

MOUNT ANVIL LIMITED

Report and Financial Statements

Year Ended

31 December 2013

Company number: 2706348

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MOUNT ANVIL LIMITED

Annual report and financial statements for the year ended 31 December 2013

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MOUNT ANVIL LIMITED

Officers and professional advisors for the year ended 31 December 2013

Directors

C K Hurley
J R Hall
P R Burslem
J A Spring
M Ratchford

Secretary and registered office

A S Duncan
140 Aldersgate Street
London
EC1A 4HY

Company number

2706348

Solicitors

Addleshaw Goddard LLP
60 Chiswell Street
London
EC1Y 4AG

Bankers

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

Auditors

BDO LLP
55 Baker Street
London
W1U 7EU

MOUNT ANVIL LIMITED

Strategic report of the directors for the year ended 31 December 2013

The directors present their report with the audited financial statements for the year ended 31 December 2013.

Operating Review

Contracting

The group has always taken great pride in the quality of construction and the level of customer service provided. With its own construction arm, Mount Anvil is able to ensure that all its products are delivered to its own exacting standards. The turnover was £88.7m (2012: £67.3m) and profit before taxation was £0.2m (2012: £0.2m), both before eliminating intra-group activity. The company is the main contractor on schemes and its ethos of listening to its clients and reacting to their needs has been at the centre of our approach, allowing the company to consistently provide high quality and innovative design solutions. Looking forward, the external Registered Provider order book has a value of £16m and the intra-group private build contracts add a further £277m.

Sustainability

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

People

Mount Anvil has a thriving company culture. Engaged, positive and proactive people deliver excellent customer service and great financial returns. This has been reflected with the inclusion in the Sunday Times Best Small Companies to Work For List for eight consecutive years, a stand out achievement for a British property business.

With the increasing scale and complexity of the schemes under development, the senior team has been strengthened, with a number of very experienced individuals recruited, complimenting and increasing the depth of resource in the business.

Investing in our people is a central tenet of Mount Anvil's strategy. This is achieved through effective communication, intensive leadership and management development and structured health and safety training. Mount Anvil believes in maximising the potential of all its employees, maintaining clear objectives and stimulating creativity that in turn leads to a constantly evolving product offer for customers.

During the year the group made its fifth issue of shares to all employees under the Share Incentive Plan. Unique to the industry, the majority of Mount Anvil employees are shareholders in the business.

Outlook

The company continues to benefit from a clear focus on delivering quality product in the Inner London boroughs. Demand in these areas remains strong, with continued evidence of a shortage of well designed, quality product. With excellent individuals working collaboratively as a team, Mount Anvil remains focussed on delivering controlled profitable growth.

MOUNT ANVIL LIMITED

Strategic report of the directors for the year ended 31 December 2013 (*continued*)

Principal risks and uncertainties

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

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

By order of the Board



A S Duncan

Secretary

Date: 17 September 2014

MOUNT ANVIL LIMITED

Report of the directors for the year ended 31 December 2013

The directors present their report with the audited financial statements for the year ended 31 December 2013.

Principal activities

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

Directors

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

C K Hurley
B P Chambers (resigned 1 July 2013)
P R Burslem
J A Spring
J R Hall (appointed 19 May 2014)
M Ratchford (appointed 8 July 2014)
D J C Clark (resigned 7 July 2014)
C Fenton (resigned 31 January 2014)

A S Duncan was appointed as Company Secretary on 19 March 2013.

Charitable and political donations

The aggregate amount of charitable donations made during the year was £150,000 (2012: £100,000). There were no political donations.

Financial risk management

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

Results and dividends

The company's profit for the year before taxation was £0.2m (2012: £0.2m). The directors do not recommend the payment of an ordinary dividend (2012: £nil).

Policy and practice on the payment of creditors

It is the policy of the company to negotiate appropriate terms and conditions for its transactions with suppliers by means ranging from standard written terms to individually negotiated contracts. Trade creditors represent both invoices received from material suppliers and accruals for subcontractor payment applications not yet received. At 31 December 2013 trade creditors represented 44 days of purchases (2012: 52 days).

Directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair

MOUNT ANVIL LIMITED

Report of the directors for the year ended 31 December 2013 (*continued*)

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

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

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

By order of the Board



A S Duncan
Secretary

Date: 17 September 2014

MOUNT ANVIL LIMITED

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

We have audited the financial statements of Mount Anvil Limited for the year ended 31 December 2013 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

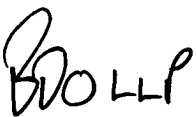
MOUNT ANVIL LIMITED

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Richard Kelly (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

Date: 17 September 2014

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

MOUNT ANVIL LIMITED**Profit and loss account for the year ended 31 December 2013**

	<i>Note</i>	2013 £'000	2012 £'000
Turnover	2	88,692	67,346
Cost of sales		<u>(87,541)</u>	<u>(59,782)</u>
Gross profit		1,151	7,564
Administrative expenses		<u>(919)</u>	<u>(7,372)</u>
Operating profit	3	232	192
Interest receivable and similar income	6	8	20
Interest payable and similar charges	7	<u>(73)</u>	<u>(54)</u>
Profit on ordinary activities before taxation		167	158
Tax on profit on ordinary activities	8	<u>(47)</u>	<u>(1,121)</u>
Profit / (loss) on ordinary activities after taxation	17	<u><u>120</u></u>	<u><u>(963)</u></u>

All amounts relate to continuing activities.

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

The notes on pages 10 to 19 form part of these financial statements.

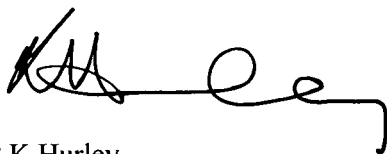
MOUNT ANVIL LIMITED

Balance sheet at 31 December 2013
Company number 2706348

	<i>Note</i>	2013 £'000	2012 £'000
Fixed assets			
Tangible assets	9	1,476	448
Investments	10	-	-
Current assets			
Stock	11	2,836	1,517
Debtors	12	47,864	35,694
Investments	13	-	2,055
Cash at bank and in hand		24,046	9,507
		<u>74,746</u>	<u>48,773</u>
Creditors: amounts falling due within one year	14	<u>(74,737)</u>	<u>(45,842)</u>
Net current assets		<u>9</u>	<u>2,931</u>
Total assets less current liabilities		<u>1,485</u>	<u>3,379</u>
Provisions for liabilities and charges	15	<u>(41)</u>	<u>(473)</u>
Net assets		<u>1,444</u>	<u>2,906</u>
Capital and reserves			
Called up share capital	16	550	550
Capital contribution reserve	17	2,500	2,500
Profit and loss account	17	(1,606)	(144)
Shareholder's funds	18	<u>1,444</u>	<u>2,906</u>

The notes on pages 10 to 19 form part of these financial statements.

These financial statements were approved by the board of directors and authorised for issue on 17 September 2014.



C K Hurley
Director

MOUNT ANVIL LIMITED

Notes to the financial statements for the year ended 31 December 2013

1 Accounting policies

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

Consolidation

The company has taken advantage of the exemption granted under section 400 of Companies Act 2006 not to provide group accounts as it is itself a subsidiary undertaking and is included in the consolidated financial statements of its ultimate parent company Mount Anvil Group Limited. These financial statements present information about the company as an individual undertaking and not about its group.

Turnover

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

Depreciation

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

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

Stock and long-term contracts

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

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

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

Deferred taxation

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

Deferred tax balances are not discounted.

Administrative expenses

During the year, the method of recharging costs across the Mount Anvil group was updated resulting in a recharge of £9.3m to other companies within the group headed by Mount Anvil Group Limited and a reduction in administrative expenses in the company.

MOUNT ANVIL LIMITED

Notes to the financial statements for the year ended 31 December 2013 (*continued*)

1 Accounting policies (*continued*)

Contribution to share incentive plan ("SIP")

In accordance with UITF 38, contributions to the group SIP are not recognised in the profit and loss account until such time as the shares vest unconditionally with the employees. Until that time, the employee share ownership plan trust's investment in the shares of the parent company is shown as a current asset investment.

Share-based payment

The value of share awards granted by the SIP trustee to the employees of the company is calculated using a generally accepted valuation methodology allowing for the lack of an observable market price as the company is an unlisted limited company.

Current asset investments

Assets held by the company's SIP are included in the company's balance sheet as current asset investments, subject to any provision for diminution in value, until they are unconditionally distributed to beneficiaries.

Leases

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

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

Cash flow statement

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

Post retirement benefits

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

2 Turnover

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

MOUNT ANVIL LIMITED

Notes to the financial statements for the year ended 31 December 2013 (*continued*)

3 Operating profit

	2013 £'000	2012 £'000
Operating profit is after charging:		
Depreciation of tangible fixed assets	273	71
Auditors' remuneration		
Audit fee	55	51
Tax compliance	-	54
Other services	74	33
Operating lease charges		
Land and buildings	361	177
Other	114	176
	<hr/>	<hr/>

4 Employees

	2013 £'000	2012 £'000
Staff costs (including directors) consist of:		
Wages and salaries	10,435	7,518
Social security costs	1,264	722
Other pension costs	15	11
Share-based payment charge	170	117
	<hr/>	<hr/>
	11,884	8,368
	<hr/>	<hr/>

	2013 No.	2012 No.
The average number of employees (including directors) during the year was as follows:		
Site	85	58
Administration	45	39
	<hr/>	<hr/>
	130	97
	<hr/>	<hr/>

MOUNT ANVIL LIMITED**Notes to the financial statements for the year ended 31 December 2013 (continued)****5 Directors' remuneration**

	2013	2012
	£'000	£'000
Directors' emoluments	2,034	1,013
Company contributions to money purchase pension schemes	5	7
	<hr/>	<hr/>
	2,039	1,020
	<hr/>	<hr/>

	2013	2012
	£'000	£'000

Emoluments of the highest paid director are as follows:

Emoluments	504	331
	<hr/>	<hr/>

6 Interest receivable and similar income

	2013	2012
	£'000	£'000
Bank interest	8	20
	<hr/>	<hr/>

7 Interest payable and similar charges

	2013	2012
	£'000	£'000
Other interest	73	54
	<hr/>	<hr/>

MOUNT ANVIL LIMITED

Notes to the financial statements for the year ended 31 December 2013 (continued)

8 Tax on profit on ordinary activities

	2013 £'000	2012 £'000
<i>UK corporation tax</i>		
Current tax on profits of the year	6	1,126
Adjustments in respect of previous periods	-	-
Total current tax charge	6	1,126
<i>Deferred tax</i>		
Utilisation of losses/origination of timing differences	41	(5)
Taxation on profit on ordinary activities	47	1,121

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

	2013 £'000	2012 £'000
Profit on ordinary activities before tax	167	158
Profit on ordinary activities at the standard rate of Corporation tax in the UK of 23.25% (2012: 24.5%)	39	39
Expenses not deductible for tax purposes	14	48
Capital allowances in excess of depreciation	(29)	(2)
Other short-term timing differences	39	21
Group relief claimed before payment	(80)	(106)
Payment for group relief	80	106
Other including adjustments in respect of prior years	(57)	1,020
Current tax charge for the year	6	1,126

MOUNT ANVIL LIMITED

Notes to the financial statements for the year ended 31 December 2013 (*continued*)

9 Tangible fixed assets

<i>Cost</i>	Leasehold improvements £'000	Motor vehicles £'000	Fixtures and fittings £'000	Total £'000
At 1 January 2013	70	13	885	968
Additions	1,049	-	252	1,301
Disposals	-	-	(125)	(125)
At 31 December 2013	1,119	13	1,012	2,144
<i>Depreciation</i>				
At 1 January 2013	1	13	506	520
Charge for the year	91	-	182	273
Disposals	-	-	(125)	(125)
At 31 December 2013	92	13	563	668
<i>Net book value</i>				
At 31 December 2013	1,027	-	449	1,476
At 31 December 2012	69	-	379	448

10 Fixed asset investments

The company owns 100% of the ordinary share capital in the following companies for the total cost of £5 (2012: £5), both of which are registered in England and Wales.

Company name	% of shares held	Type of business
Mount Anvil (Liverpool) Limited	100	Dormant
Mount Anvil (SGS) Limited	100	Dormant

MOUNT ANVIL LIMITED

Notes to the financial statements for the year ended 31 December 2013 (continued)

11 Stock

	2013 £'000	2012 £'000
Work in progress	2,836	1,517

12 Debtors

	2013 £'000	2012 £'000
Trade debtors	899	1,834
Amounts due from group undertakings	34,993	29,436
Amounts due from group's joint venture undertakings	8,335	778
Amounts recoverable on contracts	1,292	2,397
Other taxes and social security	1,090	640
Other debtors	465	94
Prepayments and accrued income	790	515
	47,864	35,694

All amounts fall due for payment within one year.

13 Current asset investments

	2013 £'000	2012 £'000
Investment in holding company's shares	-	2,055

Mount Anvil Group Limited established a Share Incentive Plan (SIP) to purchase shares in itself for the benefit of employees of the group.

	Shares held in trust Number	Nominal value £'000	Total Cost £'000
Investment in holding company shares			
At 1 January 2013	58,895	59	2,055
Allocation of shares to employees	(58,895)	(59)	(2,055)
At 31 December 2013	-	-	-

In respect of the deferred taxation relating to the SIP please refer to note 15.

MOUNT ANVIL LIMITED

Notes to the financial statements for the year ended 31 December 2013 (*continued*)

14 Creditors: amounts falling due within one year

	2013 £'000	2012 £'000
Trade creditors	10,447	8,539
Amounts due to group undertakings	50,885	28,516
Amounts due to joint venture undertakings	516	-
Corporation tax	954	1,027
Other taxes and social security	1,013	575
Payments on account	244	408
Accruals and deferred income	10,625	5,701
Other creditors	53	1,076
	<hr/>	<hr/>
	74,737	45,842
	<hr/>	<hr/>

15 Provisions for liabilities and charges

	Deferred tax £'000
At 1 January 2013	473
Deferred tax released on allocation of SIP shares	(473)
Charged to profit and loss account	41
	<hr/>
At 31 December 2013	41
	<hr/>

	2013 £'000	2012 £'000
<i>Deferred tax</i>		
SIP relief timing difference	-	473
Other timing differences	41	-
	<hr/>	<hr/>
	41	473
	<hr/>	<hr/>

MOUNT ANVIL LIMITED

Notes to the financial statements for the year ended 31 December 2013 *(continued)*

16 Share capital

	2013 £'000	2012 £'000
<i>Authorised</i>		
1,000,000 Ordinary shares of £1 each	1,000	1,000
200,000 Deferred shares of 1p each	2	2
	<hr/>	<hr/>
	1,002	1,002
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
550,000 Ordinary shares of £1 each	550	550
	<hr/>	<hr/>

17 Reserves

	Capital contribution reserve £'000	Profit and loss account £'000
At 1 January 2013	2,500	(144)
Profit for the year	-	120
Allocation of SIP shares (net of deferred tax)	-	(1,582)
	<hr/>	<hr/>
At 31 December 2013	2,500	(1,606)
	<hr/>	<hr/>

18 Reconciliation of movements in shareholder's funds

	2013 £'000	2012 £'000
Opening shareholder's funds	2,906	5,578
Profit for the year	120	(963)
Allocation of SIP shares (net of deferred tax)	(1,582)	(1,709)
	<hr/>	<hr/>
Closing shareholder's funds	1,444	2,906
	<hr/>	<hr/>

MOUNT ANVIL LIMITED

Notes to the financial statements for the year ended 31 December 2013 *(continued)*

19 Commitments under operating leases

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

	2013	2013	2012	2012
	Land and	Other	Land and	Other
	buildings	£'000	buildings	£'000
	£'000		£'000	
<i>Operating leases which expire:</i>				
In less than one year	-	7	90	20
In two to five years	365	159	307	143
After five years	-	-	-	-
	365	166	397	163

20 Related party transactions

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

21 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 is Mount Anvil Group Limited. At 31 December 2013 the company's ultimate controlling party was C K Hurley. Copies of the group financial statements are available from Companies House.