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**RYDON HOLDINGS LIMITED**

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**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2018**



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**RYDON HOLDINGS LIMITED**

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**COMPANY INFORMATION**

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**Directors**

R Bond  
N Standen

**Company secretary**

M Day

**Company number**

05556300

**Registered office**

Rydon House  
Station Road  
Forest Row  
East Sussex  
RH18 5DW

**Auditor**

KPMG LLP  
Chartered Accountants  
1 Forest Gate  
Brighton Road  
Crawley  
West Sussex  
RH11 9PT

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**RYDON HOLDINGS LIMITED**

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## RYDON HOLDINGS LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2018

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The directors present their report and the financial statements for the year ended 30 September 2018.

#### Principal activity

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 community health and care projects.

#### Results and dividends

The profit for the year, after taxation and minority interests, amounted to £16.1million (2017: £15.4 million).

As reported in previous years' annual reports, the company sponsored an employee benefit trust which held 723,013 shares in Rydon Holdings Limited. In order for these shares to be repurchased in October 2017, a new holding company was created, Rydon Group Holdings Limited, as the ultimate group parent company.

To help facilitate this, a dividend of £6.3m was paid in October 2017 from Rydon Holdings Limited to Rydon Group Holdings Limited. No cash was paid out of the enlarged group as a consequence of this event and no ordinary share dividend has been paid to the shareholders of the enlarged group in the year.

#### Directors

The directors who served during the year were:

R Bond  
N Standen

#### Political contributions

Neither the company nor any of its subsidiaries made any political donations or incurred political expenditure during the year (2017: £nil).

#### 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, the company intranet and newsletter.

#### Disabled employees

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.

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**RYDON HOLDINGS LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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**Provision of information to auditor**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the Group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the Group's auditor is aware of that information.

**Post balance sheet events**

There have been no significant events affecting the Group since the year end.

**Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

This report was approved by the board on 11 December 2018 and signed on its behalf.

R Bond  
Director

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## RYDON HOLDINGS LIMITED

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2018

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#### Introduction

The directors present their strategic report on the Group for the year ended 30 September 2018.

#### The Rydon Group Strategic Focus

- The strategic focus of Rydon Group is to derive a fair return from its secured base in construction, maintenance and house building, as well as optimising estate management returns and opportunities from joint ventures in Ryhurst.
- This is underpinned by our commitment to improved communities – through Housing, Healthcare and Education solutions - for the benefit of current and future generations, enabling Rydon to deliver sustainable, profitable growth.
- The Rydon Group is privately owned and committed to working as a co-ordinated team with like-minded business partners and clients to deliver quality solutions. Equally, each operating company within the Rydon Group has its own specialist skills and can operate independently or through integrated, cross-disciplined programmes involving various components of the Group.

#### Results and performance

The results of the Group for the year show a profit before tax of £20.5m (2017: £19.0m). The shareholders' funds of the Group total £43.5m (2017: £26.7m).

The consolidated cash position at 30 September 2018 remains strong at a positive £35.9m (2017: £40.3m). Although down £4.4m on last year this principally reflects a deferred land payment previously included in other creditors of £12.9m. In addition the amount owed by joint ventures has increased £3.5m on last year as we continue to invest in joint venture projects.

The performance of the Group during the year to 30 September 2018 has produced the following results.

#### Rydon Construction

Rydon Construction has been particularly successful with its strategic focus on mixed use development opportunities in London and the South East. These are typically residential-led public sector partnerships where Rydon delivers a combination of private sales, affordable and private rented homes together with new facilities such as schools, health centres and community centres. Rydon has worked on a number of flagship inner London regeneration projects such as Packington Estate in Islington and Green Man Lane in Ealing. Effective resident liaison is core to Rydon's legacy of successful regeneration projects. With Packington and Green Man Lane, residents have been fully involved in the design development and a number of key changes have been made to the schemes on their advice.

Rydon's funding approach for these mixed use developments is one where we take speculative development risk on private sale housing to generate cross subsidy on a proportion of the overall projects we undertake. Rydon is also focused on a number of Construction projects in the South West of the UK where we have been established since 2008 and have delivered a number of successful projects including community hubs, schools and military facilities as part of the Aspire Defence Framework.

#### Rydon Maintenance

Our Maintenance business is primarily focused on Hard Facilities Management such as reactive and planned preventative maintenance, lifecycle works, alterations and small works, including void maintenance, delivered through a number of long-term PFI contracts. We have established a strong reputation as a provider of high quality maintenance services to social housing landlords throughout the London and the South East of England, where we maintain around 10,700 properties.

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## RYDON HOLDINGS LIMITED

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### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

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We also currently maintain a wide range of facilities that comprise the healthcare estates of a number of NHS Trusts across a wide geography of England. Our experience in working within sensitive healthcare environments, including in specialist mental healthcare facilities, and of working closely with the service providers and users of these facilities, makes Rydon one of the leading FM companies in this field.

#### **Rydon Homes**

Rydon Homes is an established and well respected development company with many years' experience creating highly sought after homes in the South East. Rydon Homes has also developed a strong reputation for utilising its planning expertise to unlock the best value from strategic land opportunities working in partnership with landowners and stakeholders.

Our areas of operation are primarily Kent, Sussex and Surrey where we are best known for our delivery of high quality traditionally-designed homes reflecting the local architecture, typically in developments of less than 50 dwellings.

Rydon Homes' focus on identifying and delivering planning permissions through strategic land in these counties affords us an opportunity to select the best locations for developments which allow us to create a site-specific design that responds to each site's constraints and setting. Local topography and vernacular architecture always strongly influence our designs and public consultation is carried out from the early stages of planning in order to engage local residents and key stakeholders, providing them with information and encouraging feedback.

#### **Ryhurst**

Ryhurst is a Rydon brand used for positioning the company's healthcare proposition in target markets. Originally a specialist healthcare investment arm of the Rydon Group, Ryhurst has successfully delivered more than 60 NHS Facilities via the Private Finance Initiative (PFI) and Local Improvement Finance Trust (LIFT) across more than 50 sites throughout England, ranging from community hospitals to mental health care facilities, healthy living centres and GP surgeries.

Ryhurst evolved from its focus on PFI to providing a full breadth of property management and development services through an innovative Strategic Estates Partnership (SEP) model as well as providing consultancy through an Estates Advisory Service. Today, it combines its focus on SEPs and advisory services with a commitment to growing Rydon's existing portfolio of healthcare estate facilities management, housing provision for the elderly across the private and public sectors and contract work to deliver clinical and non-clinical facilities for healthcare estates.

#### **Rydon Group**

We have made strong progress throughout the year in relation to key elements of our strategy. The Board monitors the progress of the Group by reference to the following KPIs:

<b>Group Financial KPIs</b>	<b>2018</b>	<b>2017</b>
Group turnover including share of joint ventures	£233.1m	£280.0m
Group turnover	£219.8m	£246.0m
Gross Profit	£51.5m	£48.8m
Earnings before interest and tax	£20.7m	£18.8m
Return on capital	41.6%	54.2%
Current Ratio	1.6	1.2
Total assets less current liabilities	£49.8m	£34.7m
 <b>Operational KPIs</b>	 <b>2018</b>	 <b>2017</b>
Housing – Successful planning decisions	5	5
Housing – Awaiting planning decisions	7	6
Housing – Failed planning decisions	1	1
Rydon Maintenance – Forward order book	£376m	£415m

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## RYDON HOLDINGS LIMITED

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### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

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#### Strategy and future developments

The Group's objectives are aligned with its strategy to capitalise on the economic and sector opportunities and to add shareholder value whilst retaining and motivating our workforce.

Additionally, Rydon Construction continues to target strategic expansion further into the South West of England where it is well placed to deliver developments and take advantage of the continued sector opportunities. The Group's success is dependent on the proper selection, pricing and ongoing management of the risks it accepts.

Within our development company, Rydon Homes, we will continue to maintain and increase our portfolio of contractually controlled land at a level that will support our business model.

Rydon is always committed to leaving a positive legacy; delivering wider benefits to the communities where we work; minimising our impact on the environment; and bringing new employment opportunities for local people. We bring together an immense wealth of experience, expertise and talent, united by common values and principles. Rydon has teamed up with The Prince's Trust to help young people in the local area find new careers in the construction industry. Through the Get into Construction programme, aimed at unemployed 18 - 25 year olds, a group were able to get work experience on a live construction site, improve their interview and CV writing skills as well as boosting their confidence. Rydon is also a member of the 5% club, committing at least 5% of its staff to 'earn and learn' opportunities. We are members of Women Into Construction, promoting gender equality in the workforce and we have Fundraising Champion status with construction industry charity CRASH. Over the past 3 years we have raised £15k to support their homelessness and hospice projects

The Group's strategy of maintaining a balanced portfolio of activities in its depth and variety of projects places the Group in a strong position.

#### Business environment

Low mortgage rates as a result of the Bank of England making only modest adjustment to base rates have continued the positive effect on the national housing market. However, the impact of a Brexit agreement, if any, is as yet unknown and prolonged uncertainty has had some impact on house price decline in London and the Home Counties. In the meantime, the Government has set out a number of initiatives to enable the building of more houses:

- The Government issued a Green Paper: A New Deal For Social Housing in August 2018. The paper is in part about expanding supply and supporting home ownership. In line with the Government's commitment to deliver 300,000 homes per year by the mid-2020s, it is putting in place processes to support the building of more social housing. The paper outlines plans to build on the new borrowing capacity granted to local authorities by exploring new flexibilities on how they spend the money from homes sold under the Right to Buy scheme, and not requiring them to sell off vacant, higher value stock.
- The Government also intends to build on partnerships with housing associations to boost the supply of new affordable homes by considering the benefits of providing funding certainty to some housing associations over a longer period. It is looking at reforms to help people using affordable home ownership schemes – like shared ownership – to build up more equity in their homes.
- The Government's Revised National Planning Policy Framework published on 24 July 2018 is focused on building attractive and better-designed homes in areas where they are needed. The new rules are intended to make it easier for councils to challenge poor quality and unattractive development, and give communities a greater voice about how developments should look and feel. The revised National Planning Policy Framework follows a public consultation launched by the Prime Minister earlier this year to provide a comprehensive approach for planners, developers and councils to build more homes, more quickly and in the places where people want to live.



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## RYDON HOLDINGS LIMITED

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### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

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In relation to the Grenfell Tower tragedy, our assessment remains as was stated in the annual report for last year, we welcome the rigorous Public Enquiry as well as other ongoing investigations. Whilst the outcomes of the inquiry still remain some time away, there are likely to be recommendations across the building product manufacture and construction sector in relation to building regulations, fire regulations and product certification. In the previous financial year, Rydon reviewed the specific work carried out by Rydon Maintenance Limited and given the limited nature of the work commissioned, the approvals received in relation to it and the interrelationship with work undertaken by other parties, no provision was made in the accounts for any matters arising from these tragic events. Having taken into consideration the events and information that has become available since the previous financial year end similarly no provision has been made in these accounts.

The New Health Secretary, Matthew Hancock, has in July 2018 announced a £200m fund to assist NHS trusts in developing systems which work across the NHS, and ensure patient records can be safely accessed. This aligns closely with Ryhurst's expertise. Continuing backlog maintenance in the Healthcare Sector as well as in Education also provide opportunities for Rydon's Hard FM Maintenance business.

The Office for National Statistics has released figures showing that Construction output continued to recover following a relatively weak start to 2018, increasing by 3.3% in the three months to July 2018. The three-month on three-month growth in July 2018 was driven by growth in both repair and maintenance, and all new work, which increased by 5.3% and 2.3% respectively. Construction output also grew in the month-on-month series, increasing by 0.5% in July 2018, driven predominantly by a 4.0% increase in new private housing work.

#### Principal risks and uncertainties

Continuing negotiations about the future relationship between the UK and the EU following the referendum vote in June 2016 are perpetuating a state of business uncertainty. Additionally, the shortage of sector skills, human capital resources and the increasing cost of building materials could prove challenging for the industry in the future.

In our normal course of business the Group is exposed to financial, operational and reputational risk if it fails to satisfy any of its contractual obligations from inception through to completion. The Board has addressed the process of risk acceptance and risk management through a framework of policies, procedures and internal controls. All policies are subject to Board approval and ongoing review by management. Compliance with regulation, legal and ethical standards is a high priority for the Group and the compliance, health and safety and legal teams.

The Group identified the principal risks with potential to impact the business operations during the last financial year as: the availability of experienced/key people, supplier cost inflation, availability of current and future funding, interest rate uncertainty, computer virus attacks, client spending pressures, economic uncertainty and confidence and changes to planning laws and regulations.

To help counter these identified risks the Board has invested in training, recruitment and succession planning as well as continuing to review and improve internal governance systems, putting into place indicators that support stress-testing areas of sensitivity for the Group.

Effective cost management and tendering processes are critical to the ongoing delivery of existing margins. Recognising the criticality of protecting the supply chain; carefully selected and approved preferred subcontractors and suppliers have been identified and their own financial standing is continually reviewed to ensure project delivery performance and minimisation of financial risk.

Funding throughout the Group is reviewed continuously and best use of funds remains a key focus to ensure that funds are allocated to projects at the right time, with land purchases being carefully planned to ensure that cash lockup is kept to a minimum. New sites and investment opportunities are carefully selected, planned and phased. Long term finance was secured from existing bankers in 2018 and covenants are monitored to ensure compliance.

The depth and variety of contracts held within the Rydon portfolio provides a balanced risk portfolio of activities

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**RYDON HOLDINGS LIMITED**

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**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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to help mitigate current economic uncertainty and fluctuations.

Rydon Group is fully aware of its impact on the environment and upon its business reputation as a result of our activities and the lasting effect that these can have on clients, their customers and communities and other stakeholders. As such the Group's focus on its social, environmental and economic responsibilities is embedded into our Sustainable Development Policy.

This report was approved by the board on 11 December 2018 and signed on its behalf.

R Bond  
Director

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**RYDON HOLDINGS LIMITED**

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**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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The directors are responsible for preparing the Annual Report, Strategic report, the Directors' 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 they have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), 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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company 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;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have 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.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RYDON HOLDINGS LIMITED**

## **Opinion**

We have audited the financial statements of Rydon Holdings Limited ("the company") for the year ended 30<sup>th</sup> September 2018 which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30<sup>th</sup> September 2018 and of the group's profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 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.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## **Going concern**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

## **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon. Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

## **Matters on which we are required to report by exception**

Under the Companies Act 2006, we are required to report to you 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 these respects.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RYDON HOLDINGS LIMITED (CONTINUED)**

## **Directors' responsibilities**

As explained more fully in their statement set out on page 8, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and 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 they 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**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

## **The purpose of our audit work and to whom we owe our responsibilities**

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.



Mark Sheppard (Senior statutory auditor)  
for and on behalf of KPMG LLP Statutory Auditor  
Chartered Accountants

1 Forest Gate  
Brighton Road  
Crawley  
West Sussex  
RH11 9PT

RYDON HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Note	2018 £000	2017 £000
<b>Turnover</b>			
Group and share of joint ventures' turnover		233,077	279,984
Less: share of joint ventures' turnover		(13,251)	(33,987)
<b>Group turnover</b>	4	219,826	245,997
Cost of sales		(168,324)	(197,225)
<b>Gross profit</b>		51,502	48,772
Administrative expenses		(32,677)	(34,548)
Other operating income	5	-	131
<b>Operating profit</b>	6	18,825	14,355
Share of profit of joint ventures		1,859	4,432
<b>Total operating profit</b>		20,684	18,787
Interest receivable and similar income	10	216	661
Interest payable and similar expenses	11	(377)	(467)
Other finance income		(5)	(30)
<b>Profit before tax</b>		20,518	18,951
Tax on profit	13	(4,460)	(3,553)
<b>Profit for the financial year</b>		16,058	15,398
<b>Profit for the year attributable to:</b>			
Non-controlling interests		(25)	18
Owners of the parent		16,083	15,380
		16,058	15,398

The notes on pages 20 to 50 form part of these financial statements.

**RYDON HOLDINGS LIMITED**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

	Note	2018 £000	2017 £000
Profit for the financial year		16,058	15,398
<b>Other comprehensive income</b>			
Actuarial gain on defined benefit schemes		695	1,379
Return on assets excluding amount included in net interest		55	(474)
Movement on deferred tax relating to defined benefit pension scheme		(153)	(197)
<b>Other comprehensive income for the year</b>		597	708
<b>Total comprehensive income for the year</b>		16,655	16,106
<b>Profit for the year attributable to:</b>			
Non-controlling interest		(25)	18
Owners of the parent company		16,083	15,380
		16,058	15,398
<b>Total comprehensive income attributable to:</b>			
Non-controlling interest		(25)	18
Owners of the parent company		16,680	16,088
		16,655	16,106

The notes on pages 20 to 50 form part of these financial statements.

**RYDON HOLDINGS LIMITED**  
**REGISTERED NUMBER:05556300**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2018**

	Note	2018 £000	2017 £000
<b>Fixed assets</b>			
Intangible assets	16	4,749	5,209
Tangible assets	17	2,411	4,391
Investments	18	(1,189)	(602)
Investment property	19	-	2,850
		<u>5,971</u>	<u>11,848</u>
<b>Current assets</b>			
Stocks	20	18,355	18,884
Debtors: amounts falling due after more than one year	21	3,950	4,488
Debtors: amounts falling due within one year	21	60,390	52,910
Cash at bank and in hand		35,910	40,265
		<u>118,605</u>	<u>116,547</u>
Créditors: amounts falling due within one year	22	(74,781)	(93,658)
<b>Net current assets</b>		<u>43,824</u>	<u>22,889</u>
<b>Total assets less current liabilities</b>		<u>49,795</u>	<u>34,737</u>
Creditors: amounts falling due after more than one year	23	(6,770)	(7,520)
<b>Provisions for liabilities</b>			
<b>Net assets excluding pension asset/(liability)</b>		<u>43,025</u>	<u>27,217</u>
Pension asset/(liability)	31	653	(247)
<b>Net assets</b>		<u><u>43,678</u></u>	<u><u>26,970</u></u>

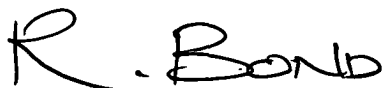


**RYDON HOLDINGS LIMITED**  
**REGISTERED NUMBER:05556300**

**CONSOLIDATED BALANCE SHEET (CONTINUED)**  
**AS AT 30 SEPTEMBER 2018**

	Note	2018 £000	2017 £000
<b>Capital and reserves</b>			
Called up share capital	27	628	387
Share premium account	28	6,727	2,780
Capital redemption reserve	28	613	613
Own share reserve	28	-	(2,197)
Profit and loss account	28	35,486	25,138
<b>Equity attributable to owners of the parent company</b>		<b>43,454</b>	<b>26,721</b>
Non-controlling interests		224	249
		<b>43,678</b>	<b>26,970</b>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 11 December 2018.



R Bond  
Director

The notes on pages 20 to 50 form part of these financial statements.

**RYDON HOLDINGS LIMITED**  
**REGISTERED NUMBER:05556300**

**COMPANY BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2018**

	Note	2018 £000	2017 £000
<b>Fixed assets</b>			
Investments	18	48,150	48,071
		<u>48,150</u>	<u>48,071</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	21	150	593
Debtors: amounts falling due within one year	21	2,046	5,785
Cash at bank and in hand		1,967	2,945
		<u>4,163</u>	<u>9,323</u>
Creditors: amounts falling due within one year	22	(42,765)	(55,184)
<b>Net current liabilities</b>		<u>(38,602)</u>	<u>(45,861)</u>
<b>Total assets less current liabilities</b>		<u>9,548</u>	<u>2,210</u>
<b>Net assets</b>		<u>9,548</u>	<u>2,210</u>
<b>Capital and reserves</b>			
Called up share capital	27	628	387
Share premium account	28	6,727	2,780
Capital redemption reserve	28	613	613
Own share reserve	28	-	(2,197)
Profit and loss account	28	1,580	627
		<u>9,548</u>	<u>2,210</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 11 December 2018.

R Bond  
Director



The notes on pages 20 to 50 form part of these financial statements.

RYDON HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Called up share capital	Share premium account	Capital redemption reserve	Own share reserve	Profit and loss account	Equity attributable to owners of parent company	Non- controlling interests	Total equity
	£000	£000	£000	£000	£000	£000	£000	£000
At 1 October 2017	387	2,780	613	(2,197)	25,138	26,721	249	26,970
<b>Comprehensive income for the year</b>								
Profit for the year	-	-	-	-	16,083	16,083	(25)	16,058
Other comprehensive income for the year	-	-	-	-	597	597	-	597
<b>Total comprehensive income for the year</b>	-	-	-	-	16,680	16,680	(25)	16,655
<b>Transactions with shareholders</b>								
Dividends: Equity capital	-	-	-	-	(6,332)	(6,332)	-	(6,332)
Shares issued during the year	241	2,374	-	-	-	2,615	-	2,615
Transfer surplus reserve to share premium	-	1,573	-	(1,573)	-	-	-	-
Disposal of own shares to parent	-	-	-	3,770	-	3,770	-	3,770
<b>Total transactions with shareholders</b>	241	3,947	-	2,197	(6,332)	53	-	53
<b>At 30 September 2018</b>	<b>628</b>	<b>6,727</b>	<b>613</b>	<b>-</b>	<b>35,486</b>	<b>43,454</b>	<b>224</b>	<b>43,678</b>

The notes on pages 20 to 50 form part of these financial statements.

RYDON HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Called up share capital £000	Share premium account £000	Capital redemption reserve £000	Own share reserve £000	Profit and loss account £000	Equity attributable to owners of parent company £000	Non- controlling interests £000	Total equity £000
At 1 October 2016	428	2,780	572	(2,094)	10,217	11,903	231	12,134
<b>Comprehensive income for the year</b>								
Profit for the year	-	-	-	-	15,380	15,380	18	15,398
Other comprehensive income for the year	-	-	-	-	708	708	-	708
<b>Total comprehensive income for the year</b>	-	-	-	-	16,088	16,088	18	16,106
<b>Transactions with shareholders</b>								
Purchase of own shares	-	-	41	-	(1,167)	(1,126)	-	(1,126)
Shares purchased during the year	(41)	-	-	-	-	(41)	-	(41)
Movement on own share reserves	-	-	-	(103)	-	(103)	-	(103)
<b>Total transactions with shareholders</b>	(41)	-	41	(103)	(1,167)	(1,270)	-	(1,270)
<b>At 30 September 2017</b>	<b>387</b>	<b>2,780</b>	<b>613</b>	<b>(2,197)</b>	<b>25,138</b>	<b>26,721</b>	<b>249</b>	<b>26,970</b>

RYDON HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Called up share capital	Share premium account	Capital redemption reserve	Own share reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000	£000
At 1 October 2017	387	2,780	613	(2,197)	627	2,210
<b>Comprehensive income for the year</b>						
Profit for the year	-	-	-	-	7,285	7,285
<b>Total comprehensive income for the year</b>	-	-	-	-	7,285	7,285
<b>Transactions with shareholders</b>						
Dividends: Equity capital	-	-	-	-	(6,332)	(6,332)
Shares issued during the year	241	2,374	-	-	-	2,615
Transfer surplus reserve to share premium	-	1,573	-	(1,573)	-	-
Disposal of own shares to parent company	-	-	-	3,770	-	3,770
<b>Total transactions with shareholders</b>	241	3,947	-	2,197	(6,332)	53
<b>At 30 September 2018</b>	<b>628</b>	<b>6,727</b>	<b>613</b>	<b>-</b>	<b>1,580</b>	<b>9,548</b>

The notes on pages 20 to 50 form part of these financial statements.

RYDON HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Called up share capital	Share premium account	Capital redemption reserve	Own share reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000	£000
At 1 October 2016	428	2,780	572	(2,094)	1,879	3,565
<b>Comprehensive income for the year</b>						
Loss for the year	-	-	-	-	(85)	(85)
<b>Total comprehensive income for the year</b>	-	-	-	-	(85)	(85)
<b>Transactions with shareholders</b>						
Purchase of own shares	-	-	41	-	(1,167)	(1,126)
Shares purchased during the year	(41)	-	-	-	-	(41)
Movement between own share reserves	-	-	-	(103)	-	(103)
<b>Total transactions with shareholders</b>	(41)	-	41	(103)	(1,167)	(1,270)
<b>At 30 September 2017</b>	<b>387</b>	<b>2,780</b>	<b>613</b>	<b>(2,197)</b>	<b>627</b>	<b>2,210</b>

The notes on pages 20 to 50 form part of these financial statements.

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## RYDON HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

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#### 1. General information

Rydon Holdings Limited is a company limited by shares and incorporated in the UK. The address of the registered office is given in the Company information page of these financial statements.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The Group and parent company financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014, and with the Companies Act 2006. The amendments to FRS 102 issued in July 2015 have been applied. The presentation currency of these financial statements is sterling.

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Profit and loss account in these financial statements.

##### 2.2 Basis of consolidation

An entity is considered to be a subsidiary where it is controlled by the parent. Control is achieved where the group has the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities. The results of these subsidiaries are consolidated from the date that control commences until the date that control ceases.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date.

##### 2.3 Joint ventures

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

In the consolidated accounts, joint ventures are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the joint venture. The consolidated profit and loss account includes the Group's share of the results of such undertakings applying accounting policies consistent with those of the Group. In the consolidated balance sheet, the interests in joint ventures are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition net of the adjustment to eliminate the unrealised profit on transactions between members of the group and the joint ventures.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

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## RYDON HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

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#### 2. Accounting policies (continued)

##### 2.4 Going concern

After reviewing the group's forecast and projections, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

##### 2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue from the group's principal business streams is recognised on the following basis:

- Sales of land and residential properties - when transactions have legally completed.
- Construction contracts – in accordance with the group's accounting policy on construction contracts. Where the outcome of a contract can be estimated reliably, contract revenue and 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.
- Provision of services – the value of work carried out over the period the services are delivered to the customer. Where a long term services contract exists, and the outcome of the 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 estimated to fairly reflect the profit arising up to that date.

##### 2.6 Intangible assets

###### Goodwill

Goodwill represents the difference between the fair value of the consideration of amounts paid on the cost of a business combination plus any transactions and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the consolidated profit and loss account over its useful economic life.

Amortisation is charged to the profit and loss account on a straight line basis over its estimated useful life which is 18 years.

FRS 102.35 grants certain exemptions from the full requirements of FRS 102 in the transition period. The group elected not to restate business combinations that took place prior to the transition date. In respect of the acquisitions prior to transition date, goodwill is included on the basis of deemed cost, which represents the amounts recorded under old UK GAAP. Intangible assets previously included in goodwill are not recognised separately.



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## RYDON HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

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#### 2. Accounting policies (continued)

##### 2.7 Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

The company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Short term leasehold property - the shorter of 10 years or the remainder of the lease term

Plant and machinery - 4 years straight line

Motor vehicles - 5 years straight line

Office equipment - 4 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit and loss account.

##### 2.8 Investment property

Investment properties are properties which are held either to earn income or capital appreciation or for both. Investment properties are initially recognised at cost. Subsequently, where fair value can be measured reliably without undue cost or effort, investment properties are held at fair value. Any gain or losses arising from changes in fair value are recognised in profit or loss in the period they arise.

##### 2.9 Investments

Investments in subsidiaries and joint ventures are measured at cost less accumulated impairment.

##### 2.10 Stocks and work in progress

Stocks, which include land held for development, construction work in progress and completed units, are valued at the lower of cost and net realisable value. Cost includes the cost of the land, materials, direct labour and development costs. At each balance sheet date stock is assessed for impairment, and where appropriate a provision is made to reduce the value to net realisable value.

Work in progress, which represents short term contract work, is stated at the lower of cost and net realisable value.

Land purchased for and in the course of development, is recorded at cost. Where such land is purchased on deferred settlement terms, the land and the related liability are discounted to their fair value. The liability is then increased to the settlement value over the period of financing, with the finance element being capitalised and included within stock.

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## RYDON HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

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#### 2. Accounting policies (continued)

##### 2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

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

##### 2.12 Impairment

Assets are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the profit and loss account based on the amount by which the carrying amount exceeds the recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

##### 2.13 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Equity instruments issued by the company and group, such as share capital are recorded based on proceeds received or receivable, net of direct issue costs.

##### 2.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans and deferred payments, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### 2.15 Finance costs

Finance costs are charged to the consolidated profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### 2.16 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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**RYDON HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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**2. Accounting policies (continued)**

**2.17 Share based payments**

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the profit and loss account over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

**2.18 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the group. All other leases are classified as operating leases.

**Operating leases**

Rentals paid under operating leases are charged to the consolidated profit and loss account on a straight line basis over the lease term.

**Finance Leases**

Assets acquired under hire purchase and finance leases are capitalised as tangible fixed assets at an amount equal to the lower of fair value and present value of the minimum lease payment at inception. They are depreciated over the shorter of the lease term and their useful lives.

The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation using the effective interest method so as to achieve a constant rate of interest on the remaining balance of the liability.

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**RYDON HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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**2. Accounting policies (continued)**

**2.19 Pensions**

**Defined benefit scheme**

The company operates a defined benefit scheme in respect of certain employees, which is closed to new entrants and no benefits have accrued since September 2009. The defined benefit scheme asset/(liability) is the fair value of scheme assets less the present value of the defined benefit obligation at the balance sheet date. The calculation is performed by a qualified actuary using the projected unit credit method.

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined benefit liability, and the cost of curtailments and settlements during the period are recognised in the profit and loss account. Actuarial gains and losses are recognised in other comprehensive income in the period in which they occur.

The scheme rules provide for a refund to the employer once all benefits have been secured, therefore any scheme surplus is recognised as an asset in the balance sheet.

**Defined contributions scheme**

Contributions to personal pension schemes are charged to the profit and loss account in the period for which contributions are payable.

**2.20 Holiday pay accrual**

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

**2.21 Interest income**

Interest income is recognised in the consolidated profit and loss account using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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**2. Accounting policies (continued)**

**2.22 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**2.23 Employee benefit trust**

Transactions of the Company-sponsored Employee Benefit Trust are treated as being those of the Company and are therefore reflected in the parent company and group financial statements. In particular, the trust's purchases and sales of shares in the company are debited and credited directly to equity. When a surplus is realised on the sale of shares this is credited to the share premium account. Shares held by an Employee Benefit Trust in the ultimate holding company are recorded as investments.

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**RYDON HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

Preparation of the financial statements requires management to make significant judgments and estimates. The items in the group financial statements where these judgments and estimates have been made include:

**Revenue and profit recognition**

In order to apply the Group's policy on revenue and profit recognition, which is based on a percentage complete basis, estimates have to be made around costs to complete and progress valuations. Assessments and judgments are required to assess changes in scope of work, contract programmes, maintenance and defects liabilities and changes in costs.

**Valuation of land and work in progress**

Key judgments are required to in order to determine the net realisable value of land and work in progress. These include estimates of costs to complete, estimates of remaining income and selling costs. Where these lead to a net realisable value which is lower than cost, then a write down may be required.

**Defined benefit pension**

In order to determine the valuation of the defined benefit pension scheme liabilities, a number of key assumptions have been made. Each year in selecting these assumptions, the directors take advice from an independent qualified actuary, those assumptions are detailed in note 31.

**4. Turnover**

An analysis of turnover by class of business is as follows:

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Sale of land & residential properties	<b>43,742</b>	<b>40,945</b>
Construction contracts	<b>127,905</b>	<b>153,340</b>
Provision of services	<b>48,179</b>	<b>51,712</b>
	<b>219,826</b>	<b>245,997</b>

All turnover arose within the United Kingdom.

**5. Other operating income**

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Distribution from former subsidiary on dissolution	<b>-</b>	<b>131</b>

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RYDON HOLDINGS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018

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6. Operating profit

The operating profit is stated after charging:

	2018 £000	2017 £000
Depreciation of tangible fixed assets - owned	1,131	1,335
Depreciation of tangible fixed assets - leased	451	651
Amortisation of intangible assets, including goodwill	460	490
Operating lease rentals - plant and machinery	3,181	3,162
Operating lease rentals - other	623	571
	<u>623</u>	<u>571</u>

7. Auditor's remuneration

	2018 £000	2017 £000
Fees payable to the Group's auditor and its associates for the audit of the Group's financial statements	5	5
<b>Fees payable to the Group's auditor and its associates in respect of:</b>		
The auditing of accounts of subsidiaries of the Group pursuant to legislation	170	169
Tax compliance services	48	47
Other taxation services	65	35
Other financial advisory services	131	8
	<u>414</u>	<u>259</u>

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**RYDON HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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**8. Employees**

Staff costs, including directors' remuneration, were as follows:

	<b>Group 2018 £000</b>	<b>Group 2017 £000</b>
Wages and salaries	<b>32,508</b>	<b>32,751</b>
Social security costs	<b>3,426</b>	<b>3,408</b>
Cost of defined contribution scheme	<b>1,652</b>	<b>1,718</b>
	<b>37,586</b>	<b>37,877</b>

The average monthly number of employees, including the directors employed by the Group, during the year was as follows:

	<b>2018 No.</b>	<b>2017 No.</b>
Management	<b>561</b>	<b>615</b>
Direct Labour	<b>141</b>	<b>135</b>
	<b>702</b>	<b>750</b>

**9. Directors' remuneration**

	<b>2018 £000</b>	<b>2017 £000</b>
Directors' emoluments	<b>479</b>	<b>465</b>

During the year retirement benefits were accruing to no directors (2017 - NIL) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £473,000 (2017 - £459,000 ).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2017 - £NIL).

Transactions:

During the year work valued at £2,126 (2017 - £Nil) was carried out for 1 director (2017 - Nil).

No amounts were outstanding at the year end or at the prior year end.



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**RYDON HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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**10. Interest receivable**

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Interest receivable from joint ventures	<b>163</b>	<b>646</b>
Other interest receivable	<b>53</b>	<b>15</b>
	<b>216</b>	<b>661</b>

**11. Interest payable and similar expenses**

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Bank facility fees, non utilisation charges and bank interest payable	<b>345</b>	<b>433</b>
Finance leases and hire purchase contracts	<b>29</b>	<b>34</b>
Other interest payable	<b>3</b>	<b>-</b>
	<b>377</b>	<b>467</b>

**12. Other finance costs**

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Interest income on pension scheme assets	<b>807</b>	<b>722</b>
Net interest on net defined benefit liability	<b>(812)</b>	<b>(752)</b>
	<b>(5)</b>	<b>(30)</b>

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RYDON HOLDINGS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018

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13. Taxation

	2018 £000	2017 £000
<b>Corporation tax</b>		
Current tax on profits for the year	5,306	3,459
Adjustments in respect of previous periods	148	(518)
	<u>5,454</u>	<u>2,941</u>
<b>Total current tax</b>	<u>5,454</u>	<u>2,941</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(994)	612
<b>Total deferred tax</b>	<u>(994)</u>	<u>612</u>
<b>Taxation on profit</b>	<u>4,460</u>	<u>3,553</u>

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**RYDON HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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**13. Taxation (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2017 - *lower than*) the standard rate of corporation tax in the UK of 19% (2017 - 19.5%). The differences are explained below:

	2018 £000	2017 £000
Profit before tax	<u>20,518</u>	<u>18,951</u>
Profit multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.5%)	3,899	3,695
<b>Effects of:</b>		
Expenses not deductible for tax purposes	641	165
Adjustments to tax charge in respect of prior periods	148	(520)
Increase or decrease in pension fund prepayment leading to an increase (decrease) in tax	(29)	-
Deferred tax not recognised in prior period	-	22
Other timing differences leading to an increase (decrease) in taxation	(25)	-
Non-taxable income	-	(36)
Special factors affecting joint-ventures and associates leading to an increase (decrease) in the tax charge	(161)	96
Other differences leading to an increase (decrease) in the tax charge	(13)	131
<b>Total tax charge for the year</b>	<u><u>4,460</u></u>	<u><u>3,553</u></u>

**Factors that may affect future tax charges**

A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 30 September 2018 has been calculated based on these rates.

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RYDON HOLDINGS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018

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14. Dividends

	2018 £000	2017 £000
<b>"A" Ordinary</b>		
Ordinary dividend paid on 18 October 2017 to Rydon Group Holdings Limited	4,959	-
Ordinary dividend paid on 18 October 2017 to Rydon Group Holdings Limited	1,305	-
Ordinary dividend paid on 18 October 2017 to Rydon Group Holdings Limited	68	-
<b>Total dividends paid</b>	<b>6,332</b>	<b>-</b>

15. Parent company profit for the year

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements. The profit after tax of the parent company for the year was £7,285,000 (2017 - loss £85,000 ).

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RYDON HOLDINGS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018

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16. Intangible assets

Group

	Goodwill £000
<b>Cost</b>	
At 1 October 2017	38,768
At 30 September 2018	<u>38,768</u>
<b>Amortisation</b>	
At 1 October 2017	33,559
Charge for the year	460
At 30 September 2018	<u>34,019</u>
<b>Net book value</b>	
At 30 September 2018	<u>4,749</u>
At 30 September 2017	<u>5,209</u>

Goodwill arising on the acquisition of Equipe Regeneration Limited is being amortised over 18 years. The directors consider this to be an appropriate period over which to amortise the goodwill, based on their assessment of the value expected to flow over the duration of the company's existing contracts.

**RYDON HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**17. Tangible fixed assets**

**Group**

	<b>S/Term Leasehold Property £000</b>	<b>Plant and machinery £000</b>	<b>Motor vehicles £000</b>	<b>Office equipment £000</b>	<b>Total £000</b>
<b>Cost</b>					
At 1 October 2017	2,515	924	4,743	4,765	12,947
Additions	43	104	196	68	411
Disposals	(1,403)	-	(2,202)	(382)	(3,987)
At 30 September 2018	1,155	1,028	2,737	4,451	9,371
<b>Depreciation</b>					
At 1 October 2017	2,290	484	2,494	3,288	8,556
Charge for the year on owned assets	109	111	233	678	1,131
Charge for the year on financed assets	-	-	405	46	451
Disposals	(1,403)	-	(1,395)	(380)	(3,178)
At 30 September 2018	996	595	1,737	3,632	6,960
<b>Net book value</b>					
At 30 September 2018	159	433	1,000	819	2,411
At 30 September 2017	225	440	2,249	1,477	4,391

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	<b>2018 £000</b>	<b>2017 £000</b>
Motor vehicles	630	1,807
Furniture, fittings and equipment	127	173

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RYDON HOLDINGS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018

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18. Fixed asset investments

Group

	Investment in parent company shares £000	Investment in joint ventures £000	Total £000
<b>Cost</b>			
At 1 October 2017	-	(602)	(602)
Additions	79	-	79
Share of profit/(loss)	-	(666)	(666)
At 30 September 2018	<u>79</u>	<u>(1,268)</u>	<u>(1,189)</u>
<b>Net book value</b>			
At 30 September 2018	<u>79</u>	<u>(1,268)</u>	<u>(1,189)</u>
At 30 September 2017	<u>-</u>	<u>(602)</u>	<u>(602)</u>

The share of profit/(loss) is stated net of distributions from the joint ventures of £1,527,000 and an adjustment to eliminate the movement on unrealised profit on transactions between members of the group and the joint ventures amounting to £998,000.

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RYDON HOLDINGS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018

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18. Fixed asset investments (continued)

Company

	Investments in subsidiary companies £000	Investment in parent company shares £000	Total £000
<b>Cost or valuation</b>			
At 1 October 2017	48,071	-	48,071
Additions	-	79	79
At 30 September 2018	48,071	79	48,150
<b>Net book value</b>			
At 30 September 2018	48,071	79	48,150
At 30 September 2017	48,071	-	48,071



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**RYDON HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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**19. Investment property**

**Group**

	<b>Freehold property £000</b>
At 1 October 2017	<b>2,850</b>
Transferred to stock	<b>(2,850)</b>
<b>At 30 September 2018</b>	<b>-</b>

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	<b>2018 £000</b>	<b>2017 £000</b>
Historic cost	<b>-</b>	<b>656</b>

**20. Stocks and work in progress**

	<b>Group 2018 £000</b>	<b>Group 2017 £000</b>
Stock of materials	<b>-</b>	<b>42</b>
Third party contracts under construction - Net cost less foreseeable losses	<b>-</b>	<b>43</b>
Land and development costs	<b>18,355</b>	<b>18,799</b>
	<b>18,355</b>	<b>18,884</b>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Stock recognised in cost of sales during the year as an expense was £24.0m (2017 - £52.4m).

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**RYDON HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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**21. Debtors**

	<b>Group 2018 £000</b>	<b>Group 2017 £000</b>	<b>Company 2018 £000</b>	<b>Company 2017 £000</b>
<b>Due after more than one year</b>				
Trade debtors	889	293	-	-
Other debtors	669	1,451	150	593
Amounts recoverable on long term contracts	2,355	2,744	-	-
Deferred tax asset	37	-	-	-
	<u>3,950</u>	<u>4,488</u>	<u>150</u>	<u>593</u>
	<b>Group 2018 £000</b>	<b>Group 2017 £000</b>	<b>Company 2018 £000</b>	<b>Company 2017 £000</b>
<b>Due within one year</b>				
Trade debtors	6,793	5,903	-	-
Amounts owed by group undertakings	8	-	1,240	5,169
Amounts owed by joint ventures and associated undertakings	7,211	3,696	-	-
Other debtors	6,420	8,254	806	616
Prepayments and accrued income	1,026	1,009	-	-
Amounts recoverable on long term contracts	37,480	33,505	-	-
Tax recoverable	623	518	-	-
Deferred taxation	829	25	-	-
	<u>60,390</u>	<u>52,910</u>	<u>2,046</u>	<u>5,785</u>

**RYDON HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

**22. Creditors: Amounts falling due within one year**

	<b>Group 2018 £000</b>	<b>Group 2017 £000</b>	<b>Company 2018 £000</b>	<b>Company 2017 £000</b>
Bank overdrafts	13	-	-	-
Other loans	116	235	116	235
Payments received on account	2,379	990	-	-
Trade creditors	18,803	23,779	-	-
Amounts owed to group undertakings	11	-	42,025	54,582
Amounts owed to joint ventures	531	639	-	-
Corporation tax	2,761	1,584	388	-
Other taxation and social security	2,548	2,560	-	-
Obligations under finance lease and hire purchase contracts	273	845	-	-
Other creditors	6,818	17,982	-	340
Accruals and deferred income	40,528	45,044	236	27
	<b>74,781</b>	<b>93,658</b>	<b>42,765</b>	<b>55,184</b>

**23. Creditors: Amounts falling due after more than one year**

	<b>Group 2018 £000</b>	<b>Group 2017 £000</b>
Net obligations under finance leases and hire purchase contracts	223	626
Other creditors	914	-
Accruals and deferred income	5,633	6,894
	<b>6,770</b>	<b>7,520</b>

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**RYDON HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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**24. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	<b>Group 2018 £000</b>	<i>Group 2017 £000</i>
Within one year	<b>273</b>	<i>845</i>
Between 1-5 years	<b>223</b>	<i>626</i>
	<u><b>496</b></u>	<u><i>1,471</i></u>

**25. Financial instruments**

	<b>Group 2018 £000</b>	<i>Group 2017 £000</i>	<b>Company 2018 £000</b>	<i>Company 2017 £000</i>
<b>Financial assets</b>				
	-	-	-	-
Financial assets that are measured at amortised cost	<b>54,230</b>	<i>55,035</i>	<b>3,607</b>	<i>8,530</i>
Financial assets that are equity instruments measured at cost less impairment	<b>79</b>	-	-	-
	<u><b>54,309</b></u>	<u><i>55,035</i></u>	<u><b>3,607</b></u>	<u><i>8,530</i></u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	<b>(20,884)</b>	<i>(26,124)</i>	<b>(42,141)</b>	<i>(54,817)</i>

Financial assets that are measured at amortised cost comprise trade debtors, short term loans to group companies and joint ventures, other loans and cash.

Financial assets that are equity instruments measured at cost less impairment comprise shares in the parent company.

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, trade creditors, obligations under finance lease and hire purchase contracts and other loans.

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**RYDON HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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**26. Deferred taxation**

**Group**

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
At beginning of year	25	834
Charged to profit or loss	994	(612)
Charged to other comprehensive income	(153)	(197)
<b>At end of year</b>	<b>866</b>	<b>25</b>

	<b>Group</b>	<b>Group</b>
	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Accelerated capital allowances	273	118
Short term timing differences	704	265
Deferred tax on revaluation of investment properties	-	(400)
Deferred tax on pension surplus/deficit	(111)	42
	<b>866</b>	<b>25</b>

**27. Share capital**

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
<b>Allotted, called up and fully paid</b>		
4,920,028 (2017 - 2,560,911) "A" Ordinary shares of £0.10 each	492	256
1,294,333 (2017 - 1,294,333) "B" Ordinary shares of £0.10 each	129	129
68,123 (2017 - Nil) "D" Ordinary shares of £0.10 each	7	-
	<b>628</b>	<b>385</b>
<b>Allotted, called up and partly paid</b>		
Nil (2017 - 150,003) "A" Ordinary shares of £0.10 each	-	2

During the year 2,359,117 "A" ordinary shares and 68,123 "D" ordinary shares were fully paid for a consideration of £2,615,000, including share premium of £2,374,000.

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## RYDON HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

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#### 27. Share capital (continued)

The "A" ordinary shares and "D" ordinary shares are non-voting, the "B" ordinary shares carry 100% of the voting rights. All shares rank equally in the event of a winding up and for the receipt of dividends.

#### 28. Reserves

##### Share premium account

The share premium reserve contains the premium arising on the issue of equity shares, net of issue expenses.

##### Capital redemption reserve

The capital redemption reserve contains the amounts transferred following repurchase and redemption of the Company's shares.

##### Own share reserve

Own share reserves represented the purchase price of shares required to settle awards granted under equity-settled share based payments plans. See Note 30. These shares were held by two Employee Benefit Trusts sponsored by the company.

During the year the shares in the company held by the Employee Trusts were exchanged for shares in the ultimate parent company, Rydon Group Holdings Limited. Hence at the balance sheet date the own shares reserve had a balance of £nil. (2017: 744,523 shares were held in the Trusts which had not yet vested unconditionally with employees and shareholder's funds were reduced by £2.2m in respect of the purchase price of these shares).

##### Profit and loss account

The profit and loss account reserve represents cumulative profits and losses net of dividends paid and other adjustments.

#### 29. Contingent Liabilities

Certain companies within the group have given performance guarantees for other Group companies, the majority of which are parent company guarantees from Rydon Group Limited or Rydon Holdings Limited supporting performance. At 30 September 2018, the Group had performance guarantees provided by third parties to support its construction operations of £14.8m (2017: £12.5m). The Group considers the likelihood that an outflow of cash under these agreements is low and that no provision is required.

The Company, along with other companies in the Group, has provided security over its assets in relation to a revolving credit facility and an overdraft facility made available to the Company. The facilities guaranteed comprise a revolving credit facility of £30.0m and an overdraft facility of £10.0m, of which the drawn balances were £nil at 30 September 2018 (2017: £nil) for both facilities.

**RYDON HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

**30. Share based payments**

The group has an equity settled share option scheme for shares in the company. Under this scheme, options have been granted to directors of subsidiary companies and senior employees within the group to acquire shares in the company.

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 the 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 these options are given in the table below.

Date of Grant	Number of options	Number of shares	Price per share
7 March 2006	17	87,500	£2.00
3 July 2006	1	3,000	£2.00
20 July 2006	1	2,500	£2.00
9 March 2007	1	625	£2.36
19 March 2007	1	5,000	£2.36
27 June 2007	1	3,000	£2.36
19 December 2007	3	4,500	£2.88
1 November 2008	2	15,000	£2.88
28 April 2010	3	7,375	£1.06
26 August 2010	1	1,000	£1.06

	Weighted average exercise price £ 2018	Number 2018	Weighted average exercise price £ 2017	Number 2017
Outstanding at the beginning of the year	2.02	167,000	2.04	170,500
Forfeited during the year	1.41	(17,000)	2.63	(3,500)
Exercised during the year	2.0	(20,500)		-
<b>Outstanding at the end of the year</b>	<b>2.10</b>	<b>129,500</b>	<b>2.02</b>	<b>167,000</b>

	2018	2017
Exercisable at 30 September	<b>129,500</b>	<b>167,000</b>

The options outstanding at 30 September 2018 had a weighted average exercise price of £2.10 (2017 - £2.02). No options were granted during the year ended 30 September 2018. As a result of the repurchase of the 723,013 shares held by the employee benefit trust, options previously over shares in the company have been replaced with equivalent shares in the ultimate parent company.

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RYDON HOLDINGS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018

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31. Pension commitments

Defined contribution scheme

The group contributes to defined contribution schemes in respect of certain subsidiary 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 £1,652,000 (2017 - £1,717,000).

Defined benefit pension scheme

The group's defined benefits scheme was closed to future accrual of benefits on 30 September 2009, with all active members at that date becoming deferred pensioners. As a result an assumption is not required for salary increases this period as the linkage of benefits to salary increases has been broken. Members' accrued benefits will be revalued to retirement in line with inflation. 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 30 September 2015.

	2018 £000	2017 £000
Market value of assets	30,481	30,154
Present value of defined benefit obligation	(29,828)	(30,401)
<b>Net pension scheme asset/(liability)</b>	<b>653</b>	<b>(247)</b>

The amounts recognised in profit or loss are as follows:

	2018 £000	2017 £000
Interest on obligation	(812)	(752)
Interest income on plan assets	807	722
Administration expenses	(104)	(79)
<b>Total</b>	<b>(109)</b>	<b>(109)</b>



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**RYDON HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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**31. Pension commitments (continued)**

Reconciliation of fair value of plan liabilities were as follow:

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Opening defined benefit obligation	30,401	31,654
Interest cost	812	752
Actuarial gains/(losses)	(695)	(1,379)
Benefits paid	(690)	(626)
<b>Closing defined benefit obligation</b>	<b>29,828</b>	<b>30,401</b>

Reconciliation of fair value of plan assets were as follows:

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Opening fair value of scheme assets	30,154	30,249
Interest income on plan assets	(807)	(722)
Administration expenses	(104)	(79)
Contributions by employer	259	362
Actuarial gains/(losses)	55	(474)
Benefits paid	(690)	(626)
<b>Closing fair value of scheme assets</b>	<b>30,481</b>	<b>30,154</b>

The cumulative amount of actuarial gains and losses recognised in the consolidated statement of comprehensive income was £750,000 (2017 - £905,000).

The group expects to contribute £188,000 to its defined benefit pension scheme in the next financial year.

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**RYDON HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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**31. Pension commitments (continued)**

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	<b>2018</b>	<i>2017</i>
	%	%
Discount rate	<b>2.9</b>	<i>2.7</i>
RPI price inflation	<b>3.2</b>	<i>3.1</i>
CPI price inflation	<b>2.1</b>	<i>2.0</i>
Rate of increase of pensions in payment	<b>3.1</b>	<i>3.0</i>
Rate of increase for pensions in deferment	<b>2.1</b>	<i>2.0</i>
Mortality rates		
- for a male aged 65 now	<b>21.8</b>	<i>21.9</i>
- at 65 for a male aged 45 now	<b>22.8</b>	<i>23.0</i>
- for a female aged 65 now	<b>23.7</b>	<i>23.7</i>
- at 65 for a female member aged 45 now	<b>24.9</b>	<i>25.0</i>

**32. Commitments under operating leases**

At 30 September 2018 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group 2018 £000</b>	<i>Group 2017 £000</i>
Not later than 1 year	<b>572</b>	<i>587</i>
Later than 1 year and not later than 5 years	<b>1,392</b>	<i>1,671</i>
Later than 5 years	<b>-</b>	<i>41</i>
	<b>1,964</b>	<i>2,299</i>

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## RYDON HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

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#### 33. Grenfell Tower

In relation to the Grenfell Tower tragedy, our assessment remains as was stated in the annual report for last year, we welcome the rigorous Public Enquiry as well as other ongoing investigations. Whilst the outcomes of the inquiry still remain some time away, there are likely to be recommendations across the building product manufacture and construction sector in relation to building regulations, fire regulations and product certification. In the previous financial year, Rydon reviewed the specific work carried out by Rydon Maintenance Limited and given the limited nature of the work commissioned, the approvals received in relation to it and the interrelationship with work undertaken by other parties, no provision was made in the accounts for any matters arising from these tragic events. Having taken into consideration the events and information that has become available since the previous financial year end similarly no provision has been made in these accounts.

#### 34. Related party transactions

During the period the group entered into transactions in the ordinary course of business with related parties. The group's related party transactions are summarised below:

	2018 £000	2017 £000
Sales to joint ventures	18,108	22,540
Purchases from joint ventures	-	-
Amounts due from joint ventures	7,211	3,696
Amounts due to joint ventures	(531)	(639)
Interest received from joint ventures	163	646
Loans repaid to directors	-	(1,340)

The list of joint ventures is included in note 36.

	2018 £000	2017 £000
<b>Key management personnel</b>		
Key management personnel remuneration	5,083	4,628
Loans repaid to key management personnel	-	(1,849)
Amounts payable by key management personnel	(444)	(400)

#### 35. Controlling party

Rydon Holdings Limited is a 100% subsidiary of Rydon Group Holdings Limited. A copy of the consolidated financial statements of both the company and the holding company can be obtained from the registered office address: Rydon Group Holdings Limited, Rydon House, Station Road, Forest Row, East Sussex, RH18 5DW.

The directors consider R Bond to be the controlling party of the group by the virtue of his interest in the ordinary shares of Rydon Group Holdings Limited.

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**RYDON HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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**36. Subsidiaries and joint ventures**

Related undertakings of the group are all incorporated in the United Kingdom and except as noted below under "Registered Office" have their registered office at Rydon House, Station Road, Forest Row, East Sussex, RH18 5DW:

**Direct undertakings**

<b>Name</b>	<b>Holding</b>	<b>Principal activity</b>
Rydon Group Limited	100 %	Intermediate holding company
Merlotrose Ltd	100 %	Dormant
Real Limited	100 %	Developer
Cable Street Regeneration Limited	100 %	Dormant
Beacon Plant Hire (Southern) Limited	50 %	Renting and leasing of machinery & equipment

**Indirect undertakings**

<b>Name</b>	<b>Holding</b>	<b>Principal activity</b>
Rydon Construction Limited	100 %	Building contractor
Rydon Maintenance Limited	100 %	Property Maintenance Procurement & Management services relating to Community Health & Care Projects
Ryhurst Limited	100 %	Developer
Rydon Homes Limited	100 %	Developer
Rydon Developments Limited	100 %	Developer
Vivathorn Limited	100 %	Dormant
Equipe Regeneration Limited	100 %	Property Maintenance
Insite Energy Holdings Limited	100 %	Holding Company
Ryhurst (Cheshire) Limited	100 %	Holding company for a trading LLP Provision of capital project management and estate management services
Villicare LLP	50 %	
Ryhurst (Lancashire Step) Limited	100 %	Holding company for a trading LLP Provision of capital project management and estate management services
Red Rose Corporate Services LLP	50 %	Provision of capital project management and estate management services
Wight Life Partnership LLP	100 %	Provision of capital project management and estate management services
Ryhurst (Nominee) Limited	100 %	Holding company for trading LLP
Ryhurst (IOW) Ltd	100 %	Holding company for a trading LLP
Whittington SEP LLP	100 %	Dormant
Ryhurst (Whittington) Limited	100 %	Dormant
Real (Goldsmiths Row) Ltd	100 %	Developer
Real (Ealing) Ltd	100 %	Developer
Real (Sutton) Ltd	100 %	Developer
Real (Packington) Ltd	100 %	Developer
Real (Hillside) Ltd	100 %	Developer
Green Man Lane LLP	50 %	Developer

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**RYDON HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

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**36. Subsidiaries and joint ventures (continued)**

Packington Square LLP	50 %	Developer
Insite Energy Limited	50 %	Property Maintenance
Villicare (Project Co No.1) LLP	50 %	Dormant
Villicare (Nominee No.1) Limited	50 %	Dormant
Villicare (Developments) LLP	50 %	Dormant
Lancumb Partnership LLP	25 %	Dormant
Ryhurst (Cambridgeshire) Limited	100 %	Dormant
Cambridgeshire Estates Partnership LLP	100 %	Dormant

**Name**

**Registered office**

Insite Energy Limited	Elizabeth House, 39 York Road, London SE1 7NQ
Heat Network Group Limited	Elizabeth House, 39 York Road, London SE1 7NQ
Heatwork Solutions Limited	Elizabeth House, 39 York Road, London SE1 7NQ
Green Man Lane LLP	The Point, 37 North Wharf Road, London, W2 1BD
Lancumb Partnership LLP	Richard House, Winckley Square, Preston, PR1 3HP