

---

**RYDON GROUP HOLDINGS LIMITED**

---

**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

Consolidated parent company accounts for filing with  
Rydon Holdings Limited 05556300.

SATURDAY



\*AB5GQ4QU\*

A09

04/06/2022

#97

COMPANIES HOUSE

---

**RYDON GROUP HOLDINGS LIMITED**

---

**COMPANY INFORMATION**

---

<b>Directors</b>	R Bond N Standen
<b>Company secretary</b>	M Day
<b>Registered number</b>	10966583
<b>Registered office</b>	Rydon House Station Road Forest Row East Sussex RH18 5DW
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 2nd Floor St John's House Haslett Avenue West Crawley West Sussex RH10 1HS

---

**RYDON GROUP HOLDINGS LIMITED**

---

**CONTENTS**

---

	<b>Pages</b>
<b>Directors' report</b>	<b>1 - 5</b>
<b>Group strategic report</b>	<b>6 - 11</b>
<b>Independent auditor's report to the members of Rydon Group Holdings Limited</b>	<b>12 - 15</b>
<b>Consolidated profit and loss account</b>	<b>16</b>
<b>Consolidated statement of comprehensive income</b>	<b>17</b>
<b>Consolidated balance sheet</b>	<b>18 - 19</b>
<b>Company balance sheet</b>	<b>20 - 21</b>
<b>Consolidated statement of changes in equity</b>	<b>22 - 23</b>
<b>Company statement of changes in equity</b>	<b>24 - 25</b>
<b>Consolidated statement of cash flows</b>	<b>26 - 27</b>
<b>Notes to the consolidated financial statements</b>	<b>28 - 62</b>

---

## RYDON GROUP HOLDINGS LIMITED

---

### DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2021

---

The directors present their report and the financial statements for the year ended 30 September 2021.

#### Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the Group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including Financial Reporting Standard 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 company and of the profit or loss of the Group for that period. In preparing the financial statements, the directors are required to:

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

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

#### Principal activity

The principal activities of the company and its subsidiaries continued to be that of building contractors, developers and maintenance contractors.

#### Results and dividends

The profit for the year, after taxation, amounted to £5.2m (2020 loss: £2.1m).

During the year no ordinary dividends were paid (2020: £nil). The directors do not recommend the payment of further ordinary dividends (2020: £nil).

During the year preference share dividends of £124,000 were charged to the profit and loss account as interest payable and similar expense (2020: £173,000).

---

## RYDON GROUP HOLDINGS LIMITED

---

### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

---

#### **Directors**

The directors who served during the year and up to the date of approval of these financial statements 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 (2020: *£nil*).

#### **Future developments**

Future developments are deemed to be of strategic importance to the Group and accordingly have been outlined within the Strategic Report on page 8 of the Annual Report.

#### **Financial risk management**

The Group's operations expose it to a variety of financial risks that include the effects of changes in price risk, credit risk, liquidity risk and interest rate risk. The Group has in place processes and procedures that seek to limit the adverse effects on the financial performance of the Group by monitoring levels of debt finance and the related finance cost.

##### **Price risk**

The Group is exposed to commodity price risk as a result of its operations. However, given the nature and size of the Group's operations, which are all UK based, the costs of managing exposure to commodity price risk exceed any potential benefits.

##### **Credit risk**

The Group has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is continually reviewed by the senior management team. Within the Construction and Maintenance divisions, the majority of their customers are government/quasi-government bodies. In our Homes division, plot and land sales only take place once sales proceeds have been received.

##### **Liquidity risk**

The Group's cash and that of its subsidiaries is managed by the directors of Rydon Group Holdings Limited. The Group's approach to managing liquidity is to ensure, as far as possible, that the Group will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions.

##### **Interest rate risk**

The Group is exposed to interest rate risk on interest expense arising on bank facilities at a fixed margin on top of the Bank of England base rate. Given the nature of our business and size of the facilities the directors do not think it is appropriate to use financial instruments to manage interest rate risk.

---

## RYDON GROUP HOLDINGS LIMITED

---

### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

---

#### Engagement with employees

The Group places a strong emphasis on regular engagement and communications with employees and employee representative groups in order to provide regular updates on the progress of the Group as well as other relevant matters. Channels for communications are generally two way in the sense that feedback and dialogue is encouraged and include:

- A monthly 'bulletin' from the directors providing a rolling overview of market engagement, policies and reward and recognition;
- Staff 'tool box' talks where site staff are updated by directors on current developments;
- A staff forum managed by employee representatives through which ideas are encouraged and staff engagement activities are discussed;
- A Group intranet site which is regularly updated with news and event information as well as updates on policy and process;
- The Group holds an annual staff meeting for all employees which has been conducted virtually this year because of the pandemic;
- Annual performance reviews and appraisals where directors and their reports engage with employees on performance targets and the support required to meet them; and
- Reward and recognition where employees that have achieved notable successes such as securing an industry award or receiving a significant professional accreditation are recognised in the monthly bulletin.

#### Engagement with suppliers, customers and others

We have a commitment to excellent professional standards and respect for our, clients, partners and suppliers. We adhere to *extremely rigorous service level agreements* where specified in our contracts, commit to and meet programme delivery timelines and conduct pre and post-contract surveys in some instances to ensure expectations are being met.

#### 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.

#### Qualifying third party indemnity provisions

Third party directors and officers insurance, a qualifying third party indemnity provision, was provided for all directors and officers of the company during the year and at the date of approval of the financial statements under a policy in the name of the company, and all subsidiary companies.

---

## RYDON GROUP HOLDINGS LIMITED

---

### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

---

#### Greenhouse gas emissions, energy consumption and energy efficiency action

##### Greenhouse Gas (CHG) Emissions

In line with the Greenhouse Gas Protocol (GHG) Corporate Accounting and Reporting Standards, the Group has been engaged in a process aimed at reducing our energy and greenhouse gas emissions.

The Group continues to monitor both scope one and two emissions, which are generated from our offices and transport, respectively. We also monitor emissions from a range of transport including company cars / vans, and "grey fleet" (personal cars used for business purposes).

The Group previously devised a strategy to reduce our carbon footprint significantly including the following activities:

- Encouraging employees to purchase renewable technology cars i.e., hybrid vehicles,
- Purchasing energy efficient equipment where appropriate in our offices,
- Replacing heating, ventilation and air-conditioning systems with energy-efficient equipment where possible,
- Adopting behavioural change measures where possible,
- Investing in its joint venture business, Insite Energy Limited, which promotes the use of smart-meters,
- Installing electric car charging points at the head office location,
- Installing electric car charging points in all of its new housing developments.

We have a longstanding commitment to tackling climate change. Our calculated carbon footprint for the current financial year is 1,225 tCO<sub>2</sub>e (2020: 1,568 tCO<sub>2</sub>e), whilst energy consumption was 3,068 MWh (2020 3,581 MWh). Emissions have decreased by 343 tCO<sub>2</sub>e (21.9%) from the prior year.

##### Methodology

We have reported all of emission sources under the Companies Act 2006 (Strategic Report and Director's Reports) Regulations 2013 as required. We have calculated and reported our emissions in line with the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2021 (reference "Introduction guidance").

The reporting period is the year ended 30 September 2021, the same as covered by the Annual Report and Financial Statements. The boundaries of the GHG inventory are defined using the operational control approach. In general, the emissions reported are the same as those which would be reported based on a financial control boundary.

##### Intensity metric and emissions in Tonnes CO<sub>2</sub> equivalent (tCO<sub>2</sub>e)

Scope 1 and scope 2 carbon intensity metric = 2.38 tCO<sub>2</sub>e per person (2020: 2.51 tCO<sub>2</sub>e per person) based on the average number of employees during the period 515 (2020: 624).

	2021	2020
Scope 1 Emissions (natural gas & gas oil)	327	411
Scope 1 Emissions (transport)	628	779
Scope 2 Emissions (electricity)	270	378
	<u>1,225</u>	<u>1,568</u>

---

**RYDON GROUP HOLDINGS LIMITED**

---

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

---

**Efficiency measures taken**

- 1) Initiated an energy awareness campaign across the Rydon Group: the campaign was designed to inform employees and our supply chain about ways they can save money, save energy, and help keep energy costs down.
- 2) Waste is monitored monthly and data uploaded to our SmartWaste system. The current % of waste diverted from landfill is around 98%.
- 3) Construction methods are planned to minimise waste.
- 4) The Rydon van fleet has Lightfoot installed which is a behavioural tool for drivers, guiding drivers to a more efficient driving style thereby reducing CO2 emissions (c. 54 tonnes reduction since the system was introduced in December 2018).
- 5) Rydon engages as a business with Community Wood Recycling, to promote the re-use of timber.

**Objectives for 2021/2022**

- 1) Prepare for the Energy Savings Opportunity Scheme (ESOS) phase 3 compliance
- 2) Reviewing supply contracts to determine feasibility of renewable energy
- 3) Continue with our energy-awareness campaigns

**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 each director is aware, there is no relevant audit information of which the company and the Group's auditor is unaware, and
- each 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.

**Going concern**

At the date of this report, the directors have carried out a detailed and comprehensive review of the business and its future prospects. In particular, they have considered the forecast future performance and anticipated cash flows. In the opinion of the directors, the company has adequate resources to be able to continue to trade and consequently the financial statements are presented on a going concern basis.

**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 Grant Thornton UK LLP will therefore continue in office.

This report was approved by the board on 22 December 2021 and signed on its behalf.



R Bond  
Director



---

## RYDON GROUP HOLDINGS LIMITED

---

### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2021

---

#### Introduction

The directors present their strategic report on the Group for the year ended 30 September 2021.

#### The Rydon Group Strategic Focus

The strategic focus of Rydon Group is to derive a fair return from its delivery of built environment solutions that address both maintenance and delivery needs primarily across housing and healthcare.

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.

#### Results and performance

The results of the Group for the year show a profit before tax of £6.1m (2020 loss: £2.5m). The equity funds attributable to the owners of the parent company of the Group total £42.3m (2020: £36.2m).

The results for the year were impacted by Covid-19 which extended construction programmes, reduced client activity and delayed receipt of third party information such as local authority and land registry searches, and extended mortgage survey and approval processes during the lockdown period.

The performance of the Group during the year to 30 September 2021 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. Rydon Homes specialises in delivering small, select developments of high quality spacious homes, with easy access to local facilities and green spaces, typically in villages in Sussex or Kent.

This is achieved through either the development or sale of the consented land in a manner which enables 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.

The results of Rydon Homes Limited for the year show turnover of £19.2m (2020: £29.9m) and a profit before tax of £3.7m (2020: £0.7m). The shareholder's funds of the company total £12.7m (2020: £9.7m).

---

## RYDON GROUP HOLDINGS LIMITED

---

### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

---

#### Rydon Construction

The UK construction market has become increasingly challenging. This has been partly driven by a continuing trend in low-price tendering and "race to the bottom" pricing which results in increasingly thin margins, and has been further exacerbated by material and labour shortages. These shortages lead to cost unpredictability which is especially detrimental in relation to fixed-price contracts. As a result, the strategic decision was made by the directors of Rydon Group Holdings Limited to withdraw from the design and build contracting market in its entirety. On 28 February 2021, the entire issued share capital of Rydon LSE Limited, Rydon SW Limited, Real (Ealing) Limited and Real (High Lane) Limited were sold on an arm's length basis to a third party. Consequently, the Group is no longer operating as a design and build contractor, other than in relation to run-off or legacy projects.

The results of Rydon Construction Limited for the year show turnover of £46.7m (2020: £101.1m) and a loss before tax of £2.2m (2020 profit: £0.1m). The shareholder's funds of the company total £2.7m (2020: £4.4m).

The results of the disposed operations, Rydon LSE Limited and Rydon SW Limited for the period to 28 February 2021 show turnover of £23.1m (2020: £11.9m) and a profit before tax of £1.1m (2020 loss: £0.2m)

#### 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 that represent an extensive pipeline of work which will carry us into the late 2030's. We have established a strong reputation as a provider of high quality maintenance services to social housing landlords throughout London and the South East, where we maintain several thousand 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 facilities maintenance companies in this field.

The consolidated results of Rydon Maintenance Limited for the year show turnover of £46.6m (2020: £49.5m) and a profit before tax of £0.9m (2020: £0.2m). The consolidated shareholder's funds total £5.9m (2020: £5.3m)

---

## RYDON GROUP HOLDINGS LIMITED

---

### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

---

#### Rydon Group Holdings

We have made progress throughout the year in relation to key elements of our strategy, but unfortunately this has been affected by the impact of Covid-19. The Board monitors the progress of the Group by reference to the following KPIs:

<b>Group Financial KPIs</b>	<b>2021</b>	<b>2020</b>
Group turnover including share of joint ventures	£146.8m	£190.5m
Group turnover	£141.2m	£188.3m
Gross profit	£23.5m	£24.1m
Earnings before interest and tax	£6.2m	£(2.0)m
Return on capital*	11.2%	(3.4)%
Current ratio	2.2	1.8
Total assets less current liabilities	£54.9m	£58.0m
Cash generated from operating activities	£15.4m	£14.0m
Net increase in cash	£1.5m	£11.8m
Shareholders funds	£42.3m	£36.4m

\* Return on capital = Earnings before interest and tax / Total assets less current liabilities

<b>Operational KPIs</b>	<b>2021</b>	<b>2020</b>
Housing – Successful planning decisions	5	9 <sup>1/4</sup>
Housing – Awaiting planning decisions	4	3
Housing – Failed planning decisions	2	1
Rydon Maintenance – Forward order book	£272m	£310m

#### **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.

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. In Rydon Maintenance, we will continue to pursue selective opportunities that align with our skill set and provide a reasonable return.

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 is 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 four years we have raised nearly £20,000 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.

---

## RYDON GROUP HOLDINGS LIMITED

---

### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

---

#### Business environment

2021 has been a year of further unpredictability due to the impact of Covid-19. Government intervention during lockdown resulted in some construction and maintenance work being deemed as essential, especially in relation to healthcare service delivery and construction site delivery where safe social distancing could be maintained.

Low borrowing rates combined with stamp duty relief as announced by the Chancellor during the course of 2020 has resulted in strong purchase demand which is having a positive effect on the national housing market, particularly in rural areas. Consequently, we have seen a higher level of reservations and completions at our Homes schemes across the South East.

Health and safety remains paramount and Rydon has used its recent investments in cloud based telephony, communications and software solutions to enable remote working while maintaining levels of productivity. This has been particularly important for the company's Dartford-based call centre that has been able to coordinate incoming reactive maintenance work and schedule repairs with call centre operatives working safely from home. Rydon has all necessary social distancing and hygiene measures in place. This is also the case at its construction sites and client based satellite maintenance sites across the country.

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 ongoing investigation in Phase 2 which started in January 2020. Phase 2 has included significant evidence given by a number of multinational manufacturers of building products used on Grenfell Tower as well as evidence given by product certification bodies. While the final outcome of the inquiry is still some time away, it seems clear from the Hackitt report (the Independent Review of Building Regulations and Fire Safety) and through evidence shared during Phase 2 that there needs to be a wider review of building regulations, product testing and certification. Rydon has reviewed the specific work carried out by Rydon Maintenance Limited and given the above and 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 GROUP HOLDINGS LIMITED**

---

### **GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021**

---

#### **Principal risks and uncertainties**

As cited above, Covid-19 is a continuing cause of uncertainty which we have mitigated against through a combination of hygiene and social distancing measures as well as various technologies to enable remote working.

The full implications of Brexit on the economy remain uncertain although price rises and material and labour shortages are clear interim consequences. However, the Group has sought to reduce risk through contract clause changes and closer engagement with our supply chain. In addition, the decision to withdraw from the design and build contracting market has reduced our risk to fixed price construction projects, the delivery costs of which can fluctuate due to external factors such as material prices.

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. Particular emphasis has been put on cyber-security training due to an increasing trend of malicious threats and attacks on IT systems across all industries.

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. This includes regular reviews of material supplies and securing stock in advance should shortages appear likely.

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.

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.

---

## RYDON GROUP HOLDINGS LIMITED

---

### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

---

#### Statement by the directors in performance of their statutory duties in accordance with S172 (1) Companies Act 2006

The directors of the company consider, both individually and together, that they have acted in good faith in a way that would most likely promote the success of the company for its employees and shareholders. The directors fulfil their obligations in relation to the above by continuously having a regard to:

- The likely consequences of any decisions in the long-term
- The interests of the company's employees and shareholders
- The need to foster the company's business relationships with customers, suppliers and other stakeholders
- The impact of the company's operations on the community and environment
- Maintaining high standards in relation to quality of delivery and business standards

#### Decision making for the long term

We provide business-critical services to our clients in a highly-regulated and complex environment. It is vital that we effectively identify, evaluate, manage and mitigate the risks we face particularly in relation to health and safety, quality and the environment (HSQ&E). We regularly review our HSQ&E processes and controls at monthly directors meeting, at our quarterly safety forums and in our annual HSQ&E report. Other key area that are germane to running a company in a complex environment are also reviewed monthly including finance, legal and insurance, IT and HR.

#### Employees and Shareholders

A considerable focus is placed on engagement and communication, keeping employees and shareholders informed of how the company is performing and what they can do to help to take the company forward. Discussion is encouraged and we aim to listen to all good ideas and to give credit where these are acted on.

#### Business relationships

We have a commitment to excellent professional standards and respect for our, clients, partners and suppliers. We adhere to extremely rigorous service level agreements where specified in our contracts, commit to and meet programme delivery timelines and conduct pre and post-contract surveys in some instances to ensure expectations are being met.

#### Community and Environment

Our work makes a clear contribution to society and the environment around us. We source our materials responsibly and continually aim to minimise waste and carbon outputs. We create buildings that use energy efficiently, suit their surroundings and make a positive impact on the urban landscape. Our work with WRAP and Envirowise has helped to reduce our consumption of energy and water and significantly improve recycling - up to 100% on some sites.

#### Quality and Business standards

We have governance mechanisms in place to ensure that we are adhering to industry standards and broader business processes which are regularly audited by both internal and external parties.

This report was approved by the board on 22 December 2021 and signed on its behalf.



R Bond  
Director

---

## RYDON GROUP HOLDINGS LIMITED

---

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

---

#### **Opinion**

We have audited the financial statements of Rydon Group Holdings Limited (the 'parent company') and its subsidiaries (the 'Group') for the year ended 30 September 2021, which comprise the Consolidated profit and loss account, the Consolidated statement of comprehensive income, the Consolidated and Company balance sheets, the Consolidated and Company statements of changes in equity, the Consolidated statement of cashflows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 September 2021 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and of the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group and the parent company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Group's and of the parent company's business model, including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Group's and the parent company's financial resources or ability to continue operations over the going concern period.

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

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

The responsibilities of the directors with respect to going concern are described in the Directors' responsibilities statement in the directors' report section of this report.

---

## RYDON GROUP HOLDINGS LIMITED

---

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

---

#### **Other information**

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

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

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

#### **Matter on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the Group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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.

#### **Responsibilities of directors for the financial statements**

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

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



---

## RYDON GROUP HOLDINGS LIMITED

---

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

---

#### **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The Group is subject to many laws and regulations where the consequence of non-compliance could have a direct material effect on amounts or disclosures in the financial statements. We identified the following laws and regulations as the most likely to have a direct material effect if non-compliance were to occur: FRS102 'the Financial Reporting Standard applicable in the UK and Ireland', the Companies Act 2006, pensions legislation, house building, construction and tax legislation.
- The Group is subject to many other laws and regulations that do not have a direct effect to the financial statements but are fundamental to the Group's ability to operate or avoid material penalty. We have identified the following areas as those likely to have such an effect: health and safety, anti-bribery, employment law and environmental law.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- We understood how the Group is complying with those legal and regulatory frameworks by making inquiries of management and those charged with governance. We corroborated our inquiries through our review of board minutes provided by management.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur, by making enquiries of management and those charged with governance.
- We utilised internal and external information to corroborate these enquiries and to perform a fraud risk assessment for the Group as a whole. We considered the risk of fraud to be higher through the potential for management override of controls.
- Audit procedures performed by the engagement team included:
  - testing manual journal entries, in particular journal entries relating to management estimates, entries processed by unauthorised users, and entries determined to be large or relating to unusual transactions; and
  - identifying and testing related party transactions.

---

RYDON GROUP HOLDINGS LIMITED

---

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

---

**Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)**

- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
  - knowledge of the industry in which the client operates; and
  - understanding of the legal and regulatory requirements specific to the Group and company.

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Grant Thornton UK LLP*

Nick Jones BA ACA  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Crawley

*22 December 2021*

**RYDON GROUP HOLDINGS LIMITED**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

		<b>Continuing operations 2021 £000</b>	<b>Discontinued operations* 2021 £000</b>	<b>Total 2021 £000</b>	<i>Continuing operations 2020 £000</i>	<i>Discontinued operations* 2020 £000</i>	<i>Total 2020 £000</i>
	<b>Note</b>						
<b>Turnover</b>							
Group and share of joint ventures' turnover		121,356	25,447	146,803	178,601	11,901	190,502
Less: share of joint ventures' turnover		(3,181)	(2,379)	(5,560)	(2,247)	-	(2,247)
<b>Group turnover</b>	4	<b>118,175</b>	<b>23,068</b>	<b>141,243</b>	<b>176,354</b>	<b>11,901</b>	<b>188,255</b>
Cost of sales		(97,709)	(20,064)	(117,773)	(153,451)	(10,682)	(164,133)
<b>Gross profit</b>		<b>20,466</b>	<b>3,004</b>	<b>23,470</b>	<b>22,903</b>	<b>1,219</b>	<b>24,122</b>
Administrative expenses		(16,837)	(2,193)	(19,030)	(25,151)	(2,171)	(27,322)
Other operating income	5	170	-	170	1,229	-	1,229
<b>Operating profit/(loss)</b>	6	<b>3,799</b>	<b>811</b>	<b>4,610</b>	<b>(1,019)</b>	<b>(952)</b>	<b>(1,971)</b>
Share of profit of joint ventures	17	-	226	226	-	4	4
Profit on disposal of operations	27	-	1,342	1,342	-	-	-
<b>Profit/(loss) before interest and taxation</b>		<b>3,799</b>	<b>2,379</b>	<b>6,178</b>	<b>(1,019)</b>	<b>(948)</b>	<b>(1,967)</b>
Interest receivable and similar income	10	767	-	767	601	-	601
Interest payable and similar expenses	11	(825)	-	(825)	(1,182)	-	(1,182)
Other finance (expense)/income	12	(5)	-	(5)	27	-	27
<b>Profit/(loss) before taxation</b>		<b>3,736</b>	<b>2,379</b>	<b>6,115</b>	<b>(1,573)</b>	<b>(948)</b>	<b>(2,521)</b>
Tax on profit/(loss)	13	(695)	(198)	(893)	245	180	425
<b>Profit/(loss) for the financial year</b>		<b>3,041</b>	<b>2,181</b>	<b>5,222</b>	<b>(1,328)</b>	<b>(768)</b>	<b>(2,096)</b>

The notes on pages 28 to 62 form part of these financial statements.

\* Discontinued operations in the current year represents the results of the former subsidiaries, Rydon LSE and Rydon SW Limited and former joint venture, Green Man Lane LLP, to 28 February 2021 when these entities were sold to a third party. In the prior year, the amounts represent the results of the two companies from incorporation on 24 January 2020 to 30 September 2020 and the joint venture for the whole period.

---

**RYDON GROUP HOLDINGS LIMITED**

---

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

---

	Note	2021 £000	2020 £000
Profit/(loss) for the financial year		5,222	(2,096)
<b>Other comprehensive income</b>			
Remeasurements of net defined benefit obligation	30	1,875	(1,876)
Tax on other comprehensive income/(expense)	22	(350)	315
<b>Other comprehensive income for the year, net of tax</b>		1,525	(1,561)
<b>Total comprehensive income for the year</b>		6,747	(3,657)
<b>Profit/(loss) for the year attributable to:</b>			
Non-controlling interest		-	(35)
Owners of the parent company		5,222	(2,061)
		5,222	(2,096)
<b>Total comprehensive income attributable to:</b>			
Non-controlling interest		-	(35)
Owners of the parent company		6,747	(3,622)
		6,747	(3,657)

The notes on pages 28 to 62 form part of these financial statements.

**RYDON GROUP HOLDINGS LIMITED**  
**REGISTERED NUMBER:10966583**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2021**

	Note	2021 £000	2020 £000
<b>Fixed assets</b>			
Intangible assets	15	3,504	3,805
Tangible fixed assets	16	1,043	1,454
Fixed asset investments	17	(107)	(1,558)
		<u>4,440</u>	<u>3,701</u>
<b>Current assets</b>			
Stocks	18	10,130	15,564
Debtors: amounts falling due after more than one year	19	3,430	6,566
Debtors: amounts falling due within one year	19	45,146	72,447
Cash at bank and in hand		32,328	30,844
		<u>91,034</u>	<u>125,421</u>
Creditors: amounts falling due within one year	20	(40,558)	(71,120)
<b>Net current assets</b>		<u>50,476</u>	<u>54,301</u>
<b>Total assets less current liabilities</b>		<u>54,916</u>	<u>58,002</u>
Creditors: amounts falling due after more than one year	21	(13,522)	(16,977)
Deferred taxation	22	(183)	-
Provisions for liabilities	23	(390)	(4,292)
		<u>(573)</u>	<u>(4,292)</u>
<b>Net assets excluding pension asset/(liability)</b>		<u>40,821</u>	<u>36,733</u>
Pension asset/(liability)	30	1,475	(367)
<b>Net assets</b>		<u><u>42,296</u></u>	<u><u>36,366</u></u>

RYDON GROUP HOLDINGS LIMITED  
REGISTERED NUMBER:10966583

CONSOLIDATED BALANCE SHEET (CONTINUED)  
AS AT 30 SEPTEMBER 2021

	Note	2021 £000	2020 £000
<b>Capital and reserves</b>			
Called up share capital	24	479	511
Share premium account	25	2,249	2,216
Capital redemption reserve	25	3,760	1,258
Own share reserve	25	(127)	(270)
Merger reserve	25	(10,809)	(10,809)
Profit and loss account	25	46,744	43,281
<b>Equity attributable to owners of the parent company</b>		<b>42,296</b>	<b>36,187</b>
Non-controlling interests		-	179
		<b>42,296</b>	<b>36,366</b>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on  
22 December 2021

*R. Bond*

R Bond  
Director

The notes on pages 28 to 62 form part of these financial statements.

**RYDON GROUP HOLDINGS LIMITED**  
**REGISTERED NUMBER:10966583**

**COMPANY BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2021**

	Note	2021 £000	2020 £000
<b>Fixed assets</b>			
Investments	17	16,730	16,730
		<u>16,730</u>	<u>16,730</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	19	72	72
Cash at bank and in hand		19,332	12,151
		<u>19,404</u>	<u>12,223</u>
Creditors: amounts falling due within one year	20	(645)	(15,374)
<b>Net current assets/(liabilities)</b>		<u>18,759</u>	<u>(3,151)</u>
<b>Total assets less current liabilities</b>		<u>35,489</u>	<u>13,579</u>
Creditors: amounts falling due after more than one year	21	(6,189)	(8,657)
<b>Net assets</b>		<u><u>29,300</u></u>	<u><u>4,922</u></u>
<b>Capital and reserves</b>			
Called up share capital	24	479	511
Share premium account	25	2,249	2,216
Capital redemption reserve	25	3,760	1,258
Own share reserve	25	189	(111)
Profit and loss account brought forward		1,048	2,333
Profit/(loss) for the year		24,859	(179)
Other changes in the profit and loss account		(3,284)	(1,106)
Profit and loss account carried forward		<u>22,623</u>	<u>1,048</u>
<b>Equity shareholders' funds</b>		<u><u>29,300</u></u>	<u><u>4,922</u></u>

---

**RYDON GROUP HOLDINGS LIMITED**  
**REGISTERED NUMBER:10966583**

---

**COMPANY BALANCE SHEET (CONTINUED)**  
**AS AT 30 SEPTEMBER 2021**

---

The financial statements were approved and authorised for issue by the board and were signed on its behalf on  
*22 December 2021*

*R. Bond*

R Bond  
Director

The notes on pages 28 to 62 form part of these financial statements.



**RYDON GROUP HOLDINGS LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Called up share capital £000	Share premium account £000	Capital redemption reserve £000	Own share reserve £000	Merger reserve £000	Profit and loss account £000	Equity attributable to owners of parent £000	Non- controlling interests £000	Total equity £000
At 1 October 2020	511	2,216	1,258	(270)	(10,809)	43,281	36,187	179	36,366
<b>Comprehensive income for the year</b>									
Profit for the year	-	-	-	-	-	5,222	5,222	-	5,222
Other comprehensive income for the year	-	-	-	-	-	1,525	1,525	-	1,525
<b>Total comprehensive income for the year</b>	-	-	-	-	-	6,747	6,747	-	6,747
<b>Transactions with shareholders</b>									
Ordinary shares issued during the year	2	33	-	-	-	-	35	-	35
Ordinary shares repurchased and cancelled during the year	(34)	-	34	-	-	(823)	(823)	-	(823)
Preference shares repurchased and cancelled during the year	-	-	2,468	-	-	(2,461)	7	-	7
Other movements	-	-	-	143	-	-	143	(179)	(36)
<b>Total transactions with shareholders</b>	(32)	33	2,502	143	-	(3,284)	(638)	(179)	(817)
<b>At 30 September 2021</b>	<b>479</b>	<b>2,249</b>	<b>3,760</b>	<b>(127)</b>	<b>(10,809)</b>	<b>46,744</b>	<b>42,296</b>	<b>-</b>	<b>42,296</b>

The notes on pages 28 to 62 form part of these financial statements.

**RYDON GROUP HOLDINGS LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Called up share capital £000	Share premium account £000	Capital redemption reserve £000	Own share reserve £000	Merger reserve £000	Profit and loss account £000	Equity to owners of parent £000	Non- controlling interests £000	Total equity £000
At 1 October 2019	518	2,184	409	(178)	(10,809)	48,009	40,133	214	40,347
<b>Comprehensive income for the year</b>									
Loss for the year	-	-	-	-	-	(2,061)	(2,061)	(35)	(2,096)
Other comprehensive income for the year	-	-	-	-	-	(1,561)	(1,561)	-	(1,561)
<b>Total comprehensive income for the year</b>	-	-	-	-	-	(3,622)	(3,622)	(35)	(3,657)
<b>Transactions with shareholders</b>									
Ordinary shares issued during the year	1	32	-	-	-	-	33	-	33
Ordinary shares repurchased and cancelled during the year	(8)	-	8	-	-	(280)	(280)	-	(280)
Preference shares repurchased and cancelled during the year	-	-	841	-	-	(826)	15	-	15
Movement on own share reserve	-	-	-	(92)	-	-	(92)	-	(92)
<b>Total transactions with shareholders</b>	(7)	32	849	(92)	-	(1,106)	(324)	-	(324)
<b>At 30 September 2020</b>	<b>511</b>	<b>2,216</b>	<b>1,258</b>	<b>(270)</b>	<b>(10,809)</b>	<b>43,281</b>	<b>36,187</b>	<b>179</b>	<b>36,366</b>

The notes on pages 28 to 62 form part of these financial statements.

**RYDON GROUP HOLDINGS LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Called up share capital £000	Share premium account £000	Capital redemption reserve £000	Own share reserve £000	Profit and loss account £000	Total equity £000
At 1 October 2020	511	2,216	1,258	(111)	1,048	4,922
<b>Comprehensive income for the year</b>						
Profit for the year	-	-	-	-	24,859	24,859
<b>Total comprehensive income for the period</b>					24,859	24,859
<b>Transactions with shareholders</b>						
Shares issued during the year	2	33	-	-	-	35
Ordinary shares repurchased and cancelled during the year	(34)	-	34	-	(823)	(823)
Preference shares repurchased and cancelled during the year	-	-	2,468	-	(2,461)	7
Movement on own share reserve	-	-	-	300	-	300
<b>Total transactions with shareholders</b>	(32)	33	2,502	300	(3,284)	(481)
<b>At 30 September 2021</b>	<b>479</b>	<b>2,249</b>	<b>3,760</b>	<b>189</b>	<b>22,623</b>	<b>29,300</b>

The notes on pages 28 to 62 form part of these financial statements.

**RYDON GROUP HOLDINGS LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Called up share capital £000	Share premium account £000	Capital redemption reserve £000	Own share reserve £000	Profit and loss account £000	Total equity £000
At 1 October 2019	518	2,184	409	(101)	2,333	5,343
<b>Comprehensive income for the year</b>						
Profit for the year	-	-	-	-	(179)	(179)
<b>Total comprehensive income for the year</b>					(179)	(179)
<b>Transactions with shareholders</b>						
Shares issued during the year	1	32	-	-	-	33
Ordinary shares repurchased and cancelled during the period	(8)	-	8	-	(280)	(280)
Preference shares repurchased and cancelled during the year	-	-	841	-	(826)	15
Movement on own share reserve	-	-	-	(10)	-	(10)
<b>Total transactions with shareholders</b>	(7)	32	849	(10)	(1,106)	(242)
<b>At 30 September 2020</b>	<b>511</b>	<b>2,216</b>	<b>1,258</b>	<b>(111)</b>	<b>1,048</b>	<b>4,922</b>

The notes on pages 28 to 62 form part of these financial statements.

**RYDON GROUP HOLDINGS LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
<b>Cash flows from operating activities</b>		
Profit/(loss) for the financial year	<b>5,222</b>	<b>(2,096)</b>
<b>Adjustments for:</b>		
Amortisation of intangible assets	<b>472</b>	<b>472</b>
Depreciation of tangible assets	<b>550</b>	<b>704</b>
Profit on disposal of tangible assets	<b>(64)</b>	<b>(139)</b>
Profit on disposal of subsidiaries and JV undertaking	<b>(1,342)</b>	<b>-</b>
Interest payable	<b>825</b>	<b>1,182</b>
Interest received	<b>(767)</b>	<b>(601)</b>
Taxation charge/(credit)	<b>893</b>	<b>(425)</b>
Decrease in stocks	<b>3,727</b>	<b>10,418</b>
Decrease in debtors	<b>13,187</b>	<b>8,537</b>
Decrease/(increase) in amounts owed by joint ventures	<b>10,433</b>	<b>(5,939)</b>
(Decrease)/Increase in creditors	<b>(12,745)</b>	<b>3,766</b>
Decrease in provisions	<b>(3,902)</b>	<b>(300)</b>
Share of operating profit in joint ventures	<b>(226)</b>	<b>(4)</b>
Corporation tax paid	<b>(872)</b>	<b>(1,496)</b>
Defined benefit scheme costs less contributions paid	<b>33</b>	<b>(79)</b>
<b>Net cash generated from operating activities</b>	<b>15,424</b>	<b>14,000</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	<b>(182)</b>	<b>(515)</b>
Sale of tangible fixed assets	<b>84</b>	<b>240</b>
Purchase of minority interest	<b>(350)</b>	<b>-</b>
Interest received	<b>649</b>	<b>537</b>
Joint ventures interest received	<b>118</b>	<b>64</b>
Disposal of subsidiaries net of cash disposed	<b>(10,104)</b>	<b>-</b>
<b>Net cash from investing activities</b>	<b>(9,785)</b>	<b>326</b>

**RYDON GROUP HOLDINGS LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	<b>35</b>	33
Repurchase of own ordinary shares for cancellation	<b>(823)</b>	(280)
Repurchase of own preference shares for cancellation	<b>(2,461)</b>	(826)
Repurchase of own shares by Employee Benefit Trust	<b>(157)</b>	(82)
Repayment of finance leases	<b>(48)</b>	(45)
Preference share dividends paid	<b>-</b>	(363)
Interest paid	<b>(700)</b>	(1,005)
Hire purchase interest paid	<b>(1)</b>	(4)
Distributions from joint ventures	<b>-</b>	41
<b>Net cash used in financing activities</b>	<b>(4,155)</b>	(2,531)
<b>Net increase in cash and cash equivalents</b>	<b>1,484</b>	11,795
Cash and cash equivalents at beginning of year	<b>30,844</b>	19,049
<b>Cash and cash equivalents at the end of year</b>	<b>32,328</b>	30,844
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	<b>32,328</b>	30,844
	<b>32,328</b>	30,844

The notes on pages 28 to 62 form part of these financial statements.

---

## RYDON GROUP HOLDINGS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

---

#### 1. General information

Rydon Group Holdings Limited is a private 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 financial statements have been prepared on a going concern basis, 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 preparation of financial statements in compliance with FRS 102 requires the use of certain *critical accounting estimates*. It also requires management to exercise its judgment in applying the Group and company accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

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.

##### Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to conditions.

The company has taken advantage of the exemptions in its individual financial statements:

- from preparing a statement of cashflows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the company's cash flows.

The following principal accounting policies have been applied:

---

## **RYDON GROUP HOLDINGS LIMITED**

---

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021**

---

#### **2. Accounting policies (continued)**

##### **2.2 Basis of consolidation**

The Group has prepared its consolidated financial statements under merger accounting as is permitted under FRS 102 in the case of group reorganisations. The entities party to the combination which took effect on 18 October 2017 were Rydon Group Holdings Limited and Rydon Holdings Limited and its subsidiaries and joint ventures at that date. The results and cashflows of all the combining entities were brought into the consolidated financial statements of Rydon Group Holdings from the beginning of the financial year commencing 1 October 2017. The difference between the nominal value of the consideration received for the shares issued and the nominal value of the shares received in exchange is shown as part of equity in the merger reserve along with the balance on the share premium and capital redemption reserve in the new subsidiary, Rydon Holdings Limited.

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.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

##### **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 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.

##### **2.4 Going concern**

At the date of this report, the directors have carried out a detailed and comprehensive review of the business and its future prospects. In particular, they have considered the forecast future performance and anticipated cash flows. In the opinion of the directors, the company has adequate resources to be able to continue to trade and consequently the financial statements are presented on a going concern basis.



---

## **RYDON GROUP HOLDINGS LIMITED**

---

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021**

---

## **2. Accounting policies (continued)**

### **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 is made for all losses incurred to the accounting date together with any further losses that are foreseen in bringing contracts to completion.
- 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. Provision is made for all losses incurred to the accounting date together with any further losses that are foreseen in bringing contracts to completion.

### **2.6 Government grants - Coronavirus Job Retention Scheme**

Government grants received as a result of claims under the Coronavirus Job retention Scheme are recognised in the Consolidated profit and loss account in other operating income in the same period as the related expenditure on staff costs.

### **2.7 Interest income**

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

### **2.8 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.

---

## RYDON GROUP HOLDINGS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

---

#### 2. Accounting policies (continued)

##### 2.9 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.

##### 2.10 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.

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.

---

## RYDON GROUP HOLDINGS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

---

## 2. Accounting policies (continued)

### 2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is *directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.*

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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.

*Depreciation is provided on the following basis:*

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 Consolidated profit and loss account.

### 2.12 Impairment

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the *higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs).* Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

### 2.13 Investments

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

---

## RYDON GROUP HOLDINGS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

---

#### 2. Accounting policies (continued)

##### 2.14 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.

##### 2.15 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.

##### 2.16 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

##### 2.17 Creditors

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

##### 2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

---

**RYDON GROUP HOLDINGS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

---

**2. Accounting policies (continued)**

**2.19 Holiday pay accrual**

Unused holiday pay entitlement is accrued at the balance sheet date and recognised as a liability at the undiscounted salary cost of the future holiday entitlement.

**2.20 Annual bonus plan**

The Group operates a profit share scheme for all directors of the company and directors of its subsidiary companies and a discretionary bonus scheme for all other staff. An expense is recognised in the profit and loss account when the company has a legal or constructive obligation to make payments under the schemes as a result of past events and a reliable estimate of the obligation can be made.

**2.21 Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**2.22 Dividends to equity holders**

Dividends to the Group's shareholders are recognised as a liability in the financial statements in the period in which the dividends are approved by the shareholders. These amounts are recognised in the statement of changes in equity.

**2.23 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).

---

## RYDON GROUP HOLDINGS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

---

## 2. Accounting policies (continued)

### 2.24 Pensions

#### Defined benefit scheme

The Group operates defined benefit schemes in respect of certain employees and former employees. The defined benefit scheme liability/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 Consolidated profit and loss account in the period for which contributions are payable.

### 2.25 Employee benefit trust

Transactions of the Group-sponsored Employee Benefit Trust are treated as being those of the sponsoring Group company and are therefore reflected in the Group financial statements. In particular, the trust's purchases and sales of shares in the company are debited and credited directly to equity.

### 2.26 Operating leases: the Group as lessee

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

### 2.27 Leased assets: the Group as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

---

RYDON GROUP HOLDINGS LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021

---

**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, 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 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 30.

**Investments and goodwill impairment**

Annually the Group considers whether its investments and goodwill are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash-generating units (CGUs). This requires estimation of future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

**4. Turnover**

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

	2021 £000	2020 £000
Sale of land and residential properties	26,837	29,850
Construction contracts	67,579	110,468
Provision of services	46,827	47,937
	<u>141,243</u>	<u>188,255</u>

All turnover arose within the United Kingdom.

---

**RYDON GROUP HOLDINGS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

---

**5. Other operating income**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Coronavirus Job Retention Scheme claims	<b>170</b>	<b>1,229</b>
	<u><b>170</b></u>	<u><b>1,229</b></u>

**6. Operating profit/(loss)**

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

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Profit on disposal of fixed assets	<b>64</b>	<b>139</b>
Depreciation of tangible fixed assets - owned	<b>515</b>	<b>658</b>
Depreciation of tangible fixed assets - leased	<b>35</b>	<b>46</b>
Amortisation of goodwill	<b>472</b>	<b>472</b>
Operating lease rentals - plant and machinery	<b>1,692</b>	<b>2,585</b>
Other operating lease rentals - other	<b>593</b>	<b>750</b>
	<u><b>593</b></u>	<u><b>750</b></u>

**7. Auditor's remuneration**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Fees payable to the company's auditor and its associates for the audit of the parent company and the Group's consolidated financial statements	<b>17</b>	<b>13</b>
<b>Fees payable to the company's auditor and its associates in respect of:</b>		
Audit of financial statements of subsidiaries of the company	<b>146</b>	<b>142</b>
	<u><b>146</b></u>	<u><b>142</b></u>



---

RYDON GROUP HOLDINGS LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021

---

**8. Employees**

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

	<b>Group 2021 £000</b>	<i>Group 2020 £000</i>
Wages and salaries	<b>25,026</b>	29,093
Social security costs	<b>2,571</b>	3,020
Cost of defined contribution scheme	<b>1,246</b>	1,524
Cost of defined benefit scheme	<b>58</b>	61
	<b>28,901</b>	33,698

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

	<b>2021 No.</b>	<i>2020 No.</i>
Management	<b>365</b>	478
Direct labour	<b>150</b>	146
	<b>515</b>	624

The company has no employees. All staff in the Group including the directors of the company are employed by the company's subsidiary, Rydon Group Limited.

**9. Directors' remuneration**

	<b>2021 £000</b>	<i>2020 £000</i>
Directors' emoluments	<b>487</b>	472
	<b>487</b>	472

During the year retirement benefits were accruing to no directors (2020 - NIL) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £481,000 (2020 - £467,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2020 - £NIL).

During the year, Rydon Homes Limited sold a property to a relative of a director of the company for £808,000. The purchase price was at market value. No amounts were outstanding at the balance sheet date.

---

**RYDON GROUP HOLDINGS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

---

**10. Interest receivable and other similar income**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Bank interest received	248	462
Interest received from joint ventures	118	64
Other interest receivable	401	75
	<u>767</u>	<u>601</u>

Other interest receivable in 2021 includes £401,000 received from the former joint venture, Green Man Lane LLP which ceased to be a related party on 28 February 2021 following the sale of Real (Ealing) Limited, the owner of the joint venture shares, to an unconnected third party.

**11. Interest payable and similar expenses**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Bank interest, facility fees and non-utilisation charges	700	995
Finance leases and hire purchase contracts	1	4
Other interest payable	-	10
Preference share dividends	124	173
	<u>825</u>	<u>1,182</u>

**12. Other finance (expense)/income**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Interest income on pension scheme assets	565	682
Interest expense on defined benefit pension scheme obligations	(570)	(655)
	<u>(5)</u>	<u>27</u>

---

RYDON GROUP HOLDINGS LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021

---

13. Tax on profit/(loss)

	2021 £000	2020 £000
<b>Corporation tax</b>		
Current tax on profit/(loss) for the year	761	(376)
Adjustments in respect of previous periods	74	178
<b>Total current tax</b>	<b>835</b>	<b>(198)</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	58	(227)
<b>Total deferred tax</b>	<b>58</b>	<b>(227)</b>
<b>Tax on profit/(loss)</b>	<b>893</b>	<b>(425)</b>

---

**RYDON GROUP HOLDINGS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

---

**13. Tax on profit/(loss) (continued)**

**Factors affecting tax charge/(credit) for the year**

The tax assessed for the year is lower than (2020 - *higher than*) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Profit/(loss) before tax	<b>6,115</b>	<b>(2,521)</b>
Profit/(loss) multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	<b>1,162</b>	<b>(479)</b>
<b>Effects of</b>		
Non-tax deductible amortisation of goodwill and impairment	<b>90</b>	<b>90</b>
Expenses not deductible for tax purposes	<b>23</b>	<b>49</b>
Adjustments to tax charge in respect of prior periods	<b>74</b>	<b>178</b>
Decrease in pension fund prepayment leading to a decrease in tax	<b>-</b>	<b>(41)</b>
Deferred tax not recognised in prior period	<b>7</b>	<b>(235)</b>
Other timing differences leading to an increase in taxation	<b>-</b>	<b>13</b>
Non-taxable income	<b>(124)</b>	<b>-</b>
Special factors affecting joint-ventures and associates leading to a decrease in the tax charge	<b>(339)</b>	<b>-</b>
<b>Total tax charge/(credit) for the year</b>	<b>893</b>	<b>(425)</b>

**Factors that may affect future tax charges**

An increase in the UK corporation tax rate from 19% to 25% (effective from 1 April 2023) was substantively enacted on 24 May 2021. This will increase the Group's future tax charge accordingly.

**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 £24,859,000 (2020 - loss £179,000).

---

RYDON GROUP HOLDINGS LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021

---

15. Intangible assets

Group

	Goodwill £000
<b>Cost</b>	
At 1 October 2020	38,768
Purchase of minority interest shares	350
Transfer of minority interest	(179)
At 30 September 2021	<u>38,939</u>
<b>Accumulated amortisation</b>	
At 1 October 2020	34,963
Charge for the year	472
At 30 September 2021	<u>35,435</u>
<b>Net book value</b>	
At 30 September 2021	<u><u>3,504</u></u>
At 30 September 2020	<u><u>3,805</u></u>

The opening balance of 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.

In October 2020, the Group acquired the minority shares in Beacon Plant Hire (Southern) Limited for a consideration of £350,000. Offset against this is £179,000 transferred from the minority interest account at the date of acquisition.

**RYDON GROUP HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

**16. Tangible fixed assets**

**Group**

	<b>Short-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 2020	1,156	1,073	1,881	3,717	7,827
Additions	-	119	-	63	182
Disposals	(61)	(73)	(115)	(45)	(294)
At 30 September 2021	1,095	1,119	1,766	3,735	7,715
<b>Accumulated depreciation</b>					
At 1 October 2020	1,104	800	986	3,483	6,373
Charge for the year on owned assets	33	91	269	122	515
Charge for the year on financed assets	-	-	-	35	35
Disposals	(61)	(54)	(109)	(27)	(251)
At 30 September 2021	1,076	837	1,146	3,613	6,672
<b>Net book value</b>					
At 30 September 2021	19	282	620	122	1,043
At 30 September 2020	52	273	895	234	1,454

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

	<b>2021 £000</b>	<b>2020 £000</b>
Office equipment	-	35
	-	35

---

RYDON GROUP HOLDINGS LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021

---

17. Investments

Group

	Investment in joint ventures £000
<b>Cost</b>	
At 1 October 2020	(1,558)
Disposals	2,283
Timing of recognition of profit on consolidation	(1,058)
Share of profit	226
At 30 September 2021	<u>(107)</u>

The disposals of £2,283,000 relates to the disposal of the interest in the Green Man Lane LLP joint venture as a result of the sale of Real (Ealing) Limited, the joint venture partner of Green Man Lane LLP, on 28 February 2021 to an unconnected third party.

The adjustment for timing of recognition of profit on consolidation, £1,058,000, is an adjustment to eliminate the movement on unrealised profit on transactions between members of the Group and the joint ventures.

Company

	Investments in subsidiary companies £000
<b>Cost</b>	
At 1 October 2020	16,730
At 30 September 2021	<u>16,730</u>
<b>Net book value</b>	
At 30 September 2021	<u>16,730</u>
At 30 September 2020	<u>16,730</u>

---

**RYDON GROUP HOLDINGS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

---

**17. Investments (continued)**

For the year ended 30 September 2021, the following subsidiary entities were entitled to exemption from audit of individual entity accounts under Section 479A of the Companies Act 2006 as Rydon Group Holdings Limited has guaranteed these subsidiaries under Section 479C of the Companies Act 2006:

Rydon Holdings Limited (registered number 05556300)  
Goldsmiths Row Limited (registered number 08087549)  
Rydon Packington Limited (registered number 06152236)  
Rydon Hillside Limited (registered number 06013234)  
Heckfield Developments Limited (registered number 07524906)  
Rydon Sutton Limited (registered number 05769731)  
Rydon Regeneration Limited (registered number 05210553)  
Insite Energy Holdings Limited (registered number 07074586)  
Beacon Plant Hire (Southern) Limited (registered number 06194231)

**18. Stocks**

	<b>Group 2021 £000</b>	<i>Group 2020 £000</i>
Work in progress	<b>6</b>	<i>9</i>
Land and development costs	<b>10,124</b>	<i>15,555</i>
	<b>10,130</b>	<i>15,564</i>

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 £12.8m (2020: £27.2m).



**RYDON GROUP HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

**19. Debtors**

	<b>Group 2021 £000</b>	<b>Group 2020 £000</b>	<b>Company 2021 £000</b>	<b>Company 2020 £000</b>
<b>Due after more than one year</b>				
Trade debtors	3,271	6,472	-	-
Other debtors	159	63	-	-
Deferred tax asset (note 22)	-	31	-	-
	<b>3,430</b>	<b>6,566</b>	<b>-</b>	<b>-</b>

The directors consider debtors due after more than one year approximate to their fair value.

	<b>Group 2021 £000</b>	<b>Group 2020 £000</b>	<b>Company 2021 £000</b>	<b>Company 2020 £000</b>
<b>Due within one year</b>				
Trade debtors	14,308	16,346	-	-
Amounts owed by group undertakings	-	-	-	4
Amounts owed by joint ventures	-	10,433	-	-
Other debtors	11,234	7,464	60	42
Prepayments and accrued income	893	1,123	-	-
Amounts recoverable on long term contracts	17,956	35,195	-	-
Tax recoverable	755	1,214	12	26
Deferred taxation (note 22)	-	672	-	-
	<b>45,146</b>	<b>72,447</b>	<b>72</b>	<b>72</b>

Amounts owed by group undertakings are interest free, unsecured and repayable on demand.

Amounts owed by joint ventures and associated undertakings in the prior year included £10,433,000 due from Green Man Lane LLP, a 50% joint venture held by Real (Ealing) Limited. On 28 February 2021, Real (Ealing) Limited was sold to an unconnected third party. Consequently at 30 September 2021, the amount due from Green Man Lane LLP of £9,033,000 is now included in other debtors. The loan is secured with a charge over leasehold property known as Blocks B4, B6(ii) and B7 Phase 3, Green Man Lane, Ealing, London being land transferred to Green Man Lane LLP by a lease dated 31 August 2018 made between Rydon Construction Limited and Green Man Lane LLP.

**RYDON GROUP HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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

	<b>Group 2021 £000</b>	<b>Group 2020 £000</b>	<b>Company 2021 £000</b>	<b>Company 2020 £000</b>
Payments received on account	169	1,552	-	-
Trade creditors	7,641	15,377	-	-
Amounts owed to group undertakings	-	-	370	14,923
Corporation tax	339	728	-	-
Other taxation and social security	2,425	4,482	-	-
Obligations under finance lease and hire purchase contracts	-	48	-	-
Other creditors	4,330	5,455	124	-
Accruals and deferred income	25,654	43,478	151	451
	<b>40,558</b>	<b>71,120</b>	<b>645</b>	<b>15,374</b>

20. Amounts owed to group undertakings are interest free, unsecured and repayable on demand.

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

	<b>Group 2021 £000</b>	<b>Group 2020 £000</b>	<b>Company 2021 £000</b>	<b>Company 2020 £000</b>
Accruals and deferred income	7,333	8,320	-	-
Preference share capital treated as debt (note 24)	6,189	8,657	6,189	8,657
	<b>13,522</b>	<b>16,977</b>	<b>6,189</b>	<b>8,657</b>

---

**RYDON GROUP HOLDINGS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

---

**22. Deferred taxation**

**Group**

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
At beginning of year	<b>703</b>	<i>161</i>
(Charged)/credited to the profit or loss	<b>(58)</b>	<i>227</i>
(Charged)/credited to other comprehensive income	<b>(350)</b>	<i>315</i>
On disposal of joint venture	<b>(478)</b>	<i>-</i>
<b>At end of year</b>	<b>(183)</b>	<i>703</i>

**At end of year**

The deferred taxation balance is made up as follows:

	<b>Group</b>	<i>Group</i>
	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
Accelerated capital allowances	<b>35</b>	<i>90</i>
Other timing differences	<b>62</b>	<i>544</i>
Pension (surplus)/deficit	<b>(280)</b>	<i>69</i>
	<b>(183)</b>	<i>703</i>

The net deferred tax liability expected to reverse in 2022 is £32,000. This primarily relates to expected tax deductions when payments are made to defined benefit and defined contribution pension schemes and the reversal of timing differences on acquired tangible assets and capital allowances through depreciation and amortisation.

---

RYDON GROUP HOLDINGS LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021

---

23. Provisions for liabilities

Group

	Provisions £000
At 1 October 2020	4,292
Transferred to accruals and deferred income	(3,902)
At 30 September 2021	<u>390</u>

Provisions for liabilities are construction related and are the directors' estimate of the amounts expected to be paid. It is unlikely that this obligation will be incurred materially within a year of the balance sheet date.

Following a detailed review of works to be undertaken and a programme for completion set, an amount of £3,902,000 previously included in provisions for liabilities has been transferred to accruals.

24. Share capital

Group and Company

	2021 £000	2020 £000
Shares classified as equity		
Allotted, called up and fully paid		
3,428,015 (2020 - 3,752,015) "A" Ordinary shares of £0.10 each	343	375
1,294,333 (2020 - 1,294,333) "B" Ordinary shares of £0.10 each	129	129
68,123 (2020 - 68,123) "D" Ordinary shares of £0.10 each	7	7
	<u>479</u>	<u>511</u>

During the year, 340,000 "A" ordinary shares (2020 - 79,075) were purchased by the company for consideration of £823,480 (2020 - £280,063). These shares were subsequently cancelled.

During the year the company issued 16,000 "A" ordinary shares (2020 - 12,500) which were issued for consideration of £35,100 (2020 - £33,800).

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

---

RYDON GROUP HOLDINGS LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021

---

24. Share capital (continued)

	2021 £000	2020 £000
<b>Shares classified as debt</b>		
<b>Allotted, called up and fully paid</b>		
6,188,726 (2020 - 8,656,835) Preference shares of £1.00 each	<u>6,189</u>	<u>8,657</u>

During the year 2,468,109 preference shares (2020: 840,581) were repurchased by the company for consideration of £2,461,234 (2020: £826,166) and subsequently cancelled.

The preference shares are non-voting and entitled to a fixed preferential dividend at an annual rate of 2% of the original subscription price.

25. 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 represent the purchase price of shares required to settle awards granted under equity-settled share based payment plans. These shares are held by an Employee Benefit Trust sponsored by a Group company.

At the balance sheet date 118,923 "A" ordinary shares (2020: 54,730 "A" ordinary shares and 9,464 preference shares) were held in the Trust. Shareholder's funds have been reduced by £127,000 (2020: £270,000) in respect of the purchase price of these shares.

**Merger reserve**

The merger reserve represents the difference on net assets arising following the creation of the new Group in October 2017 accounted for under merger accounting described in note 2.2.

**Profit and loss account**

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

---

**RYDON GROUP HOLDINGS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

---

**26. 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 Original Grant	Number of options	Number of shares	Price per share
7 March 2006	12	46,000	£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
1 November 2008	1	5,000	£2.88
28 April 2010	2	5,375	£1.06
26 August 2010	1	1,000	£1.06

	<b>Weighted average exercise price £ 2021</b>	<b>Number 2021</b>	<i>Weighted average exercise price £ 2020</i>	<i>Number 2020</i>
Outstanding at the beginning of the year	2.06	89,000	2.13	108,500
Forfeited during the year	2.23	(17,000)	2.00	(7,000)
Exercised during the year	2.0	(6,000)	2.70	(12,500)
<b>Outstanding at the end of the year</b>	<b>2.02</b>	<b>66,000</b>	<b>2.06</b>	<b>89,000</b>

	<b>2021 Number</b>	<i>2020 Number</i>
Exercisable at 30 September	<b>66,000</b>	<i>89,000</i>
	<b>66,000</b>	<i>89,000</i>

The options outstanding at 30 September 2021 had a weighted average exercise price of £2.02 (2020 - £2.06). No options were granted during the year ended 30 September 2021 (2020 - nil).

**RYDON GROUP HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

**27. Discontinued operations**

Following the strategic decision by the Group to withdraw from the design and build contracting market in its entirety, the entire issued share capital of Rydon LSE Limited, Rydon SW Limited, Real (Ealing) Limited and Real (High Lane) Limited was sold on 28 February 2021 to a third party. Consideration of £654,000 has been recognised in the year ended 30 September 2021. Given the level and nature of conditionality relating to the receipt of future disposal consideration, no further consideration has been recognised in the current financial year. Costs incurred in relation to the sale were £322,000. The net liabilities at the date of disposal were £1,010,000 and a profit on disposal of £1,342,000 was recognised in the profit and loss account.

	£000	£000
<b>Net assets/(liabilities) disposed:</b>		
Rydon LSE Limited	371	
Rydon SW Limited	473	
Real (Ealing) Limited	(49)	
JV investment in Green Man Lane LLP	(2,283)	
Deferred tax on JV timing differences	478	
	<hr/>	
<b>Net liabilities disposed</b>		<b>(1,010)</b>
		<hr/> <hr/>

The net outflow of cash in respect of the entities sold is as follows:

	£000
Disposal costs	(322)
Cash transferred on disposal	(9,782)
	<hr/>
<b>Net outflow of cash</b>	<b>(10,104)</b>
	<hr/> <hr/>

**28. Analysis of net debt**

	At 1 October 2020 £000	Cash flows £000	Acquisition of minority interest £000	Disposal of subsidiaries £000	Other non- cash changes £000	At 30 September 2021 £000
Cash at bank and in hand	30,844	11,938	(350)	(10,104)	-	32,328
Preference shares treated as debt	(8,657)	2,461	-	-	7	(6,189)
Finance leases	(48)	48	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	22,139	14,447	(350)	(10,104)	7	26,139
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

---

**RYDON GROUP HOLDINGS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

---

**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 supporting performance. At 30 September 2021, the Group had performance guarantees provided by third parties to support its construction operations of £10.5m (2020 - £18.4m). 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 Rydon Holdings Limited. 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 2021 (2020: £nil) for both facilities.

In the normal course of the Group's activities disputes arise which can lead to claims, arbitration or litigation proceedings. The directors have accrued in the financial statements for all material amounts which they consider will become payable in respect of such claims.

The directors' assessment in relation to the Grenfell Tower tragedy has been set out in note 32.



---

## RYDON GROUP HOLDINGS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

---

#### 30. Pension commitments

##### Defined contribution scheme

The Group contributes to defined contribution pension 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 funds and amounted to £1,246,000 (2020 - £1,524,000).

##### 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 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. 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 as a percentage 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 2019. The results of that valuation have been projected to 30 September 2021 with allowance for subsequent member movements using the assumptions set out below. The figures in the following disclosure were measured using the Projected Unit Method.

---

**RYDON GROUP HOLDINGS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

---

**30. Pension commitments (continued)**

The net surplus/(deficit) position of the two schemes is set out below:

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Rydon Group Pension Scheme	<b>1,194</b>	<b>(581)</b>
Prudential Platinum Pension - Rydon Maintenance Limited	<b>281</b>	<b>214</b>
<b>Total plan surplus/(liability)</b>	<b>1,475</b>	<b>(367)</b>

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Fair value of plan assets	<b>37,540</b>	<b>35,842</b>
Present value of plan liabilities	<b>(36,065)</b>	<b>(36,209)</b>
<b>Net pension scheme asset/(liability)</b>	<b>1,475</b>	<b>(367)</b>

The amounts recognised in profit or loss are as follows:

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Current service cost	<b>(58)</b>	<b>(61)</b>
Administrative expenses	<b>(124)</b>	<b>(98)</b>
Interest on obligation	<b>(570)</b>	<b>(655)</b>
Interest income on plan assets	<b>565</b>	<b>682</b>
<b>Total</b>	<b>(187)</b>	<b>(132)</b>

---

**RYDON GROUP HOLDINGS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

---

**30. Pension commitments (continued)**

Reconciliation of fair value of plan liabilities by scheme:

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
<b>Rydon Group Pension Scheme</b>		
Opening defined benefit obligation	<b>35,086</b>	33,874
Interest cost	<b>553</b>	635
Actuarial losses	<b>265</b>	1,473
Benefits paid	<b>(1,015)</b>	(896)
	<b>34,889</b>	35,086
<b>Prudential Platinum Pension - Rydon Maintenance Limited</b>		
Opening defined benefit obligation	<b>1,123</b>	1,003
Current service cost	<b>58</b>	61
Interest cost	<b>17</b>	20
Actuarial (gain)/loss	<b>(8)</b>	37
Benefits paid	<b>(27)</b>	(12)
Contributions by scheme participants	<b>13</b>	14
	<b>1,176</b>	1,123
<b>Total fair value of plan liabilities</b>	<b>36,065</b>	36,209

---

**RYDON GROUP HOLDINGS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

---

**30. Pension commitments (continued)**

Reconciliation of fair value of plan assets by scheme:

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
<b>Rydon Group Pension Scheme</b>		
Opening fair value of scheme assets	<b>34,505</b>	35,088
Administrative expenses	<b>(80)</b>	(97)
Interest income on plan assets	<b>544</b>	658
Return on plan assets excluding interest income	<b>2,098</b>	(367)
Contributions by employer	<b>31</b>	119
Benefits paid	<b>(1,015)</b>	(896)
	<u><b>36,083</b></u>	<u>34,505</u>
<b>Prudential Platinum Pension - Rydon Maintenance Limited</b>		
Opening fair value of scheme assets	<b>1,337</b>	1,219
Administrative expenses	<b>(44)</b>	(1)
Interest income on plan assets	<b>21</b>	24
Return on plan assets excluding interest income	<b>34</b>	1
Contributions by employer	<b>123</b>	92
Contributions by scheme participants	<b>13</b>	14
Benefits paid	<b>(27)</b>	(12)
	<u><b>1,457</b></u>	<u>1,337</u>
<b>Total fair value of plan assets</b>	<u><b>37,450</b></u>	<u><b>35,842</b></u>

The Group expects to contribute £149,000 to its defined benefit pension schemes in 2022.

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
<b>Analysis of actuarial gain/(loss) recognised in Other Comprehensive Income</b>		
Actual return less interest income included in net interest income	<b>2,132</b>	(366)
Experience gains and losses arising on the scheme liabilities	<b>(257)</b>	(1,510)
	<u><b>1,875</b></u>	<u>(1,876)</u>

---

**RYDON GROUP HOLDINGS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

---

**30. Pension commitments (continued)**

Principal actuarial assumptions at the Balance sheet date:

	<b>2021</b>	<b>2020</b>
	<b>%</b>	<b>%</b>
<b>Rydon Group Pension Scheme</b>		
Discount rate	<b>2.0</b>	<b>1.6</b>
RPI price inflation	<b>3.4</b>	<b>2.9</b>
CPI price inflation	<b>2.9</b>	<b>2.2</b>
Rate of increase for pensions in payment	<b>3.3</b>	<b>2.8</b>
Rate of increase for pensions in deferment	<b>2.9</b>	<b>2.2</b>
Mortality rates		
- for a male member aged 65 now	<b>21.4</b>	<b>21.4</b>
- at 65 for a male member aged 45 now	<b>22.4</b>	<b>22.4</b>
- for a female member aged 65 now	<b>23.4</b>	<b>23.4</b>
- at 65 for a female member aged 45 now	<b>24.7</b>	<b>24.6</b>
<b>Prudential Platinum Pension - Rydon Maintenance Limited</b>		
Discount rate	<b>2.05</b>	<b>1.5</b>
RPI inflation	<b>3.3</b>	<b>2.8</b>
CPI inflation	<b>2.3</b>	<b>2.0</b>
Rate of increase in salaries	<b>2.0</b>	<b>2.5</b>
Revaluation of deferred pensions: RPI increases	<b>3.3</b>	<b>2.8</b>
Revaluation of deferred pensions: CPI increases	<b>2.3</b>	<b>2.0</b>
Increases for pensions in payment: RPI max 6%	<b>3.3</b>	<b>2.8</b>
Increases for pensions in payment: CPI increases	<b>2.3</b>	<b>2.0</b>
Mortality rates:		
- for a male member aged 65 now	<b>22.2</b>	<b>22.0</b>
- at 65 for a male member aged 45 now	<b>23.5</b>	<b>23.7</b>
- for a female member aged 65 now	<b>24.5</b>	<b>24.3</b>
- at 65 for a female member aged 45 now	<b>25.9</b>	<b>26.0</b>

---

**RYDON GROUP HOLDINGS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

---

**30. Pension commitments (continued)**

Defined benefit pension scheme assets

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
<b>Rydon Group Pension Scheme</b>		
Equity instruments	14,715	13,980
Debt instruments	12,665	7,931
Property	1,435	1,307
Other assets	7,268	11,287
	<u>36,083</u>	<u>34,505</u>

**Prudential Platinum Pension - Rydon Maintenance Limited**

Equity instruments	3	231
Debt instruments	1,413	949
Other assets	41	157
	<u>1,457</u>	<u>1,337</u>

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Rydon Group Pension Scheme	36,083	34,505
Prudential Platinum Pension - Rydon Maintenance Limited	1,457	1,337
	<u>37,540</u>	<u>35,842</u>

**31. Commitments under operating leases**

At 30 September 2021 the Group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group</b>	<b>Group</b>
	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Not later than 1 year	376	559
Later than 1 year and not later than 5 years	174	666
Later than 5 years	-	133
	<u>550</u>	<u>1,358</u>

---

**RYDON GROUP HOLDINGS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

---

**32. 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 ongoing investigation in Phase 2 which started in January 2020. Phase 2 has included significant evidence given by a number of multinational manufacturers of building products used on Grenfell Tower as well as evidence given by product certification bodies. While the final outcome of the Inquiry is still some time away, it seems clear from the Hackitt report (the Independent Review of Building Regulations and Fire Safety) and through evidence shared during Phase 2 that there needs to be a wider review of building regulations, product testing and certification. Rydon has reviewed the specific work carried out by Rydon Maintenance Limited and given the above and 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.

**33. 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:

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Sales to joint ventures	<b>4,547</b>	6,597
Amounts due from joint ventures	-	10,433
Interest received from joint ventures	<b>118</b>	64
Preference share dividends paid to directors	-	210
Sale of property to relative of director	<b>808</b>	-
Key management personnel remuneration	<b>2,435</b>	3,818
Preference share dividends paid to key management personnel	-	113
Loans made to key management personnel	<b>23</b>	34
Loans repaid by key management personnel	<b>(16)</b>	(106)
Amounts payable by key management personnel	<b>(404)</b>	(397)

The list of joint ventures is included in note 35.

Key management personnel remuneration relates to remuneration paid by Rydon Group Limited to subsidiary company directors within the Rydon Group Holdings Limited group of companies excluding the directors of Rydon Group Holdings Limited whose remuneration is disclosed in note 9.

**34. Controlling party**

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

---

## RYDON GROUP HOLDINGS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

---

#### 35. Subsidiary and joint venture undertakings

Subsidiary and joint venture undertakings of the Group are all incorporated in the United Kingdom and have their registered office at Rydon House, Station Road, Forest Row, East Sussex, RH18 5DW except as noted.

Direct and indirect subsidiary undertakings are included in the consolidated accounts of Rydon Group Holdings Limited by virtue of the provisions in the Companies Act 2006 Section 1162 (2a).

\* denotes indirect subsidiary or indirect joint venture undertaking

#### Direct and indirect subsidiary undertakings

Name	Class of shares	Holding	Principal activity
Rydon Holdings Limited	Ordinary	100 %	Intermediate holding company
Rydon Group Limited *	Ordinary	100 %	Intermediate holding company
Rydon Construction Limited *	Ordinary	100 %	Building contractor
Rydon Homes Limited *	Ordinary	100 %	Developer
Rydon Maintenance Limited *	Ordinary	100 %	Property maintenance
Equipe Regeneration Limited *	Ordinary	100 %	Property maintenance
Insite Energy Holdings Limited *	Ordinary	100 %	Intermediate holding company
Ryhurst Limited *	Ordinary	100 %	Intermediate holding company
Ryhurst (Lancashire STEP) Limited *	Ordinary	100 %	Holding company for a dormant LLP
Rydon Regeneration Limited *	Ordinary	100 %	Intermediate holding company
Heckfield Developments Limited *	Ordinary	100 %	Developer
Goldsmiths Row Limited *	Ordinary	100 %	Dormant
Rydon Sutton Limited *	Ordinary	100 %	Developer
Rydon Packington Limited *	Ordinary	100 %	Developer
Rydon Hillside Limited *	Ordinary	100 %	Dormant
Beacon Plant Hire (Southern) Limited *	Ordinary	100 %	Equipment rental

#### Joint venture undertakings

Name	Class of shares	Holding	Principal activity
Insite Energy Limited *	Ordinary	50 %	Property maintenance
Packington Square LLP *	N/A	50 %	Developer
Red Rose Corporate Services LLP *	N/A	50 %	Dormant
Lancumb Partnership LLP *	N/A	25 %	Dormant



---

**RYDON GROUP HOLDINGS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

---

**35. *Subsidiary and joint venture undertakings (continued)***

The registered offices for the joint ventures not registered at the company's registered office are given below:

Lancumb Partnership LLP: Richard House, Winckley Square, Preston, PR1 3HP  
Insite Energy Limited: Office 201, 69 Old Street, London, EC1V 9HX