

MOUNT ANVIL LIMITED

Report and Financial Statements

Year Ended

31 December 2014

Company number: 2706348

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MOUNT ANVIL LIMITED

Annual report and financial statements for the year ended 31 December 2014

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MOUNT ANVIL LIMITED

Officers and professional advisors for the year ended 31 December 2014

Directors

C K Hurley
D Hurley
J R Hall
P R Burslem
J A Spring

Secretary and registered office

A S Duncan
140 Aldersgate Street
London
EC1A 4HY

Company number

2706348

Solicitors

Addleshaw Goddard LLP
60 Chiswell Street
London
EC1Y 4AG

Bankers

Bank of Ireland plc
Bow Bells House
1 Bread Street
London
EC4M 9BE

Lloyds Bank plc
10 Gresham Street
London, EC2V 7AE

Auditors

BDO LLP
55 Baker Street
London
W1U 7EU

MOUNT ANVIL LIMITED

Strategic report of the directors for the year ended 31 December 2014

Operating Review

Contracting

The group has always taken great pride in the quality of construction and the level of customer service provided. With its own construction arm, Mount Anvil is able to ensure that all its products are delivered to its own exacting standards. The turnover was £115.3m (2013: £88.7m) and profit before taxation (before exceptional items) was £0.4m (2013: £0.2m), both before eliminating intra-group activity. The company is the main contractor on schemes and its ethos of listening to its clients and reacting to their needs has been at the centre of our approach, allowing the company to consistently provide high quality and innovative design solutions. Looking forward, the external Registered Provider order book has a value of £21m and the intra-group private build contracts add a further £368m.

Sustainability

Mount Anvil believes that sustainability is integral to the design process. Good design is sustainable design, and the understanding of people, places and the environment ensures that Mount Anvil are designing and delivering developments to meet the current and future needs of customers, the community and all stakeholders.

Health and safety

In 2014, we were named by the British Safety Council as the UK's Number One company for Health and Safety, across any sector (including oil and gas, construction and manufacturing), awarded a 5-star rating and an unprecedented score of 99.8%. This is indicative of our respect for people and our desire to do the right thing.

People

We believe that engaged, positive and proactive people deliver excellent customer service and great financial returns. Our inclusion in the Sunday Times Best 100 Small Companies to Work For list for nine consecutive years reflects our commitment to investing in our people. The business also achieved a Best Companies Three Star Accreditation in 2014, for the fifth consecutive year. Many of our staff have been with us for more than a decade and over half of them are shareholders.

Outlook

While the London residential market will continue to be buffeted by other factors in the short-term, we believe that its long-term outlook is ultimately linked to the vibrancy of the London economy. London's favourable language, time zone, history, educational institutes, business networks and stable political and legal foundations bode well for its continued success, and with this success will come continued demand for well designed, high quality homes in the right locations.

MOUNT ANVIL LIMITED

Strategic report of the directors for the year ended 31 December 2014 (*continued*)

Principal risks and uncertainties

The Board regularly reviews the financial requirements of the company and the risks associated therewith. The operations are primarily financed from retained earnings and short and medium term bank borrowings. The company does not use complicated financial instruments nor does it use derivative financial instruments for trading purposes.

The Board regularly reviews and updates the forecast performance of the company in conjunction with a detailed cash flow model. This ensures that working capital is continually optimised and requirements are identified at an early stage. Like all construction companies, Mount Anvil is exposed to changes in the property market, however adequate controls are in place.

By order of the Board



A S Duncan

Secretary

Date: 15 June 2015

MOUNT ANVIL LIMITED

Report of the directors for the year ended 31 December 2014

The directors present their report with the audited financial statements for the year ended 31 December 2014.

Principal activities

The group's principal activities are property development and specialist design and build contracting.

Directors

The directors of the company during the year and up to the date of this report were:

C K Hurley

D Hurley (appointed 24 March 2015)

P R Burslem

J A Spring

J R Hall (appointed 19 May 2014)

M Ratchford (appointed 8 July 2014, resigned 14 November 2014)

D J C Clark (resigned 6 June 2014)

C Fenton (resigned 31 January 2014)

Charitable and political donations

The aggregate amount of charitable donations made during the year was £200,000 (2013: £150,000). There were no political donations.

Financial risk management

The Board regularly reviews the financial requirements of the company and the risks associated therewith. Operations are primarily financed from retained earnings and short and medium term bank borrowings. The company does not use complicated financial instruments nor does it use derivative financial instruments for trading purposes.

Results and dividends

The company's profit for the year before taxation and exceptional items was £0.4m (2013: £0.2m). The directors do not recommend the payment of an ordinary dividend (2013: £nil).

Policy and practice on the payment of creditors

It is the policy of the company to negotiate appropriate terms and conditions for its transactions with suppliers by means ranging from standard written terms to individually negotiated contracts. Trade creditors represent both invoices received from material suppliers and accruals for subcontractor payment applications not yet received. At 31 December 2014 trade creditors represented 35 days of purchases (2013: 44 days).

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 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

MOUNT ANVIL LIMITED

Report of the directors for the year ended 31 December 2014 (*continued*)

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the next annual general meeting.

By order of the Board



A S Duncan
Secretary

Date: 15 June 2015

MOUNT ANVIL LIMITED

Independent auditor's report to the members of Mount Anvil Limited

We have audited the financial statements of Mount Anvil Limited for the year ended 31 December 2014 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors

As explained more fully in the statement of directors' responsibilities, 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 Financial Reporting Council's (FRC'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 FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on 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 2014 and of its 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MOUNT ANVIL LIMITED

Independent auditor's report to the members of Mount Anvil Limited (*continued*)

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.



Thomas Edward Goodworth (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

Date: 15 June 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

MOUNT ANVIL LIMITED

Profit and loss account for the year ended 31 December 2014

	<i>Note</i>	2014 £'000 Company before exceptional items	2014 £'000 Exceptional items (note 4)	2014 £'000 Total	2013 £'000 (restated)
Turnover	2	115,268	-	115,268	88,692
Cost of sales		(113,729)	-	(113,729)	(87,541)
Gross profit		1,539		1,539	1,151
Administrative expenses		(707)	(1,981)	(2,688)	(919)
Operating (loss) / profit	3	832	(1,981)	(1,149)	232
Interest receivable and similar income	7			13	8
Interest payable and similar charges	8			(470)	(73)
(Loss) / profit on ordinary activities before taxation				(1,606)	167
Tax on (loss) / profit on ordinary activities	9			1,281	33
(Loss) / profit on ordinary activities after taxation	16			(325)	200

All amounts relate to continuing activities.

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

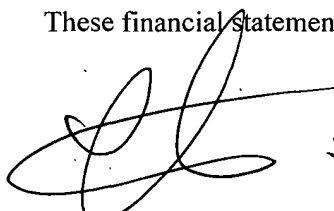
MOUNT ANVIL LIMITED

Balance sheet at 31 December 2014
Company number 2706348

	<i>Note</i>	2014 £'000	2013 £'000 (restated)
Fixed assets			
Tangible assets	10	1,371	1,476
Current assets			
Stock	11	1,086	2,836
Debtors	12	38,503	47,864
Cash at bank and in hand		34,695	24,046
		<u>74,284</u>	<u>74,746</u>
Creditors: amounts falling due within one year	13	<u>(72,203)</u>	<u>(72,458)</u>
Net current assets		<u>2,081</u>	<u>2,288</u>
Total assets less current liabilities		<u>3,452</u>	<u>3,764</u>
Provisions for liabilities and charges	14	<u>(54)</u>	<u>(41)</u>
Net assets		<u><u>3,398</u></u>	<u><u>3,723</u></u>
Capital and reserves			
Called up share capital	15	550	550
Capital contribution reserve	16	2,500	2,500
Profit and loss account	16	348	673
Shareholder's funds	17	<u><u>3,398</u></u>	<u><u>3,723</u></u>

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

These financial statements were approved by the board of directors and authorised for issue on 15 June 2015.


Director

MOUNT ANVIL LIMITED**Statement of total recognised gains and losses for the year ended 31 December 2014**

	2014 £'000	2013 £'000
Loss / profit for the year	(325)	200
Allocation of SIP shares (net of deferred tax)	-	(1,582)
Prior year adjustment (as explained in note 1)	2,279	-
	<hr/>	<hr/>
Total gains and losses recognised since last annual report	1,954	(1,382)
	<hr/>	<hr/>

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

MOUNT ANVIL LIMITED

Notes to the financial statements for the year ended 31 December 2014

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with Companies Act 2006 and applicable accounting standards. The following principal accounting policies have been applied:

Consolidation

The financial statements contain information about the company as an individual undertaking and do not contain consolidated financial information as the parent of the Group. The company is exempt under section 400 (b) of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it is itself a subsidiary undertaking and is included in the consolidated financial statements of its ultimate parent company, Mount Anvil Group Limited.

Turnover

Turnover represents the value of measured works net of value added tax.

Depreciation

Tangible fixed assets are depreciated on a straight line basis at the following rates to reduce the cost to the anticipated residual value at the end of the expected useful lives of these assets:

Leasehold improvements	- over the remaining life of the relevant lease
Motor vehicles	- 25% per annum
Fixtures and fittings	- 33.3% per annum

Stock and long-term contracts

Stock is stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less additional cost to completion and disposal.

Long-term contracts are assessed on a contract by contract basis and are reflected in the profit and loss account by recording turnover and related costs as contract activity progresses. Where the outcome of each long-term contract can be assessed with reasonable certainty before its conclusion, the attributable profit is recognised in the profit and loss account as the difference between the reported turnover and related costs for the contract.

Where losses are foreseen a provision for the loss is provided for immediately in the profit and loss account.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

MOUNT ANVIL LIMITED

Notes to the financial statements for the year ended 31 December 2014 (*continued*)

1 Accounting policies (*continued*)

Leases

Assets obtained under finance leases and hire purchase contracts are capitalised at their fair value on acquisition and depreciated over their estimated useful lives. The finance charges are allocated over the period of the lease in proportion to the capital element outstanding.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account in the year in which they become payable.

Cash flow statement

The company has taken advantage of the exemption conferred by FRS 1 'Cash Flow Statements' not to prepare a cash flow statement as it is included in the consolidated financial statements prepared by its ultimate parent company.

Post retirement benefits

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Going concern

The financial statements have been prepared on a going concern basis subject to the continued support of Mount Anvil Group Limited, its ultimate parent company. Mount Anvil Group Limited has indicated that it will provide such financial support as is required for at least twelve months from the date of signing these financial statements. On this basis, these financial statements do not include any adjustments that would result from the withdrawal of the financial support provided.

Changes in accounting policy

Comparative figures have been restated to reflect a change in accounting policy in relation to the settlement of group relief. Previously, payment was made as consideration for the group relief of tax gains and losses, however this will be settled for nil consideration going forwards. Retrospective application of this has been applied with the associated change to prior years being reflected in reserves.

As a result, comparative figures for the year-ended 31 December 2013 have been adjusted as follows:

	Profit for the year £'000	Net assets £'000	Creditors: amounts due within one year £'000	Current tax charge £'000
As previously reported	120	1,444	74,737	6
Effect of the change in settlement of group relief	80	2,279	(2,279)	(80)
As restated	200	3,723	72,458	(74)

MOUNT ANVIL LIMITED

Notes to the financial statements for the year ended 31 December 2014 *(continued)*

2 Turnover

The turnover and pre-tax profit, all of which arises in the United Kingdom, is attributable to the activities of specialist design and build contractor and related development activities.

3 Operating (loss)/profit

	2014 £'000	2013 £'000
Operating (loss)/profit is after charging:		
Depreciation of tangible fixed assets	377	273
Auditors' remuneration		
Audit fee	60	55
Other services	2	74
Operating lease charges		
Land and buildings	339	361
Other	138	114
	<hr/>	<hr/>

4 Exceptional operating items

	2014 £'000	2013 £'000
Exceptional operating items	1,981	-
	<hr/>	<hr/>

Exceptional operating items in the year related to additional paye and social security amounts paid to hmrc in respect of the Employment Related Security charge. This related to the contribution of shares to the Share Incentive Plan of which more than half of employees are members of.

5 Employees

	2014 £'000	2013 £'000
Staff costs (including directors) consist of:		
Wages and salaries	13,945	10,435
Social security costs	4,361	1,264
Other pension costs	36	15
Share-based payment charge	-	170
	<hr/>	<hr/>
	18,342	11,884
	<hr/>	<hr/>

MOUNT ANVIL LIMITED**Notes to the financial statements for the year ended 31 December 2014 (continued)****5 Employees (continued)**

	2014 No.	2013 No.
The average number of employees (including directors) during the year was as follows:		
Site	105	85
Administration	54	45
	<u>159</u>	<u>130</u>

6 Directors' remuneration

	2014 £'000	2013 £'000
Directors' emoluments	2,234	2,034
Company contributions to money purchase pension schemes	5	5
	<u>2,239</u>	<u>2,039</u>

	2014 £'000	2013 £'000
Emoluments of the highest paid director are as follows:		
Emoluments	<u>496</u>	<u>504</u>

7 Interest receivable and similar income

	2014 £'000	2013 £'000
Bank interest	<u>13</u>	<u>8</u>

8 Interest payable and similar charges

	2014 £'000	2013 £'000
Other interest	<u>470</u>	<u>73</u>

MOUNT ANVIL LIMITED**Notes to the financial statements for the year ended 31 December 2014 (continued)****9 Tax on (loss)/profit on ordinary activities**

	2014 £'000	2013 £'000 (restated)
<i>UK corporation tax</i>		
Current tax on profits of the year	133	(74)
Adjustments in respect of previous periods	<u>(1,427)</u>	<u>-</u>
Total current tax charge	(1,294)	(74)
<i>Deferred tax</i>		
Origination of timing differences	<u>13</u>	<u>41</u>
Taxation on profit on ordinary activities	<u>(1,281)</u>	<u>(33)</u>

The tax assessed for the year is not the same as the standard rate of corporation tax in the UK. The differences are explained below:

	2014 £'000	2013 £'000 (restated)
Profit on ordinary activities before tax	<u>(1,606)</u>	<u>167</u>
Profit on ordinary activities at the standard rate of Corporation tax in the UK of 21.49% (2013: 23.25%)	(345)	39
Expenses not deductible for tax purposes	34	14
Capital allowances in excess of depreciation	(22)	(29)
Other short-term timing differences	30	39
Group relief claimed	(133)	(80)
Adjustments in respect of prior years	<u>(858)</u>	<u>(57)</u>
Current tax charge for the year	<u>(1,294)</u>	<u>(74)</u>

MOUNT ANVIL LIMITED

Notes to the financial statements for the year ended 31 December 2014 (*continued*)

10 Tangible fixed assets

<i>Cost</i>	Leasehold improvements £'000	Motor vehicles £'000	Fixtures and fittings £'000	Total £'000
At 1 January 2014	1,119	13	1,012	2,144
Additions	16	-	278	294
Disposals	-	(13)	(410)	(423)
At 31 December 2014	1,135	-	880	2,015
<i>Depreciation</i>				
At 1 January 2014	92	13	563	668
Charge for the year	121	-	256	377
Disposals	-	(13)	(388)	(401)
At 31 December 2014	213	-	431	644
<i>Net book value</i>				
At 31 December 2014	922	-	449	1,371
At 31 December 2013	1,027	-	449	1,476

11 Stock

	2014 £'000	2013 £'000
Work in progress	1,086	2,836

MOUNT ANVIL LIMITED**Notes to the financial statements for the year ended 31 December 2014 (continued)****12 Debtors**

	2014	2013
	£'000	£'000
Trade debtors	388	899
Amounts due from group undertakings	21,357	34,993
Amounts due from group's joint venture undertakings	9,989	8,335
Amounts recoverable on contracts	4,979	1,292
Other taxes and social security	861	1,090
Other debtors	85	465
Prepayments and accrued income	778	790
Corporate tax debtor	66	-
	<hr/> 38,503 <hr/>	<hr/> 47,864 <hr/>

All amounts fall due for payment within one year.

13 Creditors: amounts falling due within one year

	2014	2013
	£'000	£'000 (restated)
Trade creditors	11,155	10,447
Amounts due to group undertakings	43,689	48,606
Amounts due to joint venture undertakings	2,470	516
Corporation tax	-	954
Other taxes and social security	1,748	1,013
Payments on account	130	244
Accruals and deferred income	12,754	10,625
Other creditors	257	53
	<hr/> 72,203 <hr/>	<hr/> 72,458 <hr/>

MOUNT ANVIL LIMITED

Notes to the financial statements for the year ended 31 December 2014 (*continued*)

14 Provisions for liabilities and charges

		Deferred tax £'000
At 1 January 2014		41
Charged to profit and loss account		13
		<hr/>
At 31 December 2014		54
		<hr/>
	2014 £'000	2013 £'000
<i>Deferred tax</i>		
Other timing differences	54	41
	<hr/>	<hr/>
	54	41
	<hr/>	<hr/>

15 Share capital

	2014 £'000	2013 £'000
<i>Authorised</i>		
1,000,000 Ordinary shares of £1 each	1,000	1,000
200,000 Deferred shares of 1p each	2	2
	<hr/>	<hr/>
	1,002	1,002
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
550,000 Ordinary shares of £1 each	550	550
	<hr/>	<hr/>

16 Reserves

	Capital contribution reserve £'000	Profit and loss account (restated) £'000
At 1 January 2014 – as previously stated	2,500	(1,606)
Adjustment to brought-forward reserves – see note 1	-	2,279
	<hr/>	<hr/>
At 1 January 2014 - as restated	2,500	673
Loss for the year	-	(325)
	<hr/>	<hr/>
At 31 December 2014	2,500	348
	<hr/>	<hr/>

MOUNT ANVIL LIMITED

Notes to the financial statements for the year ended 31 December 2014 *(continued)*

17 Reconciliation of movements in shareholder's funds

	2014 £'000	2013 £'000 (restated)
Opening shareholder's funds – as previously stated		2,906
Adjustment to brought-forward reserves – see note 1		2,199
Opening shareholder's funds – as restated	3,723	5,105
(Loss) / profit for the year	(325)	200
Allocation of SIP shares (net of deferred tax)	-	(1,582)
Closing shareholder's funds	3,398	3,723

18 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases which expire as follows:

	2014 Land and buildings £'000	2014 Other £'000	2013 Land and buildings £'000	2013 Other £'000
<i>Operating leases which expire:</i>				
In less than one year	-	70	-	7
In two to five years	365	33	365	159
After five years	-	-	-	-
	365	103	365	166

19 Related party transactions

The company has taken advantage of the exception conferred by FRS 8 "Related party disclosures" not to disclose transactions with wholly owned entities that are part of Mount Anvil Group Limited.

20 Ultimate controlling party

The immediate parent company is Mount Anvil (Old Co) Limited. The ultimate parent company of both the smallest and largest groups of which the company is a member is Mount Anvil Group Limited. At 31 December 2014 the company's ultimate controlling party was C K Hurley. Copies of the group financial statements are available from Companies House.