

Registration number: 07652992

# RG Bidco Limited

Annual Report and Financial Statements

for the Period from 1 August 2015 to 31 December 2016

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## **RG Bidco Limited**

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## **RG Bidco Limited**

### **Company Information**

<b>Directors</b>	A C Ferguson
	N A Curry
	T G Bowen
	A J Vaughan
	T A Wood
<b>Company secretary</b>	T A Wood
<b>Registered office</b>	Costain House
	Vanwall Business Park
	Maidenhead
	Berkshire
<b>Auditors</b>	SL6 4UB
	KPMG LLP
	15 Canada Square
	London
	E14 5GL

## **RG Bidco Limited**

### **Directors' Report for the Period from 1 August 2015 to 31 December 2016**

The directors present their report and the financial statements for the period from 1 August 2015 to 31 December 2016.

#### **Directors' of the company**

The directors, who held office during the period, were as follows:

A J Proctor (resigned 14 August 2015)

A C Ferguson

N A Curry

M F Coffin (resigned 14 August 2015)

R Swann (resigned 14 August 2015)

T G Bowen (appointed 14 August 2015)

A J Vaughan (appointed 14 August 2015)

T A Wood - Company secretary and director (appointed 14 August 2015)

#### **Principal activity**

The principal activity of the company is that of a holding company. The company sold its investment in December 2016.

#### **Business review**

##### *Fair review of the business*

The profit before tax for the 17 months ended 31 December 2016 is £4,759,262 (year ended 31 July 2015: loss of £2,687,890).

As noted above the company disposed of its investment in the group of companies headed by its subsidiary undertaking, Rhead Holdings Limited, to a fellow subsidiary. Prior to the disposal a dividend was paid by Rhead Holdings Limited and the carrying value of the remaining investment was impaired. The amounts of these transactions are disclosed in Note 3.

#### **Disclosure of information to the auditors**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

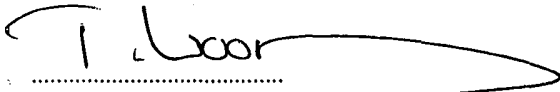
## **RG Bidco Limited**

### **Directors' Report for the Period from 1 August 2015 to 31 December 2016 (continued)**

#### **Reappointment of auditors**

During 2016, Costain Group PLC, the company's ultimate parent, decided to change its auditors in recognition of good governance. A number of firms were approached to tender for the audit and it has been recommended to the Board that PricewaterhouseCoopers LLP be proposed as auditor of Costain Group PLC and its subsidiary companies. As a result of the tender, KPMG LLP's appointment will expire following the approval of these accounts by the directors and appointment of PricewaterhouseCoopers LLP as the company's auditor for the financial year ending 31 December 2017 will be proposed at the company's AGM.

Approved by the Board on 26 April 2017 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'T A Wood', with a long horizontal flourish extending to the right.

.....  
T A Wood  
Company secretary and director

## **RG Bidco Limited**

### **Statement of Directors' Responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 '*Reduced Disclosure Framework*'.

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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **Independent Auditor's Report to the members of RG Bidco Limited**

We have audited the financial statements of RG Bidco Limited for the period from 1 August 2015 to 31 December 2016, set out on pages 7 to 19. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *'Reduced Disclosure Framework'*.

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.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Statement of Directors' Responsibilities (set out on page 4), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the period then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' Report:

- we have not identified material misstatements in that report; and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

## **Independent Auditor's Report to the members of RG Bidco Limited**

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



Andrew Marshall (Senior Statutory Auditor)  
For and on behalf of KPMG LLP, Statutory Auditor

15 Canada Square  
London  
E14 5GL

26 April 2017



**RG Bidco Limited**

**Profit and Loss Account for the Period from 1 August 2015 to 31 December 2016**

		17 months to 31 December 2016 £	Year to 31 July 2015 £
	Note		
Administrative expenses		(12,812)	(288,119)
Other gains	3	<u>4,165,148</u>	<u>-</u>
Operating profit/(loss)		<u>4,152,336</u>	<u>(288,119)</u>
Finance income	5	740,592	492,132
Finance costs	6	<u>(133,666)</u>	<u>(2,891,903)</u>
Net finance income/(cost)		<u>606,926</u>	<u>(2,399,771)</u>
Profit/(loss) before tax		4,759,262	(2,687,890)
Income tax expense	7	<u>(66,792)</u>	<u>-</u>
Profit/(loss) for the period		<u><u>4,692,470</u></u>	<u><u>(2,687,890)</u></u>

The above results were derived from continuing operations.

**RG Bidco Limited**

**Statement of Comprehensive Income for the Period from 1 August 2015 to 31 December 2016**

	Note	17 months to 31 December 2016 £	Year to 31 July 2015 £
Profit/(loss) for the period		<u>4,692,470</u>	<u>(2,687,890)</u>
Total comprehensive income for the period		<u><u>4,692,470</u></u>	<u><u>(2,687,890)</u></u>

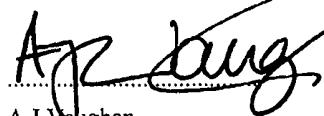
The notes on pages 11 to 19 form an integral part of these financial statements.

**RG Bidco Limited**

(Registration number: 07652992)  
**Balance Sheet as at 31 December 2016**

	Note	31 December 2016 £	31 July 2015 £
<b>Fixed assets</b>			
Investments	8	-	26,542,129
<b>Current assets</b>			
Debtors	9	42,080,358	10,420,756
Cash at bank and in hand	10	563	624
		<u>42,080,921</u>	<u>10,421,380</u>
<b>Creditors: Amounts falling due within one year</b>			
Trade and other creditors	11	<u>(42,293,363)</u>	<u>(23,367,925)</u>
<b>Net current liabilities</b>		<u>(212,442)</u>	<u>(12,946,545)</u>
<b>Total assets less current liabilities</b>		<u>(212,442)</u>	<u>13,595,584</u>
<b>Creditors: Amounts falling due after more than one year</b>			
Loans and borrowings	12	-	(18,521,853)
Trade and other creditors	11	<u>(21,357)</u>	<u>-</u>
<b>Creditors: Amounts falling due after more than one year</b>		<u>(21,357)</u>	<u>(18,521,853)</u>
<b>Net liabilities</b>		<u>(233,799)</u>	<u>(4,926,269)</u>
<b>Capital and reserves</b>			
Called up share capital	13	40,000	40,000
Profit and loss account		<u>(273,799)</u>	<u>(4,966,269)</u>
<b>Shareholders' deficit</b>		<u>(233,799)</u>	<u>(4,926,269)</u>

Approved by the Board on 26 April 2017 and signed on its behalf by:



A J Vaughan

Director

The notes on pages 11 to 19 form an integral part of these financial statements.

# RG Bidco Limited

## Statement of Changes in Equity for the Period from 1 August 2015 to 31 December 2016

	Share capital £	Retained earnings £	Total £
At 1 August 2015	40,000	(4,966,269)	(4,926,269)
Profit for the period	-	4,692,470	4,692,470
Total comprehensive income	-	4,692,470	4,692,470
At 31 December 2016	40,000	(273,799)	(233,799)

	Share capital £	Retained earnings £	Total £
At 1 August 2014	40,000	(2,278,379)	(2,238,379)
Loss for the period	-	(2,687,890)	(2,687,890)
Total comprehensive income	-	(2,687,890)	(2,687,890)
At 31 July 2015	40,000	(4,966,269)	(4,926,269)

The notes on pages 11 to 19 form an integral part of these financial statements.

## **RG Bidco Limited**

### **Notes to the Financial Statements for the Period from 1 August 2015 to 31 December 2016**

#### **1 General information**

The company is a private company limited by share capital incorporated in England and Wales and domiciled in England.

The address of its registered office is:

Costain House  
Vanwall Business Park  
Maidenhead  
Berkshire  
SL6 4UB  
UK

These financial statements were authorised for issue by the Board on 26 April 2017.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Basis of preparation**

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework.

The company has taken exemption from preparing group accounts as it is included in consolidated accounts for a larger group which are drawn up as full consolidated accounts which are filed at Companies House.

## **RG Bidco Limited**

### **Notes to the Financial Statements for the Period from 1 August 2015 to 31 December 2016 (continued)**

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

##### **Summary of disclosure exemptions**

The company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) The requirements of IAS 1 to provide a Balance Sheet at the beginning of the year in the event of a prior year adjustment;
- (b) The requirements of IAS 1 to provide a Statement of Cash flows for the year;
- (c) The requirements of IAS 1 to provide a statement of compliance with IFRS;
- (d) The requirements of IAS 1 to disclose information on the management of capital;
- (e) The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to disclose new IFRS's that have been issued but are not yet effective;
- (f) The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- (g) The requirements of paragraph 17 of IAS 24 Related Party Disclosures to disclose key management personnel compensation;
- (h) The requirements of IFRS 7 to disclose financial instruments; and
- (i) The requirements of paragraphs 91-99 of IFRS13 Fair Value Measurement to disclose information of fair value valuation techniques and inputs.

Disclosure exemptions for subsidiaries are permitted where the relevant disclosure requirements are met in the consolidated financial statements. Where required, equivalent disclosures are given in the group accounts of Costain Group PLC.

##### **Going concern**

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons. The company is dependent for its working capital on funds provided to it by Rhead Group Holdings Limited, the company's parent undertaking. Rhead Group Holdings Limited has provided the company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as they are needed by the company and in particular will not seek repayment of the amounts currently made available.

This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other Group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue, although at the date of approval of these financial statements, they have no reason to believe that it will not do so. The accounting policies set out below have, unless otherwise stated, been applied consistently to all years presented in these financial statements.

## **RG Bidco Limited**

### **Notes to the Financial Statements for the Period from 1 August 2015 to 31 December 2016 (continued)**

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

##### **Tax**

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

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

##### **Investments**

Fixed asset investments are stated at historical cost less any provisions for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairments are calculated such that the carrying value of the fixed asset investment is the lower of its cost or recoverable amount. Impairments are reversed in line with improvements in the recoverable amount of the investment.

##### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

##### **Trade debtors**

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debt.

##### **Trade creditors**

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

## RG Bidco Limited

### Notes to the Financial Statements for the Period from 1 August 2015 to 31 December 2016 (continued)

#### 2 Accounting policies (continued)

##### Borrowings

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

##### Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### 3 Other gains and losses

The analysis of the company's other gains and losses for the period is as follows:

	1 August 2015 to 31 December 2016 £	Year ended 31 July 2015 £
Loss from disposal of fixed asset investments	(5,358,017)	-
Amounts written off fixed asset investments	(20,476,835)	-
Income from fixed asset investments	30,000,000	-
	<u>4,165,148</u>	<u>-</u>

#### 4 Auditors' remuneration

The deemed audit fee for the company was £500 (2015: £Nil).

There are no fees paid to KPMG LLP for other services other than the statutory audit of the company. The audit fee was borne by another group company.

#### 5 Other interest receivable and similar income

	17 months to 31 December 2016 £	Year to 31 July 2015 £
Interest income from group undertakings	<u>740,592</u>	<u>492,132</u>

The notes on pages 11 to 19 form an integral part of these financial statements.



# RG Bidco Limited

## Notes to the Financial Statements for the Period from 1 August 2015 to 31 December 2016 (continued)

### 6 Interest payable and similar charges

	17 months to 31 December 2016 £	Year to 31 July 2015 £
Interest on loan notes	133,666	2,430,687
Interest expense payable to group undertakings	-	317,580
Amortisation of loan fees	-	143,636
	<u>133,666</u>	<u>2,891,903</u>

### 7 Income tax

Tax charged/(credited) in the profit and loss account

	17 months to 31 December 2016 £	Year to 31 July 2015 £
<b>Current taxation</b>		
UK corporation tax	<u>66,792</u>	<u>-</u>

The tax on profit before tax for the period is the same as the standard rate of corporation tax in the UK (2015 - the same as the standard rate of corporation tax in the UK) of 20% (2015 - 20.67%).

The differences are reconciled below:

	17 months to 31 December 2016 £	Year to 31 July 2015 £
Profit/(loss) before tax	<u>4,759,262</u>	<u>(2,687,890)</u>
Corporation tax at standard rate	951,852	(555,587)
Increase (decrease) from effect of expenses not deductible in determining taxable profit (tax loss)	5,166,970	103,122
Increase (decrease) arising from group relief tax reconciliation	(52,030)	492,997
Increase (decrease) in current tax from unrecognised temporary difference from a prior period	-	(40,532)
Increase (decrease) from effect dividends from UK companies	<u>(6,000,000)</u>	<u>-</u>
Total tax charge	<u>66,792</u>	<u>-</u>

The rate of corporation tax reduces to 19% with effect from 1 April 2017 and to 17% with effect from 1 April 2020.

# RG Bidco Limited

## Notes to the Financial Statements for the Period from 1 August 2015 to 31 December 2016 (continued)

### 8 Investments

<b>Subsidiaries</b>	<b>£</b>
<b>Cost or valuation</b>	
At 1 August 2015	26,542,129
Disposals	(26,542,129)
At 31 December 2016	-
<b>Provision</b>	
Provision	20,476,835
Eliminated on disposals	(20,476,835)
At 31 December 2016	-
<b>Carrying amount</b>	
At 31 December 2016	-
At 31 July 2015	26,542,129

### 9 Debtors

	<b>31 December 2016</b>	<b>31 July 2015</b>
	<b>£</b>	<b>£</b>
Amounts owed by group undertakings	42,080,358	10,402,456
Other debtors	-	18,300
	<u>42,080,358</u>	<u>10,420,756</u>

### 10 Cash and cash equivalents

	<b>31 December 2016</b>	<b>31 July 2015</b>
	<b>£</b>	<b>£</b>
Cash at bank	<u>563</u>	<u>624</u>

# RG Bidco Limited

## Notes to the Financial Statements for the Period from 1 August 2015 to 31 December 2016 (continued)

### 11 Trade and other creditors

#### Current

	31 December 2016 £	31 July 2015 £
Trade creditors	-	16,675
Accrued interest on loan notes	-	5,431,060
Amounts owed to group undertakings	42,211,898	17,920,190
Group relief payable	66,792	-
Other creditors	14,673	-
	<u>42,293,363</u>	<u>23,367,925</u>

#### Non-current

	31 December 2016 £	31 July 2015 £
Amounts owed to group undertakings	<u>21,357</u>	<u>-</u>

## RG Bidco Limited

### Notes to the Financial Statements for the Period from 1 August 2015 to 31 December 2016 (continued)

#### 12 Loans and borrowings

	31 December 2016 £	31 July 2015 £
<b>Non-current loans and borrowings</b>		
Loan notes	-	18,521,853

The loan notes, which attracted interest at 8% per annum, were repaid in full when Costain Group PLC acquired the share capital of the Company's parent, Rhead Group Holdings Limited in August 2015.

#### 13 Share capital

##### Allotted, called up and fully paid shares

	31 December 2016	31 July 2015
	No.                      £	No.                      £
Ordinary shares of £1 each	40,000                      40,000	40,000                      40,000

#### 14 Contingent liabilities

The company has entered into cross guarantees together with the ultimate parent company and certain fellow group undertakings for borrowing facilities made available to the group. At 31 December 2016 these liabilities amounted to £69.9 million (2015: £Nil).

There are also contingent liabilities in respect of guarantees of performance bonds and other undertakings entered into in the ordinary course of business by fellow group undertakings.

#### 15 Parent and ultimate parent undertaking

The company's immediate parent is Rhead Group Holdings Limited.

The ultimate parent is Costain Group PLC.

The parent of the largest group producing publicly available financial statements in which these financial statements are consolidated is Costain Group PLC. These financial statements are available upon request from Costain House, Vanwall Business Park, Maidenhead, Berkshire, SL6 4UB.

The ultimate controlling party is Costain Group PLC.

## **RG Bidco Limited**

### **Notes to the Financial Statements for the Period from 1 August 2015 to 31 December 2016 (continued)**

#### **16 Transition to FRS 101**

This is the first year that the company has presented its financial statements under FRS 101 (Financial Reporting Standard 101) issued by the Financial Reporting Council. Following transition from UK GAAP to FRS 101 no comparative figures were identified to be restated. As a result, it was not deemed necessary to present tables reconciling the transition within these financial statements. The last financial statements under the previous GAAP (UK GAAP) were for the year ended 31 July 2015 and the date of transition to FRS 101 was therefore 1 August 2015.

#### **Reconciliation of Profit and Loss Account**

No adjustments were posted to restate the prior years' Profit and Loss Accounts as a result of the decision to transition to FRS 101 on 1 August 2015.

#### **Reconciliation of Equity**

No adjustments were posted to restate the prior year's equity balances as a result of the decision to transition to FRS 101 on 1 August 2015.