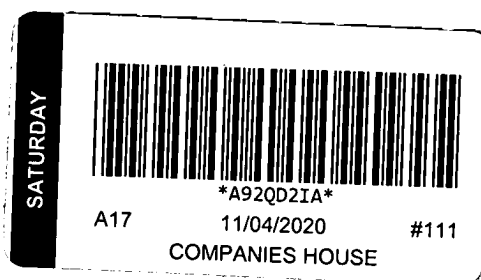

RYDON HOLDINGS LIMITED

**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**



RYDON HOLDINGS LIMITED

COMPANY INFORMATION

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

RYDON HOLDINGS LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Group strategic report	3 - 7
Statement of directors' responsibilities	8
Independent auditor's report to the members of Rydon Holdings Limited	9 - 11
Consolidated profit and loss account	12
Consolidated statement of comprehensive income	13
Consolidated balance sheet	14 - 15
Company balance sheet	16
Consolidated statement of changes in equity	17 - 18
Company statement of changes in equity	19 - 20
Notes to the financial statements	21 - 54

RYDON HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019

The directors present their report and the financial statements for the year ended 30 September 2019.

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 £12.6m (2018: £16.1m)

During the year, ordinary dividends of £5m were paid to the company's holding company, Rydon Group Holdings Limited (2018: £6.3m). The current year dividend was sourced from the profits generated by Rydon Homes during the previous financial year.

The directors do not recommend the payment of further ordinary dividends.

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 (2018: £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.

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.

RYDON HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

Post balance sheet events

There have been no significant events since the year end that the directors consider require disclosure in, or adjustments to, these financial statements.

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 2019 and signed on its behalf.

R Bond
Director

RYDON HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019

Introduction

The directors present their strategic report on the Group for the year ended 30 September 2019.

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 healthcare joint ventures under the Ryhurst brand.
- 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 £16.3m (2018: £20.5m). The shareholders' funds of the Group total £51.6m (2018: £43.5m).

The performance of the Group during the year to 30 September 2019 has produced the following results.

Rydon Homes

Rydon Homes transforms carefully sourced land into opportunities to deliver high quality new housing that will satisfy market demand and support community need. This is achieved through either the development or sale of the consented land. We do so in a manner which enables business growth, and allows us to make a reasonable return on our investment.

Our strength is in our ability to identify and contractually secure future development land opportunities and then add value by using our planning and commercial expertise to successfully promote these opportunities through the complexities of the planning system.

RYDON HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2019

Rydon Construction

Rydon Construction has been 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, community centres and leisure facilities. Rydon has worked on a number of flagship inner London regeneration projects such as Packington Estate in Islington which was completed in 2019. Green Man Lane in Ealing is a nine year four phase scheme which has already delivered a new school to the local community and will comprise mixed tenure housing and retail space with an estimated completion date of 2023. With both 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 Construction is broadening its development risk on private sale housing to generate cross subsidy on certain projects it undertakes to areas outside of London. Rydon is also focused on the provision of a variety of housing needs for the UK's ageing population. This includes 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. In the South West in particular, Rydon has continued to increase the diversity of its client base with projects such as its recent win to deliver an automotive research propulsion facility (IAAPS) for the University of Bath.

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 London and the South East of England, where we maintain around 10,000 properties.

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.

We have recently expanded our focus towards 'blue light' emergency services such as the South East Coast Ambulance Service (SECAM) where we are managing the Trust's properties via a help desk in relation to mechanical and electrical, public health system and fabric maintenance repairs. Maintenance has also started working with local authorities, such as Epsom & Ewell to maintain its building and other assets such as the public library and street lighting.

Ryhurst

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.

While Ryhurst was a leader in the delivery of SEPS, the market has slowed as the NHS is increasingly looking to in house solutions for estate efficiencies. In the meantime, the Ryhurst brand has been used to contribute to Rydon Maintenance's relationships with the non-housing and NHS sectors while also exploring support through other contractor solutions.

RYDON HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2019

Rydon Holdings

We have made 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:

Group Financial KPIs	2019	2018
Group turnover including share of joint ventures	£227.1m	£233.1m
Group turnover	£203.7m	£219.8m
Gross Profit	£43.3m	£51.5m
Earnings before interest and tax	£16.1m	£20.7m
Return on capital	29.4%	41.6%
Current Ratio	1.6	1.6
Total assets less current liabilities	£54.6m	£49.8m
Operational KPIs	2019	2018
Housing – Successful planning decisions	7	5
Housing – Awaiting planning decisions	6	7
Housing – Failed planning decisions	3	1
Rydon Maintenance – Forward order book	£321m	£376m

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 4 years we have raised nearly £20k 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

The as yet unknown impact of Brexit is a continuing cause of uncertainty, particularly in relation to the availability of labour and supply of materials. Rydon's workforce, while diversified, has some representation from the EU but this is proportionately low in the South West.

In anticipation of a possible EU departure, as a result of long-standing relationships with several supply chain partners, we have received assurances as to an uninterrupted supply of materials. This is due to stockpiling contingencies in the event of a no deal Brexit at the end of March 2020, should such an outcome arise. If the UK does leave the EU without a deal, we expect possible price fluctuations due to tariff issues rather than material

RYDON HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2019

shortages. Our business is financially robust which means we have the ability to address unpredictable costs but we may have to enter into discussions with our clients on a case by case basis to see how tariff related costs can be reasonably mitigated.

That said, in terms of the partners we work with at the design and specification stage, we are placing a strong emphasis on planning concepts that limit requirements on materials from overseas. Where possible, we look to source materials from UK suppliers.

Low mortgage rates mean that there continues to be a high level of mortgage approval which is having a positive effect on the national housing market.

The Department for Communities and Local Government (DCLG) was renamed the Ministry for Housing, Communities and Local Government (MHCLG) in January 2018 and the Homes and Communities Agency was relaunched as Homes England. The Single Departmental Plan was updated on 23 May 2018 – the plan sets out how the Government intends to achieve an increase in housing supply via the following initiatives:

- Deliver the reforms proposed in its Housing White Paper and at Autumn Budget to ensure the planning system supports Government housing supply objectives
- Support local authorities and housing associations to increase the supply of affordable homes and provide grant funding in the Affordable Homes Programme as well as lift Housing Revenue Account borrowing caps for councils in areas of high affordability pressure
- Boost availability of land in the right places for homes and ensure that better use is made of underused land
- Make the most of surplus land already in public ownership: release surplus central government land and support local authorities to release their land
- Support ambitious local authorities to bring forward land to create new settlements
- Provide funding to enable Homes England to acquire, assemble and de-risk sites and accelerate building of homes on small, stalled sites
- Increase home ownership and housing supply through the Help to Buy Equity Loan scheme.

The recently appointed Prime Minister, Boris Johnson, has announced a one-off cash boost of £1.8bn for NHS hospitals in England. Of this, almost £1bn will be available immediately to go towards new equipment and upgrades to 20 hospitals. The funding comes on top of an extra £20bn a year by 2023 announced by former Prime Minister Theresa May last year. Around £850m - spread over five years - will go towards funding the 20 hospital upgrades and the remaining money is expected to help clear a backlog of existing upgrade work and infrastructure projects. The majority of party manifestos in the December 2019 General Election promise extensive funding for the NHS, house-building and various infrastructure projects which have the potential to commit the build environment sector to a number of projects in the years to come.

In relation to the Grenfell Tower tragedy, our assessment remains as stated in our previous annual reports. We welcome the rigorous Public Inquiry as well as other ongoing investigations. Whilst the report from Phase 1 has now been published there is still significant investigation due during Phase 2 which is scheduled to commence in January 2020. The final outcomes of the Inquiry therefore still remain some time away, although there are likely to be recommendations across the building product manufacture and construction sector in relation to building regulations, fire regulations and product certification. Rydon has 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 has been made in the accounts for any matters arising from these tragic events.

RYDON HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2019

Principal risks and uncertainties

As cited above, Brexit is a continuing cause of uncertainty which we are aiming to mitigate using the described measures.

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 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 2019 and signed on its behalf.

R Bond
Director

RYDON HOLDINGS LIMITED

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

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 30th September 2019 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 30th September 2019 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.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors such as those described in note 3, and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the group's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the group's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the company or to cease their operations, and as they have concluded that the group and the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

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 a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the group's business model, including the impact of Brexit, and analysed how those risks might affect the group and company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group or the company will continue in operation.

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

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.

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.

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

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.



11 December 2019

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 2019**

	Note	2019 £000	2018 £000
Turnover			
Group and share of joint ventures' turnover		227,111	233,077
Less: share of joint ventures' turnover		(23,452)	(13,251)
Group turnover	4	203,659	219,826
Cost of sales		(160,314)	(168,324)
Gross profit		43,345	51,502
Administrative expenses		(31,401)	(32,677)
Operating profit	5	11,944	18,825
Share of profit of joint ventures		4,135	1,859
Total operating profit		16,079	20,684
Interest receivable and similar income	9	650	216
Interest payable and similar expenses	10	(486)	(377)
Other finance income	11	24	(5)
Profit before tax		16,267	20,518
Tax on profit	12	(3,647)	(4,460)
Profit for the financial year		12,620	16,058
Profit for the year attributable to:			
Non-controlling interests		(10)	(25)
Owners of the parent		12,630	16,083
		12,620	16,058

The notes on pages 21 to 54 form part of these financial statements.

RYDON HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

	Note	2019 £000	2018 £000
Profit for the financial year		12,620	16,058
Other comprehensive income			
Actuarial (loss)/gain on defined benefit pension schemes	29	(3,962)	695
Return on defined benefit pension scheme assets excluding amount included in net interest	29	4,410	55
Defined benefit pension scheme surplus not recognised in prior year	29	200	-
Movement on deferred tax relating to defined benefit pension schemes	24	(134)	(153)
Other comprehensive income for the year		514	597
Total comprehensive income for the year		13,134	16,655
Profit for the year attributable to:			
Non-controlling interest		(10)	(25)
Owners of the parent company		12,630	16,083
		12,620	16,058
Total comprehensive income attributable to:			
Non-controlling interest		(10)	(25)
Owners of the parent company		13,144	16,680
		13,134	16,655

The notes on pages 21 to 54 form part of these financial statements.

RYDON HOLDINGS LIMITED
REGISTERED NUMBER:05556300

CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2019

	Note	2019 £000	2018 £000
Fixed assets			
Intangible assets	15	4,277	4,749
Tangible assets	16	1,744	2,411
Investments	17	(383)	(1,189)
		<u>5,638</u>	<u>5,971</u>
Current assets			
Stocks	18	25,982	18,355
Debtors: amounts falling due after more than one year	19	3,218	3,950
Debtors: amounts falling due within one year	19	79,092	60,390
Cash at bank and in hand		19,008	35,910
		<u>127,300</u>	<u>118,605</u>
Creditors: amounts falling due within one year	20	(78,325)	(74,781)
Net current assets		<u>48,975</u>	<u>43,824</u>
Total assets less current liabilities		<u>54,613</u>	<u>49,795</u>
Creditors: amounts falling due after more than one year	21	(4,231)	(6,770)
Provisions for liabilities			
Net assets excluding pension asset		<u>50,382</u>	<u>43,025</u>
Pension asset	29	1,430	653
Net assets		<u><u>51,812</u></u>	<u><u>43,678</u></u>

RYDON HOLDINGS LIMITED
REGISTERED NUMBER:05556300

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 30 SEPTEMBER 2019

	Note	2019 £000	2018 £000
Capital and reserves			
Called up share capital	25	628	628
Share premium account	26	6,727	6,727
Capital redemption reserve	26	613	613
Profit and loss account	26	43,630	35,486
Equity attributable to owners of the parent company		<u>51,598</u>	<u>43,454</u>
Non-controlling interests		214	224
		<u>51,812</u>	<u>43,678</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 11 December 2019.



R Bond
Director

The notes on pages 21 to 54 form part of these financial statements.

RYDON HOLDINGS LIMITED
REGISTERED NUMBER:05556300

COMPANY BALANCE SHEET
AS AT 30 SEPTEMBER 2019

	Note	2019 £000	2018 £000
Fixed assets			
Investments	17	48,148	48,150
		<u>48,148</u>	<u>48,150</u>
Current assets			
Debtors: amounts falling due after more than one year	19	60	150
Debtors: amounts falling due within one year	19	12,728	2,046
Cash at bank and in hand		136	1,967
		<u>12,924</u>	<u>4,163</u>
Creditors: amounts falling due within one year	20	(52,796)	(42,765)
Net current liabilities		<u>(39,872)</u>	<u>(38,602)</u>
Total assets less current liabilities		<u>8,276</u>	<u>9,548</u>
Net assets		<u><u>8,276</u></u>	<u><u>9,548</u></u>
Capital and reserves			
Called up share capital	25	628	628
Share premium account	26	6,727	6,727
Capital redemption reserve	26	613	613
Profit and loss account	26	308	1,580
		<u>8,276</u>	<u>9,548</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 11 December 2019.



R Bond
Director

The notes on pages 21 to 54 form part of these financial statements.

RYDON HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Equity attributable to owners of parent company	Non- controlling interests	Total equity
	£000	£000	£000	£000	£000	£000	£000
At 1 October 2018	628	6,727	613	35,486	43,454	224	43,678
Comprehensive income for the year							
Profit for the year	-	-	-	12,630	12,630	(10)	12,620
Other comprehensive income for the year	-	-	-	514	514	-	514
Total comprehensive income for the year	-	-	-	13,144	13,144	(10)	13,134
Transactions with shareholders							
Dividends: Equity capital	-	-	-	(5,000)	(5,000)	-	(5,000)
Total transactions with shareholders	-	-	-	(5,000)	(5,000)	-	(5,000)
At 30 September 2019	628	6,727	613	43,630	51,598	214	51,812

The notes on pages 21 to 54 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
Comprehensive income for the year								
Profit for the year	-	-	-	-	16,083	16,083	(25)	16,058
Other comprehensive income for the year	-	-	-	-	597	597	-	597
Total comprehensive income for the year	-	-	-	-	16,680	16,680	(25)	16,655
Transactions with shareholders								
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
Total transactions with shareholders	241	3,947	-	2,197	(6,332)	53	-	53
At 30 September 2018	628	6,727	613	-	35,486	43,454	224	43,678

The notes on pages 21 to 54 form part of these financial statements.

RYDON HOLDINGS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 October 2018	628	6,727	613	1,580	9,548
Comprehensive income for the year					
Profit for the year	-	-	-	3,728	3,728
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	-	-	3,728	3,728
Transactions with shareholders					
Dividends: Equity capital	-	-	-	(5,000)	(5,000)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total transactions with shareholders	-	-	-	(5,000)	(5,000)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2019	628	6,727	613	308	8,276
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The notes on pages 21 to 54 form part of these financial statements.

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
Comprehensive income for the year						
Profit for the year	-	-	-	-	7,285	7,285
Total comprehensive income for the year	-	-	-	-	7,285	7,285
Transactions with shareholders						
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	-	-	-	3,770	-	3,770
Total transactions with shareholders	241	3,947	-	2,197	(6,332)	53
At 30 September 2018	628	6,727	613	-	1,580	9,548

The notes on pages 21 to 54 form part of these financial statements.

RYDON HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

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 the Republic of Ireland and the Companies Act 2006.

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 FRS 102 - reduced disclosure exemption

The company has taken advantage of the following disclosure exemptions as the company is considered to be a qualifying entity (for the purpose of FRS) in preparing these financial statements, as permitted by the FRS 102:

- the requirements of Section 7 Statement of Cash Flows;

This information is included in the consolidated financial statements of Rydon Group Holdings Limited as at 30 September 2019 and these financial statements may be obtained from the registered office.

2.3 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.

RYDON HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. Accounting policies (continued)

2.4 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 investor's 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.

2.5 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.

2.6 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.

RYDON HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. Accounting policies (continued)

2.7 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.

2.8 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.

2.9 Investments

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

RYDON HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. Accounting policies (continued)

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.

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 deferred income.

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.

RYDON HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. Accounting policies (continued)

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.

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.

RYDON HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

2. Accounting policies (continued)

2.19 Pensions

Defined benefit scheme

The company operates defined benefit schemes in respect of certain employees and former employees. The defined benefit scheme asset 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.

RYDON HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

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. Shares held by the Employee Benefit Trust in the ultimate holding company are recorded as investments.

RYDON HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

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 29.

4. Turnover

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

	2019 £000	2018 £000
Sale of land & residential properties	26,834	43,742
Construction contracts	123,961	127,905
Provision of services	52,864	48,179
	<u>203,659</u>	<u>219,826</u>

All turnover arose within the United Kingdom.

RYDON HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

5. Operating profit

The operating profit is stated after charging:

	2019 £000	2018 £000
Depreciation of tangible fixed assets - owned	932	1,131
Depreciation of tangible fixed assets - leased	46	451
Amortisation of intangible assets, including goodwill	472	460
Operating lease rentals - plant and machinery	2,485	3,181
Operating lease rentals - other	660	623
	<u>660</u>	<u>623</u>

6. Auditor's remuneration

	2019 £000	2018 £000
Fees payable to the Group's auditor and its associates for the audit of the Group's financial statements	8	5
Fees payable to the Group's auditor and its associates in respect of:		
The auditing of accounts of subsidiaries of the Group pursuant to legislation	167	170
Tax compliance services	52	48
Other taxation services	49	65
Other financial advisory services	-	131
	<u>268</u>	<u>414</u>

RYDON HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

7. Employees

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

	Group 2019 £000	Group 2018 £000
Wages and salaries	31,834	32,508
Social security costs	3,382	3,426
Cost of defined contribution scheme	1,439	1,652
Cost of defined benefit scheme	55	-
	<u>36,710</u>	<u>37,586</u>

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

	2019 No.	2018 No.
Management	521	561
Direct Labour	134	141
	<u>655</u>	<u>702</u>

8. Directors' remuneration

	2019 £000	2018 £000
Directors' emoluments	472	479

During the year retirement benefits were accruing to no directors (2018 - NIL) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £466,000 (2018 - £473,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2018 - £NIL).

RYDON HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

9. Interest receivable

	2019 £000	2018 £000
Interest receivable from joint ventures	577	163
Other interest receivable	73	53
	650	216

10. Interest payable and similar expenses

	2019 £000	2018 £000
Bank facility fees and non utilisation charges	451	345
Finance leases and hire purchase contracts	12	29
Other interest payable	23	3
	486	377

11. Other finance costs

	2019 £000	2018 £000
Interest income on pension scheme assets	904	807
Net interest on net defined benefit liability	(880)	(812)
	24	(5)

RYDON HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

12. Taxation

	2019 £000	2018 £000
Corporation tax		
Current tax on profits for the year	3,209	5,306
Adjustments in respect of previous periods	(133)	148
	<u>3,076</u>	<u>5,454</u>
Total current tax	<u>3,076</u>	<u>5,454</u>
Deferred tax		
Origination and reversal of timing differences	571	(994)
Total deferred tax	<u>571</u>	<u>(994)</u>
Taxation on profit	<u>3,647</u>	<u>4,460</u>

RYDON HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - *higher than*) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £000	2018 £000
Profit before tax	16,267	20,518
Profit multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19.0%)	3,091	3,899
Effects of:		
Expenses not deductible for tax purposes	354	641
Adjustments to tax charge in respect of prior periods	(133)	148
Increase or decrease in pension fund prepayment leading to an increase (decrease) in tax	(25)	(29)
Other timing differences leading to an increase (decrease) in taxation	40	(25)
Special factors affecting joint-ventures and associates leading to an increase (decrease) in the tax charge	323	(161)
Other differences leading to an increase (decrease) in the tax charge	(3)	(13)
Total tax charge for the year	3,647	4,460

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 2019 has been calculated based on these rates.

RYDON HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

13. Dividends

	2019 £000	2018 £000
"A" Ordinary		
Ordinary dividend paid to Rydon Group Holdings Limited	3,916	4,959
"B" Ordinary		
Ordinary dividend paid to Rydon Group Holdings Limited	1,030	1,305
"D" Ordinary		
Ordinary dividend paid to Rydon Group Holdings Limited	54	68
Total dividends paid	<u>5,000</u>	<u>6,332</u>

The dividend was sourced from the profits generated by Rydon Homes Limited in the previous financial year and paid to the company's parent, Rydon Group Holdings Limited.

14. 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 £3,728,000 (2018 - £7,285,000).

RYDON HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

15. Intangible assets

Group

	Goodwill £000
Cost	
At 1 October 2018	38,768
At 30 September 2019	38,768
Amortisation	
At 1 October 2018	34,019
Charge for the year	472
At 30 September 2019	34,491
Net book value	
At 30 September 2019	4,277
At 30 September 2018	4,749

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
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

16. Tangible fixed assets

Group

	S/Term Leasehold Property £000	Plant and machinery £000	Motor vehicles £000	Office equipment £000	Total £000
Cost					
At 1 October 2018	1,155	1,028	2,737	4,451	9,371
Additions	-	24	638	40	702
Disposals	-	-	(1,311)	(869)	(2,180)
At 30 September 2019	1,155	1,052	2,064	3,622	7,893
Depreciation					
At 1 October 2018	996	595	1,737	3,632	6,960
Charge for the year on owned assets	75	116	278	463	932
Charge for the year on financed assets	-	-	-	46	46
Disposals	-	-	(920)	(869)	(1,789)
At 30 September 2019	1,071	711	1,095	3,272	6,149
Net book value					
At 30 September 2019	84	341	969	350	1,744
At 30 September 2018	159	433	1,000	819	2,411

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

	2019 £000	2018 £000
Motor vehicles	-	630
Furniture, fittings and equipment	81	127

RYDON HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

17. Fixed asset investments

Group

	Investment in parent company shares £000	Investment in joint ventures £000	Total £000
Cost			
At 1 October 2018	79	(1,268)	(1,189)
Additions	11	-	11
Disposals	(14)	-	(14)
Recognition of unrealised profit	-	1,431	1,431
Distributions received from joint ventures	-	(4,757)	(4,757)
Share of profit	-	4,135	4,135
At 30 September 2019	<u>76</u>	<u>(459)</u>	<u>(383)</u>
Net book value			
At 30 September 2019	<u>76</u>	<u>(459)</u>	<u>(383)</u>
At 30 September 2018	<u>79</u>	<u>(1,268)</u>	<u>(1,189)</u>

RYDON HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

17. Fixed asset investments (continued)

Company

	Investments in subsidiary companies £000	Investment in parent company shares £000	Total £000
Cost or valuation			
At 1 October 2018	48,071	79	48,150
Additions	1	11	12
Disposals	-	(14)	(14)
	<u>48,072</u>	<u>76</u>	<u>48,148</u>
At 30 September 2019	48,072	76	48,148
	<u>48,072</u>	<u>76</u>	<u>48,148</u>
Net book value			
At 30 September 2019	48,072	76	48,148
	<u>48,071</u>	<u>79</u>	<u>48,150</u>
At 30 September 2018	<u>48,071</u>	<u>79</u>	<u>48,150</u>

For the year ending 30 September 2019, the following subsidiary entities were entitled to exemption from audit of individual entity accounts under Section 479A of the Companies Act 2006 as Rydon Holdings Limited has guaranteed these subsidiaries under Section 479C of the Companies Act 2006:

Real (Goldsmiths) Row Limited (registered number 08087549)
Real (Ealing) Limited (registered number 06838328)
Real (Packington) Limited (registered number 06152236)
Real (Hillside) Limited (registered number 06013234)
Real (Developments) Limited (registered number 07524906)
Real (Sutton) Limited (registered number 05769731)
Real Limited (registered number 05210553)
Insite Energy Holdings Limited (registered number 07074586)
Merlotrose Limited (registered number 06339778)
Cable Street Regeneration Limited (registered number 04560890)
Vivathorn Limited (registered number 01054343)

RYDON HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

18. Stocks and work in progress

	Group 2019 £000	Group 2018 £000
Work in progress	54	-
Land and development costs	25,928	18,355
	<u>25,982</u>	<u>18,355</u>

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 £16.5m (2018 - £24.0m).

19. Debtors

	Group 2019 £000	Group 2018 £000	Company 2019 £000	Company 2018 £000
Due after more than one year				
Trade debtors	925	889	-	-
Other debtors	60	669	60	150
Amounts recoverable on long term contracts	2,200	2,355	-	-
Deferred tax asset	33	37	-	-
	<u>3,218</u>	<u>3,950</u>	<u>60</u>	<u>150</u>
Due within one year				
Trade debtors	20,790	6,793	-	-
Amounts owed by group undertakings	1,395	8	12,264	1,240
Amounts owed by joint ventures and associated undertakings	4,493	7,211	-	-
Other debtors	5,800	6,420	388	806
Prepayments and accrued income	1,174	1,026	-	-
Amounts recoverable on long term contracts	44,363	37,480	-	-
Tax recoverable	949	623	76	-
Deferred taxation	128	829	-	-
	<u>79,092</u>	<u>60,390</u>	<u>12,728</u>	<u>2,046</u>

RYDON HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

20. Creditors: Amounts falling due within one year

	Group 2019 £000	Group 2018 £000	Company 2019 £000	Company 2018 £000
Bank overdrafts	-	13	-	-
Other loans	-	116	-	116
Payments received on account	1,464	2,379	-	-
Trade creditors	17,644	18,803	-	-
Amounts owed to group undertakings	-	11	52,653	42,025
Amounts owed to joint ventures	-	531	-	-
Corporation tax	2,190	2,761	9	388
Other taxation and social security	4,881	2,548	-	-
Obligations under finance lease and hire purchase contracts	45	273	-	-
Other creditors	6,005	6,818	-	-
Accruals and deferred income	46,096	40,528	134	236
	78,325	74,781	52,796	42,765

21. Creditors: Amounts falling due after more than one year

	Group 2019 £000	Group 2018 £000
Net obligations under finance leases and hire purchase contracts	48	223
Other creditors	-	914
Accruals and deferred income	4,183	5,633
	4,231	6,770

RYDON HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

22. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2019 £000	<i>Group 2018 £000</i>
Within one year	45	273
Between 1-5 years	48	223
	<u>93</u>	<u>496</u>

23. Financial instruments

	Group 2019 £000	<i>Group 2018 £000</i>	Company 2019 £000	<i>Company 2018 £000</i>
Financial assets				
Financial assets that are measured at amortised cost	49,237	54,230	12,948	3,607
Financial assets that are equity instruments measured at cost less impairment	76	79	76	-
	<u>49,313</u>	<u>54,309</u>	<u>13,024</u>	<u>3,607</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>(19,976)</u>	<u>(20,884)</u>	<u>(52,653)</u>	<u>(42,141)</u>

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.

RYDON HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

24. Deferred taxation

Group

	2019 £000	2018 £000
At beginning of year	866	25
Charged to profit or loss	(571)	994
Charged to other comprehensive income	(134)	(153)
At end of year	161	866
	Group 2019 £000	Group 2018 £000
Accelerated capital allowances	124	273
Short term timing differences	282	704
Deferred tax on pension surplus	(245)	(111)
	161	866

25. Share capital

	2019 £000	2018 £000
Allotted, called up and fully paid		
4,920,028 (2018 - 4,920,028) "A" Ordinary shares of £0.10 each	492	492
1,294,333 (2018 - 1,294,333) "B" Ordinary shares of £0.10 each	129	129
68,123 (2018 - 68,123) "D" Ordinary shares of £0.10 each	7	7
	628	628

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.

RYDON HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

26. 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.

Profit and loss account

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

27. 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 2019, the Group had performance guarantees provided by third parties to support its construction operations of £13.6m (2018: £14.8m). 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 2019 (2018: £nil) for both facilities.

In the normal course of the group's activities disputes arise which can lead to claims, arbitration or litigation proceedings. Provision has been made for all material amounts which the directors consider will become payable in respect of such claims.

RYDON HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

28. Share based payments

The group has an equity settled share option scheme for shares in the ultimate parent company. Under this scheme, options have been granted to directors of subsidiary companies and senior employees within the group to acquire shares in the ultimate parent 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	19	71,000	£2.00		
3 July 2006	1	3,000	£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	2	5,375	£1.06		
26 August 2010	1	1,000	£1.06		
		Weighted average exercise price £ 2019	Number 2019	Weighted average exercise price £ 2018	Number 2018
Outstanding at the beginning of the year		2.10	129,500	2.02	167,000
Forfeited during the year			-	1.41	(17,000)
Exercised during the year		1.91	(21,000)	2.0	(20,500)
Outstanding at the end of the year		2.13	108,500	2.10	129,500
				2019	2018
Exercisable at 30 September				108,500	129,500

The options outstanding at 30 September 2019 had a weighted average exercise price of £2.13 (2018 - £2.10). No options were granted during the year ended 30 September 2019. As a result of the repurchase of the 723,013 shares held by the employee benefit trust in the year ended 30 September 2018, options previously over shares in the company have been replaced with equivalent shares in the ultimate parent company.

RYDON HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

29. 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 £1,439,000 (2018 - £1,652,000).

Defined benefit pension schemes

Rydon Group Limited'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 2018 which was finalised on 4 December 2019.

The Group also participates in Prudential Platinum Pension Scheme - Rydon Maintenance Limited, a Sub-Scheme of the Prudential Platinum Pension Scheme which is a multi-employer scheme. In previous years the Sub-Scheme was accounted for as a defined contribution scheme. The directors now have sufficient information to identify the assets and liabilities that relate to the company and have therefore accounted for the scheme as a defined benefit scheme from 1 October 2018. The net pension asset of the scheme at the date of change was £200,000. In accordance with FRS 102.28.11B this asset has been recognised as a separate item in other comprehensive income.

The Prudential Platinum Pension Scheme is a funded defined benefit pension scheme in the UK. The Sub-Scheme is administered within a trust which is legally separate from the company. There is an independent Trustee who acts in the interest of the Sub-Scheme and all relevant stakeholders, including the members and the company. The Trustee is also responsible for ensuring that the correct benefits are paid, that the Sub-Scheme is appropriately funded and that Sub-Scheme assets are appropriately invested.

This Sub-Scheme provides pensions and lump sums to members on retirement and to their dependants on death. Members who leave service before retirement are entitled to a deferred pension. Active members of the scheme pay contributions at the rate of 6.8% of salary and the company pays the balance of the cost as determined by regular actuarial valuations and scheme expenses. The Trustees are required to use prudent assumptions to value the liabilities and costs of the scheme whereas the accounting assumptions must be best estimates.

A formal actuarial valuation was carried out as at 31 December 2016. The results of that valuation have been projected to 30 September 2018 and 30 September 2019 with allowance for subsequent member movements and using the assumptions set out below. The figures in the following disclosure were measured using the Projected Unit Method.

The Sub-Scheme was in deficit at the last valuation and recovery plan contributions of £16,700 per annum are being paid until 30 June 2021.

RYDON HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

29. Pension commitments (continued)

The net surplus position of the two schemes is set out below:

	2019	2018
	£000	£000
Rydon Group Pension Scheme	1,214	653
Prudential Platinum Pension - Rydon Maintenance Limited	216	-
Total plan surplus	1,430	653
	2019	2018
	£000	£000
Market value of assets	36,307	30,481
Present value of defined benefit obligation	(34,877)	(29,828)
Net pension scheme asset	1,430	653

The amounts recognised in profit or loss are as follows:

	2019	2018
	£000	£000
Current service cost	(55)	-
Administration expenses	(90)	(104)
Interest on obligation	(880)	(812)
Interest income on plan assets	904	807
Total	(121)	(109)

RYDON HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

29. Pension commitments (continued)

Reconciliation of fair value of plan liabilities by scheme:

	2019	2018
	£000	£000
Rydon Group Pension Scheme		
Opening defined benefit obligation	29,828	30,401
Interest cost	856	812
Actuarial losses/(gains)	3,825	(695)
Benefits paid	(635)	(690)
	33,874	29,828
Prudential Platinum Pension - Rydon Maintenance Limited		
Previously unrecognised defined benefit obligation	813	-
Current service cost	55	-
Interest cost	24	-
Actuarial loss	137	-
Benefits paid	(38)	-
Contributions by scheme participants	12	-
	1,003	-
Total fair value of plan liabilities	34,877	29,828

RYDON HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

29. Pension commitments (continued)

Reconciliation of fair value of plan assets by scheme:

	2019	2018
	£000	£000
Rydon Group Pension Scheme		
Opening fair value of scheme assets	30,481	30,154
Administration expenses	(68)	(104)
Interest income on plan assets	874	807
Return on plan assets excluding interest income	4,301	55
Contributions by employer	135	259
Benefits paid	(635)	(690)
	<u>35,088</u>	<u>30,481</u>
Prudential Platinum Pension - Rydon Maintenance Limited		
Previously unrecognised scheme assets	1,013	-
Administrative expenses	(22)	-
Interest income on plan assets	30	-
Return on plan assets excluding interest income	109	-
Contributions by employer	115	-
Contributions by scheme participants	12	-
Benefits paid	(38)	-
	<u>1,219</u>	<u>-</u>
Total fair value of plan assets	<u><u>36,307</u></u>	<u><u>30,481</u></u>

The cumulative amount of actuarial gains and losses recognised in the consolidated statement of comprehensive income was £648,000 (2018 - £750,000).

The group expects to contribute £191,000 to its defined benefit pension schemes in the next financial year.

RYDON HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

29. Pension commitments (continued)

Principal actuarial assumptions at the balance sheet date:

	2019	2018
	%	%
Rydon Group Pension Scheme		
Discount rate	1.9	2.9
RPI price inflation	3.1	3.2
CPI price inflation	2.0	2.1
Rate of increase of pensions in payment	3.0	3.1
Rate of increase for pensions in deferment	2.0	2.1
Mortality rates		
- for a male member aged 65 now	21.3	21.8
- at 65 for a male member aged 45 now	22.3	22.8
- for a female member aged 65 now	23.2	23.7
- at 65 for a female member aged 45 now	24.4	24.9
Prudential Platinum Pension - Rydon Maintenance Limited		
Discount rate	1.9	2.9
RPI inflation	3.0	3.2
CPI inflation	2.0	2.2
Rate of increase in salaries	2.5	2.5
Revaluation of deferred pensions: RPI increases	3.0	3.2
Revaluation of deferred pensions: CPI increases	2.0	2.2
Increases for pensions in payment: RPI max 6%	3.0	3.2
Increases for pensions in payment: CPI increases	2.0	2.2
Mortality rates:		
- for a male member aged 65 now	21.9	22.1
- at 65 for a male member aged 45 now	23.6	23.8
- for a female pensioner aged 65 now	24.2	24.0
- at 65 for a female member aged 45 now	25.9	25.8

RYDON HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

29. Pension commitments (continued)

Defined benefit pension scheme assets

	2019	<i>2018</i>
	£000	<i>£000</i>
Rydon Group pension Scheme		
Equity instruments	26,562	<i>22,951</i>
Debt instruments	6,932	<i>5,883</i>
Property	1,354	<i>1,291</i>
Other assets	240	<i>356</i>
	<hr/> 35,088 <hr/>	<hr/> <i>30,481</i> <hr/>
 Prudential Platinum Pension - Rydon Maintenance Limited		
Equity instruments	227	<i>319</i>
Debt instruments	844	<i>549</i>
Other assets	148	<i>145</i>
	<hr/> 1,219 <hr/>	<hr/> <i>1,013</i> <hr/>

30. Commitments under operating leases

At 30 September 2019 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	Group	<i>Group</i>
	2019	<i>2018</i>
	£000	<i>£000</i>
Not later than 1 year	599	<i>572</i>
Later than 1 year and not later than 5 years	1,197	<i>1,392</i>
Later than 5 years	205	<i>-</i>
	<hr/> 2,001 <hr/>	<hr/> <i>1,964</i> <hr/>

RYDON HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

31. Grenfell Tower

In relation to the Grenfell Tower tragedy, our assessment remains as stated in our previous annual reports. We welcome the rigorous Public Inquiry as well as other ongoing investigations. Whilst the report from Phase 1 has now been published there is still significant investigation due during Phase 2 which is scheduled to commence in January 2020. The final outcomes of the Inquiry therefore still remain some time away, although there are likely to be recommendations across the building product manufacture and construction sector in relation to building regulations, fire regulations and product certification. Rydon has 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 has been made in the accounts for any matters arising from these tragic events.

32. 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:

	2019	2018
	£000	£000
Sales to joint ventures	10,588	18,108
Amounts due from joint ventures	4,493	7,211
Amounts due to joint ventures	-	(531)
Interest received from joint ventures	577	163
Interest paid to joint ventures	(16)	-
Sale of property to director see note below	4,500	-

The list of joint ventures is included in note 34.

During the year the group sold a property to R Bond, a director of the company, for £4.5m. The purchase price was settled by way of cash and a property owned by R Bond. The values of both properties were determined by reference to relevant market data. No amounts were outstanding at the balance sheet date.

During the year, as a result of a change in car policy moving from company cars to car allowances, Rydon Group Limited sold vehicles to key management personnel for a total consideration of £56,673. The consideration was determined by reference to relevant market data. No amounts relating to these transactions were outstanding at the balance sheet date.

	2019	2018
	£000	£000
Key management personnel		
Key management personnel remuneration	5,157	5,083
Amounts payable by key management personnel	(469)	(444)

RYDON HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

33. 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.

RYDON HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

34. Subsidiaries and joint ventures

Related undertakings of the group are all incorporated in the United Kingdom with their registered office at Rydon House, Station Road, Forest Row, East Sussex, RH18 5DW.

All the direct and indirect subsidiary undertakings are included in the consolidated accounts of Rydon Holdings Limited by virtue of the provisions in the Companies Act 2006 Section 1162 (2a) with the exception of Beacon Plant Hire (Southern) Limited which is included in the consolidated accounts of Rydon Holdings by virtue of the provisions in the Companies Act 2006 Section 1162 (2c(i)).

Direct subsidiary undertakings

Name	Class of shares	Holding	Principal activity
Rydon Group Limited	Ordinary	100 %	Intermediate holding company
Rydon Homes Limited	Ordinary	100 %	Developer
Real Limited	Ordinary	100 %	Intermediate holding company
Insite Energy Holdings Limited	Ordinary	100 %	Intermediate holding company
Merlotrose Ltd	Ordinary	100 %	Dormant
Cable Street Regeneration Limited	Ordinary	100 %	Dormant
Beacon Plant Hire (Southern) Limited	Ordinary	50 %	Renting and leasing of machinery & equipment

Indirect Subsidiary undertakings

Name	Class of shares	Holding	Principal activity
Rydon Construction Limited	Ordinary	100 %	Building contractor
Rydon Maintenance Limited	Ordinary	100 %	Property Maintenance
Ryhurst Limited	Ordinary	100 %	Procurement & Management services relating to Community Health & Care Projects
Vivathorn Limited	Ordinary	100 %	Dormant
Equipe Regeneration Limited	Ordinary	100 %	Property Maintenance
Ryhurst (Cheshire) Limited	Ordinary	100 %	Holding company for a trading LLP
Ryhurst (Lancashire Step) Limited	Ordinary	100 %	Holding company for a trading LLP
Ryhurst (Nominee) Limited	Ordinary	100 %	Holding company for trading LLP
Ryhurst (IOW) Ltd	Ordinary	100 %	Holding company for a trading LLP
Whittington SEP LLP	No share capital	100 %	Dormant
Ryhurst (Whittington) Limited	Ordinary	100 %	Dormant
Real (Goldsmiths Row) Ltd	Ordinary	100 %	Developer
Real (Ealing) Ltd	Ordinary	100 %	Developer
Real (Sutton) Ltd	Ordinary	100 %	Developer
Real (Packington) Ltd	Ordinary	100 %	Developer
Real (Hillside) Ltd	Ordinary	100 %	Developer
Real (Developments) Limited	Ordinary	100 %	Developer
Real (High Lane) Limited	Ordinary	100 %	Dormant
Ryhurst (Cambridgeshire) Limited	Ordinary	100 %	Dormant

RYDON HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

34. Subsidiaries and joint ventures (continued)

Cambridgeshire Estates Partnership LLP Ordinary 100 % Dormant

Participating interests

Joint ventures

Joint ventures are all incorporated in the United Kingdom and except as noted below, have their registered office at Rydon House, Station Road, Forest Row, East Sussex, RH18 5DW.

Name	Class of shares	Holding	Principal activity
Insite Energy Limited	Ordinary	50 %	Property maintenance
	No share capital		
Villicare LLP	capital	50 %	Provision of capital project management and estate management services
	No share capital		
Red Rose Corporate Services LLP	capital	50 %	Provision of capital project management and estate management services
	No share capital		
Wight Life Partnership LLP	capital	50 %	Provision of capital project management and estate management services
	No share capital		
Green Man Lane LLP	capital	50 %	Developer
	No share capital		
Packington Square LLP	capital	50 %	Developer
	No share capital		
Lancumb Partnership LLP	capital	25 %	Dormant

Registered Office:

Green Man Lane LLP: The Point, 37 North Wharf Road, London, W2 1BD

Lancumb Partnership LLP: Richard House, Winckley Square, Preston, PR1 3HP

Insite Energy Limited: Office 201, 69 Old Street, London EC1V 9HX