Newcastle pub amusements supplier Bob Rudd maintains profits despite cost-of-living crisis

North East pub amusements supplier Bob Rudd Ltd has grown sales and maintained profits despite the challenges of the cost-of-living crisis, accounts show.

The Brunswick Village company was founded in Newcastle by Bob Rudd in 1989, to supply gaming and amusement machines to pubs, but it has had to diversify over the years. The business took a particular hit during Covid when it was completely starved of income from its digital and analogue fruit machines, pool tables, quiz machines and jukeboxes due to the national lockdown.

The pandemic led to the immediate recall of 4,500 machines across the UK, with managing director Nick Rudd – who bought out the business from his parents along with his sister in 2012 – and his team having to collect each machine within a strict 72-hour timeframe.

More recent business streams within the Rudd Group, which has a number of UK depots alongside its Newcastle head office, include contactless payment pool tables, and Clear Cool, its glass washer, ice maker and catering equipment division, launched to cater for areas of the sector that weren't geared towards gaming equipment, helping the firm enter new markets outside of the licensed trade.

Accounts for the year ended May 2024 show the business maintained its sales and remained profitable against a backdrop of rising costs. The accounts show turnover rose marginally from £10.2m to £11.35m, while operating profits

dipped from £1.21m to £1.19m.

The company's average workforce number, meanwhile, increased from 133 to 135, taking the wages, social security and pension cost total to £4.14m.

A report within the accounts signed off by director Nick Rudd said: "The financial year commenced with a continuation of the cost of living crisis where both our customers and end users of our products felt the impact of rising inflation and interest.

"The business despite these challenges continued to grow revenue and deliver comparable profits through cost management and efficiency schemes, new multi site contracts, increased machine count and growing revenue as we continued to invest in premium digital machines. We also saw continued growth in our pool table offering with contactless payment increasing in popularity and also growth in Clear Cool division across both rental and direct sales.

"At the time of approving these financial statements inflation and cost of living increases had begun to settle but leaves us with challenges to profit margins and some uncertainty around the political environment in relation to increasing National Insurance and Minimum Wage causing further pressure on labour, cost and revenue channels for both us and our customers.

"Whilst we expect the coming financial year to finish with pressure on some of our customers the directors of the business do not consider this will have an impact of the going concern of the business and will continue to regularly review the risks to the business, develop mitigating actions and the delivery of cost efficiency plans. The company will also continue to maintain a diverse client portfolio ranging from single site operators through to national PLCs to ensure natural customer turnover doesn't impact the company's ongoing operation."

Ordinary dividends of £308,000 were paid out during the year.