

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

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Obligations under finance leases and hire purchase contracts (see note 20)	1,533	6,410	42	42
Bank loans (see note 20)	55,116	78,781	-	-
Loans from related parties (note 20 and note 28)	20,000	20,000	-	-
Derivative financial instruments (note 23)	76	777	-	-
Trade creditors	5,757	8,283	-	-
Accruals and deferred income	4,655	4,677	-	-
Government grants	3,660	3,903	-	-
Share based payment liabilities	-	293	-	-
	90,797	123,124	42	42

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

20. BORROWINGS

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Bank loans, including mortgages	111,728	80,215	-	-
Bank overdrafts	66,333	70,289	-	-
Loans from related parties	20,124	21,760	124	1,760
Obligations under finance leases and hire purchase contracts	6,440	8,153	42	68
	204,625	180,417	166	1,828

Borrowings are repayable as follows:

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
In one year or less	127,977	89,649	124	1,786
In more than one year but no more than two years	13,657	39,491	42	42
In more than two years but no more than five years	46,353	40,986	-	-
After five years	16,639	10,291	-	-
	204,626	180,417	166	1,828

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

20. BORROWINGS (CONTINUED)

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

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

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

Borrowing Class	Currency	Rate	Term End	Facility Value
Receivables Finance (Non-Recourse)	GBP	Base + 1.25	Rolling	80,000,000
	EUR	3M EURIBOR + 0.65	Rolling	130,000,000
Receivables Finance (Recourse)	GBP	Base + 1.5	Rolling	20,000,000
	GBP	Base + 1.90	Rolling	5,000,000
	GBP	2.00%	Rolling	2,000,000
Term Loan	GBP	2.50%	Rolling	4,000,000
	GBP	Base + 1.5	2022	6,000,000
	GBP	5m Fixed SONIA 1.0306%	2024	7,679,784
	GBP	Base + 0.12	2023	654,000
	GBP	Base + 3.0	2024	41,719,000
	GBP	LIBOR + 2.75	2022	14,349,832
	GBP	Base + 2.34	2026	810,000
	EUR	1.40%	2022	897,246
Overdraft	GBP	Base + 1.65	Rolling	20,000,000
	GBP	Base + 1.75	2022	5,000,000
	GBP	Base + 1.75	Rolling	4,400,000
	GBP	Base + 2.50	Rolling	800,000
	EUR	1M EURIBOR + 0.90	Rolling	16,500,000
	EUR	1M EURIBOR + 0.50	Rolling	9,300,000
	EUR	1M EURIBOR + 0.75	Rolling	8,000,000
	EUR	3M EURIBOR + 0.65	Rolling	5,000,000
Revolving Credit Facility	GBP	Base + 1.50	2022	10,000,000
Mortgage	GBP	Base + 1.80	2026	1,925,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

21. PROVISIONS FOR LIABILITIES AND CHARGES

	Group		
	Deferred tax liability £'000	Other £'000	Total £'000
At 1 April 2021	18,318	4,799	23,117
Adjustment to profit and loss in respect of prior years	672	-	672
Charge/(credit) to profit and loss account	7,783	(2,446)	5,337
Debit to other comprehensive income	386	-	386
Acquisition of subsidiary undertakings	-	600	600
Transfer to deferred tax asset	3,935	-	3,935
Utilised	-	(106)	(106)
At 31 March 2022	31,094	2,847	33,941

Other provisions brought forward comprise of (i) a provision relating to ground water and sewerage at Bournemouth International Airport Limited which has been released during the year, (ii) a deferred contingent consideration based on the future performance of SCC AVS Limited in the financial years ending 31 March 2020 and 31 March 2022 for which the provision has been increased by £600,000 in the year to £2,080,000, and (iii) provisions for dilapidations and onerous contracts amounting to £767,000.

The movements on deferred taxation assets are as follows:	Group	Company
	Deferred tax asset £'000	Deferred tax asset £'000
At 1 April 2021	(7,203)	(426)
Adjustment in respect of prior years	(14)	6
Credit to profit and loss account	(1,732)	313
Credit to other comprehensive income	(36)	-
Movement arising from acquisition of a business	(33)	-
Exchange adjustments	11	-
Transfer from deferred tax liability	(3,935)	-
At 31 March 2022	(12,942)	(107)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

21. PROVISIONS FOR LIABILITIES AND CHARGES (CONTINUED)

Net deferred taxation liability (asset) is recognised as follows:	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Fixed asset timing differences	14,852	9,734	(55)	(31)
Tax losses available	(4,833)	(3,557)	-	-
Other timing differences	(3,020)	(2,399)	(52)	(395)
Pension	(3,843)	(4,143)	-	-
Revaluations / fair value adjustments	15,014	11,498	-	-
Tax repayable on directors loans	(18)	(18)	-	-
Undiscounted liability (asset) for deferred taxation	18,152	11,115	(107)	(426)

Tax losses of £440,000 (2021: £907,000) are expected to be utilised within one year and £4,393,000 (2021: £2,650,000) are expected to be utilised in more than one year.

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

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Within one year	(1,739)	(2,527)	(107)	(426)
After more than one year	19,891	13,642	-	-
Undiscounted liability (asset) for deferred taxation	18,152	11,115	(107)	(426)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

21. PROVISION FOR LIABILITIES (CONTINUED)

The net reversal of deferred tax assets and liabilities expected in the 12 months to 31 March 2023 is (£1,739,000). This is expected to arise because depreciation is anticipated to be lower than available capital allowances or due to the reversal of short-term timing differences and utilisation of brought forward tax losses. Further reversals (or further increases in deferred tax balances) may arise as a result of revaluations of investment property or changes in the defined benefit pension provisions. As future deferred tax balances, if any, will be dependent on future changes in fair values of assets and liabilities, it is not possible to estimate any further future reversals.

Group	2022 £'000	2021 £'000
Fixed asset timing differences	134	68
Tax losses available	3,609	5,107
	3,743	5,175

A deferred tax asset amounting to £3,609,000 (2021: £5,107,000) for trading losses has not been recognised because it is not sufficiently certain that there will be suitable taxable profits available in the relevant tax jurisdictions in the foreseeable future to utilise these tax losses.

A deferred tax asset amounting to £134,000 (2021 - £68,000) 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 2022 (2021: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

22. FINANCIAL INSTRUMENTS

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

	Group	
	2022 £'000	2021 £'000
Financial asset		
Measured at fair value through profit and loss		
- Current asset listed investments	1,189	1,229
Measured at undiscounted amount receivable		
- Trade and other debtors	465,437	340,581
Measured at discounted amount receivable		
- Long-term trade and other debtors	6,488	5,606
- Amounts receivable under finance leases	3,281	6,236
Measured at carrying value		
- Cash and cash equivalents	595,027	531,796
	1,071,422	885,448

	2022 £'000	2021 £'000
Financial liability		
Measured at fair value through profit and loss		
- Derivative financial liabilities	(242)	(838)
Measured at amortised cost		
- Loans payable	(131,852)	(101,975)
- Bank overdraft	(66,333)	(70,289)
- Long-term trade and other creditors	(9,417)	(12,479)
- Obligations under finance leases	(6,440)	(8,153)
Measured at undiscounted amount payable		
- Trade and other creditors	(960,309)	(806,302)
	(1,174,593)	(1,000,036)

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

	2022 £'000	2021 £'000
Interest Income and Expense		
Total interest income for financial assets at amortised cost	77	159
Total interest (expense) / income for financial assets at discounted amount receivable	(37)	163
Total investment (expense) / income from financial assets measured at fair value through profit and loss account	(128)	344
Total interest expense for financial liabilities at amortised cost	(6,762)	(6,954)
Fair value gains and losses		
On financial assets measured at fair value through profit or loss	(95)	129
On derivative financial liabilities designated in effective hedging relationships	-	(15)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

23. DERIVATIVE FINANCIAL INSTRUMENTS

	Due within one year		Due after one year	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Group assets				
Forward foreign currency contracts	382	125	-	-
Interest rate swaps	-	-	597	-
	382	125	597	-

	Due within one year		Due after one year	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Group Liabilities				
Forward foreign currency contracts	166	22	-	-
Interest rate swaps	-	39	76	777
	166	61	76	777

Interest rate swaps

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

	Average contract fixed interest rate		Notional value		Fair value	
Outstanding receive floating pay fixed contracts	2022 Rate	2021 Rate	2022 £'000	2021 £'000	2022 £'000	2021 £'000
2-5 Years	1.29%	1.10%	57,556	38,707	58,119	37,891

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 £1,298,000 (2021: £175,000) were recognised in other comprehensive income. No amounts were recognised in the profit and loss account in the year (2021: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

23. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Forward foreign currency contracts

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

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

	Average contractual exchange rate		Nominal value		Market Value	
Outstanding contracts	2022 Rate	2021 Rate	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Buy US Dollar						
Less than 3 months	1.325	1.399	7,590	8,318	7,702	8,458
Buy Euros						
Less than 3 months	1.184	1.174	1,846	925	1,845	925
Buy Swiss Francs						
Less than 3 months	-	1.234	-	203	-	209
Buy Hungarian Forint						
Less than 3 months	-	393	-	456	-	439
			9,436	9,902	9,547	10,031

Sell Euros						
Less than 3 months	1.184	1.174	17,606	722	17,455	722
Sell US Dollar						
Less than 3 months	1.317	1.392	268	1,970	267	1,992
Sell Swiss Francs						
Less than 3 months	-	1.296	-	193	193	193
			17,874	2,885	17,915	2,907

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

23. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

	Average contractual exchange rate		Nominal value		Market Value	
USD CONTRACTS:	2022 Rate	2021 Rate	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Buy Euros						
Less than 3 months	1.151		576		558	
Buy Swiss Francs						
Less than 3 months	0.903		165		162	
Buy Norwegian Krone						
Less than 3 months	8.989		128		154	
Buy Swedish Kroner						
Less than 3 months	9.551		704		688	
			1,573	-	1,562	
Sell Euros						
Less than 3 months	1.117		20,975		20,962	
Sell Swiss Francs						
Less than 3 months	0.903		114		117	
Sell Danish Krone						
Less than 3 months	6.733		223		224	
Sell Norwegian Krone						
Less than 3 months	8.882		250		254	
			21,562		21,557	
EUR CONTRACTS:						
Sell Swedish Kroner						
Less than 3 months	10.537		561		555	
Sell Norwegian Krone						
Less than 3 months	9.874		98		96	
			659	-	651	-

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 £177,000 (2021: £103,000) was recognised in the profit or loss account during the year on the recognition of fair values on the forward contracts.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

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 £	2022 & 2021 £'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 2022.

Share Premium and Other Reserves	Group 2022 £'000	Group 2021 £'000	Company 2022 £'000	Company 2021 £'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	330,530	290,076	169,633	100,895

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 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 2022

25. RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOWS

	2022 £'000	2021 £'000
Operating profit	76,577	39,422
(Profit) loss on disposal of fixed assets	(19)	351
Depreciation	19,678	19,445
Impairment of tangible fixed assets	-	1,143
Increase in fair value of investment property	330	(3,785)
Amortisation of negative goodwill	(2,063)	(2,498)
Amortisation of positive goodwill	6,137	6,595
Amortisation of other intangible fixed assets	3,992	5,163
Other	255	653
Operating cashflow before movement in working capital	104,887	66,489
(Increase)/decrease in stocks	(35,322)	(14,043)
(Increase)/decrease in debtors	(129,610)	57,569
Increase in creditors	167,214	20,092
	2,282	63,618
Net cash inflow from operating activities	107,169	130,107

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

26. FINANCIAL COMMITMENTS

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Contracted for but not provided for - Capital expenditure	6,246	3,276	-	-
	6,246	3,276	-	-

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

	Group 2022		Group 2021	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Leases repayable				
- Within one year	10,926	7,078	6,076	6,749
- Between two and five years	15,881	15,740	21,953	19,023
- In over five years	41,653	-	46,479	631
	68,460	22,818	74,508	26,403

	Company 2022		Company 2021	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Leases repayable				
- Within one year	-	-	76	26
- Between two and five years	-	-	-	43
- In over five years	3,452	-	3,846	-
	3,452	-	3,922	69

A subsidiary of Rigby Group has the benefit of a lease with a profit share rent payable which is dependent upon the cumulative balance standing to the credit of the subsidiary's income statement. At present, any such future commitment cannot be quantified as to either timing or amount, although the profit share rental is capped at a maximum of £500,000 per annum in the first ten financial years and £750,000 per annum for years eleven to twenty-five. The obligation arising under the arrangement in the year ended 31 March 2022 is £nil (2021: £nil)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

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 £4,184,000 (2021: £4,117,000).

Defined benefit schemes

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

	2022 £'000	2021 £'000
Exeter and Devon Airport Limited "EDAL" 1991 Pension Scheme	243	2,046
SCC France Retirement Indemnity Provision	14,986	14,465
SCC UK Defined Benefit Schemes	155	717
	15,384	17,228

Exeter and Devon Airport Limited "EDAL" 1991 Pension Scheme

A subsidiary of Rigby Group operates the Exeter and Devon Airport Limited "EDAL" 1991 Pension Scheme. This is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities. A full actuarial valuation has been carried out at 31 March 2019 and has been updated to 31 March 2022 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 2022

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:	2022 %	2021 %
Discount rate	2.8	2.1
Inflation (RPI)	3.7	3.3
Inflation (CPI)	3.2	2.8
Allowance for revaluation of deferred pensions	2.50 - 3.2	2.50 - 2.80
Allowance for pension in payment increases	2.20 - 3.50	2.10 - 3.10
Allowance for commutation of pension for cash at retirement	75% of Post A Day (Commutation Factor: 13:1 Male at 65)	

Mortality assumptions adopted at 31 March 2021 imply the following life expectancies:

	2022 Years	2021 Years
Retiring today:		
Males	21.9	21.8
Females	23.6	23.6
Retiring in 20 years:		
Males	23.2	23.1
Females	25.1	25.1

SCC EMEA Retirement Indemnity Provision

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

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

	2022 %	2021 %
Wage inflation	1.3	1.2
Discount rate	1.5	0.8
Staff turnover rates:		
<34 years	18.0	18.0
35 – 44 years	9.5	9.5
45 – 54 years	6.5	6.5
>55 years	1.3	2.0

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

27. EMPLOYEE BENEFITS (CONTINUED)

SCC Defined Benefit Schemes

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

(i) the Specialist Computer Centres Section of the Railway Pension Scheme, a shared cost final salary pension scheme which is closed to new members. The scheme has no remaining active members and as such there will be no future contributions made to the scheme made by the members or the employer. A formal actuarial valuation was undertaken as at 31 December 2019, 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 3 active members (2020: 4 members) and the best estimate of the contributions payable by the Company for the next financial year is £42,000. A formal actuarial valuation was undertaken at 5 April 2022, the next valuation being due as at 5 April 2025.

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 2022.

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

	2022 %	2021 %
Inflation	3.6	3.2
Future pension increases	3.2	2.8
Discount rate	2.7	2.1

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:

	2022	2021
Male currently aged 65	20.5	20.2
Male currently aged 45	22.3	21.8
Female currently aged 65	23.5	22.9
Female currently aged 45	25.3	24.5

Aggregated Employee Benefit Disclosures

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

	2022 £'000	2021 £'000
Current service cost	1,013	1,015
Interest cost	161	167
Total recognised in profit and loss account	1,174	1,182
Recognised in other comprehensive income:	(2,091)	1,493
Total cost relating to defined benefit scheme	(917)	2,675

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

27. EMPLOYEE BENEFITS (CONTINUED)

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

	2022 £'000	2021 £'000
Present value of defined benefit obligations	32,123	33,119
Fair value of scheme assets	(16,739)	(15,891)
Deficit in the scheme to be recognised	15,384	17,228
Net liability recognised in the balance sheet	15,384	17,228

Movements in the present value of the defined benefit obligation were as follows:	2022 £'000	2021 £'000
At 1 April	33,119	29,666
Acquisitions	-	-
Service cost	1,000	979
Interest cost	482	475
Actuarial gains and losses	(1,283)	3,664
Contributions	3	4
Benefits paid	(1,091)	(1,050)
Exchange adjustments	(107)	(619)
At 31 March	32,123	33,119

Movements in fair value of scheme assets were as follows:	2022 £'000	2021 £'000
At 1 April	15,891	13,809
Acquisitions	-	-
Actuarial gains and losses	808	2,171
Return on plan assets	321	308
Contributions	229	89
Administration costs	(13)	(36)
Benefits paid	(497)	(450)
At 31 March	16,739	15,891

The allocation of the scheme assets (fair values) at the balance sheet date was as follows:	2022 £'000	2021 £'000
UK Equities		
Overseas equities	1,338	1,361
Diversified growth funds	1,338	1,361
Government bonds	13,033	9,741
Cash and other	445	3,040
	585	388
	16,739	15,891

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 2022

28. RELATED PARTY TRANSACTIONS

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

Amounts payable to related parties

At 31 March, loans advanced from related parties comprised of the following:	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Loans from shareholders	124	1,760	124	1,760
Loans from related companies	20,000	20,000	-	-
	20,124	21,760	124	1,760

The Group (and Company) has received loans from shareholders of £124,000 (2021: £1,760,000). The shareholders have advanced £1,404,000 (2021: £6,074,000) to the Group during the year and £1,404,000 (2021: £6,074,000) was repaid by the Group to the shareholders.

The loans from shareholders were subject to interest at 4% p.a. and interest of £30,000 (2021: £101,000) was accrued during the year. Interest of £1,666,000 (2021: £nil) was paid in the year. Interest of £124,000 (2021: £1,760,000) remains unpaid at the year end.

The Group has received a loan from a related company of £20,000,000 (2021: £20,000,000). The Group repaid £nil (2021: £104,000) during the year. This loan is subject to interest at 7.0% p.a. and interest of £1,400,000 (2021: £1,388,000) was accrued and paid during the year.

Amounts receivable from related parties

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

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Loans advanced to shareholders	1,189	60	1,129	-
Loans advanced to joint ventures and associates	12	11	-	-
Loans advanced to minority shareholders of subsidiary companies and key management	568	557	-	-
	1,769	628	1,129	-

The Group (and Company) has advanced loans to shareholders of £1,189,000 (2021: £60,000) which are subject to interest at 2.5% p.a. Interest of £nil (2021: £nil) remains unpaid at 31 March 2022.

The Group has made loans to directors of a subsidiary company of £448,000 (2021: £421,000) which are not subject to interest.

The Group made loans to directors of subsidiary companies of £120,000 (2021: £136,000). Advances in the year were £nil (2021: £11,000) and repayments in the year were £16,000 (2021: £7,000).

Trading with related parties
The Group sold goods and services of £50,000 (2021: £1,000) to Arden Hotel Waterside LLP, a joint venture partnership whose interest is held by a Group company, Arden Hotel Investments Limited. The amount due to the group from Arden Hotel Waterside LLP is £118,000 at 31 March 2022 (2021: £82,000).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

29. ACQUISITIONS AND DISPOSALS

Cloud Distribution limited

On 24th May 2021 the Group acquired 100% per cent of the issued share capital of Cloud Distribution Limited, a specialist IT distributor incorporated in the UK. Total consideration was £3,652,000. £277,000 of this consideration is deferred, with £72,000 contingent on future performance. Deferred amounts are expected to be paid in May 2023.

In the year ended 31 March 2022, turnover of £24,125,000 and loss of £357,000 was included in the consolidated profit and loss account in respect of Cloud Distribution Limited since the acquisition date.

In addition to the capital consideration described above, the Group also recorded £1,935,000 of revenue based consideration connected to the acquisition of Cloud Distribution Limited. These costs have been separately classified within the consolidated profit and loss account as Cost related to acquisitions.

Deltalink BVBA

On 17th November 2021 the Group acquired 100% per cent of the issued share capital of Deltalink BVBA, a specialist IT distributor incorporated in Belgium. Total consideration was £3,049,000.

In the year ended 31 March 2022, turnover of £5,120,000 and profit of £182,000 was included in the consolidated profit and loss account in respect of Deltalink BVBA since the acquisition date.

In addition to the capital consideration described above, the Group also recorded £315,000 of revenue based consideration connected to the acquisition of Deltalink BVBA. These costs have been separately classified within the consolidated profit and loss account as cost related to acquisitions

Alliance Technologies GmbH

On 23rd December 2021 the Group acquired 100% per cent of the issued share capital of Alliance Technologies GmbH, a specialist IT distributor incorporated in Germany. Total consideration was £1,410,000. £256,000 of this consideration is deferred and is expected to be paid on 23rd December 2022.

In the year ended 31 March 2022, turnover of £1,076,000 and loss of £11,000 was included in the consolidated profit and loss account in respect of Alliance Technologies GmbH since the acquisition date.

In addition to the capital consideration described above, the Group also recorded £74,000 of revenue based consideration connected to the acquisition of Alliance Technologies GmbH. These costs have been separately classified within the consolidated profit and loss account as Cost related to acquisitions.

Netsafe Group

On 30th March 2022 the Group acquired 100% per cent of the issued share capital of the Netsafe Group, which consisted of Netsafe Solutions S.R.L (specialist IT distributor incorporated in Romania), NetSafe Solutions OOD (specialist IT distributor incorporated in Bulgaria), Sigurna mreža d.o.o. (Netsafe Ltd) (specialist IT distributor incorporated in Croatia) and Netsafe Distribution ood (specialist IT distributor incorporated in Slovenia). Total consideration was £7,934,000. £575,000 of this consideration is deferred and expected to be paid in March 2023.

In the year ended 31 March 2022, turnover of £nil and profit of £nil was included in the consolidated profit and loss account in respect of Netsafe Group since the acquisition date.

Civica LCSL

On 14 February 2022, Specialist Computer Centres Plc acquired the Licensing and Cloud Software Lifecycle (LCSL) business from Civica UK, which consisted of Civica's LCSL team employees, and customer and partner relationships. No net assets were acquired and the total consideration of £4,325,000 has been recognised within goodwill which will be amortised on a straight-line basis over a useful life of 10 years. The consideration was cash settled in full during the year from existing cash reserves.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

29. ACQUISITIONS AND DISPOSALS (CONTINUED)

In the year ended 31 March 2022 turnover of £233,000 and operating loss of £93,000 have been included within the results of the Group in respect of the LCSL business.

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

	Cloud Distribution	Deltalink	Alliance	Netsafe
Fixed assets				
Intangible	-	-	-	4
Tangible	17	16	21	75
Current assets				
Stocks	948	465	134	571
Debtors	3,893	1,025	471	3,672
Cash at bank and in hand	226	1,724	387	1,422
Total assets	5,084	3,230	1,013	5,744
Creditors				
Bank loans / Financing	(29)	-	(156)	-
Trade Creditors	(4,214)	(1,692)	(385)	(3,237)
Accruals	-	-	-	-
Provisions	(3)	-	-	-
Pensions	-	-	-	-
Taxation	(291)	(166)	4	(102)
Total liabilities	(4,537)	(1,858)	(537)	(3,339)
Net assets	547	1,372	476	2,405
Goodwill	3,105	1,677	934	5,529
	3,652	3,049	1,410	7,934
Satisfied by				
Cash consideration	3,166	2,931	1,022	7,019
Legal and other fees	209	118	132	340
Deferred consideration	277	-	256	575
	3,652	3,049	1,410	7,934
Summary of cash impact				
Cash consideration	3,166	2,931	1,022	7,019
Legal and other fees	209	118	132	340
Cash acquired	(226)	(1,724)	(387)	(1,422)
	3,149	1,325	767	5,937

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

30. CONTROLLING PARTY

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

31. POST BALANCE SHEET EVENTS

During April 2022, a dividend of £11.7m was declared and paid.

On 30th June 2022, the Group entered into a transaction to sell RPE Investments Limited and all its subsidiaries to Infinigate Hld UK Limited for a debt free, cash free value of £150m. The transaction is subject to anti-trust clearance and other obligations including the transfer at market value of Alliance Technologies GmbH to Nuvias UC Limited, and Nuvias UC Limited to Nuvias UC Holdings Limited, a subsidiary of Rigby Private Equity Limited. The transaction is expected to complete within 6 months of the date of these financial statements.

On 6 May 2022, the Group completed the acquisition of 100% of SEA Holdings (UK) Limited and it's subsidiaries. The consideration is subject to completion accounts and the outcome of certain future events which are not yet finalised.

On 2nd August 2022, the Group completed the sale of British International Helicopters Services Limited to Bristow Helicopters Limited for £10.4m.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2022

32. SUBSIDIARIES AND RELATED UNDERTAKINGS

The Company has direct and indirect investments in the following subsidiaries and related undertakings:

Subsidiary and associated undertakings	Address of the registered office	Principal activity	Percentage holding
Technology			
SCC EMEA Limited	James House, Warwick Road, Birmingham, B11 2LE United Kingdom	Holding company	100%
Specialist Computer Centres plc		Systems integration	100%
Specialist Computer Services Limited		Bureau services	100%
SCC AVS Limited		Audio visual services	100%
SCC UK Holdings Limited		Holding company	100%
SCC Overseas Holdings Limited		Holding company	100%
Oworx Limited		Dormant	100%
SCC (UK) Limited		Dormant	100%
Specialist Data Centre Services Limited		Dormant	100%
SCC Capital Limited		Dormant	100%
M2 Digital Limited		Printing solutions	100%
M2 Smile Limited		Holding company	100%
Altimance SAS	258 Avenue Roland, Moreno, Helios Batiment A, Parc de Rives Creatives, 59410, Anzin, France	Systems integration	100%
Rigby Capital SAS	91 Rue Salvador Allende 92000, Nanterre, France	Systems integration	100%
Large Network Administration (LNA) SAS		Systems integration	100%
Rigby Group SAS	96 Rue des 3 Fontanot, 92000, Nanterre, France	Holding company	100%
SCC France SAS		Systems integration	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	Calle Teide, 4-Nucleo 2 -1a Planta 28703, San Sebastian de los Reyes, Madrid, Spain	Systems integration	100%
Specialist Computer Services SL		Systems integration	100%
S.C. SCC Romania S.R.L.	Soseaua Pacurari 138, Building IDEO, PC 700544, Lasi, Romania	Systems integration	100%
Specialist Computer Centres Vietnam Company Limited	8th Floor, Mapletree Business Centre, Nguyen Van Linh Boulevard, District 7, Ho Chi Minh City, Vietnam	Systems integration	100%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2021

32. SUBSIDIARIES AND RELATED UNDERTAKINGS (CONTINUED)

Subsidiary and associated undertakings	Address of the registered office	Principal activity	Percentage holding
Hotels			
Eden Hotel Collection Limited Mallory Court Hotel Limited Buckland Tout–Saints Hotel Limited The Kings Hotel (Chipping Campden) Limited Arden Hotel Investments Limited EHC Estates Limited The Mount Somerset Hotel & Spa Limited The Greenway Hotel & Spa Limited Brockencote Hall Hotel Limited Mallory Court Hotel Conference & Banqueting Limited	Mallory Court Hotel, Harbury Lane, Bishop Tachbrook, Leamington Spa, CV33 9QB, UK	Holding company Hotel operator Dormant Dormant Holding company Group services Dormant Hotel operator Hotel operator Dormant	100% 100% 100% 100% 100% 100% 100% 100% 100% 100%
Arden Hotel Waterside LLP	44 Waterside, Stratford-Upon-Avon, Warwickshire, CV37 6BA	Hotel operator	50%
Bovey Castle Property Limited	Bridgeway House, Bridgeway, Stratford-Upon-Avon, Warwickshire, CV37 6YX, UK	Hotel operator	100%
Airports			100%
Regional & City Airports Holdings Limited Regional & City Airports Group Limited Regional & City Airports (Investments) Limited Regional and City Airports Limited Bournemouth International Airport Limited ABP 1 Limited XLR Executive Jet Centres Limited	Bridgeway House, Bridgeway, Stratford-Upon-Avon, Warwickshire, CV37 6YX	Holding company Holding company Holding company Airport management Airport operator Investment Property Airport management	100% 100% 100% 100% 100% 100% 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 Omniport Norwich Limited Norwich Airport Limited Legislator 1364 Limited	Norwich Airport, Terminal Building Amsterdam Way, Norwich, Norfolk, NR6 6JA	Holding company Holding company Airport operator Dormant	100% 100% 100% 100%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2021

32. SUBSIDIARIES AND RELATED UNDERTAKINGS (CONTINUED)

Subsidiary and associated undertakings	Address of the registered office	Principal activity	Percentage holding
Real Estate			
33 Dover St Limited Imperial Park Bournemouth Limited Ostrava Property Limited Rigby Real Estate Limited	Bridgeway House, Bridgeway, Stratford-Upon-Avon, Warwickshire, CV37 6YX, UK	Investment property Investment property Dormant Property development	100% 100% 100% 100%
Allect			
Allect Holdings Limited Allect Limited Lawson Robb Design Limited Rigby & Rigby Limited	Bridgeway House, Bridgeway, Stratford-Upon-Avon, Warwickshire, CV37 6YX, UK	Holding company Interior design and property services Dormant Dormant	100% 100% 100% 100%
Helen Green Design Limited	29 Milner Street, London, SW3 2QD	Dormant	100%
Aviation			
Capital Air Charter Holdings Limited British International Helicopter Services Limited Patriot Aerospace Limited Patriot Aviation Limited	XLR Business Aviation Centre, Terminal Road, Birmingham Airport, Birmingham, England, B26 3QN	Dormant General aviation Holding company General aviation	100% 100% 100% 100%
Nuvias Division			
Nuvias Group Limited Nuvia Networks Limited	80 Brook Street, Mayfair, London, England, W1K 5EG	Holding company Holding company	100% 100%
Zycko Group Limited Zycko Overseas Limited Nuvias Global Services Limited	Inda House The Mallards, Broadway Lane South Cerney, Cirencester, Gloucestershire, GL7 5TQ	Holding company Holding company IT procurement specialist	100% 100% 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	Burgemeester Stramanweg 102, Amsterdam, Noord-Holland, 1101 AA The Netherlands	Specialist IT distributor	100%
Nuvias BVBA Data Communications Business BV	Veldhoven, The Netherlands, De Run 4312 Veldhoven 5503LN	Specialist IT distributor Specialist IT distributor	100% 100%

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 MARCH 2021

32. SUBSIDIARIES AND RELATED UNDERTAKINGS (CONTINUED)

Subsidiary and associated undertakings	Address of the registered office	Principal activity	Percentage holding
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%
Wick Hill Group Limited Nuvias (UK & Ireland) Limited Ingleby (1977) Limited Guaranteed Results Limited Cloud Distribution Limited Cloud Distribution Storage Limited	Unit 1 Genesis Business Park, Albert Drive, Woking, Surrey, United Kingdom, GU21 5RW	Holding company Specialist IT distributor Holding company Marketing Specialist IT distributor Specialist IT distributor	100% 100% 100% 100% 100% 100%
Wick Hill Kommunikationstechnik GmbH	Sachsenfeld 4, 20097, Hamburg, Germany	Specialist IT distributor	100%
Nuvias Österreich GmbH	Vienna Twin Towers, Wienerbergerstraße 11/15a, 1100, Vienna, Austria	Specialist IT distributor	100%
Nuvias UC Limited	Suite 10, Brecon House, William Brown Close, Llantarnam Industrial Park, Cwmbran, Torfaen, NP44 3AB, UK	Specialist IT distributor Specialist IT distributor	100% 100%
Nuvias AG	Hardturmstrasse 120, 8005 Zürich	Specialist IT distributor	100%
Nuvias Inc	80 Brook Street, Mayfair, London, England, W1K 5EG	Specialist IT distributor	100%
Alliance Technologies GmbH	Castillostraße 1, 61348 Bad Homburg vor der Höhe, Germany	Specialist IT distributor	100%
Deltalink BVBA	Fortsesteenweg 25, 2860 Sint-Katelijne-Waver, Belgium	Specialist IT distributor	100%
Netsafe Solutions S.R.L	Strada Nicolae Caramfil Nr. 71-73 Bucharest; Bucharest	Specialist IT distributor	100%
NetSafe Solutions OOD	ulitsa Todor F. Chipev 10 1700 Sofia Sofia-grad - Yugozapaden - Bulgaria	Specialist IT distributor	100%
Sigurna mreža d.o.o. (Netsafe Ltd)	Trnjanska cesta 59 10000, Zagreb, Grad Zagreb Croatia	Specialist IT distributor	100%
Netsafe Distribution ood	Prusnikova ulica 15 1210, Ljubljana-Sentvid, OSREDNJESLOVENSKA Slovenia	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	

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, 33 Dover St Limited, Rigby Real Estate 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.

Information Regarding the Scope of Consolidation

The above companies have been included in the scope of Rigby Group (RG) plc's consolidation. Rigby Group (RG) plc approved the resolutions to exempt the subsidiaries listed below from the requirements of the Companies Act 2006 related to the audit of individual accounts by virtue of article 479A (2) (a) of the said Act for the financial year ended 31/03/2022.

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

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 JA Mortimer

REGISTERED OFFICE

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

AUDITOR

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Statutory Auditor
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West Midlands
B1 2HZ
United Kingdom

LAWYERS

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2 Snowhill
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BANKERS

HSBC UK Bank plc
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West Midlands
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United Kingdom

Societe Generale SA
33 Avenue de Wagram
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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
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Lloyds TSB Bank Plc
10 Gresham St
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