

**MOUNT ANVIL LIMITED**

Report and Financial Statements

Year Ended 31 December 2016

Company number: 02706348

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**MOUNT ANVIL LIMITED**

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**COMPANY INFORMATION**

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<b>DIRECTORS</b>	C K Hurley D Hurley P R Burslem J A Spring J R Hall E T Anderson
<b>COMPANY SECRETARY</b>	E T Anderson
<b>REGISTERED NUMBER</b>	02706348
<b>REGISTERED OFFICE</b>	140 Aldersgate Street London EC1A 4HY
<b>INDEPENDENT AUDITORS</b>	BDO LLP 55 Baker Street London W1U 7EU
<b>BANKERS</b>	Lloyds Bank plc 10 Gresham Street London EC2V 7AE

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## MOUNT ANVIL LIMITED

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## MOUNT ANVIL LIMITED

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### STRATEGIC REPORT

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#### BUSINESS REVIEW

The Company's turnover for the year was £97.9 million (2015: £107.0 million) and profit before taxation and exceptional items was £2.5 million (2015: £6.4 million). 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 £10 million (2015: £17 million) and the intra group private build contracts add a further £246 million (2015: £301 million).

The net assets of the Company increased by £2.3 million to £10.6 million, with net current assets increasing by £2.9 million.

#### 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. Our commitment to the environment and sustainability led to us being awarded a second Globe of Honour by the British Safety Council in 2016.

#### HEALTH AND SAFETY

In 2016, we were recognised once again by the British Safety Council as the UK's Number One company for Health and Safety, across any sector; we were awarded a 5 Star Rating and a score of 99.97% (2015: 99.9%) – the highest ever issued. This demonstrates our proven culture of excellence in health and safety practices and risk management.

#### 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 the eleventh consecutive year is a stand out achievement for Mount Anvil and is unique in our industry.

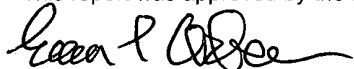
The launch of the Employee Shareholder Status scheme in 2015 means the majority of our staff are shareholders in the Group, making us a truly owner managed business and affording our wider team the opportunity to share in the projected future growth of the business.

#### PRINCIPAL RISKS AND UNCERTAINTIES

The Board regularly reviews the financial requirements of the Company and the risks associated therewith. Company operations are primarily financed from retained earnings and short and medium term borrowings. Historically, the Company has used interest rate caps or swaps to protect itself against significant interest rate rises, but the Company does not use complicated financial instruments nor does it use derivative financial instruments for trading purposes.

Like all property groups, Mount Anvil is exposed to changes in the property market, however adequate controls are in place. 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.

This report was approved by the board on 20 September 2017 and signed on its behalf.



E T Anderson  
Director

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## **MOUNT ANVIL LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016**

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The directors present their report and the financial statements for the year ended 31 December 2016.

#### **PRINCIPAL ACTIVITY**

The Company's principal activities are specialist design and build contracting and the provision of property development project management and support services, primarily in central London.

#### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £1,518,000 (2015: £4,990,000).

The directors do not recommend the payment of an ordinary dividend (2015: £nil).

#### **DIRECTORS**

The following directors have held office since the start of the year :

C K Hurley  
D Hurley  
P R Burslem  
J A Spring  
J R Hall  
E T Anderson

#### **CHARITABLE AND POLITICAL DONATIONS**

The aggregate amount of charitable donations made during the year was £152,000 (2015: £279,000). There were no political donations.

#### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

#### **POST BALANCE SHEET EVENTS**

There have been no significant events affecting the company since the year end.

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**MOUNT ANVIL LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**AUDITORS**

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**



E T Anderson  
**Secretary**

Date: 20/09/17

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**MOUNT ANVIL LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MOUNT ANVIL LIMITED**

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We have audited the financial statements of Mount Anvil Limited for the year ended 31 December 2016 which comprise the Statement of Comprehensive Income, Balance Sheet and Statement of Changes in Equity 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](http://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 2016 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, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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.

*BDO LLP*

Thomas Edward Goodworth (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
London  
United Kingdom  
Date *20/09/17*

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

**MOUNT ANVIL LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £'000	2015 £'000
<b>Turnover</b>	3	97,889	107,027
Cost of sales		(93,715)	(98,935)
<b>Gross profit</b>		4,174	8,092
Administrative expenses		(1,878)	(1,697)
<b>Operating profit pre exceptional items</b>	4	2,296	6,395
Exceptional administrative expenses	10	(757)	-
<b>Operating profit post exceptional items</b>		1,539	6,395
Interest receivable and similar income	7	272	54
Interest payable and expenses	8	(44)	(24)
<b>Profit before taxation</b>		1,767	6,425
Profit before taxation and exceptional administrative expenses		2,524	-
Tax on profit on ordinary activities	9	(249)	(1,435)
<b>Profit for the year and total comprehensive income for the year</b>		<u>1,518</u>	<u>4,990</u>

The notes on pages 9 to 20 form part of these financial statements.



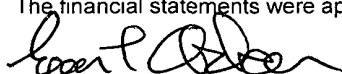
**MOUNT ANVIL LIMITED**  
**REGISTERED NUMBER: 02706348**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2016**

	Note	2016 £'000	2015 £'000
<b>Fixed assets</b>			
Tangible assets	11	547	1,170
		<u>547</u>	<u>1,170</u>
<b>Current assets</b>			
Stocks	12	1,320	2,713
Debtors: amounts falling due within one year	13	98,453	93,308
Cash at bank and in hand		12,915	16,563
		<u>112,688</u>	<u>112,584</u>
Creditors: amounts falling due within one year	14	(102,650)	(105,463)
<b>Net current assets</b>		<u>10,038</u>	<u>7,121</u>
<b>Total assets less current liabilities</b>		<u>10,585</u>	<u>8,291</u>
Deferred tax	16	15	(34)
<b>Net assets</b>		<u><u>10,600</u></u>	<u><u>8,257</u></u>
<b>Capital and reserves</b>			
Called up share capital	17	550	550
Capital contribution reserve		3,415	2,590
Profit and loss account		6,635	5,117
<b>Shareholder's funds</b>		<u><u>10,600</u></u>	<u><u>8,257</u></u>

The notes on pages 9 to 20 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on *20 Sept 2017*



E T Anderson  
Director

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**MOUNT ANVIL LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
AS AT 31 DECEMBER 2016**

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	Share capital	Capital contribution reserve	Profit and loss account	Total equity
	£'000	£'000	£'000	£'000
<b>At 1 January 2016</b>	<b>550</b>	<b>2,590</b>	<b>5,117</b>	<b>8,257</b>
<b>Comprehensive income for the year</b>				
Comprehensive income for the year	-	-	1,518	1,518
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>1,518</b>	<b>1,518</b>
<b>Contributions by and distributions to owners</b>				
Capital contribution in respect of employee share scheme	-	825	-	825
<b>Total transactions with owners</b>	<b>-</b>	<b>825</b>	<b>-</b>	<b>825</b>
<b>At 31 December 2016</b>	<b>550</b>	<b>3,415</b>	<b>6,635</b>	<b>10,600</b>

The notes on pages 9 to 20 form part of these financial statements.

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**MOUNT ANVIL LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
AS AT 31 DECEMBER 2015**

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	Share capital	Capital contribution reserve	Profit and loss account	Total equity
	£'000	£'000	£'000	£'000
<b>At 1 January 2015</b>	<b>550</b>	<b>2,500</b>	<b>127</b>	<b>3,177</b>
<b>Comprehensive income for the year</b>				
Comprehensive income for the year	-	-	4,990	4,990
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>4,990</b>	<b>4,990</b>
<b>Contributions by and distributions to owners</b>				
Capital contribution in respect of employee share scheme	-	90	-	90
<b>Total transactions with owners</b>	<b>-</b>	<b>90</b>	<b>-</b>	<b>90</b>
<b>At 31 December 2015</b>	<b>550</b>	<b>2,590</b>	<b>5,117</b>	<b>8,257</b>

The notes on pages 9 to 20 form part of these financial statements.

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## MOUNT ANVIL LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 1. ACCOUNTING POLICIES

##### 1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The address of the company's registered office and the principal activities of the company are set out on the company information page and in the directors' report on page 2 respectively.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The financial statements are prepared in sterling (£) which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest thousand.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 2).

The following principal accounting policies have been applied:

##### 1.2 FINANCIAL REPORTING STANDARD 102 – REDUCED DISCLOSURE EXEMPTIONS

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

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d); and
- the requirements of Section 33 Related Party Transactions.

##### 1.3 TURNOVER

Turnover represents the value of measured works, net of value added tax. Project management fees earned by the company are recognised on a percentage of completion basis, net of value added tax, and are also included within turnover.

##### 1.4 TANGIBLE FIXED ASSETS

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method.

The estimated useful lives range as follows:

Fixtures and fittings	3 years
Leasehold improvements	10 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

##### 1.5 OPERATING LEASES: LESSEE

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

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## MOUNT ANVIL LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.6 STOCKS

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 to the profit or loss as the difference between the reported turnover and related costs for the contract. Stock is stated at the lower of cost and net realisable value.

Where losses are foreseen a provision for the loss is made immediately in the Statement of Comprehensive Income.

##### 1.7 DEBTORS

Short term debtors are measured at the transaction price, less any impairment.

##### 1.8 FINANCIAL INSTRUMENTS

###### *Financial assets*

Financial assets are initially measured at the transaction price (including transaction costs) and subsequently held at cost, less any impairment.

###### *Financial liabilities and equity*

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at the transaction price (including transaction costs) and subsequently held at amortised cost.

##### 1.9 CREDITORS

Short term creditors are measured at the transaction price. Other financial liabilities, including payables owing to group companies and other creditors, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### 1.10 FINANCE COSTS

Finance costs are charged to profit or loss over the term of the instrument to which they relate using the effective interest rate method.

##### 1.11 DEFINED CONTRIBUTION PENSION PLAN

The company operates a defined contribution plan for its employees.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet.

##### 1.12 CASH SETTLED SHARE SCHEME

Cash settled share awards are measured at fair value at the reporting date. The company recognises an expense in the Statement of Comprehensive Income based on the estimated number of awards that will actually vest and the current proportion of the vesting period. As the awards received by employees are shares of Mount Anvil Group Limited, a capital contribution from Mount Anvil Group Limited is also recognised as the awards are granted. Changes in the value of the share scheme liability are recognised in the Statement of Comprehensive Income.

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## MOUNT ANVIL LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.13 PROVISIONS FOR LIABILITIES

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

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are made, they are charged to the provision carried in the Balance Sheet.

##### 1.14 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries and joint ventures and the company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

##### 1.15 RESERVES

The company's reserves are as follows:

- Called up share capital represents the nominal value of the shares issued.
- The capital contribution reserve represents the nominal value of own shares that have been acquired by the company and cancelled and the employee share scheme contribution (see note 1.11).
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

##### 1.16 GOING CONCERN

The directors consider the company is able to continue as a going concern based on the free cash available within the company to pay its debts as they fall due.

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**MOUNT ANVIL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**2. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In preparing these financial statements, the directors have made the following judgements:

**(a) Carrying value of work in progress and estimation of costs to complete**

The Company holds inventories stated at the lower of cost and net realisable value. Such inventories include land, work in progress and completed units. As residential development is largely speculative by nature, not all inventories are covered by forward sales contracts. Furthermore due to the nature of the Company's activity and, in particular the length of the development cycle, the Company has to assess the risks and forecast the costs in future years to complete such developments.

In making such assessments and allocations, there is a degree of inherent estimation uncertainty. The Company has established internal controls designed to effectively assess and centrally review inventory carrying values and ensure the appropriateness of the estimates made.

**(b) Revenue recognition**

Assumptions are made which complement external certifications to assess whether the building work for properties sold is physically complete and legal completion is highly probable and hence whether the Company's revenue recognition criteria have been satisfied.

**3. ANALYSIS OF TURNOVER**

Turnover was attributable to the activities of the company as follows:

	<b>2016 £'000</b>	<b>2015 £'000</b>
Design and build contracting	<b>94,494</b>	98,163
Property development support services and project management	<b>3,395</b>	8,864
	<b><u>97,889</u></b>	<b><u>107,027</u></b>

All turnover arose within the United Kingdom.

**4. OPERATING PROFIT**

The operating profit is stated after charging:

	<b>2016 £'000</b>	<b>2015 £'000</b>
Depreciation of tangible fixed assets	<b>1,111</b>	454
Audit fee	<b>84</b>	95
Rent – operating leases	<b>464</b>	436
Share based payment expense (note 18)	<b>826</b>	90
Defined contribution pension cost	<b><u>65</u></b>	<b><u>35</u></b>

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**MOUNT ANVIL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**5. EMPLOYEES**

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

	2016 £'000	2015 £'000
Wages and salaries	15,817	14,945
Social security costs	2,063	1,976
Cost of defined contribution scheme	65	35
	<u>17,945</u>	<u>16,956</u>

Included in wages and salaries are share based payment charges of £826,000 (2015: £90,000). Refer to note 18 for additional information.

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

	2016 No.	2015 No.
Site	112	111
Administration	72	63
	<u>184</u>	<u>174</u>

**6. DIRECTORS' REMUNERATION**

	2016 £'000	2015 £'000
Directors' emoluments	2,426	1,870
Company contributions to defined contribution pension schemes	6	2
	<u>2,432</u>	<u>1,872</u>

The highest paid director received remuneration of £588,000 (2015: £618,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £5,000 (2015: £nil).

The total accrued pension provision of the highest paid director at 31 December 2016 amounted to £5,000 (2015: £nil).

**7. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2016 £'000	2015 £'000
Other interest receivable	272	54
	<u>272</u>	<u>54</u>



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**MOUNT ANVIL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**8. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2016 £'000</b>	<b>2015 £'000</b>
Other interest payable	<b>44</b>	<b>24</b>
	<b><u>44</u></b>	<b><u>24</u></b>

**9. TAXATION**

	<b>2016 £'000</b>	<b>2015 £'000</b>
<b>UK Corporation tax</b>		
Current tax on profits for the year	<b>565</b>	<b>1,334</b>
Adjustments in respect of previous periods	<b>(365)</b>	<b>65</b>
<b>Total current tax</b>	<b><u>200</u></b>	<b><u>1,399</u></b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<b>49</b>	<b>36</b>
<b>Total deferred tax</b>	<b><u>49</u></b>	<b><u>36</u></b>
<b>Taxation on profit on ordinary activities</b>	<b><u>249</u></b>	<b><u>1,435</u></b>

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**MOUNT ANVIL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**9. TAXATION (continued)**

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is lower than (2015: higher than) the standard rate of corporation tax in the UK of 20% (2015: 20.25%). The differences are explained below:

	2016 £'000	2015 £'000
Profit on ordinary activities before tax	<u>1,767</u>	<u>6,425</u>
Profit / (loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015: 20.25%)	353	1,301
<b>Effects of:</b>		
Expenses not deductible for tax purposes	212	38
Other permanent differences	-	(42)
Accelerate capital allowances	45	25
Other short-term timing differences – current tax	-	36
Other short-term timing differences – deferred tax	4	11
Group relief claimed	-	-
Adjustments in respect of prior years	(365)	64
<b>Total tax charge for the year</b>	<u><u>249</u></u>	<u><u>1,435</u></u>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

There were no factors that may affect future tax charges.

**10. EXCEPTIONAL ADMINISTRATIVE EXPENSES**

	2016 £'000	2015 £'000
Exceptional operating items	757	-
	<u><u>757</u></u>	<u><u>-</u></u>

Exceptional operating items in 2016 related to the costs of relocating the Group's office, including the write off of the residual net book value of leasehold improvements to the old office.

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**MOUNT ANVIL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**11. TANGIBLE FIXED ASSETS**

	Fixtures and fittings	Leasehold improvements	Total
	£'000	£'000	£'000
<b>Cost</b>			
At 1 January 2016	1,129	1,139	2,268
Additions	401	86	487
Disposals	(266)	(1,139)	(1,405)
<b>At 31 December 2016</b>	<b>1,264</b>	<b>86</b>	<b>1,350</b>
<b>Depreciation</b>			
At 1 January 2016	762	336	1,103
Charge for the period	308	803	1,111
Disposals	(267)	(1,139)	(1,411)
<b>At 31 December 2016</b>	<b>803</b>	<b>-</b>	<b>803</b>
<b>At 31 December 2016</b>	<b>461</b>	<b>86</b>	<b>547</b>
At 31 December 2015	367	803	1,170

**12. STOCKS**

	2016 £'000	2015 £'000
Work in progress	1,320	2,713
	<u>1,320</u>	<u>2,713</u>

Work in progress recognised in cost of sales during the year as an expense was £93,715,000 (2015: £95,547,000).

**MOUNT ANVIL LIMITED**

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**13. DEBTORS**

	2016 £'000	2015 £'000
Trade debtors	1,080	414
Amounts owed by group undertakings	77,526	79,835
Amounts owed by joint ventures and associated undertakings – note 20	18,718	11,758
Other debtors	508	841
Prepayments and accrued income	621	438
Amounts recoverable on long term contracts	-	22
	<u>98,453</u>	<u>93,308</u>

All amounts are due for repayment in one year

**14. CREDITORS: Amounts falling due within one year**

	2016 £'000	2015 £'000
Payments received on account	-	2,193
Trade creditors	5,171	5,488
Amounts owed to group undertakings	71,197	78,373
Amounts owed to joint ventures – note 20	-	4,559
Taxation and social security	1,373	1,403
Other creditors	1,354	229
Corporation tax	868	1,382
Accruals and deferred income	22,687	11,836
	<u>102,650</u>	<u>105,463</u>

**15. FINANCIAL INSTRUMENTS**

<b>Financial Assets</b>	2016 £'000	2015 £'000
Financial assets that are debt instruments measured at amortised cost	97,833	93,286
	<u>97,833</u>	<u>93,286</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	95,210	104,081
	<u>95,210</u>	<u>104,081</u>

Financial assets measured at amortised cost comprise trade debtors, short term debtors owing by group companies, amounts recoverable on long term contracts, and other participating interests and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, short term payables owing to group companies and other participating interests and other creditors.

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**16. DEFERRED TAX**

	Deferred tax (liability)
	£'000
At 1 January 2016	(34)
Charged to the Statement of Comprehensive Income	49
<b>At 31 December 2016</b>	<b><u>15</u></b>

The provision for deferred taxation is made up as follows:

	2016 £'000	2015 £'000
Accelerated capital allowances	(34)	(79)
Short-term timing differences	49	45
	<b><u>15</u></b>	<b><u>(34)</u></b>

**17. SHARE CAPITAL**

	2016 £'000	2015 £'000
<b>Authorised</b>		
1,000,000 Ordinary shares of £1 each	1,000	1,000
200,000 Deferred shares of £0.01 each	2	2
	<b><u>1,002</u></b>	<b><u>1,002</u></b>
<b>Allotted, called up and fully paid</b>		
550,000 Ordinary shares of £1 each	<b><u>550</u></b>	<b><u>550</u></b>

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**18. SHARE BASED PAYMENTS**

In the prior year employees were issued with C ordinary shares in the Company under an Employee Shareholder Status scheme ('ESS'). No shares were issued in the current year.

The C ordinary shareholders are only entitled to realise any value from their C ordinary shares if pre determined value hurdles are exceeded and after the expiry of a minimum holding period of five years (referred to as 'the vesting period'). The value hurdles are linked to the consolidated net asset value of the Group. The C ordinary shareholders will, to the extent that the hurdle has been exceeded, be able to realise value by disposing of their C ordinary shares at the end of the vesting period.

Retaining ownership of the C ordinary shares is conditional on continuing employment. Specific rules apply if the employee ceases employment during the vesting period.

The C ordinary shares have no dividend rights and no voting rights.

The shares in the Company issued under the ESS were valued using the net present value of estimated future economic returns at the issue date and at all reporting dates.

	Weighted average share price (pence)	Number 2016	Weighted average share price (pence)	Number 2015
Outstanding at the start of the year	414	1,422,582	414	-
Granted during the year	414	-	414	1,422,582
Lapsed during the year	414	(357,939)	414	-
<b>Outstanding at the end of the year</b>		<u><b>1,064,643</b></u>		<u><b>1,422,582</b></u>

In the current year the Group's Directors were not granted any shares (2015: 260,767).

The total expense recognised for the year arising from the ESS was £826,000 (2015: £90,000).

**19. COMMITMENTS UNDER OPERATING LEASES**

At 31 December 2016 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £'000	2015 £'000
Not later than 1 year	23	418
Later than 1 year and not later than 5 years	2,992	1,673
Later than 5 years	3,838	523
<b>Total</b>	<u><b>6,853</b></u>	<u><b>2,614</b></u>

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**20. RELATED PARTY TRANSACTIONS**

At 31 December 2016 the company was owed amounts totalling £18,718,000 from joint ventures and associated undertakings (2015: £11,758,000). The company owed £nil (2015: £4,559,000) to joint ventures and associated undertakings.

**21. CONTROLLING PARTY**

At 31 December 2016 and 31 December 2015 the immediate parent company was 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 2016 and 31 December 2015 the company's ultimate controlling party was C K Hurley. Copies of the Mount Anvil Group Limited financial statements are available from 140 Aldersgate Street, London EC1A 4HY.