

# Rydon Holdings Limited

## Financial Statements - 30 September 2007

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# **Rydon Holdings Limited**

**Financial Statements - 30 September 2007**

**Directors**

R Bond  
J E Kitchin  
N G Panes  
P T Wright

**Secretary**

P T Wright

**Registered Office**

Rydon House  
Forest Row  
East Sussex  
RH18 5DW

**Registered Auditors.**

KPMG LLP  
1 Forest Gate  
Brighton Road  
Crawley  
RH11 9PT

**Registered Number**

5556300

# Rydon Holdings Limited

## Directors' Report

The directors present their report and the financial statements for the year ended 30 September 2007.

### Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statement in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

The group and parent company financial statements are required by law to give a true and fair view of the state of affairs of the group and the parent company and of the profit or loss 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 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities

### Review of the Business and Future Developments

The principal activities of the company and its subsidiaries continued to be that of building contractors, developers, maintenance contractors and the procurement and management of health and social care projects

Both contracting and development saw a drop in turnover in the year with delays in obtaining planning permissions and protracted contract negotiations resulting in slippage in achieving forecast growth targets

For contracting, however, operating profit has held up compared to the previous period despite the decrease in turnover, with an increase in overheads, required to facilitate future turnover growth, being offset by improved contract profitability.

In development there has been a greater emphasis on the sales of houses rather than apartments with a resultant increase in average unit price from £284,000 in 2006 to £410,000 this year. This combined with several land sales helped improve operating profit margins from 10.6% to 18.3%

Maintenance saw a significant increase in turnover with the commencement of a number of new long term maintenance contracts together with the securing of additional work outside existing long term partnering contracts at all of the branches. Increased use of technology also helped to drive down overhead costs resulting in an improvement in profitability

# Rydon Holdings Limited

## Directors' Report (continued)

### Review of the Business and Future Developments (continued)

A continued focus on reducing debt was maintained during the year with net debt falling from £45m to £32m. However investment in future development opportunities is expected to see this rise in the next 12 months.

The directors consider that the group continues to be in a strong position going forward with a significant proportion of projected turnover for 2007/08 already secured and in production. Forward orders for the contracting division show orders in hand and identified work under negotiation totalling nearly £312m. 100% of forecast residential development sales for 2007/08 are already in production with 48% of forecast sales for 2008/09 either in production or on sites where planning has been secured.

Forward orders for the property maintenance company total over £275m over the next 25 years with approximately 62% in Social Housing contracts and 38% in Healthcare contracts.

In the normal course of its business the group is exposed to a variety of financial risks and as a result is constantly improving its corporate governance. In particular, the risk to development from the uncertainty surrounding the UK Housing market is constantly being reviewed. Currently the directors believe the group is in a good position to ride out any temporary stagnation, as future sites are being built in phases to ensure build progress does not exceed the sales potential. Additionally, the group continues to hold very low levels of stock units and has spread its risk by identifying sites where demand is strong.

The contracting and maintenance businesses also manage their credit risk most effectively by carefully selecting the clients for which it tenders for work.

Risks to the business in human resources, information technology and health and safety, are carefully monitored and the company actively pursues best practice in these areas to ensure that any risk is kept to a minimum.

### KPIs

#### Financial

	2007	2006 (8 months)
Turnover	£168.4m	£167.8m
Operating profit	£15.6m	£17.3m
Operating profit margin	9.3%	10.3%
Net assets	£13.0m	£9.2m
Return on capital	13.1%	28.1%

### Results and Dividends

The results of the group for the year ended 30 September 2007 are set out in the financial statements on pages 8 to 36.

No dividends were paid during the period (2006: £nil).

# **Rydon Holdings Limited**

## **Directors' Report (continued)**

### **Donations**

During the period the group made donations totalling £27,756 (£800-2006) for charitable purposes. No donations were made for political purposes

### **Directors**

The directors set out below have held office during the whole of the period from 1 October 2006 to the date of this report, unless otherwise stated

R Bond  
D S Howard (ceased to hold office 30 November 2007)  
J E Kitchin  
N G Panes  
P T Wright

### **Disabled Persons**

The group's policy is to give full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities. Disabled employees receive appropriate training to promote their career development within the group. Employees who become disabled are retained in their existing posts where possible or retrained for suitable alternative posts.

### **Employee Involvement**

Regular meetings are held between senior management and employee representatives to discuss matters of concern. Employees are kept well informed about the progress and position of the group by means of regular department meetings and correspondence.

### **Statement as to Disclosure of Information to Auditors**

The directors who were members of the board at the date of approval of this Directors Report confirm that, to the best of their knowledge, there is no relevant audit information of which the company's auditors are unaware. Each director has taken all the steps a director might reasonably be expected to have taken to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **Financial Instruments**

Exposure to credit and interest rate risk arises in the normal course of the group's business.

Credit risk arises on financial instruments such as trade debtors and interest rate hedges. Policies and procedures are in place to ensure customers have a suitable credit history. Interest rate hedges have been placed with Bank of Scotland.

The group has hedged its exposure to interest rate movements through an interest rate swap of two thirds of outstanding Senior Term, Mezzanine and ILS loans fixed at 4.86% plus the relevant margin, to 31 March 2009.

# Rydon Holdings Limited

## Directors' Report (continued)

### Auditors

During the year Mazars LLP resigned as auditors of the company. Accordingly, KPMG LLP were appointed to fill the casual vacancy arising.

KPMG LLP have signified their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the forthcoming annual general meeting.

Approved by the Board on 21 December 2007, and signed on its behalf by

A handwritten signature in black ink, appearing to read 'P T Wright', is written over a horizontal line.

P T Wright  
Director

Rydon House  
Forest Row  
East Sussex  
RH18 5DW



1 Forest Gate  
Brighton Road  
Crawley  
West Sussex  
RH11 9PT

## **Independent auditors' report to the members of Rydon Holdings Limited**

We have audited the group and parent company financial statements (the "financial statements") of Rydon Holdings Limited for the year ended 30 September 2007 which comprise the Consolidated Profit and Loss Account, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Cashflow Statement, the Consolidated Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group and parent company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## **Independent auditors' report to the members of Rydon Holdings Limited (continued)**

### **Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 30 September 2007 and of the group's profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

*KPMG LLP*

KPMG LLP  
*Chartered Accountants*  
*Registered Auditor*

21 December 2007



# Rydon Holdings Limited

## Consolidated Profit and Loss Account For the year ended 30 September 2007

			2007		2006 (8 months)
	Notes	£000	£000	£000	£000
Group Turnover	2		168,414		167,829
Cost of completed contracts			<u>(130,986)</u>		<u>(134,971)</u>
Gross Profit			37,428		32,858
Administrative expenses		(18,841)		(13,798)	
Amortisation of goodwill		(3,129)		(2,053)	
Other operating income		<u>178</u>		<u>272</u>	
			<u>(21,792)</u>		<u>(15,579)</u>
Operating Profit			15,636		17,279
Profit on sale of tangible fixed assets		9		60	
Interest receivable and similar income	6	1,076		797	
Interest payable and similar charges	7	<u>(9,921)</u>		<u>(7,727)</u>	
			<u>(8,836)</u>		<u>(6,870)</u>
Profit on Ordinary Activities Before Taxation	3		6,800		10,409
Taxation on profit on ordinary activities	8		<u>(3,245)</u>		<u>(3,603)</u>
Profit after Taxation	10 & 20		<u>£3,555</u>		<u>£6,806</u>

The company's turnover and expenses all relate to continuing operations (2006 - all operations were continuing and were acquired on 21 January 2006)

The profit on ordinary activities before taxation and the retained profit for the period have been calculated on the historical cost basis

## Rydon Holdings Limited

### Consolidated Statement of Total Recognised Gains and Losses For the year ended 30 September 2007

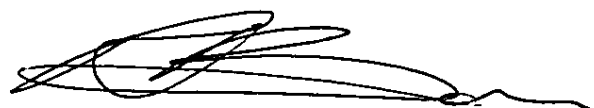
		2007	2006 (8 months)
	Notes	£000	£000
Group profit for the period		3,555	6,806
Pension scheme actuarial gain		(224)	42
Deferred tax on pension scheme actuarial gain		67	-
		<u>        </u>	<u>        </u>
Total gains and losses recognised in the period	21	<u>£3,398</u>	<u>£6,848</u>

# Rydon Holdings Limited

## Consolidated Balance Sheet at 30 September 2007

			2007	2006 (restated - see note 1b)
	Notes	£000	£000	£000
<b>Fixed Assets</b>				
Intangible assets	11		25,260	28,405
Tangible assets	12		<u>4,117</u>	<u>3,910</u>
			29,377	32,315
<b>Investment in Joint Venture</b>	17			
Share of gross assets		3,087	-	-
Share of gross liabilities		<u>(3,087)</u>	-	-
<b>Current Assets</b>				
Stock and work-in-progress	14	32,050	34,465	
Debtors (amounts falling due within one year)	15	16,565	18,235	
Debtors (amounts falling due after more than one year)	15	2,134	1,890	
Cash at bank		<u>13,766</u>	<u>11,094</u>	
		64,515	65,684	
<b>Creditors - Amounts Falling Due Within One Year</b>	16	<u>(43,991)</u>	<u>(44,284)</u>	
<b>Net Current Assets</b>			<u>20,524</u>	<u>21,400</u>
<b>Total Assets Less Current Liabilities</b>			49,901	53,715
<b>Creditors - Amounts Falling Due After More Than One Year</b>	18		(39,140)	(46,971)
<b>Provision for liabilities and charges</b>	8		<u>167</u>	<u>604</u>
Net assets excluding pension asset			10,928	7,348
Net pension asset	23		<u>2,076</u>	<u>1,841</u>
<b>Net Assets</b>			<u>£13,004</u>	<u>£9,189</u>
<b>Capital and Reserves</b>				
Called up share capital	19		957	934
Share premium account	21		<u>1,801</u>	<u>1,407</u>
			2,758	2,341
Profit and loss account including pension reserve	21		<u>10,246</u>	<u>6,848</u>
<b>Shareholders' Funds</b>	20		<u>£13,004</u>	<u>£9,189</u>

Approved by the Board on 21 December 2007, and signed on its behalf by



R Bond - Director

# Rydon Holdings Limited

## Balance Sheet at 30 September 2007

			2007	2006 (restated - see note 1b)
	Notes	£000	£000	£000
<b>Fixed Assets</b>				
Investments in group companies	13		48,071	48,071
<b>Current Assets</b>				
Debtors (amounts falling due within one year)	15	11,410		16,675
Debtors (amounts falling due after more than one year)	15	4,552		4,663
Cash at bank		-		5,442
		15,962		26,780
<b>Creditors - Amounts Falling Due Within One Year</b>	16	(12,819)		(20,835)
<b>Net Current Assets</b>			3,143	5,945
<b>Total Assets Less Current Liabilities</b>			51,214	54,016
<b>Creditors - Amounts Falling Due After More Than One Year</b>	18		(38,740)	(46,436)
<b>Net Assets</b>			<u>£ 12,474</u>	<u>£7,580</u>
<b>Capital and Reserves</b>				
Called up share capital	19		957	934
Share premium account	21		1,801	1,407
Profit and loss account	21		<u>9,716</u>	<u>5,239</u>
<b>Shareholders' Funds</b>	20		<u>£12,474</u>	<u>£7,580</u>

Approved by the Board on 21 December, and signed on its behalf by



R Bond - Director

# Rydon Holdings Limited

## Consolidated Cash Flow Statement For the year ended 30 September 2007

	2007	2006 (8 months)
	£000	£000
Net cash inflow from operating activities (see note (a))	22,654	51,370
Returns on investments and servicing of finance (see note (c))	(4,758)	(4,762)
Taxation	(2,476)	(1,034)
Capital expenditure and financial investment (see note (c))	(1,558)	(878)
Acquisitions (see note (c))	-	(65,756)
Net cash outflow before financing	13,862	(21,060)
Financing (see note (c))	(11,190)	32,154
<b>Increase in Cash in the Period</b>	<b><u>£2,672</u></b>	<b><u>£11,094</u></b>
<b>Reconciliation of Net Cash Flow to Movement in Net Debt (see note (b))</b>		
Increase in cash in the period	2,672	11,094
Decrease in net overdrafts	-	13,452
Total increase in cash in the period	2,672	24,546
Net debt acquired with subsidiary undertakings	-	(30,876)
Cash outflow (inflow) from decrease (increase) in debt financing	11,607	(29,813)
Change in net debt resulting from cash flows	14,279	(36,143)
Accrual of redemption premia	(1,442)	(1,178)
Amortisation of financing costs	(1,692)	(1,200)
Total movement in net debt	11,145	(38,521)
<b>Net Debt at 30 September 2006</b>	<b><u>(38,521)</u></b>	<b>-</b>
<b>Net Debt at 30 September 2007</b>	<b><u>£(27,376)</u></b>	<b><u>£(38,521)</u></b>

# Rydon Holdings Limited

## Notes to the Consolidated Cash Flow Statement For the year ended 30 September 2007

### (a) Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities

	2007	2006 (8 months)
	£000	£000
Operating profit	15,636	17,279
Depreciation charges	1,360	1,050
Amortisation	3,145	2,056
Decrease in stock and work in progress	2,415	25,858
Decrease in debtors	1,426	12,010
Decrease in creditors	(1,186)	(4,709)
Decrease in pension provision	(143)	(2,174)
Net cash inflow from operating activities	<u>£22,653</u>	<u>£51,370</u>

### (b) Analysis of Net Debt

	At 1 October 2006	Cash Flows	Non cash changes	At 30 September 2007
	£000	£000	£000	£000
Cash at bank	<u>11,094</u>	<u>2,672</u>	<u>-</u>	<u>13,766</u>
Hire purchase agreements	(914)	(51)	-	(965)
Bank loans	(55,121)	11,658	(1,442)	(44,905)
Deferred financing costs	<u>6,420</u>	<u>-</u>	<u>(1,692)</u>	<u>4,728</u>
	<u>(49,615)</u>	<u>11,607</u>	<u>(3,134)</u>	<u>(41,142)</u>
Total	<u>£(38,521)</u>	<u>£14,279</u>	<u>£(3,134)</u>	<u>£(27,376)</u>

# Rydon Holdings Limited

## Notes to the Consolidated Cash Flow Statement For the 30 September 2007 30 September 2007

### (c) Analysis of Cash Flows for the Cash Flow Statement

	2007	2006 (8 months)
	£000	£000
<b>Returns on investments and servicing of finance</b>		
Interest received	695	587
Interest paid and similar charges	(5,397)	(5,328)
Interest element of hire purchase rental payments	(55)	(21)
<b>Net cash outflow from returns on investments and servicing of finance</b>	<u>£(4,757)</u>	<u>£(4,762)</u>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(1,875)	(1,319)
Sale of tangible fixed assets	317	441
<b>Net cash outflow from capital expenditure and financial investment</b>	<u>£(1,558)</u>	<u>£(878)</u>
<b>Acquisitions</b>		
Purchase of subsidiary undertakings	-	(52,304)
Net overdrafts acquired with subsidiary undertakings	-	(24,853)
<b>Net cash outflow from acquisitions</b>	<u>-</u>	<u>£(77,157)</u>
<b>Financing</b>		
Issue of ordinary share capital	417	2,341
Bank loans received	-	76,224
Financing costs paid	-	(7,620)
Bank loans repaid	(11,658)	(33,687)
Premia on loan repayments	-	(215)
Other loans repaid	-	(4,793)
Capital element of hire purchase rental payments	(685)	(609)
Receipts from re-financing of fixed assets	736	513
<b>Net cash inflow from financing</b>	<u>£(11,190)</u>	<u>£32,154</u>

# Rydon Holdings Limited

## Notes to the Financial Statements For the year ended 30 September 2007

### 1. Accounting Policies

The financial statements have been prepared in accordance with applicable accounting standards

#### (a) Accounting convention

The financial statements are prepared under the historical cost convention

#### (b) Basis of preparation of group financial statements

The group financial statements consolidate the financial statements of the company and its subsidiary companies as set out in note 13 made up to 30 September 2007. The acquisition method of accounting has been adopted.

The profits and losses of subsidiary undertakings are consolidated from the date of acquisition to the date of disposal. The difference between the cost of acquisition of shares in subsidiaries and the fair value of the separable net assets acquired is accounted for as goodwill.

The comparatives have been restated to reclassify deferred tax amounts on the defined benefit pension scheme. Comparatives for deferred financing costs have also been reclassified. There is no impact on either net assets or the profit for the period.

#### (c) Turnover

Turnover relates to transactions outside the group and is calculated excluding value added tax as follows:

##### Contract work

Revenue is measured at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Revenue from construction contracts is recognised in accordance with the company's accounting policy on construction contracts.

Where the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date and profit is that estimated to fairly reflect the profit arising up to that date.

The principal method to recognise the stage of completion of a contract is the percentage complete based on cost.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provisions for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

##### Development work

Turnover represents the invoice value of properties sold to customers, excluding value added tax. Turnover is recognised on completion of contracts.



# Rydon Holdings Limited

## Notes to the Financial Statements For the year ended 30 September 2007

### 1. Accounting Policies (continued)

#### (d) Depreciation

Depreciation is calculated to write off the cost less estimated residual value of fixed assets on a straight line basis over their estimated useful lives

#### (e) Taxation

The charge for taxation is based on the result for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is provided in respect of the tax effect of all timing differences that have originated but not reversed at the balance sheet date.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from when the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on a non-discounted basis at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date

#### (f) Stock and work-in-progress

Stock and work-in-progress is valued at the lower of cost and estimated net realisable value. Cost consists of land, materials, direct labour costs and direct overheads. Provisions for estimated losses on contracts are made in the period in which such losses are foreseen. Progress payments received or receivable at the balance sheet date are deducted up to the amount of the valuation, any excess being included in current liabilities as progress payments received on account

#### (g) Hire purchase agreements

Assets acquired under hire purchase agreements are capitalised and depreciated over their estimated useful lives. The finance charges are allocated to accounting periods during the term of the agreement so as to produce a constant periodic rate of charge on the remaining balance of the obligation for each accounting period

#### (h) Leasing

Amounts payable under operating leases are charged on a straight line basis over the term of the lease

# Rydon Holdings Limited

## Notes to the Financial Statements For the year ended 30 September 2007

### 1 Accounting Policies (continued)

#### (i) Pension costs

##### Defined benefit scheme

The company operates a defined benefit scheme in respect of certain employees. The assets of the scheme are measured using closing market values. Scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The increase in the present value of the liabilities of the scheme expected to arise from employee service in the period is charged to the operating surplus. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities, arising from the passage of time, are included in pension finance costs. Actuarial gains and losses are recognised in the statement of total recognised gains and losses.

##### Defined contribution scheme

Contributions to personal pension schemes in respect of certain directors and employees are charged to the profit and loss account in the period to which they relate.

#### (j) Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

#### (k) Goodwill

Goodwill represents the excess of costs of acquisition over the fair value of the separable net assets of the business acquired. On acquisition goodwill is capitalised and written off to the profit and loss account over a period that the directors expect to derive economic benefit from it.

#### (l) Share-based payments

The Group has applied the requirements of FRS20 Share-based Payment. In accordance with the transitional provisions, FRS20 has been applied to all grants of equity instruments after 5 September 2005 (being the date of incorporation) that had not vested as of 1 October 2006.

The Group issues equity-settled share options to certain employees. These are measured at fair value at the date of grant. The fair value determined at the date of grant is expensed on a straight line basis over the vesting period, based on the group's estimate of shares that are forecast to vest. Fair value is measured by use of the Black-Scholes pricing model.

### 2. Segmental Information

The turnover, profit before taxation and net assets are attributable to the principal activities, those of building contractors, developers, maintenance contractors and the procurement and management of health and social care projects. The group operates in the UK and the whole of the turnover is to the UK market.

# Rydon Holdings Limited

## Notes to the Financial Statements For the year ended 30 September 2007

### 3 Group Profit on Ordinary Activities Before Taxation

	2007	2006 (8 months)
	£000	£000
The group profit on ordinary activities before taxation is stated		
after crediting		
Rents receivable	101	51
Interest receivable	<u>1,076</u>	<u>797</u>
after charging		
Depreciation of owned tangible fixed assets	926	848
Depreciation of tangible fixed assets held under hire purchase contracts	434	201
Amortisation of goodwill and intangibles	3,145	2,056
Hire of plant and machinery	1,256	965
Auditors' remuneration		
- audit fee Company	5	5
- audit fee subsidiaries	105	86
- fees for non-audit taxation services	37	25
- fees for other non-audit services	38	-
Amounts payable under operating leases		
Rent of premises	<u>700</u>	<u>467</u>

# Rydon Holdings Limited

## Notes to the Financial Statements For the year ended 30 September 2007

### 4. Directors

	2007	2006 (8 months)
	£000	£000
<b>Remuneration</b>		
Emoluments	<u>£759</u>	<u>£420</u>
The emoluments of directors disclosed above include the following amounts paid to the highest paid director		
Emoluments	<u>£229</u>	<u>£147</u>

Payments of £131,789 (2006 - £26,687) were paid to non-executive directors during the year for consultancy and management services provided to the group

During the year three directors accrued benefits under defined benefit pension schemes. No contributions were made to money purchase schemes.

#### Transactions

During the year work valued at over £5,000 was carried out for the following directors on the same terms as available to all staff

	Value of work done £
R Bond	£22,507

There were no amounts outstanding from directors at the year end

# Rydon Holdings Limited

## Notes to the Financial Statements For the year ended 30 September 2007

### 5 Staff Costs

	2007	2006 (8 months)
	£000	£000
Wages and salaries	19,373	13,964
Social security costs	2,205	1,571
Other pension costs	1,119	818
	<u>£22,697</u>	<u>£16,353</u>

The average number of persons employed by the group (including directors) during the year was as follows

	Number	Number
Management	145	152
Administration	308	305
Direct labour	<u>110</u>	<u>134</u>
<b>Total Employees</b>	<u><b>563</b></u>	<u><b>591</b></u>

### 6 Interest receivable

	2007	2006 (8 months)
	£000	£000
Bank interest	695	587
Pension finance income	<u>381</u>	<u>210</u>
	<u><b>£1,076</b></u>	<u><b>£797</b></u>

### 7. Interest payable and similar charges

	2007	2006 (8 months)
	£000	£000
Bank loans and overdrafts wholly repayable within 5 years	3,875	3,383
Bank loans wholly repayable after more than 5 years	1,702	1,945
Bank loan redemption premia	2,597	1,178
Hire purchase agreements	55	21
Amortisation of deferred financing costs	1,692	1,200
	<u><b>£9,921</b></u>	<u><b>£7,727</b></u>

# Rydon Holdings Limited

## Notes to the Financial Statements For the year ended 30 September 2007

### 8. Taxation

	2007	2006 (8 months)
	£000	£000
(a) Analysis of charge in the year		
Current Tax		
UK corporation tax on profit for the year	2,588	3,465
Adjustment in respect of previous year	88	-
	<u>2,676</u>	<u>3,465</u>
Deferred tax	569	138
	<u>£3,245</u>	<u>£3,603</u>

#### (b) Factors affecting tax charge for year

The tax assessed for the year is higher than the standard rate of corporation tax in the UK (30%). The differences are explained below

	£000	£000
Profit on ordinary activities before tax	<u>£6,800</u>	<u>£10,409</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in UK of 30%	2,040	3,123
Effects of		
Expenses not deductible for tax purposes	297	245
Goodwill on consolidation not deductible for tax purposes	850	409
Depreciation in excess of capital allowances	30	48
Capital allowances in excess of depreciation	(36)	-
Adjustment in respect of previous period	88	-
Losses brought forward	(272)	(76)
Pension accrual	(157)	(196)
Other timing differences	(147)	-
Profits chargeable to lower tax rate	(17)	(3)
Depreciation on ineligible assets	-	8
Other income not taxable	-	(93)
	<u>£2,676</u>	<u>£3,465</u>

#### (c) Deferred tax provision

The deferred tax included in the balance sheet is as follows

Depreciation in excess of capital allowances	17	78
Trade losses	-	217
Pension spreading/accrual	150	309
	<u>£167</u>	<u>£604</u>

# Rydon Holdings Limited

## Notes to the Financial Statements For the year ended 30 September 2007

### 9. Share based payments

The Group has an equity settled share option scheme. Options are exercisable at a price set when the option is granted, which partly reflects the anticipated growth of the Group. 50% of each option vests three years after the date of grant, the remaining 50% vests three years after the first 50% is exercised. Options are generally forfeited if the employee leaves the Group before the options vest.

Details of the share options outstanding during the year are as follows:

	2007		2006	
	Number of share options	Weighted average exercise price	Number of share options	Weighted average exercise price
Outstanding at beginning of period	381,500	£2.00	-	-
Granted during the period	13,625	£2.36	387,500	£2.00
Forfeited during the period	-	-	(6,000)	£2.00
Outstanding at end of period	<u>395,125</u>	£2.01	<u>381,500</u>	£2.00
Exercisable at end of period	Nil		Nil	

The options outstanding at 30 September 2007 had a weighted average exercise price of £2.01 and a weighted average remaining contractual life of 2.98 years. During 2007, options were granted on 9, 13, 16 and 19 March and 27 June 2007. The aggregate of the estimated fair values of the options granted on those dates is £8,765. During 2006, options were granted on 7 March, 3 July, 5 July and 20 July 2006. The aggregate of the estimated fair values of the options granted on those dates is £nil.

The inputs into the Black-Scholes Option Pricing Model are as follows:

	2007	2006
Weighted average share price	£2.36	£0.25
Weighted average exercise price	£2.36	£2.00
Expected volatility	30.00%	26.07%
Expected life	3 years	3 years
Risk free rate	5.44%	4.45%
Expected dividend yield	0.00%	0.00%

Expected volatility was determined by calculating the historic volatility of three quoted companies which operate in the same business sector as the Group.

The Group recognised total expenses of £1,400 and £nil related to equity settled share based payment transactions in 2007 and 2006 respectively.

# Rydon Holdings Limited

## Notes to the Financial Statements For the year ended 30 September 2007

### 10 Profit of Parent Company

As permitted by Section 230 of the Companies Act 1985 the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £4,477,000 (2006 (8 months) - £5,239,000)

### 11. Intangible Fixed Assets

Group	Goodwill £000	Licences £000	Total £000
<b>Cost</b>			
At 1 October 2006 and 30 September 2007	<u>30,722</u>	<u>33</u>	<u>30,755</u>
<b>Amortisation</b>			
At 1 October 2006	2,333	17	2,350
Charge for the year	<u>3,129</u>	<u>16</u>	<u>3,145</u>
At 30 September 2007	<u>£5,462</u>	<u>-</u>	<u>£5,495</u>
<b>Net Book Values</b>			
At 30 September 2007	<u>£25,260</u>	<u>-</u>	<u>£25,260</u>
At 1 October 2006	<u>£28,389</u>	<u>£16</u>	<u>£28,405</u>

Goodwill arising on the acquisition of subsidiary companies is being amortised over 10 years. In the opinion of the directors this represents a prudent estimate of the period over which the group will derive economic benefit from the assets acquired.



# Rydon Holdings Limited

## Notes to the Financial Statements For the year ended 30 September 2007

### 12 Tangible Fixed Assets

#### Group

	Short Leasehold properties £000	Motor vehicles £000	Office equipment £000	Plant and machinery £000	Total £000
<b>Cost</b>					
At 1 October 2006	1,006	3,493	5,949	1,041	11,489
Additions	879	513	477	6	1,875
Disposals	-	(891)	-	(68)	(959)
At 30 September 2007	<u>£1,885</u>	<u>£3,115</u>	<u>£6,426</u>	<u>£979</u>	<u>£12,405</u>
<b>Accumulated Depreciation</b>					
At 1 October 2006	191	1,744	4,870	774	7,579
Charge for the year	136	582	515	127	1,360
Eliminated on disposals	-	(584)	-	(67)	(651)
At 30 September 2007	<u>£327</u>	<u>£1,742</u>	<u>£5,385</u>	<u>£834</u>	<u>£8,288</u>
<b>Net Book Values</b>					
At 30 September 2007	<u>£1,558</u>	<u>£1,373</u>	<u>£1,041</u>	<u>£145</u>	<u>£4,117</u>
At 1 October 2006	<u>£815</u>	<u>£1,749</u>	<u>£1,079</u>	<u>£267</u>	<u>£3,910</u>
Depreciation rates	10%	20%	25% & 10%	25%	

The net book value of motor vehicles includes an amount of £1,210,279 (2006 - £1,024,987) in respect of assets held under hire purchase contracts. The net book value of office equipment includes an amount of £89,606 (2006 - nil) in respect of assets held under hire purchase contracts.

The depreciation charge on assets under hire purchase contracts was £434,000 (2006 - £469,000).

# Rydon Holdings Limited

## Notes to the Financial Statements For the year ended 30 September 2007

### 13. Fixed Assets - Investments - Group Companies

£000

Cost

At 30 September 2007 and 1 October 2006

£48,071

The parent company and the group have investments in the following subsidiary undertakings which principally affected the profits or net assets of the group. To avoid a statement of excessive length, details of investments which are not significant have been omitted.

Name	Class of shares held	Percentage held	Nature of business
Civilscent Limited	Ordinary	100%	Developer
The following investment is held by Civilscent Limited			
Cable Street Regeneration Limited	Ordinary	100%	Developer
Linfold Limited	Ordinary	100%	Developer
Rydon Group Limited	Ordinary	100%	Intermediate holding company
	Preference	100%	

The following investments are held by Rydon Group Limited

Rydon Construction Limited	Preference	100%	) Building
	Ordinary	100%	) Contractors
	Deferred ordinary	100%	) and
Rydon Homes Limited	Ordinary	100%	) Developers
Ryhurst Limited	Ordinary	100%	Procurement & Management services relating to Health & Social Care Projects
Rydon Maintenance Limited (formerly Rydon Property Maintenance Limited)	Ordinary	100%	Property Maintenance

# Rydon Holdings Limited

## Notes to the Financial Statements For the year ended 30 September 2007

### 14 Stock and Work-in-progress

	Group	
	2007 £000	2006 £000
Freehold land held for development	<u>4,775</u>	<u>10,388</u>
Stock of materials	<u>53</u>	<u>63</u>
Work in Progress		
Costs of development on land owned by the group	27,078	21,483
Third party contracts under construction Net cost less foreseeable losses	<u>144</u>	<u>2,531</u>
Total work in progress	<u>27,222</u>	<u>24,014</u>
Total stock and work in progress	<u>£32,050</u>	<u>£34,465</u>

# Rydon Holdings Limited

## Notes to the Financial Statements For the year ended 30 September 2007

### 15 Debtors

	Group		Company	
	2007 £000	2006 £000	2007 £000	2006 £000
<b>Due Within One Year</b>				
Amounts recoverable on contracts	10,371	9,499	-	-
Trade debtors	3,988	5,674	-	-
Amounts owed by subsidiary companies	-	-	11,342	16,439
Other debtors	1,560	1,812	68	236
Prepayments	646	1,250	-	-
	<u>£16,565</u>	<u>£18,235</u>	<u>£11,410</u>	<u>£16,675</u>
<b>Due After One Year</b>				
Amounts owed by subsidiary companies	-	-	4,552	4,222
Amounts recoverable on contracts	2,134	1,449	-	-
Other loans	-	441	-	441
	<u>£2,134</u>	<u>£1,890</u>	<u>£4,552</u>	<u>£4,663</u>

### 16 Creditors - Amounts Falling Due Within One Year

	Group		Company	
	2007 £000	2006 £000	2007 £000	2006 £000
Bank loans and overdrafts (see note 16)	3,000	3,958	12,108	1,500
Deferred financing costs	(1,563)	(1,693)	(1,563)	(1,693)
Payments received on account	15,334	22,010	-	-
Obligations under hire purchase contracts	565	379	-	-
Trade creditors	17,835	14,814	-	-
Amounts owed to subsidiary companies	-	-	748	20,848
Corporation tax	1,807	1,607	-	-
Other taxation	455	489	-	-
Social security costs	288	277	-	-
Other creditors	2,392	1,798	25	-
Accruals	3,878	645	1,501	180
	<u>£43,991</u>	<u>£44,284</u>	<u>£12,819</u>	<u>£20,835</u>

### 17 Joint Venture

The group has a 50% shareholding in Ryhurst Newton Abbot Limited, a joint venture company which began operating during the year. The joint venture was formed for the negotiation and promotion of a Private Finance Initiative with the NHS. The net assets of the company and the group's share thereof at 30 September 2007 was nil.

# Rydon Holdings Limited

Notes to the Financial Statements  
For the year ended 30 September 2007

## 18 Creditors - Amounts Falling Due After More Than One Year

	Group		Company	
	2007 £000	2006 £000	2007 £000	2006 £000
Instalments due under hire purchase contracts	400	535	-	-
Bank loans	41,905	51,163	41,905	51,163
Deferred financing costs	(3,165)	(4,727)	(3,165)	(4,727)
	<u>£39,140</u>	<u>£46,971</u>	<u>£38,740</u>	<u>£46,436</u>

Included in the above are amounts repayable by instalments

Between one and two years	2,934	1,518	2,652	1,438
Between two and five years	19,494	20,266	19,376	19,811
After more than five years	<u>16,712</u>	<u>25,187</u>	<u>16,712</u>	<u>25,187</u>
	<u>£39,140</u>	<u>£46,971</u>	<u>£38,740</u>	<u>£46,436</u>

Obligations under hire purchase contracts

	Group		Company	
	2007 £	2006 £	2007 £	2006 £
Amounts payable within				
one to two years	282	80	-	-
two to five years	<u>118</u>	<u>455</u>	<u>-</u>	<u>-</u>
	<u>£400</u>	<u>£535</u>	<u>-</u>	<u>-</u>

Bank loans comprise the Company's loans and the Group's share of the loan of its associate

The Company's loans bear interest at various rates which fluctuate in line with LIBOR. At the end of the period the rate on each loan was as follows

LIBOR loans £000	Interest rate
£16,500	9.278%
£14,000	13.428%
£12,000	11.428%

The bank loans are secured by fixed charges over the group's land and work in progress, an unlimited debenture over its assets and "key man" policies over the lives of four group directors

The obligations under hire purchase contracts are secured by related assets and bear finance charges which fluctuate in line with bank base rate. At the period end effective interest rates ranged from 6.4% to 6.5% per annum

# Rydon Holdings Limited

## Notes to the Financial Statements For the year ended 30 September 2007

### 19. Share Capital

	Authorised		Allotted, issued and fully paid	
	2007	2006	2007	2006
	£000	£000	£000	£000
"A" Ordinary shares of 10p each	414	414	337	314
"B" Ordinary shares of 10p each	310	310	310	310
"C" Ordinary shares of 10p each	310	310	310	310
	<u>£1,034</u>	<u>£1,034</u>	<u>£957</u>	<u>£934</u>

The "A" ordinary shares are non-voting, the "B" ordinary shares carry 80.01% of the voting rights and the "C" ordinary shares carry 19.99% of the voting rights. All shares rank equally in the event of a winding up and for the receipt of dividends.

The company has granted various options to directors of subsidiary companies and senior employees within the group to acquire shares in the company. The options create the right to acquire a number of shares detailed in the table below. 50% of each option may be exercised on or after a date 3 years from the date of grant and 50% on or after 3 years from the date of the first exercise.

Date of Grant	Number of options	Number of Shares	Price per share
7 March 2006	52	365,500	£2.00
3 July 2006	1	3,000	£2.00
5 July 2006	1	8,000	£2.00
20 July 2006	1	5,000	£2.00
9 March 2007	1	625	£2.36
13 March 2007	1	2,500	£2.36
16 March 2007	1	2,500	£2.36
19 March 2007	1	5,000	£2.36
27 June 2007	1	3,000	£2.36

# Rydon Holdings Limited

## Notes to the Financial Statements For the year ended 30 September 2007

### 20. Reconciliation of Movements in Shareholders' Funds

	Group		Company	
	2007	2006	2007	2006
	£000	£000	£000	£000
Profit for the year	3,555	6,806	4,477	5,239
Other recognised gains relating to the period	(157)	42	-	-
Net increase in shareholders' funds	3,398	6,848	4,477	5,239
Issue of ordinary shares of 10p each	417	2,341	417	2,341
Opening shareholders' funds	9,189	-	7,580	-
Closing shareholders' funds	<u>£13,004</u>	<u>£9,189</u>	<u>£12,474</u>	<u>£7,580</u>

# Rydon Holdings Limited

## Notes to the Financial Statements For the year ended 30 September 2007

### 21 Reserves

#### Group

	Share Premium Account £000	Profit and Loss Account £000	Total £000
At 30 September 2006	1,407	6,848	8,255
Premium arising on the issue of 234,623 ordinary shares of 10p each	394	-	394
Retained profit for the year	-	3,555	3,555
Actuarial loss recognised in STRGL	-	(157)	(157)
At 30 September 2007	<u>£1,801</u>	<u>£10,246</u>	<u>£12,047</u>

Of the total amount of reserves, £1,801,000 (2006 - £1,407,000) is not available for distribution

#### Company

	Share Premium Account £000	Profit and Loss Account £000	Total £000
At 30 September 2006	1,407	5,239	6,646
Premium arising on the issue of 234,623 ordinary shares of 10p each	394	-	394
Retained profit for the year	-	4,477	4,477
At 30 September 2007	<u>£1,801</u>	<u>£9,716</u>	<u>£11,517</u>

Of the total amount of reserves, £1,801,000 (2006 - £1,407,000) is not available for distribution



# Rydon Holdings Limited

## Notes to the Financial Statements For the year ended 30 September 2007

### 22 Contingent Liabilities

The company has given an unlimited guarantee to its bankers for monies due to the bank by the company's subsidiary undertakings. No liability is expected to arise.

### 23 Pension Commitments

#### Defined contribution schemes

The group contributes to defined contribution schemes in respect of certain directors and employees. The assets of the schemes are held separately from those of the group in independently administered funds. The pension cost charge represents contributions payable by the group to the fund and amounted to £228,406 (2006 - £134,193). There were no outstanding or prepaid contributions at the year end (2006 - nil).

#### Defined benefit scheme

The group operates a pension scheme providing benefits based on a final pensionable pay. The pension cost is assessed in accordance with the advice of a qualified actuary using the projected unit method. The last full actuarial assessment of the scheme was as at 31 March 2004.

The total pension cost for the group was £747,000 (2006 - £477,000).

At the date of the last actuarial valuation, the market value of the assets of the scheme was £11,040,841 and the actuarial value of the assets was sufficient to cover 79% of the benefits that had accrued to members, after allowing for expected future increases in earnings. The contributions of the company are 18.3% of pensionable salary for all members and those of the employees are 4.5% of pensionable salary. Main board directors contribute at 9% of pensionable salary.

# Rydon Holdings Limited

## Notes to the Financial Statements For the year ended 30 September 2007

### 23. Pension Commitments (continued)

#### Composition of the scheme

The group operates a defined benefit scheme, the Rydon Pension Scheme. A full actuarial valuation was undertaken at 31 March 2004 by a qualified independent Actuary. The FRS17 calculations shown below have been based on the initial results of the actuarial valuation as at 30 September 2006, also carried out by a qualified independent Actuary. The major assumptions used by the Actuary were:

	30 September 2007 % pa	30 September 2006 % pa
Price inflation	3.5	3.0
Rate of increase in pay		
- Executives and directors	2.5	2.0
- Staff	2.5	2.0
Rate of increase of pensions in payment		
- Pre 6 April 1997	0.0	0.0
- Post 6 April 1997	3.5	3.0
Rate of increase for deferred pensioners	3.5	3.0
Discount rate	5.9	5.2

The assets in the scheme are held in Managed Funds and Unit Trusts operated by F & C Asset Management. The historical fair value of the assets held and the expected rates of return assumed are as follows:

	Expected rate of return year commencing 30 September 2007	Value at 30 September 2007 £000	Expected rate of return year commencing 30 September 2006	Value at 30 September 2006 £000
Equities	7.40% pa	17,669	6.90% pa	15,033
Bonds	5.40% pa	3,887	4.75% pa	3,385
Property	7.40% pa	79	6.90% pa	101
Cash	5.75% pa	847	4.75% pa	1,315
Total value of assets		<u>£22,482</u>		<u>£19,834</u>

# Rydon Holdings Limited

## Notes to the Financial Statements For the year ended 30 September 2007

### 23 Pension Commitments (continued)

The historical funding position of the scheme measured in accordance with FRS17 was as follows

	At 30 September 2007 £000	At 30 September 2006 £000
Total market value of assets	22,482	19,834
Present value of scheme liabilities	(19,599)	(17,251)
Surplus (deficit) in scheme	2,883	2,583
Related deferred tax (liability) asset	(807)	(742)
Net Pension asset (liability)	<u>£2,076</u>	<u>£1,841</u>

#### Analysis of the amount charged to operating profit

	2007 £000	2006 (8 months) £000
Current service cost	<u>£747</u>	<u>£477</u>

#### Analysis of the amount credited to other finance income

	2007 £000	2006 (8 months) £000
Expected return on pension scheme assets	1,297	889
Interest on pension scheme liabilities	(916)	(679)
	<u>£381</u>	<u>£210</u>

#### Analysis of amount recognised in statement of total recognised gains and losses (STRGL)

	2007 £000	2006 (8 months) £000
Actual return less expected return on pension scheme assets	434	766
Experience gain arising on the scheme liabilities	91	188
Change in assumptions underlying the present value of the scheme liabilities	(749)	(912)
Actuarial (loss)/gain recognised in STRGL	<u>£(224)</u>	<u>£42</u>

# Rydon Holdings Limited

## Notes to the Financial Statements For the year ended 30 September 2007

### 23. Pension Commitments (continued)

#### Movements in surplus during the year

	2007 £000	2006 (8 months) £000
Surplus in scheme at beginning of the year / on acquisition	2,583	157
Movement in period		
Current service cost	(747)	(477)
Contributions	890	2,651
Other finance income	381	210
Actuarial (loss) gain	(224)	42
Surplus in scheme at end of the year	<u>£2,883</u>	<u>£2,583</u>

#### History of experience gains and losses

	Year ended 30 September 2007 £000	8 month period ended 30 September 2006 £000
Difference between the expected and actual return on scheme assets		
Gain	<u>£434</u>	<u>£766</u>
Percentage of scheme assets	<u>1.9%</u>	<u>3.9%</u>
Experience gains and losses on scheme liabilities		
Gain	<u>£91</u>	<u>£188</u>
Percentage of the present value of the scheme liabilities	<u>0.5%</u>	<u>1.1%</u>
Total amount recognised in statement of recognised gains and losses		
(Loss) gain	<u>£(224)</u>	<u>£42</u>
Percentage of the present value of the scheme liabilities	<u>1.1%</u>	<u>0.2%</u>

#### Total pension costs charged to the consolidated profit and loss account

	2007 £000	2006 £000
Current service cost of defined benefit scheme	747	477
Contributions to defined contribution scheme	<u>228</u>	<u>134</u>
	<u>£975</u>	<u>£611</u>

# Rydon Holdings Limited

## Notes to the Financial Statements For the year ended 30 September 2007

### 24. Other Financial Commitments

At 30 September 2007 the group was committed to making the following payments under non-cancellable operating leases in the year to 30 September 2008

	<b>Land and Buildings</b>	
	<b>2007</b>	<b>2006</b>
	<b>£000</b>	<b>£000</b>
In less than one year	64	17
In two to five years	158	205
After 5 years	489	472
	<u>          </u>	<u>          </u>
Total	<u>£711</u>	<u>£694</u>

# Rydon Holdings Limited

## Detailed Trading and Profit and Loss Account For the year ended 30 September 2007

	Appendix	£	2007 £	£	2006 £
Turnover			-		-
Administrative expenses	A		(5,315)		-
			<u>          </u>		<u>          </u>
Operating (Loss) Profit			(5,315)		-
Dividends receivable from subsidiaries		12,000,000		-	
Interest receivable and similar income	B	675,865		-	
Interest payable and similar charges	C	(11,417,463)		<u>          </u>	
			1,258,402		-
			<u>          </u>		<u>          </u>
Profit on Ordinary Activities Before Taxation			1,253,087		-
Taxation on profit on ordinary activities			<u>3,224,000</u>		<u>          </u>
Retained Loss for the Year			<u>£4,477,087</u>		<u>          </u>

This page does not form part of the statutory financial statements and is unaudited

# Rydon Holdings Limited

## Appendices

For the year ended 30 September 2007

	£	2007 £	£	2006 £
<b>A Administrative Expenses</b>				
(a) General administrative expenses				
Legal and professional fees		<u>5,315</u>		<u>-</u>
Total administrative expenses		<u>£5,315</u>		<u>-</u>
<b>B Interest Receivable and Similar Income</b>				
Bank interest received		<u>675,865</u>		<u>-</u>
		<u>£675,865</u>		<u>-</u>
<b>D Interest Payable and Similar Charges</b>				
Bank charges and interest		6,238,904		-
Loan interest		<u>5,178,559</u>		<u>-</u>
		<u>£11,417,463</u>		<u>-</u>

This page does not form part of the statutory financial statements and is unaudited