

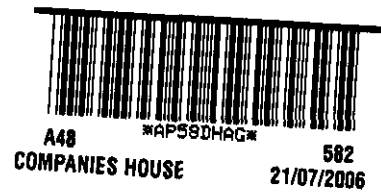
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MOUNT ANVIL HOLDINGS LIMITED

Report and Financial Statements

Year Ended

31 December 2005



BDO Stoy Hayward
Chartered Accountants

MOUNT ANVIL HOLDINGS LIMITED

Annual report and financial statements for the year ended 31 December 2005

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Director

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Director

C K Hurley

Secretary and registered office

M J Smith, 3 Victoria Square, Victoria Street, St Albans, Herts, AL1 3TF.

Company number

3222988

Auditors

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

MOUNT ANVIL HOLDINGS LIMITED

Report of the directors for the year ended 31 December 2005

The Directors present their report together with the audited financial statements for the year ended 31 December 2005.

Results and principal activities

The principal activity of the company in the year under review was that of a holding company of a group of companies in the construction and property development business. The company's profit and loss account is set out on page 5 and shows the company has not traded in the current year.

Directors and their interests

The directors who served throughout the year were:

C K Hurley
R R MacGillivray (resigned 31 March 2006)

The directors do not have any interests in the share capital of the company. Their interests in the share capital of the parent company, Mount Anvil Group Limited can be found in that company's accounts.

Directors responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records that 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.

MOUNT ANVIL HOLDINGS LIMITED

Report of the directors for the year ended 31 December 2005 (Continued)

Auditors

A resolution to reappoint BDO Stoy Hayward LLP as auditors will be proposed at the next annual general meeting.

By order of the Board

A handwritten signature in black ink, appearing to read 'M J Smith', written in a cursive style.

M J Smith
Secretary

Date: 29 June 2006

MOUNT ANVIL HOLDINGS LIMITED

Report of the independent auditors

Independent Auditor's Report To The Shareholders of Mount Anvil Holdings Limited

We have audited the financial statements of Mount Anvil Holdings Limited for the year ended 31 December 2005 which comprise the Profit and loss account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been 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 those 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 other transactions is not disclosed.

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

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

Basis of audit opinion

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

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

MOUNT ANVIL HOLDINGS LIMITED

Report of the independent auditors (*Continued*)

To the shareholders of Mount Anvil Holdings Limited

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its result for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.



BDO STOY HAYWARD LLP

*Chartered Accountants
and Registered Auditors*
Hatfield

Date: 29 June 2006

MOUNT ANVIL HOLDINGS LIMITED

Profit and loss account for the year ended 31 December 2005

	Note	2005 £'000	2004 £'000
Turnover	2	-	-
Cost of sales		-	-
		<hr/>	<hr/>
Gross profit		-	-
Administrative expenses		-	(49)
		<hr/>	<hr/>
Operating loss, being loss on ordinary activities before and after taxation, retained for the year	3	-	(49)
Retained loss brought forward		(193)	(144)
		<hr/>	<hr/>
Retained loss carried forward		(193)	(193)
		<hr/>	<hr/>

All amounts relate to continuing activities.

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

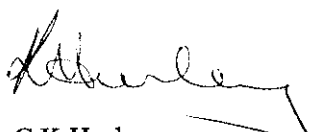
The notes on pages 7 and 8 form part of these financial statements.

MOUNT ANVIL HOLDINGS LIMITED

Balance sheet at 31 December 2005

	Note	2005 £'000	2004 £'000
Fixed assets			
Investments in subsidiaries	4	1,319	1,319
Current assets			
Debtors		-	-
		-	-
Creditors: amounts falling due within one year	5	(762)	(762)
Net current liabilities		(762)	(762)
Total assets less current liabilities		557	557
Capital and reserves			
Called up share capital	6	619	619
Profit and loss account		(193)	(193)
Capital redemption reserve		131	131
Shareholders' funds - equity	7	557	557

The financial statements were approved by the Board on 29 June 2006.


C K Hurley
Director

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

MOUNT ANVIL HOLDINGS LIMITED

Notes forming part of the financial statements for the year ended 31 December 2005

1 Accounting policies

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

Accounting convention

The financial statements are prepared under the historical cost convention.

Consolidation

The company has taken advantage of the exemption granted under section 228 of Companies Act 1985 not to provide group accounts, as the company is included in the consolidated accounts of Mount Anvil Group Limited. These financial statements present information about it as an individual entity.

Turnover

Turnover represents the value of measured works or the value of completed unit sales, net of value added tax.

Investments

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

2 Turnover

The turnover and pre-tax results, all of which arose in the United Kingdom, were attributable to the activity of design and build contractors and property development.

3 Operating loss

The audit fee has been borne by a group company.

4 Investments held as fixed assets	2005 £'000	2004 £'000
Shares in group undertakings	1,319	1,319

All of the above shareholdings are in companies registered in England and Wales and involved in the property industry.

The principal subsidiary undertakings all of which were incorporated in Great Britain, are shown below:

	% of shares held	Type of business
Mount Anvil (Colleges) Limited	100	Property developer
Mount Anvil (Old Co) Limited	100	Intermediate holding company
Mount Anvil (Kentish Town Road) Limited	100	Property developer

MOUNT ANVIL HOLDINGS LIMITED

Notes forming part of the financial statements for the year ended 31 December 2005 (*Continued*)

5	Creditors: amounts falling due within one year	2005 £'000	2004 £'000
	Amounts due to subsidiary undertakings	762	762
6	Share capital	2005 £'000	2004 £'000
	<i>Authorised</i> 1,000,000 Ordinary shares of £1 each	1,000	1,000
	<i>Allotted, called up and fully paid</i> 618,750 Ordinary shares of £1 each	619	619
7	Reconciliation of movements in shareholders' funds	2005 £'000	2004 £'000
	Loss for the year	-	(49)
	Net movement in shareholders' funds	-	(49)
	Opening shareholders' funds	557	606
	Closing shareholders' funds	557	557

9 Ultimate controlling party

The ultimate parent company and controlling entity is Mount Anvil Group Limited. Copies of group financial statements are available from 3 Victoria Square, Victoria Street, St Albans, Herts, AL1 3TF.

10 Related party transactions

The company has taken advantage of the exemptions available under paragraph 3(c) of FRS 8 relating to the disclosure of certain related party transactions.