

Registered number:  
02706348

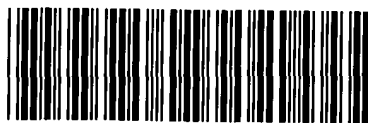
**MOUNT ANVIL LIMITED**

Report and Financial Statements

Year Ended 31 December 2020

Company number: 02706348

THURSDAY



\*AAE4A2W1\*

A04

30/09/2021

#181

COMPANIES HOUSE

---

**MOUNT ANVIL LIMITED**

---

---

**COMPANY INFORMATION**

---

<b>DIRECTORS</b>	C K Hurley D Hurley J R Hall E T Anderson L Taylor
<b>COMPANY SECRETARY</b>	E T Anderson
<b>REGISTERED NUMBER</b>	02706348
<b>REGISTERED OFFICE</b>	140 Aldersgate Street London EC1A 4HY
<b>AUDITORS</b>	BDO LLP 55 Baker Street London W1U 7EU

---

**MOUNT ANVIL LIMITED**

---

**CONTENTS**

---

	<b>Page</b>
Strategic Report	1
Directors' Report	4
Independent Auditor's Report	6
Statement of Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Notes to the Financial Statements	13

---

## MOUNT ANVIL LIMITED

---

### STRATEGIC REPORT

---

#### BUSINESS REVIEW

The turnover in Mount Anvil Limited, the Group's construction arm, was £162.8 million (2019: £189.0 million) and profit before taxation was £3.0 million (2019: £3.2 million), both before eliminating intra-group activity. This reflects strong and continued focus on cost control and greater alignment with our supply chain. The Company acts as the main contractor on residential development schemes undertaken by Mount Anvil group companies and joint ventures 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 £127.6 million (2019: £66.3 million) and the intra group private build contracts add a further £269.3 million (2019: £242.3 million).

The net assets of the Company increased to £18.6 million (2019: £16.3 million), while net current assets increased to £19.1 million (2019: £16.6 million).

*Our business and the wider market were significantly impacted by the COVID-19 pandemic at the start of 2020. The Group decided to close our construction sites before the government mandated it, in order to prioritise the safety and wellbeing of our people. Whilst maintaining social distancing, and by adopting the use of technology in sales, we were able to safely reopen all sites by the end of May 2020.*

Further threat and uncertainty from the COVID-19 pandemic provides a difficult backdrop against which to forecast future activity. The Company has incurred unexpected costs as a result of closing construction sites and making them compliant and safe. However, during the course of 2020, and despite the emergence and spread of COVID-19 and its impact on the wider economy, as at the date of this report, all live construction sites have fully implemented new working practices, improved welfare facilities and have been back to full capacity and productivity for a number of weeks. We are forecasting to meet our 2020 programme delivery dates.

Long standing and strong working relationships with our partners and supply chain have allowed us to achieve this and leave us well positioned to capitalise on new opportunities.

#### SUSTAINABILITY

Mount Anvil believes that good design is sustainable design, hence our pre-construction teams constantly consider embodied carbon, energy performance, maintenance, running and end user costs, with the lifetime of the building in mind. This focus meant that in 2020 we became the first residential developer to be awarded The Planet Mark's New Development certification. This partnership reflects our commitment to go beyond compliance to invest in a sustainable future for the built environment throughout the entire development process. We also believe in making a difference via education, which is why we will also now start giving back to local schools via a sustainability outreach programme delivered together with The Eden Project.

#### HEALTH AND SAFETY

We received the 'number one Gold employer award' at Mind's Workplace Wellbeing Index Awards this year. We're the first small organisation to achieve the top gold score, which demonstrates a long-term, in-depth commitment to staff mental health.

We have been recognised by the British Safety Council as the UK's Number One company for Health and Safety for 4 successive years, across any sector. This demonstrates our proven culture of excellence in health and safety practices and risk management.

We have also recently won a RoSPA Gold Award for health and safety performance during the year, demonstrating our ongoing commitment to health and safety.

#### PEOPLE

We invest in finding good people and then we give them the space, responsibility, and resources to do their best work. Our inclusion in the Sunday Times Best 100 Small Companies to Work For list for eleven consecutive years is a stand-out achievement for Mount Anvil and is unique in our industry. In 2019 we were included as one of the Best 75 Small Companies to Work For in the London b-Heard Survey.

The launch of the Employee Shareholder Status scheme in 2015 and Growth Share scheme in 2018 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.

---

## MOUNT ANVIL LIMITED

---

### STRATEGIC REPORT

---

#### BOARD DECISION MAKING: SECTION 172 STATEMENT

The Board regularly considers the impact of their decision making on the key stakeholders of the business. For this purpose, the Board have identified the following groups of stakeholders, and detailed how they have engaged with those stakeholders and the effect that this has on Mount Anvil's decisions and strategies during the year.

#### Our People

These are our permanent Mount Anvil employees, based both on our sites across London and Manchester, as well as at our Barbican office. 63% of Mount Anvil's employees are shareholders in the company which is a fundamental aspect of our 'owner manager' culture, where employees are encouraged to think like a business owner with high freedom and high responsibility. This is an important part of our culture that played a significant factor in our award as Building Awards' Housebuilder of the Year in 2020.

COVID-19 has proved extremely challenging for our industry. As noted, we decided to close our construction sites before the government mandated it, in order to prioritise the safety and well-being of our people. We also made use of the government furlough scheme introduced in the year to keep people whose work was on pause financially supported and topped up government furlough pay to 100% of salary.

We redoubled our efforts around internal communications – holding monthly company-wide, interactive events where teammates are encouraged to submit questions that are then answered, live and in-person, by our Executive team. We also complete regular "YourSay" surveys – a feedback tool designed to give all employees a say in the business' operations and with how we can improve our environment.

#### Our Joint-Venture partners

Mount Anvil is a business founded on repeat partnerships. Over the past three decades we've worked in partnership with a small number of registered providers, predominantly housing association partners, where together we build outstanding places where people can thrive.

We believe in listening and seeking direct feedback across all of our relationships. During 2020 we evolved our Partner Survey, seeking that feedback in a more structured way from more of the registered provider colleagues that we interact with.

Also new for this year is our 'Living Rooms', a multi-scheme showroom and hosting space recently opened in our Barbican office. This helps our partners by giving us predictable costs for marketing suite presence early in the lifecycle of the scheme, as well as providing a flexible space for holding events and training.

#### Customers

We base everything we do on insight. Listening to residents – those who are part of estate transformations during the course of the project, plus their new neighbours once they've moved into new homes, is hugely important to us.

In the past year we've rolled out a new video messaging technology called VideoAsk via which (amongst other tools) we gather feedback. We've also tripled the amount of customer surveys that we receive feedback on and driven meaningful response rates across all of them. Through this focus we've created a rich conveyor belt of feedback on our product and services, coming directly from our customers. We feed this learning from the customer into our planning and design teams, so that we're continually learning from how our homes are used and how the experience of buying from with Mount Anvil has been.

#### Community

We exist to create outstanding places where people can thrive and invest an inordinate amount of time on the detail and design of each scheme.

---

## MOUNT ANVIL LIMITED

---

### STRATEGIC REPORT

---

This includes listening to and collaborating with existing communities. Our dedicated community engagement officer runs traditional newsletter and event updates, but has also pioneered a new digital engagement platform and a virtual consultation system.

We also note our work to adopt fabric-first methods which reduce whole-life energy costs for our buildings, recognised with The Planet Mark accreditation, which recognises our focus on delivering homes that are economical to heat and run, helping Londoners and the planet.

We have identified a small number of projects where remediation works may be required to comply with regulations post Grenfell. Accordingly, we have made provisions to complete these remedial works on legacy schemes – we are prioritising residents' safety and have taken steps to make sure that none of the costs fall to residents.

#### Supply chain

Site-based contractors and sub-contractors are the extended workforce that make up our physical on-site presence. Managed by our permanent Mount Anvil teammates, these third-party companies are encouraged to partake in the Mount Anvil way of working.

The Board feel that all decisions taken during the financial year take into account the likely consequence of any decision in the long term as well as short term and the impact on the Group as a whole, as well as the stakeholders identified above.

#### PRINCIPAL RISKS AND UNCERTAINTIES

The Board regularly reviews the financial requirements of the Group and the risks associated therewith. Group operations are primarily financed from retained earnings and short- and medium-term borrowings. Historically, the Group has used interest rate caps or swaps to protect itself against significant interest rate rises, but the Group 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 Group in conjunction with a detailed cash flow model. This ensures that working capital is continually optimised and requirements are identified at an early stage.


#### COVID-19 business continuity and risk management

The Board have been monitoring COVID-19 and managing the situation since March 2020. We have successfully put in place business continuity plans, with a focus on opening our sites as soon as it was safe to do so, keeping them safe for our people and ensuring strength in our balance sheet to enable us to invest in our future. The company's order book, in respect of external Registered Providers and the intra group private build contracts order book is strong. The company's existing cash resource improved in the year to 31 December 2020 and remains healthy following ongoing receipt of fees in respect of the forecasted project management and services related fees. We worked together with our suppliers during the height of COVID-19 to ensure they were able to safely deliver on our sites and have the working capital to do so. We continue to monitor the COVID-19 situation and its impact on the Group on a daily basis.

The Company has been largely unaffected by Brexit during the year, and do not consider the subsequent changes in legislation to have had a material impact on our operations but continue to monitor the short-term impact of Brexit on the construction labour market, in conjunction with our subcontractors.

This report was approved by the board on 30 June 2021 and signed on its behalf.

E Anderson  
Company Secretary



---

## **MOUNT ANVIL LIMITED**

---

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

---

The directors present their report and audited financial statements for the year ended 31 December 2020.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company was that of 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 £2,122,000 (2019: £2,165,000).

The directors do not recommend the payment of an ordinary dividend (2019: £nil).

#### **DIRECTORS**

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

C K Hurley  
D Hurley  
J R Hall  
E T Anderson  
L Taylor (appointed 31 July 2020)

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

The aggregate amount of charitable donations made during the year was £233,000 (2019: £219,000). 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.

---

## MOUNT ANVIL LIMITED

---

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

---

#### STREAMLINED ENERGY AND CARBON REPORT

The company has not presented a report on the grounds that the company's energy and carbon information has been included in the Streamlined Energy and Carbon report presented in the company's parent company consolidated financial statements. For more information, see the Mount Anvil Group Limited financial statements which may be obtained from the address stated in note 22.

#### OTHER MATTERS AND GOING CONCERN

The directors have conducted a rigorous assessment of the company's ability to continue to operate for the foreseeable future. In making this assessment consideration has been given to the inherent uncertainty in future financial forecasts and, where applicable, severe but plausible sensitivities have been applied to key factors affecting the expected financial performance and liquidity of the company – taking into account these factors and on-going impact on the business caused by the outbreak of COVID-19. This assessment has considered downside case forecasts where significant delays, cost increases and revenue reduction are experienced. Stress test sensitivities have been applied to these forecasts to model a significant fall in construction activity, and for a substantial increase in build costs.

As noted in the Strategic report, the company's order book, in respect of external Registered Providers and the intra group private build contracts order book is strong. The company's existing cash resource has remained healthy and stable since the 2020 year-end, following ongoing receipt of fees in respect of the forecasted project management and services related fees.

The Strategic Report also notes the company's forward sales orderbook underwriting its forecast cashflows which provides significant support for the conclusion that the company is a going concern.

The Company has been largely unaffected by Brexit during the year, and do not consider the subsequent changes in legislation to have had a material impact on our operations but continue to monitor the short-term impact of Brexit on the construction labour market, in conjunction with our subcontractors.

#### 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. This information is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

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 Anderson

30 June 2021



---

## MOUNT ANVIL LIMITED

---

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

---

#### Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 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.

We have audited the financial statements of Mount Anvil Limited ("the Company") for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the Report and Financial Statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Other Companies Act 2006 reporting

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

---

## MOUNT ANVIL LIMITED

---

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

---

#### Other Companies Act 2006 reporting (continued)

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have/has been prepared in accordance with applicable legal requirements.

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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

#### Responsibilities of Directors

As explained more fully in the Directors Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

#### *Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience through discussion with the directors and the other management (as required by auditing standards).
- We had regard to laws and regulations in areas that directly affect the financial statements including financial reporting (including related company legislation) and taxation legislation. We considered that extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.
- With the exception of any known or possible non-compliance, and as required by auditing standards, our work in respect of these was limited to enquiry of the directors.
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.
- We addressed the risk of fraud through management override of controls, by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are

---

## MOUNT ANVIL LIMITED

---

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

---

#### Auditor's responsibilities for the audit of the financial statements (continued)

indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

#### Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:



71D0B433DEE2415...

Charles Ellis (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

55 Baker Street, London W1U 7EU

30 June 2021

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 2020**

---

	Note	2020 £'000	2019 £'000
<b>Turnover</b>	3	<b>162,770</b>	189,017
Cost of sales		<b>(149,601)</b>	(170,949)
<b>Gross profit</b>		<u><b>13,169</b></u>	<u>18,068</u>
Administrative expenses		<b>(10,177)</b>	(15,123)
<b>Operating profit</b>	5	<u><b>2,992</b></u>	<u>2,945</u>
Interest receivable and similar income	7	<b>42</b>	271
Interest payable and similar expenses	8	<b>(17)</b>	-
<b>Profit before taxation</b>		<u><b>3,017</b></u>	<u>3,216</u>
Tax on profit on ordinary activities	9	<b>(895)</b>	(1,051)
<b>Profit for the year and total comprehensive income for the year</b>		<u><u><b>2,122</b></u></u>	<u><u>2,165</u></u>

The notes on pages 13 to 26 form part of these financial statements.

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

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2020**

	Note	2020 £'000	2019 £'000
<b>Fixed assets</b>			
Tangible assets	10	1,369	1,456
		<u>1,369</u>	<u>1,456</u>
<b>Current assets</b>			
Stocks	11	1,162	819
Debtors: amounts falling due within one year	12	61,002	118,323
Cash at bank and in hand		28,386	16,858
Deferred tax	17	-	17
		<u>90,550</u>	<u>136,017</u>
Creditors: amounts falling due within one year	13	(71,490)	(119,431)
<b>Net current assets</b>		<u>19,060</u>	<u>16,586</u>
<b>Total assets less current liabilities</b>		<u>20,429</u>	<u>18,042</u>
Creditors: amounts falling due greater than one year	14	(304)	(1,788)
Provisions	15	(1,500)	-
<b>Net assets</b>		<u><u>18,625</u></u>	<u><u>16,254</u></u>
<b>Capital and reserves</b>			
Called up share capital	18	550	550
Capital contribution reserve		5,191	4,942
Profit and loss account		12,884	10,762
<b>Shareholder's funds</b>		<u><u>18,625</u></u>	<u><u>16,254</u></u>

The notes on pages 13 to 26 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 30 June 2021.



E Anderson  
Director

**MOUNT ANVIL LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
AS AT 31 DECEMBER 2020**

	Share capital	Capital contribution reserve	Profit and loss account	Total equity
	£'000	£'000	£'000	£'000
<b>At 1 January 2020</b>	<b>550</b>	<b>4,942</b>	<b>10,762</b>	<b>16,254</b>
<b>Comprehensive income for the year</b>				
Comprehensive income for the year	-	-	2,122	2,122
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>2,122</b>	<b>2,122</b>
<b>Contributions by and distributions to owners</b>				
Capital contribution in respect of employee share schemes	-	249	-	249
<b>Total transactions with owners</b>	<b>-</b>	<b>249</b>	<b>-</b>	<b>249</b>
<b>At 31 December 2020</b>	<b>550</b>	<b>5,191</b>	<b>12,884</b>	<b>18,625</b>

The notes on pages 13 to 26 form part of these financial statements.

**MOUNT ANVIL LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
AS AT 31 DECEMBER 2019**

	Share capital	Capital contribution reserve	Profit and loss account	Total equity
	£'000	£'000	£'000	£'000
<b>At 1 January 2019</b>	<b>550</b>	<b>4,325</b>	<b>8,597</b>	<b>13,472</b>
<b>Comprehensive income for the year</b>				
Comprehensive income for the year	-	-	2,165	2,165
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>2,165</b>	<b>2,165</b>
<b>Contributions by and distributions to owners</b>				
Capital contribution in respect of employee share schemes	-	617	-	617
<b>Total transactions with owners</b>	<b>-</b>	<b>617</b>	<b>-</b>	<b>617</b>
<b>At 31 December 2019</b>	<b><u>550</u></b>	<b><u>4,942</u></b>	<b><u>10,762</u></b>	<b><u>16,254</u></b>

The notes on pages 13 to 26 form part of these financial statements.

---

## MOUNT ANVIL LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

---

#### 1. ACCOUNTING POLICIES

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

Mount Anvil Limited is a private company limited by shares incorporated in England.

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 is recognised over time as the company performs its obligations. Turnover represents the value of measured works for each contract, net of value added tax. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Project management fees earned by the company are recognised on a percentage of completion basis or otherwise according to the milestones set out in the underlying contracts, 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.



---

## MOUNT ANVIL LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

---

#### 1. ACCOUNTING POLICIES (continued)

##### 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.

##### 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. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, 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 bank loans, 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 Statement of Financial Position.

##### 1.12 CASH SETTLED SHARE SCHEMES

Cash settled share schemes are measured at fair value at the reporting date. The company recognises a liability at the reporting date based on these fair values. The key factors in determining the fair value are in respect of vesting assumptions and the Group's net asset position. This takes into account the estimated number of

---

## MOUNT ANVIL LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

---

#### 1. ACCOUNTING POLICIES (continued)

##### 1.12 CASH SETTLED SHARE SCHEMES (continued)

awards that will actually vest in line with the latest assessment of the vesting period and forecast future Group profitability. As the awards received by employees are shares of Mount Anvil Group Limited, a capital contribution from Mount Anvil Group Limited is also recognised over the current proportion. Changes in the value of the share scheme liability are recognised in the Statement of Comprehensive Income. For further detail, refer note 2 (d).

##### 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 Statement of Financial Position 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 Statement of Financial Position.

##### 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 Statement of Financial Position 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 Statement of Financial Position 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 Statement of Financial Position 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 1.12).
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

##### 1.16 FURLOUGH

The company made use of the Government's furlough scheme in the year. Any income from furlough has been recognised against the payroll costs associated.

---

## MOUNT ANVIL LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

---

#### 1. ACCOUNTING POLICIES (continued)

##### 1.17 GOING CONCERN

In determining the appropriate basis of preparation of the financial statements the directors are required to consider whether the company can continue in operational existence for the foreseeable future. The directors have conducted a rigorous assessment of the company's ability to continue to operate for the foreseeable future. In making this assessment consideration has been given to the inherent uncertainty in future financial forecasts and, where applicable, severe but plausible sensitivities have been applied to key factors affecting the expected financial performance and liquidity of the company – taking into account the factors and continuing impact on the business caused by the outbreak of COVID-19.

This assessment has considered downside case forecasts where significant delays, cost increases and revenue reduction are experienced. Stress test sensitivities have been applied to these forecasts to model the impact of a significant fall construction activity, and for a substantial increase in build costs. Under all scenarios modelled the company has significant headroom in terms of its liquidity.

The company's existing cash resource has remained healthy and stable since the 2020 year-end, following ongoing receipt of fees in respect of the forecasted project management and services related fees.

The Strategic Report also notes the company's forward sales orderbook underwriting its forecast cashflows which provides significant support for the conclusion that the company is a going concern.

#### 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) Accounting for long term construction contracts

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 made immediately in the profit and loss account

##### (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.

##### (c) Going Concern

Given the COVID-19 pandemic, enhanced judgement is required in respect of Mount Anvil Limited's ability to continue as a going concern and the assumptions considered, see Note 1.17 for detail.

##### (d) Share schemes

In arriving at the fair value of the liability in respect of the cash settled share schemes at each reporting date, there are two key judgements. The first is in respect of the number of shares that are forecast to vest at the end of the vesting period, including an assumption around the forecast number of employees who will leave the company's employment before vesting. The company takes account of past experience of attrition rate, being the number of employees who have been awarded shares that leave before the shares vest - this informs the level of likely future leavers. The value of the schemes shares related to the Group's net asset position, and the second judgement key is in respect of the Group's net asset position, and forecast future net asset position. These are applied to the respective share scheme rules – the current Group net asset position references MAGL's net asset position per the audited financial statements at the reporting date, and the forecast position assumes current net assets together with future Group profit projections.

---

**MOUNT ANVIL LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**3. ANALYSIS OF TURNOVER**

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

	2020 £'000	2019 £'000
Design and build contracting	144,544	171,218
Property development support services and project management	18,226	17,799
	<u>162,770</u>	<u>189,017</u>

All turnover arose within the United Kingdom. The prior year revenue and admin expenses have been increased by £10,472,000 to reflect group management charges that were previously recognised within admin expenses. There was no impact on net assets or operating profit.

**4. EMPLOYEES**

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

	2020 £'000	2019 £'000
Wages and salaries	18,623	20,760
Social security costs	2,413	2,746
Cost of defined contribution scheme	357	267
	<u>21,393</u>	<u>23,773</u>

The company made use of the government's furlough scheme during the year. £0.2m was received in the year (2019: nil).

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

	2020 No.	2019 No.
Site	100	116
Administration	108	111
	<u>208</u>	<u>227</u>

---

**MOUNT ANVIL LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**5. OPERATING PROFIT**

The operating profit is stated after charging:

	2020 £'000	2019 £'000
Depreciation of tangible fixed assets (note 10)	458	482
Audit fee	20	15
Rent – operating leases (note 20)	892	909
Share based payment expense (note 19)	249	617
Defined contribution pension cost (note 4)	357	267

**6. DIRECTORS' REMUNERATION**

	2020 £'000	2019 £'000
Directors' emoluments	1,430	1,852
Company contributions to defined contribution pension schemes	5	5
	<u>1,435</u>	<u>1,857</u>

The highest paid director received remuneration of £434,000 (2019: £542,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £1,000 (2019: £1,000).

The total accrued pension provision of the highest paid director at 31 December 2020 amounted to £nil (2019: £nil).

**7. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2020 £'000	2019 £'000
Other interest receivable	42	271
	<u>42</u>	<u>271</u>

**8. INTEREST PAYABLE AND SIMILAR CHARGES**

	2020 £'000	2019 £'000
Other interest payable	17	-
	<u>17</u>	<u>-</u>

**MOUNT ANVIL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**9. TAXATION**

	2020 £'000	2019 £'000
<b>UK Corporation tax</b>		
Current tax on profits for the year	-	532
Adjustments in respect of previous periods	878	470
<b>Total current tax charge</b>	<b>878</b>	<b>1,002</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	19	49
Adjustment opening deferred tax to average rate of 19%	(2)	-
<b>Total deferred tax (credit) / charge</b>	<b>17</b>	<b>49</b>
<b>Tax charge on profit on ordinary activities</b>	<b>895</b>	<b>1,051</b>

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is higher than (2019: higher than) the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%). The differences are explained below:

	2020 £'000	2019 £'000
Profit on ordinary activities before tax	<u>3,017</u>	<u>3,217</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	573	612
<b>Effects of:</b>		
Expenses not deductible for tax purposes	341	233
Income not taxable for tax purposes	(252)	(90)
Fixed asset differences	5	9
Group relief claimed	(758)	(178)
Adjustments in respect of prior years	878	470
Deferred tax asset not recognised	110	-
Adjustments to deferred tax charge in respect of prior periods	-	1
Adjust closing deferred tax to average rate of 19.00%	-	2
Adjust opening deferred tax to average rate of 19.00%	(2)	(8)
<b>Total tax charge for the year</b>	<b>895</b>	<b>1,051</b>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

The company made some tax losses in the year, for which no deferred tax asset has been recognised.

---

**MOUNT ANVIL LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**10. TANGIBLE FIXED ASSETS**

	Fixtures and fittings	Leasehold improvements	Total
	£'000	£'000	£'000
<b>Cost</b>			
At 1 January 2020	2,308	1,158	3,466
Additions	371	-	371
Disposals	(399)	-	(399)
<b>At 31 December 2020</b>	<b>2,280</b>	<b>1,158</b>	<b>3,438</b>
<b>Depreciation</b>			
At 1 January 2020	1,670	340	2,010
Charge for the period	343	115	458
Disposals	(399)	-	(399)
<b>At 31 December 2020</b>	<b>1,614</b>	<b>455</b>	<b>2,069</b>
<b>Carrying value</b>			
<b>At 31 December 2020</b>	<b>666</b>	<b>703</b>	<b>1,369</b>
At 31 December 2019	638	818	1,456

**11. STOCKS**

	2020 £'000	2019 £'000
Work in progress	1,162	819
	<u>1,162</u>	<u>819</u>

Work in progress recognised in cost of sales during the year was £149,601,000 (2019: £170,949,000).

No finance costs are included in the stocks balance (2019: £nil)

**MOUNT ANVIL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**12. DEBTORS**

	2020 £'000	2019 £'000
Trade debtors	533	772
Amounts owed by group undertakings	30,683	81,325
Amounts owed by joint ventures (note 21)	20,478	21,776
Other debtors	5,202	4,769
Prepayments and accrued income	2,694	9,462
VAT	1,075	219
Corporation Tax	337	-
	<u>61,002</u>	<u>118,323</u>

All amounts are due for repayment in one year. Amounts owed by group undertakings and joint ventures are repayable on demand.

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

	2020 £'000	2019 £'000
Trade creditors	8,690	10,468
Amounts owed to group undertakings	34,224	73,742
Amounts owed to joint ventures (note 21)	625	76
Taxation and social security	1,569	1,936
Other creditors	6,147	6,122
Accruals and deferred income	20,235	26,807
Corporation Tax	-	280
	<u>71,490</u>	<u>119,431</u>

**14. CREDITORS: Amounts falling due after more than one year**

	2020 £'000	2019 £'000
Obligations under contract	304	1,788
	<u>304</u>	<u>1,788</u>

Mount Anvil Limited has an obligation for dilapidations at the end of its office lease in 2027 – £304,000 has been provided for at the year end (2019: £288,000).



---

**MOUNT ANVIL LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**15. PROVISIONS**

	<b>2020 £'000</b>	<b>2019 £'000</b>
Other provisions	<b>1,500</b>	-
	<b>1,500</b>	-

A provision of £1,500,000 has been made during the year to complete remedial works on legacy schemes.

**16. FINANCIAL INSTRUMENTS**

	<b>2020 £'000</b>	<b>2019 £'000</b>
<b>Financial Assets</b>		
Financial assets that are debt instruments measured at amortised cost	<b>88,711</b>	133,727
	<b>88,711</b>	<b>133,727</b>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<b>57,112</b>	122,770
	<b>57,112</b>	<b>122,770</b>

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

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

---

**MOUNT ANVIL LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**17. DEFERRED TAX**

	Deferred tax asset
	£'000
At 1 January 2020	17
Charged to the Statement of Comprehensive Income	(17)
<b>At 31 December 2020</b>	<b>-</b>

The provision for deferred taxation is made up as follows:

	2020 £'000	2019 £'000
Fixed Asset timing differences	-	(53)
Short-term timing differences	-	70
	<u>-</u>	<u>17</u>

**18. SHARE CAPITAL**

	2020 £'000	2019 £'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
	<u>1,002</u>	<u>1,002</u>
<b>Allotted, called up and fully paid</b>		
550,000 Ordinary shares of £1 each	<u>550</u>	<u>550</u>

---

## MOUNT ANVIL LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

---

#### 19. SHARE BASED PAYMENTS

##### 19.1 Employee Shareholder Status Scheme

In 2015 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. All share schemes are cash-settled.

	Weighted average share price (pence) 2020	Weighted average share price (pence) 2019	Number 2020	Number 2019
Outstanding at the start of the year	414	414	670,022	790,737
Granted during the year	414	414	-	-
Lapsed during the year	414	414	(7,838)	(120,715)
<b>Outstanding at end of the year</b>			<b>662,184</b>	<b>670,022</b>

In the current year the Group's Directors were not granted any shares (2019: none).

The total expense recognised for the year arising from the ESS was a credit of (£686,000) (2019: £nil).

##### 19.2 Growth Share Scheme

In 2018, any individual employees who had joined the Company subsequent to the original ESS scheme were offered the option to be issued with D and E ordinary shares under a new Growth Shareholder Scheme ('GSS').

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

Retaining ownership of the D and E ordinary shares is conditional on continuing employment. Specific rules apply if the employee ceases employment during the vesting period. The D and E ordinary shares have no dividend rights and no voting rights.

The shares in the Company issued under the GSS were valued using the net present value of estimated future economic returns at the issue date and will be remeasured at each subsequent reporting date.

---

**MOUNT ANVIL LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**19. SHARE BASED PAYMENTS (continued)**

In the current year the Group's Directors were not granted any shares (2019: none).

The total expense recognized for the year arising from the GSS was a credit of (£12,000) (2019: charge of £617,000).

	Weighted average share price (pence)	Number 2020 D	Number 2020 E
Outstanding at the start of the year	400	680,639	207,500
Granted during the year	400	-	-
Lapsed during the year	400	(62,050)	-
<b>Outstanding at the end of the year</b>	<b>400</b>	<b>618,589</b>	<b>207,500</b>

**19.3 Long Term Incentive Plan**

In 2020, a number of the Group's Directors along with other key employees acquired A3 shares in the Company under a Long-Term Incentive Plan ("LTIP").

The A3 shareholders are only entitled to realise the value from their A3 shares after a predetermined period of time. The value of shares will be based on net asset value of the Group at the time of sale of shares.

Retaining ownership of the A3 shares is dependant on certain conditions being met, such as continuing employment. Rules and compulsory sale rules apply should the employee cease employment during a predetermined time period.

The number of shares granted was 541,896 (2019: none).

The total expense recognised for the year arising from the LTIP was £947,000 (2019: £nil).

	Weighted average share price (pence) 2020	Number
Outstanding at start of year	-	-
Granted during the year	503	541,896
Lapsed during the year	-	-
<b>Outstanding at the end of the year</b>	<b>503</b>	<b>541,896</b>

---

## MOUNT ANVIL LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

---

#### 20. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2020 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2020 £'000	2019 £'000
Not later than 1 year	957	817
Later than 1 year and not later than 5 years	3,614	3,209
Later than 5 years	862	1,566
<b>Total</b>	<b><u>5,433</u></b>	<b><u>5,592</u></b>

During the year, £892,000 was expensed to the profit & loss in relation to operating leases (2019: £909,000)

#### 21. RELATED PARTY TRANSACTIONS

At 31 December 2020 the company was owed amounts totalling £20,478,000 (2019: £21,776,000) from joint ventures and associated undertakings. The company owed £625,000 (2019: £76,000) to joint ventures and associated undertakings.

#### 22. CONTROLLING PARTY

At 31 December 2020 and 31 December 2019, 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 2020 and 31 December 2019, 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.

#### 23. POST BALANCE SHEET EVENTS

There were two significant items in the year impacting the overall performance. The first was in respect of a contract where the Group was delivering private-rental-sector (PRS) homes for a strategic financial partner in Manchester. The Group encountered a perfect storm – supply chain failures exacerbated by the Manchester construction boom, on-site flooding, staffing issues – all of this further compounded by delays and additional costs as a consequence of the COVID-19 pandemic site suspension. We took on this project, our only one outside London in 10 years, to support a long-term strategic financial partner. We opted to share the financial consequences of this extreme set of circumstances with that partner, reducing our ability to recover £4.3m of our costs. The Group has recommitted to focusing exclusively on the London market. The second item was in respect of building safety. In light of recent changes to regulations and guidance, we have identified a small number of projects where remediation works may be required to comply with regulations post Grenfell. Accordingly, we have made provisions totalling £1.5m to complete these remedial works on legacy schemes – we are prioritising residents' safety and have taken steps to make sure that none of the costs fall to residents.