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**RYDON HOLDINGS LIMITED**

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**UNAUDITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2020**



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**RYDON HOLDINGS LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	R Bond N Standen
<b>Company secretary</b>	M Day
<b>Registered number</b>	05556300
<b>Registered office</b>	Rydon House Station Road Forest Row East Sussex RH18 5DW

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**RYDON HOLDINGS LIMITED**

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## RYDON HOLDINGS LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2020

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The directors present their report and the financial statements for the year ended 30 September 2020.

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking, Rydon Group Holdings Limited, incorporated in the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006. Accordingly, these financial statements present information about the Company as an individual undertaking and not about its group.

#### Results and dividends

The profit for the year, after taxation, amounted to £3,826,036 (2019 - £3,727,750).

No dividends were paid during the year (2019: £5,000,000 was paid to the company's parent company, Rydon Group Holdings Limited.) The directors do not recommend the payment of further dividends.

#### Directors

The directors who served during the year were:

R Bond  
N Standen

#### Future developments

Future developments are deemed to be of strategic importance to the Group and accordingly have been outlined within the Strategic Report. Future developments are discussed in the Strategic Report on page 6 of these financial statements.

#### 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 and interest rate cash flow 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.

#### Interest rate risk

The Group's cash and that of its subsidiaries are managed by the directors of Rydon Holdings Limited. The Group has entered into RCF and overdraft borrowing facilities with Lloyds Bank PLC bank. The interest rate is based on 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.

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## **RYDON HOLDINGS LIMITED**

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### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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#### **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
- Ordinarily the Group holds an annual staff meeting in March for all employees but this was cancelled in 2020 due to social distancing measures. To compensate, the CEO and directors sent out weekly email updates to all staff during the initial lockdown
- Annual performance reviews and appraisals where directors and their reports engage with employees on performance targets and the support required to meet them
- 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 parent company, Rydon Group Holdings Limited, and all subsidiary companies.

#### **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 except for the purchase of the minority interest in Beacon Plant Hire (Southern) Limited in October 2020 for a consideration of £350,000.

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**RYDON HOLDINGS LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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This report was approved by the board on 31 December 2020 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'R Bond'.

R Bond  
Director

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## RYDON HOLDINGS LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2020

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#### Introduction

The directors present their strategic report on the Company for the year ended 30 September 2020.

#### The Rydon Group Strategic Focus

- Rydon Group Holdings Limited is part of the Rydon Group whose strategic focus is to derive a fair return from its delivery of built environment solutions for education, housing, healthcare and commercial that address social challenges and advance society.
- With over forty years' experience in the industry, using a rich bank of knowledge across our three operating divisions - Rydon Construction, Rydon Maintenance and Rydon Homes - we combine our commitment to a passion for quality, working together and with multi-disciplinary experience, to make a positive difference to the communities we work with.
- The Rydon Group is privately owned and committed to working as a co-ordinated team with like-minded business partners and clients to deliver quality solutions. Equally, each operating company within the Rydon Group has its own specialist skills and can operate independently or through integrated, cross-disciplined programmes involving various components of the Group.

#### Results and performance

The results of the Company for the year show a profit before tax of £3.8m (2019: £3.7m). The shareholders' funds of the Company total £12.1m (2019: 8.3m).

The combined performance of the group of companies owned directly and indirectly by Rydon Holdings Limited show a loss before tax of £2.3m (2019: profit £16.3m).

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 2020 has produced the following results.

#### Rydon Construction

Rydon continues to be successful with its strategic focus on mixed use development opportunities in London and the South East. These are typically residential-led public sector partnerships where Rydon delivers a combination of private sales, affordable and private rented homes together with new facilities such as schools, health centres and community centres. August 2020 saw the launch of nine private for sale apartments adjacent to Fulham Boys School that Rydon expects to deliver in 2021 for LocatED, the government-owned property company, responsible for buying and developing sites for new schools in England. Green Man Lane in Ealing is a nine year four phase scheme which has already delivered a new school to the local community and will comprise mixed tenure housing and retail space with an estimated completion date of 2023. Rydon also has a number of diversified, non-housing projects underway including current work at Kent Medical Campus in Maidstone and the construction of a multi-storey car park together with residential and retail units in Bishops Stortford.

Rydon is also focused on the provision of a variety of housing needs for the UK's ageing population, particularly in the South West of the UK where we have been established since 2008 and have delivered a number of successful projects including extra care facilities, community hubs, schools and military facilities as part of the Aspire Defence Framework. In the South West, Rydon has continued to increase the diversity of its client base with projects such as an automotive research propulsion facility (IAAPS) for the University of Bath and a new factory in Bradford-On-Avon for AB Dynamics, which supplies integrated test systems to help develop the next generation of vehicles in the global automotive industry.

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## RYDON HOLDINGS LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

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#### Rydon Maintenance

Our Maintenance business is primarily focused on Hard Facilities Management such as reactive and planned preventative maintenance, lifecycle works, alterations and small works, including void maintenance, delivered through a number of long-term PFI contracts. We have established a strong reputation as a provider of high quality maintenance services to social housing landlords throughout London and the South East of England, where we maintain around 10,000 properties.

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

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

#### 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 within a friendly, well connected village in Sussex or Kent.

This is achieved through either the development or sale of the consented land. We do so in a manner which enables business growth, and allows us to make a reasonable return on our investment.

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

#### Rydon Group Holdings Group

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:

Group Financial KPIs	2020	2019
Group turnover including share of joint ventures	£190.5m	£227.1m
Group turnover	£188.3m	£203.7m
Gross profit	£24.1m	£43.3m
Earnings before interest and tax	£(2.0)m	£16.1m
Return on capital *	(3.7)%	30.5%
Current ratio	1.8	1.7
Total assets less current liabilities	£58.0m	£57.2m

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

Operational KPIs	2020	2019
Housing - Successful planning decisions	9	7
Housing - Awaiting planning decisions	3	6
Housing - Failed planning decisions	1	3
Rydon Maintenance – Forward order book	£310m	£321m



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## RYDON HOLDINGS LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

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#### Strategy and future developments

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

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

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

Rydon is always committed to leaving a positive legacy; delivering wider benefits to the communities where we work; minimising our impact on the environment; and bringing new employment opportunities for local people. We bring together an immense wealth of experience, expertise and talent, united by common values and principles. Rydon 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.

#### Business Environment

2020 has been a highly unpredictable year for all industry sectors 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.

Consequently, Rydon Group has sustained business momentum during the pandemic through a combination of returns from its work in housing and healthcare and by taking prudent measures such as the use of the job retention scheme. Having emerged from lockdown, the Group has seen a strong interest in its Homes' rural developments, due to growing purchaser preference for non-urban living combined with the current stamp duty concession.

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.

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 in Matfield and Wadhurst in recent months and are now concentrating on our next developments in Balcombe and Hadlow. Even in London, we have seen our recently launched Construction London South East Heckfield Housed development adjacent to Fulham Boys School, prove very popular especially with first time buyers.

The government's positive stance towards housing as a key industry sector remains a big opportunity. Covid-19 measures have meant that Rydon has been able to adapt to deal with the changes presented by the pandemic and continue with much needed housing and maintenance programmes.

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## RYDON HOLDINGS LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

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The Affordable Homes Programme provides grant funding to support the capital costs of developing affordable housing for rent or sale. As the Government's housing accelerator, Homes England will be making available £7.39 billion from April 2021 to deliver up to 130,000 affordable homes by March 2026 outside of London.

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. In particular we note the evidence given by a number of multinational suppliers of building products used in Grenfell Tower. Unfortunately, as a result of Covid-19, the Inquiry's provisional timetable has been further delayed and the conclusion of the current Modules are now listed as approximately December 2021. There is no timetable as yet beyond this for Module 8 (the Inquiry's role under the Coroners & Justice Act 2009). The final outcomes of the Inquiry therefore still remain some time away, although there are likely to be recommendations across the building product manufacture and construction sector in relation to building regulations, fire regulations and product certification. Rydon has reviewed the specific work carried out by Rydon Maintenance Limited and given the 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.

#### 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. However the Group has sought to reduce risk through contract clause changes and closer engagement with our supply chain.

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

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

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

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

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

The depth and variety of contracts held within the Rydon portfolio provides a balanced risk portfolio of activities to help mitigate current economic uncertainty and fluctuations.

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## RYDON HOLDINGS LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

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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.

#### **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. Whether we're building schools to provide inspiring spaces for learning, or looking after hospitals to maintain a safe environment for service users, we are committed to delivering quality solutions that leave a positive legacy for the communities in which we live and work. 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**

As a company, our aim is to improve local communities – through Housing, Healthcare, Education and Commercial solutions - for the benefit of current and future generations. We build and maintain homes, schools and hospitals as well as Extra Care facilities, student accommodation, community leisure centres and more. And by doing so we are delivering award-winning, quality facilities built for local communities with a commitment from people who are passionate about what they do. 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.

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**RYDON HOLDINGS LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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This report was approved by the board on 31 December 2020 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'R Bond'.

**R Bond**  
Director

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**RYDON HOLDINGS LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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	Note	2020 £	2019 £
Administrative expenses		(1,244,286)	(1,351,504)
<b>Operating loss</b>		<b>(1,244,286)</b>	<b>(1,351,504)</b>
Income from shares in group undertakings		5,000,000	5,002,070
Interest receivable and similar income	5	1,051,945	525,127
Interest payable and expenses	6	(1,001,204)	(451,933)
<b>Profit before tax</b>		<b>3,806,455</b>	<b>3,723,760</b>
Tax on profit	7	19,581	3,990
<b>Profit for the financial year</b>		<b>3,826,036</b>	<b>3,727,750</b>
<b>Other comprehensive income for the year</b>			
<b>Total comprehensive income for the year</b>		<b>3,826,036</b>	<b>3,727,750</b>

The notes on pages 15 to 21 form part of these financial statements.

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

**BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Investments	9	48,230,984	48,148,515
		<u>48,230,984</u>	<u>48,148,515</u>
<b>Current assets</b>			
Debtors	10	21,858,337	12,787,737
Cash at bank and in hand		309,354	135,576
		<u>22,167,691</u>	<u>12,923,313</u>
Creditors: amounts falling due within one year	11	(58,297,313)	(52,796,502)
<b>Net current liabilities</b>		<u>(36,129,622)</u>	<u>(39,873,189)</u>
<b>Total assets less current liabilities</b>		<u>12,101,362</u>	<u>8,275,326</u>
<b>Net assets</b>		<u>12,101,362</u>	<u>8,275,326</u>
<b>Capital and reserves</b>			
Called up share capital		628,248	628,248
Share premium account		6,726,838	6,726,838
Capital redemption reserve		612,749	612,749
Profit and loss account		4,133,527	307,491
		<u>12,101,362</u>	<u>8,275,326</u>

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

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**BALANCE SHEET (CONTINUED)**  
**AS AT 30 SEPTEMBER 2020**

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For the year ending 30 September 2020, the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

**Directors' responsibilities:**

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006; and

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 31 December 2020.

A handwritten signature in black ink, appearing to read 'R BOND', with a stylized flourish at the end.

**R Bond**  
Director

The notes on pages 15 to 21 form part of these financial statements.

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**RYDON HOLDINGS LIMITED**

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

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	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Capital redemption reserve</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 October 2019	628,248	6,726,838	612,749	307,491	8,275,326
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	3,826,036	3,826,036
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,826,036</u>	<u>3,826,036</u>
<b>At 30 September 2020</b>	<u><b>628,248</b></u>	<u><b>6,726,838</b></u>	<u><b>612,749</b></u>	<u><b>4,133,527</b></u>	<u><b>12,101,362</b></u>

The notes on pages 15 to 21 form part of these financial statements.



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**RYDON HOLDINGS LIMITED**

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

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	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Capital redemption reserve</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 October 2018	628,248	6,726,838	612,749	1,579,741	9,547,576
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	3,727,750	3,727,750
<b>Total comprehensive income for the year</b>	-	-	-	3,727,750	3,727,750
Dividends: Equity capital	-	-	-	(5,000,000)	(5,000,000)
<b>Total transactions with shareholders</b>	-	-	-	(5,000,000)	(5,000,000)
<b>At 30 September 2019</b>	<b>628,248</b>	<b>6,726,838</b>	<b>612,749</b>	<b>307,491</b>	<b>8,275,326</b>

The notes on pages 15 to 21 form part of these financial statements.

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## RYDON HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

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#### 1. General information

Rydon 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 under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

##### 2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Rydon Group Holdings Limited as at 30 September 2020 and these financial statements may be obtained from the registered office.

##### 2.3 Exemption from preparing consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking, Rydon Group Holdings Limited, incorporated in the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

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## RYDON HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

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#### 2. Accounting policies (continued)

##### 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 which includes access to group funding to support the company in order to meet its liabilities as they fall due, to be able to continue to trade and consequently the financial statements are presented on a going concern basis.

##### **Covid-19**

The initial lockdown did lead to some site closures, however subsequently all sites have reopened following government guidance to do so. Our forecasts take into account extended build programs as a consequence of following social distances measures. Our Maintenance division provides property maintenance predominately to NHS trusts and Social Housing properties with much of the work deemed as key worker related. Our Homes division rebounded strongly from the initial lock down with our current and future pipeline of sites predominantly located in rural/village settings.

Despite the above we have undertaken severe down side stress tests including: no new currently unidentified construction sites starting for 12 months, the movement of land sales six to eight months back and plot sales on new sites in the period moving back 4 months. This scenario still saw us with a positive cash balance with nil borrowing.

##### 2.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

##### 2.6 Finance costs

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

##### 2.7 Taxation

Tax is recognised in profit or loss 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 operates and generates income.

##### 2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

##### 2.9 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.

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## RYDON HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

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#### 2. Accounting policies (continued)

##### 2.10 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.

##### 2.11 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.

##### 2.12 Financial instruments

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

##### 2.13 Dividends

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

#### 3. Employees

All employees are employed and paid by Rydon Group Limited.

#### 4. Director's remuneration

All directors are employed and paid by Rydon Group Limited. No charge is made to the company in respect of their remuneration as the management services provided to the company are considered incidental to their principal roles within the group.

On 3 June 2020, a director received an interest free loan of £200,000 from the company. The loan was repaid in full on 28 September 2020.

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RYDON HOLDINGS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020

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5. Interest receivable

	2020 £	2019 £
Interest receivable from group companies	526,003	447,589
Share of joint ventures' interest receivable	63,968	40,880
Other interest receivable	461,974	36,658
	<u>1,051,945</u>	<u>525,127</u>

6. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	991,440	447,589
Other interest payable	9,764	4,344
	<u>1,001,204</u>	<u>451,933</u>

7. Taxation

	2020 £	2019 £
<b>Corporation tax</b>		
Current tax on profits for the year	(19,579)	13,776
Adjustments in respect of previous periods	(2)	(17,766)
	<u>(19,581)</u>	<u>(3,990)</u>

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RYDON HOLDINGS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020

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7. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - *lower than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit before tax	3,806,455	3,723,760
Profit multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	723,226	707,514
Effects of:		
Expenses not deductible for tax purposes	207,195	256,655
Adjustments to tax charge in respect of prior periods	(2)	(17,766)
Non-taxable income	(950,000)	(950,393)
Total tax charge for the year	(19,581)	(3,990)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

8. Dividends

	2020 £	2019 £
Dividends paid on "A" Ordinary shares	-	3,755,000
Dividends paid on "B" Ordinary shares	-	1,183,000
Dividends paid on "D" Ordinary shares	-	62,000
	-	5,000,000

The dividend paid in the previous financial year was paid to the company's parent, Rydon Group Holdings Limited.

**RYDON HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

**9. Fixed asset investments**

	Investments in subsidiary companies £	Investment in parent company shares £	Total £
<b>Cost or valuation</b>			
At 1 October 2019	48,072,077	76,438	48,148,515
Additions	-	119,992	119,992
Disposals	-	(37,523)	(37,523)
At 30 September 2020	<u>48,072,077</u>	<u>158,907</u>	<u>48,230,984</u>

**10. Debtors**

	2020 £	2019 £
<b>Due after more than one year</b>		
Other debtors	62,642	59,521
	<u>62,642</u>	<u>59,521</u>
<b>Due within one year</b>		
Amounts owed by group undertakings	21,345,658	12,263,913
Other debtors	354,165	388,010
Tax recoverable	95,872	76,293
	<u>21,858,337</u>	<u>12,787,737</u>

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

	2020 £	2019 £
Amounts owed to group undertakings	58,068,321	52,653,004
Corporation tax	-	8,776
Accruals and deferred income	228,992	134,722
	<u>58,297,313</u>	<u>52,796,502</u>

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## **RYDON HOLDINGS LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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#### **12. 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 2020, the Group had performance guarantees provided by third parties to support its construction operations of £18.4m (2019 - £13.6m). 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 2020 (2019: £nil) for both facilities.

#### **13. Controlling party**

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

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