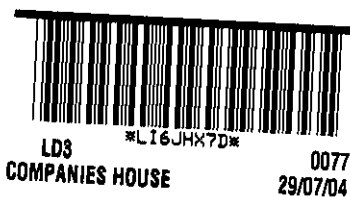


MOUNT ANVIL plc

Report and Financial Statements

Year Ended

31 December 2003



BDO Stoy Hayward
Chartered Accountants

2

MOUNT ANVIL plc

Annual report and financial statements for the year ended 31 December 2003

Contents

Directors

Page:

1	Chairman's Statement
5	Report of the directors
7	Report of the independent auditors
9	Profit and loss account
10	Balance sheet
11	Notes forming part of the financial statements

Directors

C K Hurley (Chairman)
G J Fitzpatrick
B P Chambers
D Hall
P Burslem

Secretary and registered office

M C Gregory, Park Mill, Burydell Lane, Park Street, St Albans, Herts AL2 2HB

Company number

2706348

Solicitors

Peter Brown & Co, Altay House, 869 High Road, North Finchley, London N12 8QA
Fladgate Fielder, 25 North Row, London W1T 6DJ

Bankers

Bank of Ireland Plc, 36 Queen Street, London EC4R 1HJ

Auditors

BDO Stoy Hayward LLP, Prospect Place, 85 Great North Road, Hatfield, Herts AL9 5BS

MOUNT ANVIL plc

Chairman's statement for the year ended 31 December 2003

Delivering Housing Solutions

Financial Review

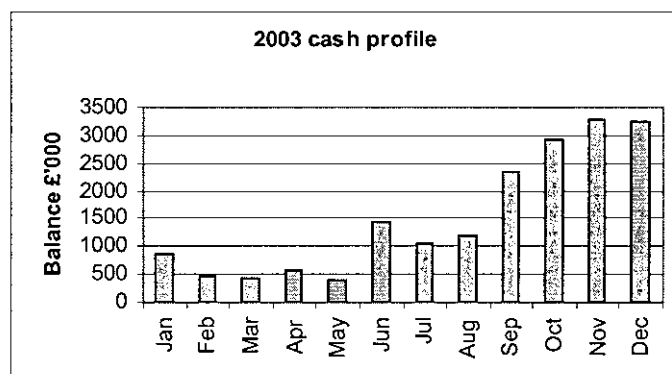
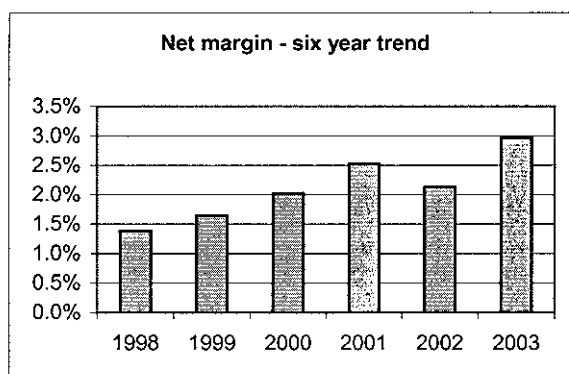
Our 2003 results reflect Mount Anvil plc's eighth consecutive year of increased profits. The Company's net margin has improved, from 2.1% in 2002 to 3.0% in 2003, a rise of over 40% in the year. These pleasing statistics demonstrate the effectiveness of the strategy we pursued over the last year.

As I said in last year's statement, controlled profitable growth is a key driver for our business. Careful selection of projects from among the opportunities that arose throughout 2003 resulted in turnover reducing from the 2002 level. However, despite this reduction in turnover, the net profit before tax for the year increased to £858,420, which is a record for the Company.

Sound risk profiling and working capital management also remain central to our business. Cash in hand at the year-end totalled £3,236,703 (2002: £2,008,000). This improvement in liquidity was not achieved at the expense of our subcontractors. Strong supply chain relationships are essential to our continuing success and a benefit of these good relationships was that prompt account agreement and settlement resulted in early payment discounts of £494,016.

The net assets of the business at the end of 2003 stood at £2,949,881 and the profile of debtors and creditors improved significantly during 2003.

The continuing improvement in the Company's financial performance and profile would not have been possible without the ongoing commitment and endeavour of all members of the Mount Anvil team. I thank them for their efforts.



MOUNT ANVIL plc

Chairman's statement for the year ended 31 December 2003 (*Continued*)

Operating review

Markets

During the period under review, we have continued to develop customer-facing strategies. Mount Anvil's skills in identifying and securing development opportunities and in implementing these in partnership with our key clients has been, and remains, a central strength of our business. Partnering is at the core of our approach to business and we have therefore maintained our policy of not tendering for construction work. We do not believe tendering for work is conducive to the establishment of solid long-term relationships.

Mount Anvil's experience and expertise continues to be utilised on a range of mixed use schemes. Our developments include residential - both private and affordable housing; education - where we have provided much needed teaching facilities as well as student accommodation; and in the healthcare sector - providing community based medical facilities as part of larger regeneration schemes. In addition, an increasing number of schemes have a commercial element. We have clearly demonstrated the ability to actively manage and maximise the potential of each element of these mixed use developments.

Selected Projects

During the year the work progressed on the Bittorns scheme at Kingston College in line with the contract programme, completing in early 2004. This £40m development with the College was a Public Private Partnership scheme that provided 57 units of student accommodation; 85 flats for open market sale; and a range of new college facilities including hair and beauty salons and a state of the art sports hall. The construction element totalled £17.5m. We have been delighted by the enthusiastic response of the end users.

At St Ann's Road in Tottenham, Mount Anvil successfully designed and developed 71 flats for social and shared ownership. In addition, the new buildings provide much needed primary healthcare facilities incorporating three General Practitioner surgeries together with a wide range of traditional and complementary therapy facilities sponsored by NDC (New Deal for Communities). This £10m scheme has been widely acclaimed as setting the benchmark for future partnership schemes. The scheme recently won a National Housing Federation Regeneration Award and was viewed by Ken Livingstone as being at the "cutting edge of high quality design whilst also achieving the best environmental and energy efficient standards." Mount Anvil assembled the land for this scheme before introducing it to our partners, Circle 33 along with Asra, Haringey Primary Care Trust and NDC.

Shortly after the year-end and ahead of programme, work was finalised on the scheme at Milton Road, Haringey. This timber-framed scheme of 55 flats and 12 houses was produced for Presentation Housing, who acquired the site via Mount Anvil.

During the year work started on a nine-storey project at Wood Green, incorporating 62 units of residential accommodation and 495 m² of commercial space. Mount Anvil acquired the site on an unconditional basis for development and subsequently sold the residential element to Metropolitan Home Ownership. All of the units will be for shared ownership and the scheme will complete in 2005.

Excellent progress was made during the year on a landmark scheme in Peckham. Mount Anvil identified the site and introduced it to a consortium of housing associations. This mixed-use scheme will provide 60 flats for key workers, shared ownership and rental together with 1,559 m² of retail/commercial units. Completion will take place within the contract programme in 2004. We fully expect this to be another award winning development.

MOUNT ANVIL plc

Chairman's statement for the year ended 31 December 2003 (*Continued*)

Following on the success of the private development scheme at Grafton Yard in Kentish Town Road in 2003, Mount Anvil agreed a deal with English Partnerships to develop a 26 unit scheme in Milton Keynes. Construction work has commenced and we expect a substantial proportion of the development to be sold during 2004.

Our people

Mount Anvil was reaccredited with Investors in People status during 2003. We view this as external recognition of our ongoing commitment to the development of all our employees, whether office based or resident on site. Our success in training, motivating and challenging our people is reflected in our record level of profit and operating margin, as well as in the increased profile of our business within the industry.

In a drive to address skill shortages, we continue to operate a four-year rolling management programme, during which trainees rotate through the Company's various departments, gaining experience and training culminating in a Degree or HNC qualification. Four individuals are working towards these qualifications and the first is expected to qualify during 2004.

Health and safety

Mount Anvil is committed to safety. Investment in training, together with this commitment, contributes to our high safety standards and to accident statistics which are below the industry average.

Over 90% of our operational staff have completed the Construction Industry Training Board's (CITB) five day site safety training and 80% hold the Industry Accredited Construction Skills Certification Scheme manager's card. In addition, all of the company's directors and senior managers undertake regular Health and Safety training. The Institute of Occupational Safety & Health (IOSH) examination was passed by all attendees at the most recent Health and Safety course carried out by external safety consultants.

To ensure our site teams have the knowledge and confidence to deal with any emergency, over 70% of our managers are qualified first aiders gained through attending four days of Health & Safety Executive approved first aid training.

We are collaborating with our key clients and subcontractors in completing joint safety training for site based staff to ensure we are all working in partnership to maintain a safe working environment.

Community Involvement

We work with our partners to support local labour initiatives by encouraging, where resources allow, the use of locally employed labour. For example, in conjunction with Circle 33 and the Old Ford Housing Association we participated in a project to assist disadvantaged and excluded teenagers in Waltham Cross and Tower Hamlets to start careers within the construction industry.

We work closely with the CITB and actively promote their Construction Modern Apprenticeship Framework with our subcontractors. We have sourced and managed six apprentices through to achieving their NVQ qualifications.

We are proud of our achievement in introducing women to a traditionally male dominated industry. Our association with the Government funded Women's Education in Building (WEB) has led to 14 female trade apprentices working on our sites during the year whilst studying for the relevant NVQ qualification.

MOUNT ANVIL plc

Chairman's statement for the year ended 31 December 2003 (*Continued*)

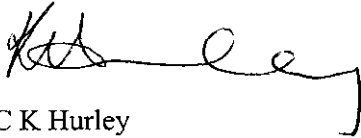
Good relationships with our neighbours are important to us and all of our sites are registered with the Construction Confederation's Considerate Constructor Scheme (CCS). The scheme marks sites on standards put in place to transform the public image of construction. Paramount to these are ensuring public health and safety, minimising disturbance, improving communication and presentation as well as sensitivity to the environment. Our performance in these areas is reflected in the number of CCS awards won by our sites.

The Mount Anvil brand

The sustainability of our success continues to be dependent upon the delivery of added value to our key clients. We achieve this by initiating development opportunities and then successfully delivering them in the form of quality housing solutions, both on programme and to budget. Part of our challenge is to deliver increased levels of quality and specification within an affordable package. Our experience is that good design does not necessarily have to be expensive if approached imaginatively.

Future prospects

Mount Anvil will continue its policy of focussing and delivering a quality product to our key clients. Our improved management systems are providing a solid platform for continued controlled profitable growth in the years ahead, as well as ensuring that all aspects of our business are increasingly customer focussed. The delivery of housing solutions, both private and affordable, will remain central to our business in the years ahead.



C K Hurley
Chairman

MOUNT ANVIL plc

Report of the directors for the year ended 31 December 2003

The directors present their report together with the audited financial statements for the year ended 31 December 2003.

Results and dividends

The Company's profit for the year before taxation was £858,420 (2002 : £854,140) as detailed on page 9. The directors recommend the payment of a dividend of £290,000 (2002: £Nil).

Principal activities, trading review and future developments

The principal activity of the Company in the year under review was that of specialist design and build contractors and property developers.

Charitable and political donations

The aggregate amount of charitable donations made during the year was £2,427 (2002 : £8,482). The major beneficiary was Crisis UK, a charity concerned with the welfare and shelter of homeless people.

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 2003 trade creditors represented 93 days of purchases (2002: 105 days).

Directors

The directors of the Company during the year were:

C K Hurley	M Sidey (resigned 28 May 2004)
G Fitzpatrick	P Stevens (resigned 11 July 2003)
B P Chambers (appointed 1 May 2003)	D Borer (resigned 11 July 2003)
D Hall (appointed 1 November 2003)	P Jordan (resigned 30 April 2003)
P Burslem (appointed 1 December 2003)	

None of the directors held any beneficial interest in the company during the year.

The interests of the directors in the shares of the ultimate holding company, Mount Anvil Group Limited, are shown in the report and financial statements of that company. No director held any interests in any other group company.

MOUNT ANVIL plc

Report of the directors for the year ended 31 December 2003 (*Continued*)

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 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 applicable 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 proper accounting records which 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 1985. 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

On 31 December 2003, BDO Stoy Hayward, the company's auditors, transferred its business to BDO Stoy Hayward LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. Accordingly BDO Stoy Hayward resigned as auditors on that date and the directors appointed BDO Stoy Hayward LLP as its successor. A resolution to reappoint BDO Stoy Hayward LLP as auditors will be proposed at the next annual general meeting.

By order of the Board



M C Gregory
Secretary

Date: 15 July 2004

MOUNT ANVIL plc

Report of the independent auditors

To the shareholders of Mount Anvil plc

We have audited the financial statements of Mount Anvil plc for the year ended 31 December 2003 on pages 9 to 17 which have been prepared under the accounting policies set out on pages 11 and 12.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

MOUNT ANVIL plc

Report of the independent auditors (*Continued*)

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO Stoy Hayward LLP

BDO STOY HAYWARD LLP

*Chartered Accountants
and Registered Auditors*
Hatfield

Date: *15 July 2004*

MOUNT ANVIL plc**Profit and loss account for the year ended 31 December 2003**

	Note	2003 £	2002 £
Turnover	2	28,941,196	40,110,984
Cost of sales		(25,561,103)	(35,740,984)
Gross profit		3,380,093	4,370,000
Establishment and administrative expenses		(2,694,291)	(3,685,876)
Operating profit	3	685,802	684,124
Interest receivable and similar income	4	386,611	318,794
Interest payable and similar charges	5	(213,993)	(148,778)
Profit on ordinary activities before taxation		858,420	854,140
Taxation on profit on ordinary activities	7	(275,000)	(272,495)
Profit on ordinary activities after taxation		583,420	581,645
Dividends	8	(290,000)	-
Retained profit for the year	15	293,420	581,645
Retained profit brought forward		2,106,461	1,524,816
Retained profit carried forward		2,399,881	2,106,461

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

There are no movements in shareholders' funds other than the profit for the period.

The notes on pages 11 to 17 form part of these financial statements.

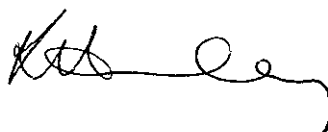
MOUNT ANVIL plc

Balance sheet at 31 December 2003

	Note	2003 £	2002 £
Fixed assets			
Tangible assets	9	115,760	177,067
Investments	10	7	7
		<hr/>	<hr/>
		115,767	177,074
Current assets			
Stocks		332,064	638,635
Work in progress		385,768	330,452
Debtors	11	7,748,493	11,512,880
Cash at bank and in hand		3,236,703	2,008,000
		<hr/>	<hr/>
		11,703,028	14,489,967
Creditors: amounts falling due within one year	12	(8,515,431)	(11,609,180)
		<hr/>	<hr/>
Net current assets		3,187,597	2,880,787
		<hr/>	<hr/>
Total assets less current liabilities		3,303,364	3,057,861
Creditors: amounts falling due after more than one year	13	(353,483)	(401,400)
		<hr/>	<hr/>
		2,949,881	2,656,461
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	14	550,000	550,000
Profit and loss account		2,399,881	2,106,461
		<hr/>	<hr/>
Equity shareholders' funds	15	2,949,881	2,656,461
		<hr/>	<hr/>

These financial statements were approved by the Board of Directors on 15 July 2004

Signed on behalf of the Board of Directors



The notes on pages 11 to 17 form part of these financial statements.

MOUNT ANVIL plc

Notes forming part of the financial statements for the year ended 31 December 2003

1 Accounting policies

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

Turnover

Turnover represents sales to outside customers at invoiced amounts less value added tax.

Consolidation

The company has taken advantage of the exemption granted under section 288 of Companies Act 1985 not to provide group accounts. These financial statements present information about it as an individual entity.

Tangible fixed assets

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

Stocks and Work in Progress

Stocks are 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.

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 plc

Notes forming part of the financial statements for the year ended 31 December 2003 (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.

2 Turnover

The turnover and pre-tax profit, all of which arises in the United Kingdom, is attributable to the activity of design and build contractors and property developers.

3	Operating profit	2003 £	2002 £
	Operating profit is after charging/(crediting):		
	Depreciation and amortisation		
	Owned assets	80,290	83,587
	Leased assets	8,032	42,958
	Early payment discounts	(494,016)	(583,019)
	Loss/(profit) on disposal of fixed assets	2,513	(5,036)
	Management charges received from group companies	(34,892)	(23,700)
	Auditors' remuneration		
	Audit fee	21,000	23,285
	Other services	7,873	7,765
		<hr/>	<hr/>
4	Interest receivable and similar income	2003 £	2002 £
	Bank interest	48,020	52,507
	Other interest	338,591	266,287
		<hr/>	<hr/>
		386,611	318,794
		<hr/>	<hr/>
5	Interest payable and similar charges	2003 £	2002 £
	Bank interest	23,704	22,033
	Hire purchase and finance lease interest	3,305	5,537
	Other interest	186,984	121,208
		<hr/>	<hr/>
		213,993	148,778
		<hr/>	<hr/>

MOUNT ANVIL plc

Notes forming part of the financial statements for the year ended 31 December 2003 (Continued)

6 Information regarding directors and employees	2003	2002
	£	£
Directors' emoluments		
Fees and salaries	415,741	484,058
Other emoluments	46,511	26,224
	<u>462,252</u>	<u>510,282</u>
Emoluments of the highest paid director are as follows:	2003	2002
	£	£
Fees and salaries	100,000	112,047
Other emoluments	12,000	10,773
	<u>112,000</u>	<u>122,820</u>
Average number of persons employed	2003	2002
	No.	No.
Site	40	46
Administration	34	45
	<u>74</u>	<u>91</u>
Staff costs during the year (including directors) consist of:	2003	2002
	£	£
Wages and salaries	2,925,949	3,360,488
Social security costs	375,162	346,802
	<u>3,301,111</u>	<u>3,707,290</u>
7 Taxation on profit from ordinary activities	2003	2002
	£	£
United Kingdom corporation tax charge at 30% (2002 : 30%)	275,000	280,000
Adjustments to prior years' tax provisions	-	(7,505)
	<u>275,000</u>	<u>272,495</u>

MOUNT ANVIL plc

Notes forming part of the financial statements for the year ended 31 December 2003 (*Continued*)

7 Taxation on profit from ordinary activities (*Continued*)

The tax assessed for the year is higher than the standard rate of corporation tax in the United Kingdom. The differences are explained below:

	2003 £	2002 £
Profit on ordinary activities before tax	858,420	854,140
Profit on ordinary activities at the standard rate of corporation tax in the United Kingdom of 30% (2002:30%)	257,526	256,242
Expenses not deductible for tax purposes	13,398	14,852
Capital allowances in excess of depreciation	(9,135)	1,837
Over/(under) provision	13,211	(436)
Corporation tax at 32% (2002: 31.9%)	275,000	272,495

8 Dividends paid

	2003 £	2002 £
Dividend paid of 52.7p per ordinary share (2002 : £Nil per Ordinary share)	290,000	-

9 Tangible fixed assets

	Leasehold improvements £	Motor vehicles £	Fixtures and fittings £	Total £
<i>Cost</i>				
At 1 January 2003	22,657	195,193	343,226	561,076
Additions	-	-	66,353	66,353
Disposals	-	(148,920)	(121,290)	(270,210)
At 31 December 2003	22,657	46,273	288,289	357,219
<i>Depreciation</i>				
At 1 January 2003	8,625	134,264	241,120	384,009
Charge for the year	6,367	11,242	70,713	88,322
Disposals	-	(109,583)	(121,289)	(230,872)
At 31 December 2003	14,992	35,923	190,544	241,459
<i>Net book value</i>				
At 31 December 2003	7,665	10,350	97,745	115,760
At 31 December 2002	14,032	60,929	102,106	177,067

MOUNT ANVIL plc

Notes forming part of the financial statements for the year ended 31 December 2003 (Continued)

9 Tangible fixed assets (Continued)

Included in motor vehicles are assets purchased under hire purchase arrangements. At 31 December 2003 the net book value of these assets amounted to £10,665 (2002: £60,929). During the year depreciation of £8,032 (2002: £42,958) was charged in respect of these vehicles.

10 Investments held as fixed assets	2003 £	2002 £
Shares in group undertakings	7	7

The investments represent the purchase of ordinary share capital in the following companies, all of which are registered in England and Wales.

	2003 £	2002 £
Mount Anvil (Liverpool) Limited	2	2
Greenwich Devonport Conference Centre Limited	2	2
Mount Anvil (SGS) Limited	3	3
	7	7

Mount Anvil (Liverpool) Limited and Mount Anvil (SGS) Limited are dormant companies.

11 Debtors	2003 £	2002 £
Trade debtors	1,716,840	2,656,430
Amounts recoverable on contracts	1,543,580	1,849,567
Amounts owed by group undertakings	3,655,083	4,824,792
Prepayments and accrued income	146,745	163,791
Other debtors	686,245	2,018,300
	7,748,493	11,512,880

MOUNT ANVIL plc

Notes forming part of the financial statements for the year ended 31 December 2003 (Continued)

12 Creditors: amounts falling due within one year	2003 £	2002 £
Trade creditors	7,186,179	10,490,794
Accruals and deferred income	310,470	249,941
Hire purchase	4,167	20,971
Bank loan (secured)	26,667	26,680
Corporation tax	155,256	296,494
Taxation and social security	121,549	134,148
Other creditors	711,139	390,152
Amounts owed to group undertaking	4	-
	8,515,431	11,609,180

The bank loan is secured by a fixed charge over the specific asset against which the finance was raised.

13 Creditors: amounts falling due after more than one year	2003 £	2002 £
Amounts owed under finance leases	3,523	30,106
Bank loan (secured – see note 12)	349,960	371,294
	353,483	401,400

Maturity of debt:

	Loans and overdrafts 2003 £	Loans and overdrafts 2002 £	Finance leases 2003 £	Finance leases 2002 £
In one year or less, or on demand	26,667	26,680	4,167	20,971
In more than one year but not more than two years	26,667	26,680	3,523	-
In more than two years but not more than five years	80,001	80,001	-	30,106
In more than five years	243,292	264,613	-	-
	349,960	371,294	3,523	30,106

The bank loan is secured by a fixed charge over the specific asset against which the finance was raised.

MOUNT ANVIL plc

Notes forming part of the financial statements for the year ended 31 December 2003 (Continued)

14 Share capital	2003 £	2002 £
Authorised		
1,000,000 Ordinary shares of £1 each	1,000,000	1,000,000
200,000 Deferred shares of 1p each	2,000	2,000
	<hr/>	<hr/>
	1,002,000	1,002,000
	<hr/>	<hr/>
Called up, allotted and fully paid		
550,000 Ordinary shares of £1 each	550,000	550,000
	<hr/>	<hr/>
15 Reconciliation of movements in shareholders' funds	2003 £	2002 £
Opening shareholders' funds	2,656,461	2,074,816
Retained profit for the financial year	293,420	581,645
	<hr/>	<hr/>
	2,949,881	2,656,461
	<hr/>	<hr/>

16 Ultimate parent company

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 and the controlling entity is Mount Anvil Group Limited. Copies of the group financial statements are available from Park Mill, Burydell Lane, Park Street, St Albans, Hertfordshire AL2 2HB.

17 Related party transactions

The company has taken advantage of the exemptions available under paragraph 3(c) of FRS8 relating to the disclosure of certain related party transactions.