

Annual Report  
and Financial  
Statements 2022

# INSPIRE

Investment  
Places  
Beginnings  
Space  
Buildings  
Communities

RUSHBOND  
PLC







# RUSHBOND<sup>PLC</sup>

## Annual Report and Financial Statements For the year ended 30 November 2022



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Stonebridge Beck, Leeds







## Officers and Professional Advisers

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### Directors

J W Maud  
G Maud  
R M Powell  
M J Hartley (non-executive)  
P J S Thompson (non-executive)  
N Wilkinson MBE (non-executive)

### Company Secretary

R M Powell

### Registered Office

5 Hawthorn Park  
Coal Road  
Leeds  
LS14 1PQ

### Bankers

Handelsbanken plc  
9<sup>th</sup> Floor  
West One  
114 Wellington Street  
Leeds  
LS1 1BA

The Royal Bank of Scotland plc  
4<sup>th</sup> Floor  
2 Whitehall Quay  
Leeds  
LS1 4HR

Bank Leumi (UK) plc  
12<sup>th</sup> Floor  
1 Angel Court  
London  
EC2R 7HJ

### Solicitors

Walker Morris  
33 Wellington Street  
Leeds  
LS1 4DL

### Independent Auditor

Azets Audit Services Limited  
33 Park Place  
Leeds  
LS1 2RY

# Strategic Report

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## Chairman's Statement

I am pleased to report an excellent year for the business despite having to deal with the consequences of a number of national and international political and economic challenges. Several projects that we have been working on for a number of years have come to fruition during the financial year. It is particularly pleasing that the opening of Channel 4's Head Office at Majestic, a flagship Rushbond development, has already delivered economic benefit to the Leeds City region with associated media businesses being established.

As a business we are adapting to a period of yet to stabilise inflation and the impact of an uncertain interest rate environment. We therefore need to continue to show resilience, flexibility and caution, principles which are fundamental to the Group's ethos. We will look to consolidate, but remain confident in the undoubted strength of the Leeds City Region, and wider Yorkshire, and the opportunities that will be forthcoming in the future.

*As a business we continue to focus on creating workplaces, living space and communities designed to inspire and be fit for the future, with more than £11m invested during the year and similar levels of investment planned in the coming year. We will continue to build for the future through our targeted development and trading, investment and regeneration projects.*





M/C  
ONLY

MAJESTIC

# Strategic Report

(Continued)

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## Financial

For the first time, the Group's net assets have exceeded £100m, as a result of strong returns from our trading activities and growth in the value of our investment property portfolio. As a result, the Group has delivered a profit before tax, of £16.8m (2021: £8.0m), including £4.3m (2021: £5.1m) of revaluation gains from within our investment portfolio. At the balance sheet date, the net assets of the Group had grown to £100.1m (2021: £87.9m) while cash resources increased to £12.1m (2021: £5.3m) which will allow further investments and provide a growth platform for residential development.

## Development

### Commercial

Construction work commenced during the year at Lancaster Park, the final phase of our successful Airport West development, adjacent to Leeds Bradford Airport. Subsequent to the year end we achieved practical completion on the Costa Coffee drive through unit and pre-let one of the five hybrid self-contained two-storey work units. We are optimistic that tenants will be secured for the remaining units in the coming months.

We recently received planning permission for the conversion of the Herald Building in Harrogate, into five very high quality one and two bed apartments with four ground floor leisure/retail units. We plan to commence these redevelopment works during 2023.

### Residential

The transformation of Stonebridge Beck to create a new 112 unit home residential community in Farnley, Leeds has continued during the year, with further investment of approximately £8m in this project. We completed 29 plot sales during the year and post year end achieved our fiftieth completion, with more than half of the development under offer or sold. Despite the difficult economic climate we retain an encouraging level of interest in the properties which will continue to be delivered during 2023.

Our partnership with Wakefield City Council is moving forward with the granting of planning permission for the Wakefield Civic Quarter scheme, which will comprise a total of 63 residential units in a mix of new and refurbished homes and apartments in the centre of Wakefield. We will look to commence this development during 2023.

I am also pleased to report that planning consent for the residential development sites at Marsh Lane Goods Yard and Mount St Mary's were granted during the year, with the Marsh Lane Goods Yard site being sold to release significant equity back into the business. Looking to the future, these funds will enable us to further strengthen our position in a sector of the market which I believe will present continued growth opportunities.

## Asset Management

We welcomed Caesars Trading and Technology Services as our third significant tenant at the Majestic, Leeds with the letting of 13,000 sq. ft of space. We are pleased to have secured tenants for over 95% of this space in this super-prime development with just 4,000 sq. ft of space as yet unlet.

During the year, significant enhancement work has been undertaken to revitalise Brewery Wharf, Leeds, where we have been pleased to welcome new tenants including ITN and Infotrack.

At Corn Exchange we continue to curate an environment to support a growing independent business community and have seen a strong increase in footfall, which has enabled a number of traders to expand into larger units within this unique heritage icon. It is exciting and rewarding to see these businesses thrive.

## Financing

Handelsbanken plc continue to support our investment activities and Bank Leumi (UK) have provided hybrid facilities to support our development activities. We work closely with our funders and have remained compliant with our financial covenants throughout the year.

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## Community

We continue to support a variety of local initiatives and programmes, with a long-standing relationship with Meanwood Valley Urban Farm and Parklands Primary School.

During the year we welcomed Leeds 2023 to Brewery Wharf and Bradford City of Culture 2025 to Centenary Square Bradford as we continue to support these important regional cultural programmes.

### And last but not least...

We were delighted to pick up a further award at the Insider Property Industry Awards Yorkshire 2022, with First White Cloth Hall winning the Refurbishment and Renovation of the Year. I believe that this award is a fitting tribute to the fantastic Rushbond family of colleagues, employees and professional partners.

### J W Maud

Chairman and Managing Director  
26 April 2023



# Strategic Report

(Continued)

## The business model

The strategic objective of the Group and Company is to generate shareholder value through the investment and development of property.

## Review of developments and prospects

Reference to the Group and Company's financial position and performance and details of specific development projects can be found in the Chairman's Statement on pages 2 to 5, which is an integral part of this Strategic Report.

The Directors are pleased with the results for the financial year ended 30 November 2022.

The Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in note 1 to the financial statements. The Group has funding in place to support its continuing growth plans and subsequent to the year-end has agreed terms for the renewal of the facility due to expire in August 2023 for five years on similar terms. In the opinion of the Directors there have been no other material post balance sheet events.

## Principal risks and uncertainties

Development is our principal way to create additional value for the Group and we manage the risks inherent in this activity as described in Table 1.

**Table 1: Development risk management**

Risk Description	Impact	Mitigation
<p><b>Planning risk</b> Development proposals do not gain sufficient support and therefore fail to get satisfactory planning consent</p>	Unable to progress developments in a timely manner and at a suitable point in time	<p>Development expertise including:</p> <ul style="list-style-type: none"> <li>• Skilled development management team</li> <li>• Appropriate acquisition structures and risk evaluation at every stage</li> <li>• Public consultation and management capabilities</li> <li>• Long-standing relationships with key development stakeholders</li> </ul>
<p><b>Construction risk</b> Construction cost over-runs or poor management of construction</p> <p>Contractor failure</p>	Returns are eroded by cost over-runs, losses are incurred, or project completion is delayed	<p>Transfer of risk to specific contractors</p> <p>Skilled consultant and project management teams and regular scheme reviews</p> <p>Regular progress and risk assessments</p> <p>Regular reviews of contractor financial position</p>
<p><b>Commercial risk</b> Cyclical markets and economic uncertainty</p> <p>Letting risk</p>	<p>Delay in starting new developments until market conditions improve</p> <p>Void properties</p>	<p>Development divisions separate to other activities</p> <p>Indirect costs and start-up costs are kept to a minimum</p> <p>Stock and properties held for development are mostly debt free or low geared</p>



# Strategic Report

(Continued)

## Investment properties

We expect our activities to generate investment returns in excess of our cost of capital. However, in Table 2 we list some of the key risks we believe are involved in property investment.

**Table 2: Property investment risk management**

Risk Description	Impact	Mitigation
<b>Market cycles</b> Property markets are cyclical  Economic cycle, trends and evolutions	Underperformance of investment portfolio impacting on financial performance	Secure income flows under UK lease structure  Regular investment appraisals and remedial action taken where appropriate  Regular economic reviews  Regular sector reviews and on-going research
Evolving environmental and energy efficiency requirements in built space	Occupational and sector criteria failure	Design for change in procedure and specification evolution
<b>Tenant Risk</b> Tenant concentration	Impact on revenue if a major occupier fails	Diversified tenant and sector base  Regular monitoring of tenant financial performance  Proactive engagement with tenants

## Performance

The Group's core business objectives, our key performance indicators, and our delivery against these are set out in Table 3. Key performance indicators are measured internally but are not published as the Directors believe that to do so would be seriously prejudicial from a commercial perspective.

**Table 3: Key performance indicators**

Business objective Key performance indicators	Progress
To create sustainable, long term returns Sustain growth Annual revenue and profit to exceed budget/target	Targets/budget for the year ended 30 November 2022 met
To maximise the returns from the investment portfolio	Successful settlement of rent reviews Active asset management Over £10m of investment and stock additions in the year
To complete and let our property portfolio Developments to be completed on budget and time	Void properties remain low No material cost over-runs or delays



## Financial risks

Due to the nature of the Group and Company's rental activities where properties are owned, and rents are collected in advance, there is not deemed to be a significant risk of irrecoverable debtors or negative cash flows. The Group's activities expose it primarily to the financial risks of changes in interest rates. In order to maintain liquidity and to ensure that sufficient funds are available for ongoing operations and future developments, the Group uses a mixture of long-term and short-term debt finance and interest hedging products.

Approved by the Board of Directors and signed on behalf of the Board



## R M Powell

Director and Company Secretary

26 April 2023







Herald Buildings, Harrogate









# Directors' Report

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The Directors present their annual report for the Group and Company and the audited consolidated financial statements for the year ended 30 November 2022. The principal activities of the Group and the Company are property investment and development.

## **Dividends and transfers to reserves**

The Group's results for the year ended 30 November 2022 are shown in the consolidated profit and loss account on page 24. Dividends of £1,027,500 were declared and paid in the year (2021: £702,500).

## **Fair review of the business, post balance sheet events and indication of future developments**

A discussion of the Group and Company's performance and financial position is given in the Chairman's Statement on pages 2 to 5, along with an indication of future events.

## **Going concern**

A discussion of the Group and Company's going concern status is presented within the Strategic Report and in Note 1 to the financial statements.

## **Directors**

The Directors who have held office during the year and subsequently to the date of this report, unless otherwise stated, are listed below:

**J W Maud**

**G Maud**

**M R Finch (resigned 28 February 2022)**

**R M Powell**

**M J Hartley (non-executive)**

**P J S Thompson (non-executive)**

**N Wilkinson MBE (non-executive)**

## **Directors' indemnities**

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

## **Statement of disclosure of information to auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

1. so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
2. the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

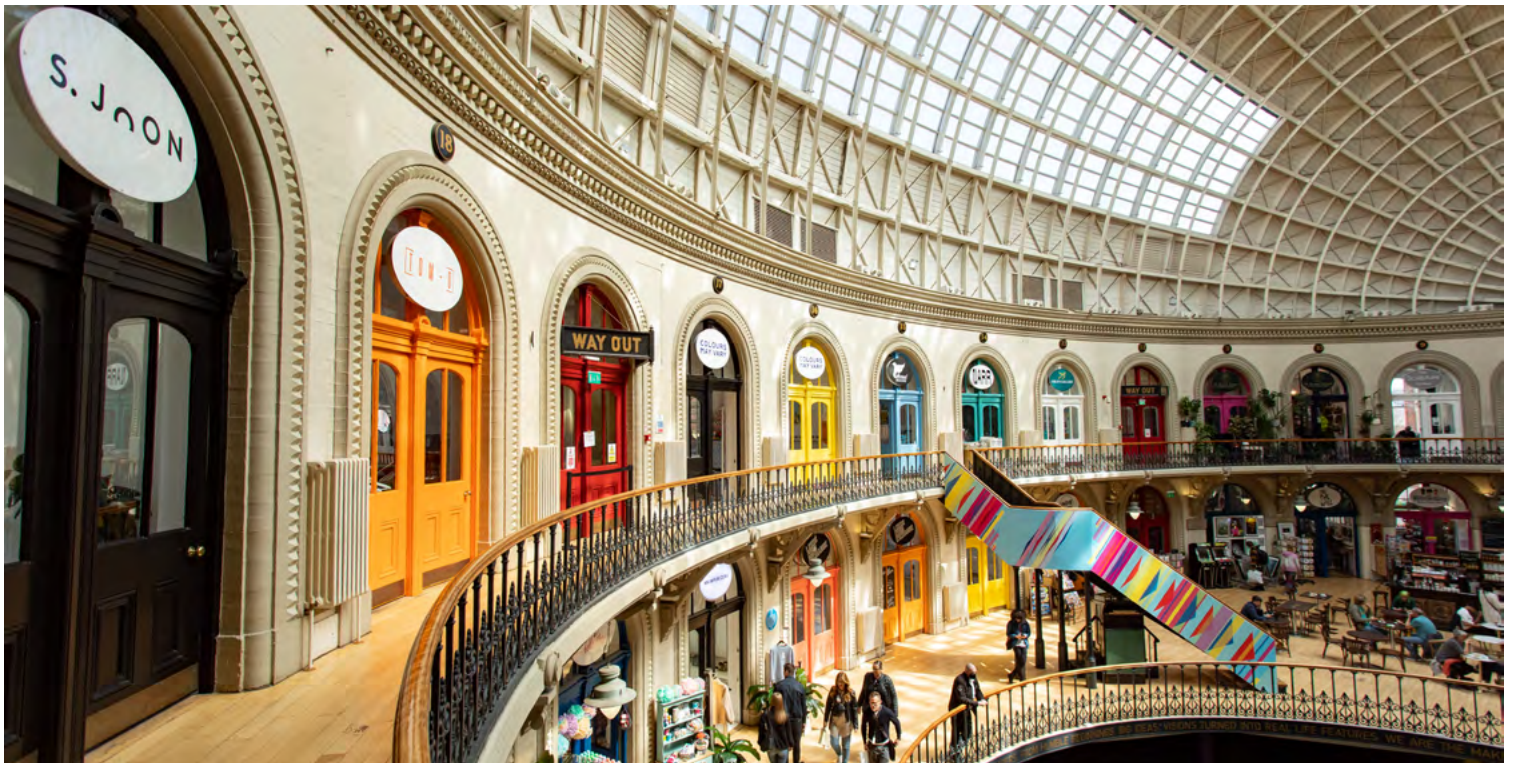
Azets Audit Services Limited has expressed its willingness to continue in office as auditors and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board

**R M Powell**

Director and Company Secretary

26 April 2023



# Statement of Directors' Responsibilities in respect of the Financial Statements

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The Directors are responsible for preparing the annual 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 the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 these financial statements, the directors are required to:

- select suitable accounting policies and then 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;
- 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's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



*First White Cloth Hall, Leeds*





# Independent Auditor's Report to the Members of Rushbond plc

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## Opinion

We have audited the financial statements of Rushbond Plc (the 'company') and its subsidiaries (the 'group') for the year ended 30 November 2022 which comprise the consolidated profit and loss account, the consolidated balance sheet, the company balance sheet, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 the company's affairs as at 30 November 2022 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's ('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

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.

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 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.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

# Independent Auditor's Report to the Members of Rushbond plc

(Continued)

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

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

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

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

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 by the company and group, or returns adequate for our audit have not been received from branches not visited by us; or
- the company and group 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

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 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 company or to cease operations, or have no realistic alternative but to do so.

## 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## Extent to which 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 inline with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial

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statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias, in particular challenging the assumptions used in the valuation of investment properties.
- Performing audit work over the timing and recognition of revenue and in particular whether it has been recorded in the correct accounting period.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-

compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

#### **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.

**Chris Butt (Senior Statutory Auditor)  
For and on behalf of Azets Audit Services Limited**

**Date: 26 April 2023**

**Chartered Accountants**

**Statutory Auditor**

33 Park Place, Leeds, LS1 2RY

# Consolidated Profit and Loss Account

For the year ended 30 November 2022

	Note	2022 £	2021 £
<b>Turnover</b>		25,689,514	7,581,848
Cost of sales		(8,849,744)	(1,603,120)
<b>Gross profit</b>		16,839,770	5,978,728
Administrative expenses	4	(1,893,230)	(1,474,627)
Other operating income	3	6,988	36,376
Share of joint venture loss	11	-	(89)
Profit on disposal of fixed assets		125,670	1,750
Unrealised gain on revaluation of investment property	9	4,272,891	5,106,611
<b>Operating profit</b>	4	19,352,089	9,648,749
Interest receivable and similar income		24,954	1,733
Interest payable and similar expenses	6	(2,627,275)	(1,692,257)
<b>Profit before taxation</b>		16,749,768	7,958,225
Tax on profit	7	(3,483,745)	(3,189,441)
<b>Profit for the financial year</b>		13,266,023	4,768,784

The accompanying notes on pages 30 to 49 are an integral part of this profit and loss account.

The Group has no gains or losses other than those included in the profits above, and therefore no separate statement of comprehensive income has been presented.

All results in the current and prior year arose from continuing operations.

All of the above profits are attributable to the equity shareholders of the Company.

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the Company Profit and Loss Account. The profit for the Company for the year was £10,559,578 (2021: £2,668,172).

# Consolidated Balance Sheet

As at 30 November 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	9	144,609,088	138,585,431
Investments in joint ventures	11	4,228,309	4,228,309
		<b>148,837,397</b>	<b>142,813,740</b>
<b>Current assets</b>			
Stocks	12	15,762,944	13,912,307
Debtors	13	3,940,475	3,165,050
Cash at bank and in hand	19	12,059,409	5,274,169
		<b>31,762,828</b>	<b>22,351,526</b>
<b>Creditors: amounts falling due within one year</b>	14	<b>(31,987,538)</b>	<b>(25,568,760)</b>
<b>Net current liabilities</b>		<b>(224,710)</b>	<b>(3,217,234)</b>
<b>Total assets less current liabilities</b>		<b>148,612,687</b>	<b>139,596,506</b>
<b>Creditors: amounts falling due after more than one year</b>	15	<b>(37,845,950)</b>	<b>(42,279,680)</b>
<b>Provisions for liabilities</b>	16	<b>(10,627,985)</b>	<b>(9,416,597)</b>
<b>Net assets</b>		<b>100,138,752</b>	<b>87,900,229</b>
<b>Capital and reserves</b>			
Called up share capital	17	100	100
Revaluation reserve		39,252,720	36,020,659
Capital reserve		1,129,295	1,129,295
Profit and loss account		59,756,637	50,750,175
<b>Total equity</b>		<b>100,138,752</b>	<b>87,900,229</b>

The accompanying notes on pages 30 to 49 are an integral part of this balance sheet.

These financial statements of Rushbond plc, company number 02034991, were approved by the Board of Directors and authorised for issue on 26 April 2023.

Signed on behalf of the Board of Directors

**J W Maud**  
Director

# Company Balance Sheet

As at 30 November 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	9	32,253,669	31,227,443
Investments in subsidiary undertakings	10	1,002,112	1,002,112
Investments in joint ventures	11	4,250,001	4,250,001
		<u>37,505,782</u>	<u>36,479,556</u>
<b>Current assets</b>			
Stocks	12	2,556,689	2,111,663
Debtors – amounts falling due after more than one year	13	60,242,023	56,956,323
Debtors – amounts falling due within one year	13	291,252	517,667
Cash at bank and in hand	19	6,917,516	2,054,093
		<u>70,007,480</u>	<u>61,639,746</u>
<b>Creditors: amounts falling due within one year</b>	14	<u>(1,461,035)</u>	<u>(1,007,895)</u>
<b>Net current assets</b>		<u>68,546,445</u>	<u>60,631,851</u>
<b>Total assets less current liabilities</b>		<u>106,052,227</u>	<u>97,111,407</u>
<b>Creditors: amounts falling due after more than one year</b>	15	<u>(35,108,198)</u>	<u>(36,108,199)</u>
<b>Provisions for liabilities</b>	16	<u>(1,106,801)</u>	<u>(698,058)</u>
<b>Net assets</b>		<u>69,837,228</u>	<u>60,305,150</u>
<b>Capital and reserves</b>			
Called up share capital	17	100	100
Revaluation reserve		6,801,107	5,677,591
Profit and loss account		63,036,021	54,627,459
<b>Total equity</b>		<u>69,837,228</u>	<u>60,305,150</u>

The accompanying notes on pages 30 to 49 are an integral part of this balance sheet.

These financial statements of Rushbond plc, company number 02034991, were approved by the Board of Directors and authorised for issue on 26 April 2023.

Signed on behalf of the Board of Directors

**J W Maud**  
Director

# Consolidated Statement of Changes in Equity

For the year ended 30 November 2022

Consolidated	Called-up share capital £	Revaluation reserve £	Capital reserve £	Profit and loss account £	Total equity £
<b>At 1 December 2020</b>	<b>100</b>	<b>34,726,257</b>	<b>1,129,295</b>	<b>47,978,293</b>	<b>83,833,945</b>
Profit for the financial year	–	–	–	4,768,784	4,768,784
Unrealised gain on investment property	–	4,746,611	–	(4,746,611)	–
Deferred taxation on unrealised gain investment property	–	(3,452,209)	–	3,452,209	–
<b>Total comprehensive income for the year</b>	–	<b>1,294,402</b>	–	<b>3,474,382</b>	<b>4,768,784</b>
Dividends (note 8)	–	–	–	(702,500)	(702,500)
<b>At 30 November 2021</b>	<b>100</b>	<b>36,020,659</b>	<b>1,129,295</b>	<b>50,750,175</b>	<b>87,900,229</b>
Profit for the financial year	–	–	–	13,266,023	13,266,023
Realised on disposal of investment property	–	(400,451)	–	400,451	–
Deferred tax realised on disposal of investment Property	–	16,047	–	(16,047)	–
Unrealised gain on investment property	–	4,695,727	–	(4,695,727)	–
Deferred taxation on unrealised gain investment property	–	(1,079,262)	–	1,079,262	–
<b>Total comprehensive income for the year</b>	–	<b>3,232,061</b>	–	<b>10,033,962</b>	<b>13,266,023</b>
Dividends (note 8)	–	–	–	(1,027,500)	(1,027,500)
<b>At 30 November 2022</b>	<b>100</b>	<b>39,252,720</b>	<b>1,129,295</b>	<b>59,756,637</b>	<b>100,138,752</b>

# Company Statement of Changes in Equity

For the year ended 30 November 2022

Company	Called-up share capital £	Revaluation reserve £	Profit and loss account £	Total equity £
<b>At 1 December 2020</b>	<b>100</b>	<b>4,898,167</b>	<b>53,441,211</b>	<b>58,339,478</b>
Profit for the financial year	–	–	2,668,172	2,668,172
Unrealised gain on investment property	–	1,140,156	(1,140,156)	–
Deferred taxation on unrealised loss investment property	–	(360,732)	360,732	–
<b>Total comprehensive income for the year</b>	<b>–</b>	<b>779,424</b>	<b>1,888,748</b>	<b>2,668,172</b>
Dividends (note 8)	–	–	(702,500)	(702,500)
<b>At 30 November 2021</b>	<b>100</b>	<b>5,677,591</b>	<b>54,627,459</b>	<b>60,305,150</b>
Profit for the financial year	–	–	10,559,578	10,559,578
Realised on disposal of investment property	–	(400,451)	400,451	–
Deferred tax realised on disposal of investment property	–	16,047	(16,047)	–
Unrealised gain on investment property	–	1,911,000	(1,911,000)	–
Deferred taxation on unrealised gain investment property	–	(403,080)	403,080	–
<b>Total comprehensive income for the year</b>	<b>–</b>	<b>1,123,516</b>	<b>9,436,062</b>	<b>10,559,578</b>
Dividends (note 8)	–	–	(1,027,500)	(1,027,500)
<b>At 30 November 2022</b>	<b>100</b>	<b>6,801,107</b>	<b>63,036,021</b>	<b>69,837,228</b>

# Consolidated Statement of Cash Flows

For the year ended 30 November 2022

	Note	2022 £	2021 £
<b>Cash inflow/(outflow) from operating activities</b>	18	13,412,612	(5,379,486)
Taxation paid		(1,204,668)	(362)
<b>Net cash generated from/(invested in) operating activities</b>		12,207,944	(5,379,848)
<b>Cash flow from investing activities</b>			
Purchase of tangible fixed assets	9	(2,627,177)	(982,513)
Proceeds from the sale of tangible fixed assets		1,025,670	1,750
Interest received		24,954	1,733
<b>Net cash used in investing activities</b>		(1,576,553)	(979,030)
<b>Cash flow from financing activities</b>			
Interest paid		(2,464,835)	(1,665,230)
Equity dividends paid	8	(1,027,500)	(702,500)
New borrowings		5,219,423	7,406,931
Repayment of borrowings		(5,573,239)	–
<b>Net cash (invested in)/generated from financing activities</b>		(3,846,151)	5,039,201
<b>Net increase/(decrease) in cash and cash equivalents</b>		6,785,240	(1,319,677)
Cash and cash equivalents at the beginning of the year		5,274,169	6,593,846
<b>Cash and cash equivalents at end of the year</b>	19	12,059,409	5,274,169

# Notes to the Financial Statements

For the year ended 30 November 2022 (Continued)

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## 1. Significant accounting policies

The principal accounting policies of the Group and Company are summarised below. They have all been applied consistently throughout the year and the preceding year.

### a. General information and basis of accounting

Rushbond plc is a privately owned public company limited by shares incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on page 1. The nature of the Group's and Company's operations and its principal activities are set out in the Strategic Report on pages 2 to 9 and the Directors' Report on page 16.

The financial statements have been prepared under the historical cost convention, modified to include investment properties at fair value as set out in the accounting policies below, and in accordance with Financial Reporting Standard 102 ("FRS 102") issued by the Financial Reporting Council and the Companies Act 2006.

The functional currency of Rushbond plc is considered to be pounds sterling because that is the currency of the only economic environment in which the Group and the Company operate. The consolidated financial statements are also presented in pounds sterling.

Rushbond plc meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. The Company has notified its shareholders in writing about, and they do not object to, the disclosure exemptions used by the Company in these financial statements. The principal disclosure exemptions adopted by the Company in accordance with FRS 102 are as follows:

- the requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirement of Section 33 Related Party Disclosures paragraph 33.7; and
- the requirements of Section 11 Basic Financial Instruments paragraphs 11.39 to 11.48A and Section 12 Other Financial Instruments Issues paragraphs 12.26 to 12.29

### b. Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 30 November each year. The results of subsidiaries acquired or sold are consolidated for the periods from, or to the date on, which control passed.

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation. In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition.

### c. Going concern

The Group and Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The Strategic Report further describes the financial position of the Group; its cash flows, liquidity position and borrowing facilities; the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposure to credit risk and liquidity risk.

The Group and Company has in place funding to support its continuing growth plans. At the year end date facility renewals fall due in August 2023 and September 2024. Subsequent to the year end terms have been agreed for the refinancing of the facility due to renew in August 2023 on similar terms with an expiry date of August 2028.

The Group's activities are financed through a combination of own equity and loan facilities. Having undertaken a review of the Group and Company's forecasts and projections, the Directors have considered the Group's principal risk areas, that they consider material to the assessment of going concern. They have assessed the effect of a potential impact on income to the Group and the forecast development activity.

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## 1. Significant accounting policies (continued)

### c. Going concern (continued)

Having taken into consideration that the Group ended the financial year with a £12.1 million cash position and as noted above at the date of signing these financial statements terms have been agreed for the refinancing of the banking facilities due for renewal in August 2023 and having reviewed the Group's sensitised forecasts, the Directors have concluded that the Group and Company have adequate resources to continue in operational existence for the foreseeable future and remain compliant with banking covenants. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

### d. Tangible assets

Tangible fixed assets are stated at cost or valuation, net of accumulated depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life, as follows:

Motor vehicles	25% straight line
Fixtures and fittings	10-25% straight line

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

### e. Investment properties and revaluation reserve

Investment properties are those properties which are not occupied by the Group, and which are held for long-term rental yields, capital appreciation or both. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment properties are initially measured at cost, including related transaction costs.

Capital grants relating to investment properties are offset against expenditure on a performance basis, to the extent that the Directors consider that any repayment criteria will not be met.

Investment properties are measured at fair value annually, with any change recognised in the profit and loss account. Unrealised gains or deficits are transferred to the revaluation reserve net of associated deferred tax. This reserve is undistributable.

When the Group employs professional valuers, the valuations are subject to a comprehensive review to ensure they are based on accurate and up-to-date tenancy information. Discussions are held with the valuers to test the valuation assumptions applied and comparable evidence utilised to ensure they are appropriate in the circumstances.

Subsequent expenditure is capitalised to the asset's carrying value only where it is probable that the future economic benefits associated with the expenditure will flow to the Group. All other expenditure is expensed to the profit and loss account.

When investment properties are identified for disposal within the next twelve months, are available for sale and a sale is considered probable then the asset is shown at estimated realisable value.

### f. Financial instruments including cash and cash equivalents

Cash and cash equivalents include cash in hand, bank deposits and overdrafts.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. This policy is in accordance with parts 11 and 12 of FRS 102.

Borrowing costs are spread over the relevant facility term on a straight-line basis, unless they relate to development activities where drawdown fees are capitalised as a development cost.

# Notes to the Financial Statements

For the year ended 30 November 2022 (Continued)

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## 1. Significant accounting policies (continued)

### g. Joint ventures and capital reserve

Investments in joint ventures are accounted for using the equity method. The consolidated profit and loss account includes the Group's share of the joint ventures' profits less losses and the Group's share of the net assets of the joint ventures are shown in the consolidated balance sheet. If a joint venture becomes a subsidiary any historical gain on consolidation is transferred to a capital reserve and treated as undistributable. If a subsidiary becomes a joint venture any gain or loss is shown in the consolidated profit and loss account. In the Company's financial statements investments in joint ventures and associates are accounted for at cost less impairment.

### h. Stocks

Land and buildings held for development/and or sale and developments in progress are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Impairment reviews are considered on a site-by-site or individual development basis by management at each reporting date; write-downs or reversals are made to ensure that stock is then stated at the lower of cost or net realisable value.

Net realisable value is considered in the light of progress made in the planning process, development appraisals and other external factors that might be considered likely to influence the eventual outcome.

### i. Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the profit and loss account as described below.

#### *Non-financial assets*

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

#### *Financial assets*

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

### j. Taxation

Current tax, including UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

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## **1. Significant accounting policies (continued)**

### **j. Taxation (continued)**

Unrelieved tax losses and other deferred tax assets are 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.

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Group is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted, or substantively enacted, by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model, and investment property, is measured using the tax rates and allowances that apply to the sale of the asset.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

### **k. Turnover and other operating income**

Turnover is stated net of VAT and represents amounts receivable from sales of developed or refurbished stock properties, from rental income and related property income. Other property income includes management fees and sundry receipts from tenants. All turnover originated in the United Kingdom.

### **l. Employee benefits**

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

### **m. Leases**

The Group as lessee

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term. The Group has no finance leases.

The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

# Notes to the Financial Statements

For the year ended 30 November 2022 (Continued)

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## **2. Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Group's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### **Critical estimates in applying the Group's and Company's accounting policies**

There are no critical judgements, apart from those involving estimations (which are dealt with separately below), that the Directors have made in the process of applying the Group's and Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

### **Valuation of investment property**

The Group and Company makes an annual estimate of the open market value of investment properties. Management takes into account advice from third parties, including valuations performed externally for loan security purposes and by using all knowledge and information available, including market yields, tenant covenant strength, the availability of suitable purchasers and the nature of the asset held.

### **Stock provisioning**

The Group and Company owns a number of development properties, which are carried at the lower of cost and net realisable value in accordance with the accounting policy. When calculating the net realisable value, management considers the nature and condition of the property and its current saleability and estimated market value by reference to external advice and valuations performed for banking purposes.

## **Impairment of debtors**

The Group and Company makes an estimate of the recoverable value of trade and other debtors (including amounts due from group undertakings in the case of the Company). When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the aging profile of the debtor and historic experience.

### 3. Other operating income

	2022 £	2021 £
Management charges	6,988	36,376
	<u>6,988</u>	<u>36,376</u>

### 4. Operating profit

	2022 £	2021 £
<b>Operating profit is stated after charging/(crediting):</b>		
Depreciation - owned assets (Note 9)	13,464	14,478
Bad debt provision	(28,764)	6,000
Operating lease rentals – land and buildings	71,700	71,700
Income from operating leases – land and buildings	(8,074,569)	(7,416,848)
Fees payable for the audit of the Company's annual financial statements	24,860	22,400
Fees payable for the audit of the Company's subsidiaries	25,840	20,150
Total audit fees	<u>50,700</u>	<u>42,550</u>
Other services – Company's tax compliance services	22,000	19,000
Other services – Company's subsidiaries tax compliance services	7,600	5,950
Other services – tax account tagging	3,250	2,250
Total non-audit fees	<u>32,850</u>	<u>27,200</u>
Total	<u>83,550</u>	<u>69,750</u>

# Notes to the Financial Statements

For the year ended 30 November 2022 (Continued)

## 5. Information regarding directors and employees

<b>Group and Company</b>	<b>2022 £</b>	<b>2021 £</b>
<b>Directors' emoluments</b>		
Emoluments	498,034	553,639
Pension costs	13,198	16,480
	<b>511,232</b>	<b>570,119</b>
<b>Emoluments of highest paid director:</b>		
Emoluments	133,204	197,630
Pension costs	11,880	5,280
	<b>145,084</b>	<b>202,910</b>
<b>Group and Company</b>		
	<b>2022 No.</b>	<b>2021 No.</b>
Number of directors accruing benefits with the Group and Company under a defined contribution pension scheme	4	4
Average monthly number of persons employed in management and administrative positions	16	17
<b>Group and Company</b>		
	<b>2022 £</b>	<b>2021 £</b>
<b>Staff costs during the year (including directors)</b>		
Wages and salaries	1,146,251	1,035,500
Social security costs	140,185	122,963
Defined contribution scheme pension costs	30,741	31,194
	<b>1,317,177</b>	<b>1,189,657</b>

The Group and Company has no key management personnel who are not directors.

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**6. Interest payable and similar expenses**

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	<b>2022</b> <b>£</b>	<b>2021</b> <b>£</b>
Bank loans	2,627,275	1,692,257
	<u>2,627,275</u>	<u>1,692,257</u>

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**7. Tax on profit**

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	<b>2022</b> <b>£</b>	<b>2021</b> <b>£</b>
United Kingdom corporation tax	2,259,605	397,605
Adjustment in respect of prior years	12,752	1,542
Total current taxation	2,272,357	399,147
<b>Deferred taxation</b>		
Current year	1,211,388	2,962,193
Adjustment in respect of prior years	–	(171,899)
Total tax charge	<u>3,483,745</u>	<u>3,189,441</u>

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 19% (2021: 19%).

# Notes to the Financial Statements

For the year ended 30 November 2022 (Continued)

## 7. Tax on profit (continued)

The actual tax charge for the current year differs from the standard rate for the reasons set out in the following reconciliation:

	2022 £	2021 £
Profit before taxation	16,749,768	7,958,225
Tax on profit before taxation at standard rate	3,182,456	1,512,063
<b>Factors affecting the charge for the year:</b>		
Expenses not deductible for tax purposes	29,566	(1,532)
Timing differences	9,597	48,273
Recognition of deferred tax asset	–	(477,692)
Capital gain on disposal of investment property	(5,903)	–
Effect of change in tax rates	255,277	2,278,686
Adjustment in respect of prior years	12,752	(170,357)
Total tax charge	3,483,745	3,189,441

### Factors that may affect future tax charges

The Finance (No 2) Act 2022 set the main rate of corporation tax at 25% from 1 April 2023 and deferred taxation has been provided at this rate.

## 8. Dividends

	2022 £	2021 £
Equity dividends of £10,275 per ordinary share (2021: £7,025)	1,027,500	702,500

## 9. Tangible assets

Group	Investment properties £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>			
At 1 December 2021	138,562,774	63,731	138,626,505
Additions	2,475,541	188,689	2,664,230
Unrealised gain on revaluation	4,272,891	–	4,272,891
Disposals	(900,000)	–	(900,000)
<b>At 30 November 2022</b>	<b>144,411,206</b>	<b>252,420</b>	<b>144,663,626</b>
<b>Cost or valuation</b>			
At cost	3,331,453	252,420	3,583,873
At valuation	141,079,753	–	141,079,753
	<b>144,411,206</b>	<b>252,420</b>	<b>144,663,626</b>
<b>Accumulated depreciation</b>			
At 1 December 2021	–	41,074	41,074
Charge for the year	–	13,464	13,464
Disposals	–	–	–
<b>At 30 November 2022</b>	<b>–</b>	<b>54,538</b>	<b>54,538</b>
<b>Net book value</b>			
<b>At 30 November 2022</b>	<b>144,431,206</b>	<b>197,882</b>	<b>144,609,088</b>
At 30 November 2021	138,562,774	22,657	138,585,431

# Notes to the Financial Statements

For the year ended 30 November 2022 (Continued)

## 9. Tangible assets (continued)

Investment properties include £2,949,855 of investment properties under construction (2021: Nil). Investment properties under construction are stated at cost. The Group had capital commitments at 30 November 2022 of £750,000 (2021: Nil) relating to construction contracts and the Group has undrawn loan facilities and equity available to meet these payments as they fall due.

At 30 November 2022 £63,095,000 of investment property has been valued by external RICS qualified valuers, the balance has been valued by a suitably RICS qualified director of the Company (2021: £12,845,000 valued by external RICS qualified valuers, the balance has been valued by a suitably RICS qualified director of the Company). The valuations were in accordance with the requirements of RICS Valuation Standards, sixth edition, and FRS102.

During the year the Group received capital grants to assist with the restoration of heritage investment properties totalling £nil (2021: £183,417), which has been offset against additions. The grants have repayment criteria linked to future disposal of the properties. The Group has no current intention to dispose of these assets therefore no provision has been made for the repayment of these grants.

If investment properties had not been revalued, they would have been included at the following amounts:

	2022 £	2021 £
Cost	93,738,146	91,762,154

## 9. Tangible assets (continued)

Company	Investment properties £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>			
At 1 December 2021	31,204,786	63,731	31,268,517
Additions	1,517	27,173	28,690
Disposals	(900,000)	–	(900,000)
Unrealised loss on revaluation	1,911,000	–	1,911,000
<b>At 30 November 2022</b>	<b>32,217,303</b>	<b>90,904</b>	<b>32,308,207</b>
<b>Cost or valuation</b>			
At cost	–	90,904	90,904
At valuation	32,217,303	–	32,217,303
	<b>32,217,303</b>	<b>90,904</b>	<b>32,308,207</b>
<b>Accumulated depreciation</b>			
At 1 December 2021	–	41,074	41,074
Charge for the year	–	13,464	13,464
Disposals	–	–	–
<b>At 30 November 2022</b>	<b>–</b>	<b>54,538</b>	<b>54,538</b>
<b>Net book value</b>			
<b>At 30 November 2022</b>	<b>32,217,303</b>	<b>36,366</b>	<b>32,253,669</b>
At 30 November 2021	31,204,786	22,657	31,227,443

# Notes to the Financial Statements

For the year ended 30 November 2022 (Continued)

## 9. Tangible assets (continued)

Investment properties under construction are stated at cost. The Company has no capital commitments at 30 November 2022 (2021: £nil).

At 30 November 2022 £28,200,000 of investment property has been valued by external RICS qualified valuers, the balance has been valued by a suitably RICS qualified director of the Company (2021: £2,790,000 by a company director, £28,414,786 by external RICS qualified valuers). The valuations were in accordance with the requirements of RICS Valuation Standards, sixth edition, and FRS102. All properties have been subject to external valuation in the last three years.

In prior years the Company received capital grants which have repayment criteria linked to future disposal of the property. The Company has no current intention to dispose of these assets therefore no provision has been made for the repayment of these grants.

If investment properties had not been revalued, they would have been included at the following amounts:

	2022 £	2021 £
Cost	24,158,993	24,657,025

## 10. Investments in subsidiary undertakings

Company	Investments in subsidiary undertakings £
<b>At 1 December 2021</b>	1,002,112
Additions	–
<b>At 30 November 2022</b>	1,002,112

## 10. Investments in subsidiary undertakings (continued)

All subsidiaries are incorporated and registered in England and Wales, with their registered office at the same address as Rushbond plc.

The details of all the investments held are as follows:

Undertakings	Interest in entire issued share capital (%)	Nature of business
Airport West (Leeds) Limited	100	Property investment and development
Airport West Management Company Limited	100	Property management
Belle Vue Mills Limited	100	Property investment and development
Belle Vue Mills Management Company Limited	100	Property management
Brewery Wharf (Leeds) Limited	100	Property investment and development
BVM Residential Management Co Limited	100	Property management
BVM Skipton Limited	100	Dormant
City East Limited	100	Property investment and development
City Square Developments Limited	100	Property investment and development
Crispin Apartments Limited	100	Property investment and development
C X Leeds Limited	100	Property investment and development
East Street (Leeds) Limited	100	Property investment and development
Echo Central 2 Limited	100	Property investment and development
Electric Support Limited	100	Property investment and development
Elmete Hall (Leeds) Limited	100	Property investment and development
Fallowdale Homes Limited	100	Dormant
First White Cloth Hall (Leeds) Limited	100	Property investment and development
Goods Yard Leeds Limited	100	Property investment and development
Hawthorn Park (Leeds) Limited	100	Dormant
MSM (Leeds) Limited	100	Property investment and development
One Brewery Wharf Limited	100	Property investment and development
Rushbond Developments Limited	100	Dormant
Rushbond Retail Limited	100	Property investment and development
Rushhome Limited	100	Property investment and development
Saint Leonard's Property Company Limited	100	Property investment and development
SBM Residential Limited	100	Dormant
St Leonards York Limited	100	Property investment and development
Stonebridge Mills Limited	100	Property investment and development
The Print Works (Leeds) Limited	100	Dormant
Uptownleeds Limited	100	Property investment and development

Refer to note 11 for details of interests in joint ventures. Dormant subsidiaries are not subject to audit.

# Notes to the Financial Statements

For the year ended 30 November 2022 (Continued)

## 11. Investments in joint ventures

Group	2022 £	2021 £
Share of gross assets	4,384,454	4,384,454
Share of gross liabilities	(3,656,145)	(3,656,145)
Loan notes	3,500,000	3,500,000
Net investment in joint ventures	4,228,309	4,228,309
<b>Company</b>		<b>£</b>
At 1 December 2021 and 30 November 2022		4,250,001

The Company has an investment of £1 (2021: £1) in a joint venture Upper Wortley Limited, a company incorporated in England and Wales. The principal activity of that company is property development. Upper Wortley Limited made neither profit nor loss after tax in the year (2021: £nil) and has no employees. The Company has provided Upper Wortley Limited with a development loan of £12,402 (2021: £12,402).

The Company has an investment of £750,000 (2021: £750,000) in a joint venture Bretton Investment Partnership Limited. The principal activities of that company are property development and investment. Bretton Investment Partnership Limited made a loss after tax of £Nil in the year (2021: Loss £178) and has no employees. The Company has provided Bretton Investment Partnership Limited with loan notes of £3,500,000 (2021: £3,500,000) with no fixed repayment date. The loan notes have an interest rate of 3%, with interest payment deferred until such time as the company is able to pay from operating activities. The Group has not recognised any accrued interest.

Both joint ventures prepared financial statements to 30 November 2022. The Group holds 50% (2021: 50%) of the Ordinary share capital in both entities. All joint ventures have the same registered office address as Rushbond plc.

## 12. Stocks

	Group		Company	
	2022 £	2021 £	2022 £	2021 £
Developments in progress	15,762,944	13,912,307	2,556,689	2,111,663

Group cost of sales includes £6,519,036 (2021: £157,515) relating to developments in progress.

### 13. Debtors

	Group		Company	
	2022 £	2021 £	2022 £	2021 £
<b>Amounts falling due within one year:</b>				
Trade debtors	208,562	272,711	16,332	128,496
VAT	155,769	–	–	–
Amount due from joint venture undertakings	41,408	12,402	41,408	12,402
Other debtors	3,140,353	2,481,720	–	191,600
Corporation tax	–	–	100,000	–
Prepayments and accrued income	394,383	398,217	133,512	185,169
	<b>3,940,475</b>	<b>3,165,050</b>	<b>291,252</b>	<b>517,667</b>
<b>Amounts falling due after more than one year:</b>				
Amounts owed by Group undertakings	–	–	60,242,023	56,956,323
	<b>3,940,475</b>	<b>3,165,050</b>	<b>60,533,275</b>	<b>57,473,990</b>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date for repayment and are repayable on demand.

### 14. Creditors: amounts falling due within one year

	Group		Company	
	2022 £	2021 £	2022 £	2021 £
Bank loans and overdrafts (note 15)	24,841,303	20,761,389	–	–
Trade creditors	1,555,065	1,581,371	83,562	261,032
Corporation tax	1,305,294	237,605	–	–
VAT	–	9,354	65,863	57,015
Other taxation and social security	38,496	41,586	38,496	41,586
Other creditors	1,493,882	1,599,101	205,334	287,655
Accruals and deferred income	2,753,498	1,338,354	1,067,780	360,607
	<b>31,987,538</b>	<b>25,568,760</b>	<b>1,461,035</b>	<b>1,007,895</b>

# Notes to the Financial Statements

For the year ended 30 November 2022 (Continued)

## 15. Creditors: amounts falling due after more than one year

	Group		Company	
	2022 £	2021 £	2022 £	2021 £
Bank loans and overdrafts	37,727,200	42,160,930	34,988,999	35,988,999
Amounts owed to group undertakings	–	–	449	450
10% Cumulative preference shares	118,750	118,750	118,750	118,750
	<b>37,845,950</b>	<b>42,279,680</b>	<b>35,108,198</b>	<b>36,108,199</b>
Maturity analysis: bank loans and overdrafts				
Due within one year	24,841,303	20,761,389	–	–
Between one and two years	–	–	–	–
Between two and five years	37,727,200	42,160,930	34,988,999	35,988,999
More than five years	–	–	–	–
	<b>62,568,503</b>	<b>62,922,319</b>	<b>34,988,999</b>	<b>35,988,999</b>

The bank borrowings disclosed in notes 14 and 15 are generally secured by legal charges over the relevant properties being held or developed. Interest is charged at between 2.5% and 4.25% (2021: between 2.5% and 4.25%) over benchmark rate on the loans. All loans have transitioned to either a SONIA or Bank of England base rate benchmark. Subsequent to the year end terms have been agreed for the refinancing of the facility due to expire in August 2023 on similar terms with expiry in 2028.

The 10% cumulative preference shares represent a non-equity interest. On a winding-up, the preference shares carry priority over the ordinary shares to the extent of their par value plus any cumulative arrears of dividends. The preference shares do not carry the right for the holder to attend or vote at any general meeting of the Company unless the dividend on such shares is more than two years in arrears. The right to a preference dividend has been waived by the preference shareholders in the current and prior year.

At the year end the Group has entered into zero (2021: two) interest rate cap product to hedge against unforeseen fluctuations in LIBOR. (2021: £25,000,000 at a LIBOR of 2% until September 2022 and £21,000,000 at 0.75% until August 2022). The fair value of these products on 30 November 2022 and 30 November 2021 was £Nil.

Amounts owed to group undertakings are unsecured, interest free, have no fixed date for repayment and are repayable on demand.

## 16. Provisions for liabilities

Group	Deferred taxation £
At 1 December 2021	9,416,597
Charged to profit and loss account in the year	1,211,388
<b>At 30 November 2022</b>	<b>10,627,985</b>

The amounts provided and unprovided for deferred taxation are:

	Provided 2022 £	Provided 2021 £	Not provided 2022 £	Not provided 2021 £
Capital allowances in excess of depreciation	(1,684,299)	(1,832,472)	-	-
Capital gain on unrealised revaluation of investment properties	12,312,284	11,249,069	-	-
	<b>10,627,985</b>	9,416,597	-	-

Company	Deferred taxation £
At 1 December 2021	698,058
Charged to profit and loss account in the year	408,743
<b>At 30 November 2022</b>	<b>1,106,801</b>

The amounts provided and unprovided for deferred taxation are:

	Provided 2022 £	Provided 2021 £	Not provided 2022 £	Not provided 2021 £
Capital allowances in excess of depreciation	(150,400)	(172,110)	-	-
Capital gain on unrealised revaluation of investment properties	1,257,201	870,168	-	-
	<b>1,106,801</b>	698,058	-	-

# Notes to the Financial Statements

For the year ended 30 November 2022 (Continued)

## 17. Called up share capital

Group and Company	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
100 (2021: 100) Ordinary Shares of £1 each	100	100

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

## 18. Reconciliation of operating profit to cash from operating activities

Group	2022 £	2021 £
Operating profit	19,352,089	9,648,749
Depreciation (Note 9)	13,464	14,478
Revaluation of investment property (Note 9)	(4,272,891)	(5,106,611)
Profit on disposal of fixed assets	(125,670)	(1,750)
Share of joint venture loss	–	89
(Increase) in stocks	(1,850,637)	(9,546,886)
(Increase) in debtors	(775,425)	(1,105,033)
Increase in creditors	1,071,682	717,478
<b>Cash inflow/(outflow) from operating activities</b>	<b>13,412,612</b>	<b>(5,379,486)</b>

## 19. Analysis of changes in net debt

Group	At 1 December 2021 £	Cash flows £	Other non-cash changes £	At 30 November 2022 £
Cash in hand and at bank	5,274,169	6,785,240	–	12,059,409
Debt due within one year	(20,761,389)	(907,983)	(3,171,931)	(24,841,303)
Debt due after one year	(42,160,930)	1,261,799	3,171,931	(37,727,200)
10% Preference shares	(118,750)	–	–	(118,750)
	<b>(57,766,900)</b>	<b>7,139,056</b>	<b>–</b>	<b>(50,627,844)</b>

The Group cash in hand and at bank balance includes £1,132,576 (2021: £1,231,974) which is subject to restrictions on its availability for use by the Group. The Company has £280,611 (2021: £383,660) subject to similar restrictions.

## 20. Operating lease commitments

The Group and Company is committed to making the following payments during the next year in respect of operating leases:

	Land and buildings 2022 £	Land and buildings 2021 £
Leases which expire within two years	71,700	71,700

## 21. Related party transactions

Rushbond plc has a lease over 5 Hawthorn Park, Leeds, a property owned by the North Yorkshire Pension Fund. J W Maud and G Maud, directors of Rushbond plc, are the beneficiaries of the North Yorkshire Pension Fund. Rushbond plc paid rent of £71,700 in the year to 30 November 2022 (2021: £71,700). The pension fund owed Rushbond £25,000 at 30 November 2022 (2021: £Nil).

Rushbond plc holds a 50% (2021: 50%) investment in a joint venture, Upper Wortley Limited. The Company has provided an unsecured development loan of £12,402 to the joint venture (2021: £12,402).

Rushbond plc holds a 50% (2021: 50%) investment in a joint venture, Bretton Investment Partnership Limited. The Company is due £3,504,006 (2021: £3,500,000) from the joint venture in total. Interest is payable at 3% on unsecured loan notes totalling £3,500,000, and payment of interest has been deferred until Bretton Investment Partnership Limited is able to pay from operating profit.

## 22. Ultimate controlling party

Mr J W Maud, a director of the Company, controls the Company and Group as a result of controlling 100% of the share capital of the Company.





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PLC