

MOUNT ANVIL LIMITED

Report and Financial Statements

31 December 2001

**BDO Stoy Hayward
Regional Business Centre
Prospect Place
85 Great North Road
Hatfield, HERTS
AL9 5BS**



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MOUNT ANVIL LIMITED

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MOUNT ANVIL LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

B J Bennett
D L Borer
C K Hurley
R Upton

SECRETARY

P M Stevens

REGISTERED OFFICE

Park Mill
Burydell Lane
Park Street
St Albans
HERTS AL2 2HB

BANKERS

Bank of Ireland plc
36 Queen Street
LONDON EC4R 1HJ

SOLICITORS

Peter Brown & Co
Altay House
869 High Road
North Finchley
LONDON N12 8QA

Fladgate Fielder
25 North Row
LONDON W1R DJ

AUDITORS

BDO Stoy Hayward
Regional Business Centre
Prospect Place
85 Great North Road
Hatfield
HERTS AL9 5BS

MOUNT ANVIL LIMITED

DIRECTORS' REPORT

The Directors present their report with the audited financial statements of the Company for the year ended 31 December 2001.

PRINCIPAL ACTIVITIES

The principal activity of the Company in the year under review was that of an intermediate holding Company for a subsidiary engaged in design and build contracting and property development.

RESULTS AND DIVIDENDS

The results for the year are set out on page 5. The directors do not recommend the payment of a dividend (2000: £nil).

FUTURE PROSPECTS

The Company is expected to continue as an intermediate holding Company.

DIRECTORS AND THEIR INTERESTS

The Directors who served throughout the year are shown on page 1. None of the Directors held any beneficial interest in the Company during the period.

The interests of Messrs Bennett, Hurley, and Upton in the shares of the ultimate holding Company, Mount Anvil Holdings Limited, are shown in the report and financial statements of that Company. They hold no other interests in any other Group Company.

AUDITORS

BDO Stoy Hayward were appointed as auditors during the year and have expressed their willingness to continue in office. A resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



P M Stevens
Secretary

16 September

2002

STATEMENT OF 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 as at the end of the financial year 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;
- prepare the financial statements on a 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MOUNT ANVIL LIMITED

We have audited the financial statements of Mount Anvil Limited for the year ended 31 December 2001 on pages 5 to 8 which have been prepared under the accounting policies set out on page 7.

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.

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.

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 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO Stoy Hayward
BDO STOY HAYWARD
Chartered Accountants
and Registered Auditors
Hatfield

Date *16 September 2002.*

MOUNT ANVIL LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 December 2001

	Note	31 December 2001 £	31 December 2000 £
TURNOVER	2	-	-
Cost of sales		-	6,765
Gross profit		-	6,765
Establishment and administration expense		(7,200)	(3,982)
OPERATING (LOSS)/ PROFIT	3	(7,200)	2,783
Income from shares in group undertakings		-	-
(LOSS)/ PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(7,200)	2,783
Tax on (loss)/ profit on ordinary activities	4	1,440	(835)
(LOSS)/ PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(5,760)	1,948
Dividends paid		-	-
Retained (loss)/ profit for the year		(5,760)	1,948
Retained profit brought forward		2,028	80
Retained (loss)/ profit carried forward		(3,732)	2,028

All turnover and expenses have been derived from continuing operations.

There are no other recognised gains or losses in the current or preceding financial years. Accordingly, no Statement of Total Recognised Gains or Losses is given.

The notes on pages 7 to 8 form part of these financial statements.

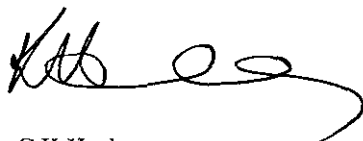
MOUNT ANVIL LIMITED

BALANCE SHEET 31 December 2001

	Note	31 December 2001 £	31 December 2000 £
FIXED ASSETS			
Investment	5	550,000	550,000
CURRENT ASSETS			
Debtors	6	-	235,408
Cash at bank and in hand		20	869
		20	236,277
Creditors: amounts falling due within one year	7	(103,752)	(334,248)
NET CURRENT LIABILITIES		(103,732)	(97,971)
TOTAL ASSETS LESS CURRENT LIABILITIES		446,268	452,029
CAPITAL AND RESERVES			
Called up share capital	8	400,000	400,000
Share premium account		50,000	50,000
Profit and loss account		(3,732)	2,028
TOTAL SHAREHOLDERS' FUNDS		446,268	452,028
Equity shareholders' funds		146,268	152,028
Non equity shareholders' funds		300,000	300,000

These financial statements were approved by the Board of Directors on 16 September 2002

Signed on behalf of the Board of Directors



C K Hurley

Director

The notes on pages 7 to 8 form part of these financial statements.

Notes forming part of the financial statements for the year ended 31 December 2001.

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

2. TURNOVER

The Company did not trade during the year under review.

3. OPERATING PROFIT

The audit fee in both the current and preceding financial years has been borne by a fellow group company.

4. TAXATION

	2001 £	2000 £
United Kingdom corporation tax charge at 30%	-	835
Group relief at 20%	(1,440)	-

5 INVESTMENTS HELD AS FIXED ASSETS

	2001 £	2000 £
Shares in group undertaking	550,000	550,000

The investments represent the purchase of shares in the following companies:

Subsidiary:	2001 £	2000 £
Mount Anvil Construction Ltd	549,998	549,998
Anvil Residences Ltd	1	1
Anvil Developments Ltd	1	1
	550,000	550,000

All holdings represent 100% of the share capital of the above companies. All the above companies are incorporated in Great Britain.

MOUNT ANVIL LIMITED

Notes forming part of the financial statements for the year ended 31 December 2001.

6. DEBTORS

	2001 £	2000 £
Amounts owed by ultimate holding company	-	235,408
	-	235,408

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2001 £	2000 £
Trade creditors	-	5,863
Amounts owed to group undertakings	105,192	328,385
Corporation tax	(1,440)	-
	103,752	334,248

8. CALLED UP SHARE CAPITAL

	2001 £	2000 £
Authorised		
1,000,000 A ordinary shares of £1 each	1,000,000	1,000,000
	1,000,000	1,000,000
Called up, allotted and fully paid		
A ordinary shares of £1 each	99,980	99,980
B ordinary shares of £1 each	20	20
Preference shares of £1 each	300,000	300,000
	400,000	400,000

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	2001 £	2000 £
Opening shareholders' funds	452,028	450,080
Retained profit/(loss) for the financial year	(5,760)	1,948
Closing shareholders' funds	446,268	452,028

Notes forming part of the financial statements for the year ended 31 December 2001.

10. ULTIMATE PARENT COMPANY

The ultimate parent company and controlling entity is Mount Anvil Holdings Limited. Copies of the accounts for that Company are available from Park Mill, Burydell Lane, Park Street, HERTS, AL2 2HB.

11. 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.