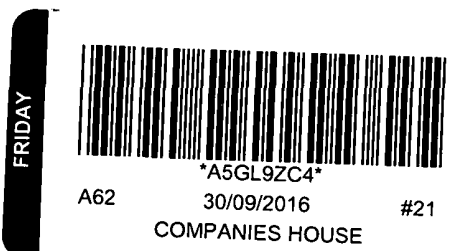


MOUNT ANVIL NEW HOLDINGS LIMITED

Report and Financial Statements

Year Ended 31 December 2015

Company number: 07209710



MOUNT ANVIL NEW HOLDINGS LIMITED

COMPANY INFORMATION

DIRECTORS	C K Hurley D R J Hurley J A Spring P R Burslem J R Hall E T Anderson W G Westbrook J M Robertson
COMPANY SECRETARY	E T Anderson
REGISTERED NUMBER	07209710
REGISTERED OFFICE	140 Aldersgate Street London EC1A 4HY
INDEPENDENT AUDITORS	BDO LLP 55 Baker Street London W1U 7EU
BANKERS	Lloyds Bank plc 10 Gresham Street London EC2V 7AE

MOUNT ANVIL NEW HOLDINGS LIMITED

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MOUNT ANVIL NEW HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

OVERVIEW

The Group reported a record profit before tax of £25.5 million in 2015 (2014: £18.9 million before exceptional items and after FRS102 adjustments), from a turnover of £252.1 million (2014: £216.2 million). This performance was driven by the Group's continued focus on central London developments and a total of 460 homes (2014: 355) were delivered in the year, of which 335 (2014: 248) were private. The average selling price of our private homes increased to £867,000 (2014: £649,000), reflecting our award-winning, design-led and legacy-focused approach to building homes in areas in which people want to live. Increased volume combined with the mix of the capital value of units from completed schemes were the key drivers in the increase in turnover.

We are increasingly undertaking the majority of development activity through joint ventures, with a number of repeat partners, as we seek to leverage our skill set and manage risk through partnering with likeminded organisations. We manage each of these joint ventures on behalf of our partners, and therefore the true scale of the Group's activities and profit generation are demonstrated by the total turnover of £297 million (2014: £161 million) and profit before tax of £66.5 million (2014: £29 million) generated by all of our development activities (including our partners share). We are delighted to have generated £41 million (2014: £10 million) of profit for our JV partners in 2015, and are set to generate a further £180 million between 2016 and 2019 based on schemes currently owned and controlled.

Our reported turnover of £252.1 million (2014: £216.2 million) includes our share of these joint venture developments of £110.7 million (2014: £26.6 million), along with the turnover from wholly owned developments of £34 million (2014: £102.7 million) and turnover from contracting and services of £107.4 million (2014: £86.9 million).

By delivering high-quality homes and a great customer experience to our buyers, we were delighted to have again won a Gold Award for Customer Satisfaction for 2015, achieving a 97% customer recommendation rating (2014: 98%). As a world-class city, demand for somewhere to live in London and in particular for our homes remains very strong with 95% of our 2016 sales target already secured.

DEVELOPMENT SUMMARY

Our results for the year have been driven largely by completions at Eagle House, EC1, and the Landau, SW6, as well as the second phase of the Filaments, SW18.

During the year, the Group launched its Keybridge development, SW8, with 82% of the 415 apartments at this site already sold, leaving just 73 to sell.

As at 31 December 2015, the total pipeline of homes carried forward amounted to 1,100 homes and the total pipeline of commercial space amounted to 10,000 sq m (2014: 1,535 homes and 20,000 sq m of commercial space). Based on current day prices, the total sales value of this pipeline, together with freehold disposals, is approximately £1,088 million (2014: £1,359 million).

CONTRACTING SUMMARY

The turnover in Mount Anvil Limited, the Group's construction arm, was £98.1 million (2014: £115.3 million) and profit before taxation was £5.9 million (2014: £0.8 million), both before eliminating intra-group activity. Looking forward, the external Registered Provider order book has a value of £17 million (2014: £21 million) and the intra-group private build contracts add a further £301 million (2014: £368 million).

FINANCIAL PERFORMANCE

The performance of the Group as described above resulted in record profit before tax of 2015 of £25.5 million (2014: £18.9 million before exceptional items and after FRS102 adjustments).

Finance costs incurred in the year have decreased to £6.4 million (2014: £9.3 million). This is comprised of £6.3 million of interest charged to cost of sales (including our share of interest on joint venture schemes) (2014: £8.8 million) which was previously capitalised into work in progress and £0.1 million of interest charged directly to the interest line in the income statement (2014: £0.5 million).

MOUNT ANVIL NEW HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

The Group's tax charge for the year was £5.3 million (2014: £2.4 million).

The net assets of the Group increased by £19.3 million to £61.6 million. The strong financial performance of our schemes led to closing net cash of £1.8 million (2014: net debt of £42.7 million). Other significant movements in the Statement of Financial Position include a decrease in the value of our investments in joint ventures of £39.0 million as the value of these has been realised in 2015 through returns from the Eagle and Landau schemes, a decrease in stock and debtors of £16.5 million and a decrease in current creditors of £16.5 million reflecting the near-completion of our 100% owned Filaments scheme.

PEOPLE AND THE ENVIRONMENT

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. Our commitment to the environment and sustainability led to us being awarded a Globe of Honour by the British Safety Council in 2015.

HEALTH AND SAFETY

In 2015, we were recognised by the British Safety Council as the UK's Number One company for Health and Safety, across any sector for a second consecutive year, we were awarded a 5-Star rating and a score of 99.9% (2014: 99.8%). This demonstrates our proven culture of excellence in health and safety practices and risk management.

PEOPLE

We believe that engaged, positive and proactive people deliver excellent customer service and great financial returns. Our inclusion in the Sunday Times Best 100 Small Companies to Work For list for the tenth consecutive year is a stand out achievement for Mount Anvil and is unique in our industry. We also received an award for 'Giving Something Back', which partly recognises our partnership with the Evening Standard campaign, the *Estate We're In*, helping local community organisations breathe new life into London's challenged housing estates.

The launch of the Employee Shareholder Status scheme in 2015 saw 93% of our staff become 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.

PRINCIPAL RISKS AND UNCERTAINTY

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.

This report was approved by the board on 30/09/16 2016 and signed on its behalf.



E T Anderson
Director

MOUNT ANVIL NEW HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their report and the financial statements for the year ended 31 December 2015.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Group 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 the Group and of the profit or loss of the Group 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 Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

PRINCIPAL ACTIVITY

The Group's principal activities are property development and specialist design and build contracting in central London.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £20,156,000 (2014: £14,190,000).

The directors do not recommend the payment of an ordinary or preference share dividend (2014: £nil).

DIRECTORS

The directors who served during the year were:

E T Anderson (appointed 8 July 2015)
P R Burslem
J R Hall
C K Hurley
D R J Hurley (appointed 24 March 2015)
J A Spring
W G Westbrook
J M Robertson

MOUNT ANVIL NEW HOLDINGS LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015

CHARITABLE DONATIONS AND POLITICAL CONTRIBUTIONS

The aggregate amount of charitable donations made during the year was £279,000 (2014: £200,000), there were no political contributions.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

There have been no significant events affecting the Group since the year end.

AUDITORS

Under section 487(2) of the Companies Act 2006, BDO LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 30/09/16 2016 and signed on its behalf.



E T Anderson
Secretary

MOUNT ANVIL NEW HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MOUNT ANVIL GROUP LIMITED

We have audited the financial statements of Mount New Holdings Limited for the year ended 31 December 2015 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Auditors' 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 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. 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 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 Financial Reporting Council'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 Group's and the parent Company's affairs as at 31 December 2015 and of the Group's 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 MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Group 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 directors' report has been prepared in accordance with applicable legal requirements.

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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.

BDO LLP

Thomas Edward Goodworth (Senior Statutory Auditor)

For and on behalf of BDO LLP

Statutory Auditor

55 Baker Street

London

W1U 7EU

Date: 30/09/2016

MOUNT ANVIL NEW HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	2015 £000	2014 £000
Turnover including share of joint ventures		252,060	216,161
Less: joint ventures' turnover		(110,741)	(26,642)
Turnover	3	141,319	189,519
Cost of sales		(127,272)	(165,110)
Gross profit		14,047	24,409
Administrative expenses		(17,113)	(12,012)
Exceptional administrative expenses	11	-	(2,252)
Share of profit of joint ventures	14	28,558	7,034
Total operating profit	4	25,492	17,179
Interest receivable and similar income	8	54	14
Interest payable and similar charges	9	(58)	(563)
Profit before taxation		25,488	16,630
Taxation on profit from ordinary activities	10	(5,332)	(2,438)
Profit for the year and total comprehensive income for the year (Attributable to owners of the parent Company)		20,156	14,192

All amounts relate to continuing operations.

The notes on pages 11 to 31 form part of these financial statements.

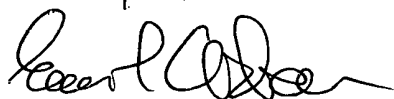
MOUNT ANVIL NEW HOLDINGS LIMITED
REGISTERED NUMBER: 07209710

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Note	2015 £000	2014 £000
Fixed assets			
Tangible fixed assets	13	1,214	1,391
Investments	14	58,456	97,457
		<u>59,670</u>	<u>98,848</u>
Current assets			
Stocks	15	26,427	33,546
Debtors: amounts falling due within one year	16	17,300	26,680
Cash at bank and in hand	17	32,668	35,775
		<u>76,395</u>	<u>96,001</u>
Creditors: amounts falling due within one year	18	(74,462)	(90,940)
Net current assets		<u>1,933</u>	<u>5,061</u>
Total assets less current liabilities		<u>61,603</u>	<u>103,909</u>
Creditors: amounts falling due after more than one year	19	-	(61,604)
Provisions for liabilities	21	(44)	(42)
Net assets		<u><u>61,559</u></u>	<u><u>42,263</u></u>
Capital and reserves			
Called up share capital	22	4,142	4,142
Profit and loss account		50,330	31,124
Merger reserve		6,997	6,997
Capital contribution reserve		90	-
Equity attributable to owners of the parent Company		<u><u>61,559</u></u>	<u><u>42,263</u></u>

The notes on pages 11 to 31 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 30/09/16 2016.



E T Anderson
Director

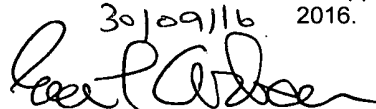
MOUNT ANVIL NEW HOLDINGS LIMITED
REGISTERED NUMBER: 07209710

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Note	2015 £000	2014 £000
Fixed assets			
Investments	14	55,575	48,860
		<u>55,575</u>	<u>48,860</u>
Current assets			
Debtors: amounts falling due within one year	16	74,543	75,180
Cash at bank and in hand	17	9,500	-
		<u>84,043</u>	<u>75,180</u>
Creditors: amounts falling due within one year	18	(91,040)	(38,729)
Net current (liabilities)/assets		<u>(6,997)</u>	<u>36,451</u>
Total assets less current liabilities		<u>48,578</u>	<u>85,311</u>
Creditors: amounts falling due after more than one year	19	-	(56,987)
Net assets		<u><u>48,578</u></u>	<u><u>28,324</u></u>
Capital and reserves			
Called up share capital	22	4,142	4,142
Profit and loss account		37,439	17,185
Merger reserve		6,997	6,997
		<u><u>48,578</u></u>	<u><u>28,324</u></u>

The notes on pages 11 to 31 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

30/09/16 2016.


E T Anderson
Director

MOUNT ANVIL NEW HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2015 AND 2014**

	Share capital	Merger reserve	Capital contribution reserve	Retained earnings	Total equity
	£000	£000	£000	£000	£000
At 1 January 2014	4,142	6,997	-	19,210	30,349
Comprehensive income for the year	-	-	-	14,192	14,192
Total comprehensive income for the year	-	-	-	14,192	14,192
Contributions by and distributions to owners					
Dividends paid	-	-	-	(2,278)	(2,278)
Total transactions with owners	-	-	-	(2,278)	(2,278)
At 31 December 2014 and 1 January 2015	4,142	6,997	-	31,124	42,263
Comprehensive income for the year	-	-	-	20,156	20,156
Total comprehensive income for the year	-	-	-	20,156	20,156
Contributions by and distributions to owners					
Capital contribution	-	-	90	-	90
Dividends paid	-	-	-	(950)	(950)
Total transactions with owners	-	-	90	(950)	(860)
At 31 December 2015	4,142	6,997	90	50,330	61,559

The notes on pages 11 to 31 form part of these financial statements.

MOUNT ANVIL NEW HOLDINGS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2015 AND 2014**

	Share capital	Merger reserve	Retained earnings	Total equity
	£000	£000	£000	£000
At 1 January 2014	4,142	6,997	14,214	25,353
Comprehensive income for the year	-	-	5,249	5,249
Total comprehensive income for the year	-	-	5,249	5,249
Contributions by and distributions to owners				
Dividends paid	-	-	(2,278)	(2,278)
Total transactions with owners	-	-	(2,278)	(2,278)
At 31 December 2014 and 1 January 2015	4,142	6,997	17,185	28,324
Comprehensive income for the year	-	-	21,204	21,204
Total comprehensive income for the year	-	-	21,204	21,204
Contributions by and distributions to owners				
Dividends paid	-	-	(950)	(950)
Total transactions with owners	-	-	(950)	(950)
At 31 December 2015	4,142	6,997	37,439	48,578

The notes on pages 11 to 31 form part of these financial statements.

MOUNT ANVIL NEW HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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.

Information on the impact of first-time adoption of FRS 102 is given in note 28. There were no adjustments to the financial statements of the parent.

In preparing the separate financial statements of the parent Company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the Group and the parent Company would be identical;
- No cash flow statement has been presented for the Group or parent Company as this is included within the cash flow statement for Mount Anvil Group Limited, Mount Anvil New Holdings parent company;
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent Company as their remuneration is included in the totals for the Group as a whole.

The following principal accounting policies have been applied:

1.2 Basis of consolidation - subsidiaries

The consolidated financial statements incorporate the results of Mount New Holdings Limited and all of its subsidiary undertakings as at 31 December 2015 using the acquisition method of accounting. The results of subsidiary undertakings are included from the date of acquisition.

1.3 Basis of consolidation - joint ventures

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

In the consolidated accounts, interests in joint ventures are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investor's share of the profit or loss, other comprehensive income and equity of the joint venture. The Consolidated Statement of Comprehensive Income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated Statement of Financial Position, the interests in associated undertakings are shown as the Group's share of the identifiable net assets.

1.4 Turnover

Turnover represents the value of measured works or the value of unconditional unit sales, net of value added tax. Project management fees earned by the Group are recognised on a percentage of completion basis, net of value added tax, and are also included within turnover.

1.5 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.

MOUNT ANVIL NEW HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

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.

1.6 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.

1.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.8 Stocks

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. Stock includes attributable interest, but excludes certain sales and marketing costs. At each reporting date, inventories are assessed for impairment. If stocks are impaired the carrying amount is reduced to its selling price less costs to complete and sell.

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.

1.9 Debtors

Short term debtors are measured at 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.

1.10 Cash and cash equivalents

Short-term deposits are amounts held on customer deposit accounts with solicitors in relation to the developments being undertaken.

1.11 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

MOUNT ANVIL NEW HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

1.12 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.

1.13 Finance costs

Finance costs are capitalised in work in progress over the term of the development. Where the costs are separately identifiable and directly attributable to the acquisition or construction of an asset that takes a period of time to complete. All other finance costs are charged to profit or loss over the term of the debt using the effective interest rate method.

1.14 Cash settled share scheme

Cash settled share awards are measured at fair value at the reporting date. The Group recognises an expense in the Statement of Comprehensive Income based on the estimated number of awards that will actually vest and the current proportion of the vesting period. As the awards received by employees are shares of Mount Anvil Group Limited, a capital contribution from Mount Anvil Group Limited is also recognised as the awards are granted.

1.15 Defined contribution pension plan

The Group 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.

1.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group 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 Group 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.

1.17 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 and the Group operate 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:

MOUNT ANVIL NEW HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES (continued)

- 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 Group 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.

1.18 Reserves

The Group and Company's reserves are as follows:

- Called up share capital represents the nominal value of the shares issued.
- Merger reserve represents the value of the acquired sub-group at acquisition.
- The capital contribution reserve contains the employee share scheme contribution from Mount Anvil Group Limited.
- Retained earnings represent cumulative profits or losses, net of dividends paid and other adjustments.

1.19 Going concern

The Directors consider the Group is able to continue as a going concern based on the free cash available to pay its debts as they fall due.

Since the year end, the Group has renegotiated the terms of its £25 million mezzanine finance facility such that this amount is now repayable within 2 to 5 years, and as such the Company has net current assets as at the date of issue of these financial statements. Therefore the Directors consider that the Company is able to meet its liabilities as they fall due.

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) Carrying value of land and work in progress and estimation of costs to complete

The Group holds inventories stated at the lower of cost and net realisable value. Such inventories include land, work in progress and completed units. As residential development is largely speculative by nature, not all inventories are covered by forward sales contracts. Furthermore due to the nature of the Group's activity and, in particular the length of the development cycle, the Group has to assess the risks and forecast the costs in future years to complete such developments.

In making such assessments and allocations, there is a degree of inherent estimation uncertainty. The Group has established internal controls designed to effectively assess and centrally review inventory carrying values and ensure the appropriateness of the estimates made.

(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 Group's revenue recognition criteria have been satisfied.

MOUNT ANVIL NEW HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

3. ANALYSIS OF TURNOVER

Turnover was attributable to the activities of property development and specialist design and build contracting as follows:

	2015 £000	2014 £000
Property development	33,970	102,650
Design and build contracting	107,349	86,869
	<u>141,319</u>	<u>189,519</u>

All turnover arose within the United Kingdom.

4. OPERATING PROFIT

The operating profit is stated after charging:

	2015 £000	2014 £000
Depreciation of tangible fixed assets	457	377
Rent - operating leases	436	394
Share based payment expense (note 23)	90	-
Fees payable to the Group's auditor and its associates for the audit of the Company's annual accounts	126	95
Defined contribution pension cost	<u>35</u>	<u>36</u>

MOUNT ANVIL NEW HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

5. AUDITORS' REMUNERATION

	2015 £000	2014 £000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	4	3
Fees payable to the Company's auditor for the audit of the Company's subsidiary companies	122	92
	<u>126</u>	<u>95</u>

6. EMPLOYEES

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

	2015 £000	2014 £000
Wages and salaries	14,945	13,955
Social security costs	1,976	2,109
Cost of defined contribution pension scheme	35	36
	<u>16,956</u>	<u>16,100</u>

Included in wages and salaries are share based payment charges of £90,000. Refer to note 23 for additional information.

In addition to the costs above, social security costs in 2014 included an exceptional charge of £2,252,000, as described in note 11 (2015: £nil).

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

	2015 No.	2014 No.
Site	111	105
Administration	63	54
	<u>174</u>	<u>159</u>

MOUNT ANVIL NEW HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

7. DIRECTORS' REMUNERATION

	2015 £000	2014 £000
Directors' emoluments	1,870	2,234
Company contributions to defined contribution pension schemes	2	5
	<u>1,872</u>	<u>2,239</u>

The highest paid director received remuneration of £618,000 (2014: £496,000).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £nil (2014: £nil).

The total accrued pension provision of the highest paid director at 31 December 2015 amounted to £nil (2014: £nil).

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	2015 £000	2014 £000
Other interest receivable	54	14
	<u>54</u>	<u>14</u>

9. INTEREST PAYABLE AND SIMILAR CHARGES

	2015 £000	2014 £000
Other loan interest payable	58	563
	<u>58</u>	<u>563</u>

MOUNT ANVIL NEW HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

10. TAXATION

	2015 £000	2014 £000
UK Corporation tax		
Current tax on profits for the year	5,513	3,862
Adjustments in respect of previous periods	(184)	(1,478)
	<u>5,329</u>	<u>2,384</u>
Total current tax		
Deferred tax		
Origination and reversal of timing differences	3	45
Changes to tax rates	-	9
	<u>3</u>	<u>54</u>
Total deferred tax		
Taxation on profit on ordinary activities	<u><u>5,332</u></u>	<u><u>2,438</u></u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2014: lower than) the standard rate of corporation tax in the UK of 20.25% (2014: 21.49%). The differences are explained below:

	2015 £000	2014 £000
Profit on ordinary activities before tax	<u><u>25,488</u></u>	<u><u>16,630</u></u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014: 21.49%)	5,161	3,574
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	401	34
Adjustments to tax charge in respect of prior periods	(172)	(1,200)
Short term timing difference leading to an increase in taxation	2	30
Deduction in relation to share based payment charge	(60)	-
Total tax charge for the year	<u><u>5,332</u></u>	<u><u>2,438</u></u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges.

MOUNT ANVIL NEW HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

11. EXCEPTIONAL ADMINISTRATIVE EXPENSES

	2015 £000	2014 £000
Exceptional operating items	-	2,252
	<u>-</u>	<u>2,252</u>

Exceptional operating items in 2014 related to additional PAYE and social security amounts paid to hmrc in respect of the Employment Related Security charge. This related to the contribution of shares to the Share Incentive Plan of which more than half of employees are members.

12. PARENT COMPANY PROFIT AND LOSS FOR THE YEAR

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent Company for the year was £21,204,000 (2014: £5,249,000).

13. TANGIBLE FIXED ASSETS

Group

	Fixtures and fittings £000	Leasehold improvements £000	Total £000
Cost			
At 1 January 2015	902	1,135	2,037
Additions	276	4	280
At 31 December 2015	<u>1,178</u>	<u>1,139</u>	<u>2,317</u>
Depreciation			
At 1 January 2015	432	214	646
Charge for the period	335	122	457
At 31 December 2015	<u>767</u>	<u>336</u>	<u>1,103</u>
At 31 December 2015	<u>411</u>	<u>803</u>	<u>1,214</u>
At 31 December 2014	<u>470</u>	<u>921</u>	<u>1,391</u>

MOUNT ANVIL NEW HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

14. FIXED ASSET INVESTMENTS

Group

**Investment in
joint ventures**

£000

Carrying value

At 1 January 2015

97,457

Additions

13,104

Capital repaid to members

(47,779)

Dividend received from joint venture

(32,884)

Joint venture profit share

28,558

At 31 December 2015

58,456

Company

**Investments in
joint ventures**

**Investments in
subsidiary
companies**

Total

£000

£000

£000

Cost or valuation

At 1 January 2015

44,360

4,500

48,860

Additions

14,266

7,298

21,564

Capital repaid to members

(14,849)

-

(14,849)

At 31 December 2015

43,777

11,798

55,575

MOUNT ANVIL NEW HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

14. FIXED ASSET INVESTMENTS (continued)

The following were subsidiary undertakings and joint ventures of the Company:

Name	Country of incorporation	Holding	Principal activity
Mount Anvil Limited	United Kingdom	100 %	Construction company
Mount Anvil (Development Management) Limited	United Kingdom	100 %	Property developer
Mount Anvil Centre of Excellence Limited	United Kingdom	100 %	Business support services
Mount Anvil (Union Street) Limited	United Kingdom	100 %	Property developer
Mount Anvil (Buckhold Road) Limited	United Kingdom	100 %	Property developer
Buckhold Road Commercial Limited	United Kingdom	100 %	Buying and selling real estate
Mount Anvil (Broomhill Road) Limited	United Kingdom	100 %	Property developer
Eagle House Developments Limited	Jersey	33.33 %	Property developer
Eagle House Freehold Limited	United Kingdom	100 %	Buying and selling real estate
261 City Road Developments LLP	United Kingdom	50 %	Property developer
City Road Limited	Bermuda	50 %	Property developer
City Road Developments Holdco Limited	United Kingdom	100 %	Intermediate holding company
261 City Road Management Company Limited	United Kingdom	50 %	Intermediate holding company
City Road Basin Midco Limited	United Kingdom	25 %	Management company
Fulham Developments Holdco Limited	United Kingdom	100 %	Intermediate holding company
72 Farm Lane Developments LLP	United Kingdom	50 %	Property developer
Mount Anvil (Jersey) Limited	Jersey	50 %	Intermediate holding company
Keybridge House LLP	United Kingdom	25 %	Property developer
Mount Anvil (Keybridge House) Limited	Jersey	50 %	Intermediate holding company
Mount Anvil (Kidderpore) Limited	Jersey	25 %	Property developer
Queen's Wharf Riverside LLP	United Kingdom	25 %	Property developer
Mount Anvil (Riverside) Limited	Jersey	50 %	Intermediate holding company
Hammersmith Developments Holdco Limited	United Kingdom	50 %	Intermediate holding company

MOUNT ANVIL NEW HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

14. FIXED ASSET INVESTMENTS (continued)

Name	Country of incorporation	Holding	Principal activity
Dollar Bay Developments LLP	United Kingdom	12.5 %	Property developer
Mount Anvil (Dollar Bay) Limited	Jersey	50 %	Intermediate holding company
Dollar Bay Developments Holdco Limited	United Kingdom	50 %	Intermediate holding company
Mount Anvil Holdings Limited	United Kingdom	100 %	Intermediate holding company
Mount Anvil (Old Co) Limited	United Kingdom	100 %	Intermediate holding company
Seward Street Developments Holdco Limited	United Kingdom	100 %	Intermediate holding company
Seward Street Developments LLP	United Kingdom	50 %	Property developer
Central Street Developments Holdco Limited	United Kingdom	100 %	Intermediate holding company
Central Street Developments LLP	United Kingdom	50 %	Property developer
Mount Anvil (Parsons Green) Limited	Jersey	50 %	Property developer
Mount Anvil (Wyvil Road) Limited	Jersey	50 %	Property developer
Mount Anvil (Western Gateway) Limited	Jersey	50 %	Property developer
Mount Anvil (SSM) Limited	United Kingdom	100 %	Dormant company
Mount Anvil (SWM) Limited	United Kingdom	100 %	Dormant company
Mount Anvil (CSM) Limited	United Kingdom	100 %	Dormant company
Mount Anvil (Milton Keynes) Limited	United Kingdom	100 %	Dormant company
Mount Anvil (St.Anne's) Limited	United Kingdom	100 %	Dormant company
Mount Anvil (Highbury Park) Limited	United Kingdom	100 %	Dormant company
Mount Anvil (Canada Dock) limited	United Kingdom	100 %	Dormant company

All of the above subsidiaries and joint ventures have a reporting period ended 31 December with the exception of Keybridge House LLP, Queens Wharf Riverside LLP and Seward Street Developments LLP which have reporting periods ended 31 March.

MOUNT ANVIL NEW HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

15. STOCKS

	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
Work in progress	26,427	33,546	-	-
	<u>26,427</u>	<u>33,546</u>	<u>-</u>	<u>-</u>

Work in progress recognised in cost of sales during the year as an expense was £31,842,000 (2014: £80,547,000).

Work in progress includes £388,000 (2014: £1,073,000) of capitalised interest. During the year £413,000 (2014: £2,349,000) of interest was capitalised and £1,098,000 (2014: £5,342,000) was charged to the profit and loss account as part of cost of sales.

16. DEBTORS

	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
Trade debtors	551	982	-	-
Amounts owed by group undertakings	-	-	74,434	74,380
Amounts owed by joint ventures	15,514	8,707	-	695
Other debtors	224	1,542	25	105
Prepayments and accrued income	1,011	15,449	84	-
	<u>17,300</u>	<u>26,680</u>	<u>74,543</u>	<u>75,180</u>

All amounts are due within a year.

MOUNT ANVIL NEW HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

17. CASH AND CASH EQUIVALENTS

	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
Cash at bank and in hand	32,668	35,775	9,500	-
	<u>32,668</u>	<u>35,775</u>	<u>9,500</u>	<u>-</u>

Cash at bank and in hand includes an amount of £2,000 (2014: £593,000) of customer deposits held with solicitors in relation to the developments being undertaken and are available on demand.

18. CREDITORS: Amounts falling due within one year

	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
Loans due to parent undertakings	30,917	30,000	70,634	30,000
Payments received on account	2,439	2,903	-	-
Trade creditors	5,493	11,154	-	-
Amounts owed to group undertakings	-	-	20,391	5,764
Amounts owed to joint ventures	3,658	27,758	-	2,965
Corporation tax	3,457	3,677	-	-
Taxation and social security	1,747	1,748	-	-
Other creditors	13,266	439	-	-
Accruals and deferred income	13,485	13,261	15	-
	<u>74,462</u>	<u>90,940</u>	<u>91,040</u>	<u>38,729</u>

19. CREDITORS: Amounts falling due after more than one year

	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
Loans due to parent undertakings	-	48,436	-	56,987
Other creditors	-	13,168	-	-
	<u>-</u>	<u>61,604</u>	<u>-</u>	<u>56,987</u>

MOUNT ANVIL NEW HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

20. FINANCIAL INSTRUMENTS

	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
Financial assets measured at amortised cost	17,171	26,579	74,543	75,180
	<u>17,171</u>	<u>26,579</u>	<u>74,543</u>	<u>75,180</u>
Financial liabilities measured at amortised cost	(74,466)	(152,542)	(91,040)	(95,716)
	<u>(74,466)</u>	<u>(152,542)</u>	<u>(91,040)</u>	<u>(95,716)</u>

Financial assets measured at amortised cost comprise trade receivables, prepayments, short term receivables owing by other participating interests and other debtors.

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

21. PROVISIONS FOR LIABILITIES

Group	Deferred tax £000
At 1 January 2015	(42)
Charged to the profit or loss	(2)
At 31 December 2015	<u>(44)</u>

The provision for deferred taxation is made up as follows:

	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
Accelerated capital allowances	(44)	(42)	-	-
	<u>(44)</u>	<u>(42)</u>	<u>-</u>	<u>-</u>

MOUNT ANVIL NEW HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

22. SHARE CAPITAL

	2015 £'000	2014 £'000
<i>Authorised, allotted, called up and fully paid</i>		
750 ordinary shares of £1 each	1	1
4,141,000 redeemable preference shares of £1 each	4,141	4,141
	<hr/>	<hr/>
	4,142	4,142

The preference shares are redeemable on demand at the option of the company and carry no right to a dividend. The preference share holders are not entitled to vote on any ordinary, extraordinary or special resolution of the company.

Hammer B.V. ("Hammer") a subsidiary of Apollo European Real Estate Fund III LP and Apollo European Real Estate Fund III (Euro) LP, funds managed by AREA Property Partners (UK) Limited, has made available a loan facility of £49m to the company's parent undertaking Mount Anvil Group Limited. Under the terms of the facility Hammer can exercise an option to receive part repayment of the facility in warrants over the ordinary share capital of Mount Anvil New Holdings Limited rather than cash. At the balance sheet date Hammer had the option to receive warrants giving it the ability to acquire 250 ordinary B shares of the company at £1 per share. The ordinary B shares rank pari passu to the company's existing ordinary shares.

MOUNT ANVIL NEW HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

23. SHARE BASED PAYMENTS

On 20 November 2015, employees of Mount Anvil Limited, a subsidiary of the Company, were issued with C ordinary shares in the ultimate parent company, Mount Anvil Group Limited, under an Employee Share Scheme ('ESS'). The C ordinary shares were issued at nil cost and PAYE and National Insurance contributions have been accounted for on the value of these shares at acquisition.

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 'vesting period'). The value hurdles are linked to the consolidated net asset value of Mount Anvil Group Limited. 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 issued under the ESS were valued using the net present value of estimated future economic returns at 20 November 2015 and at the reporting date.

	Weighted average share price (pence) 2015	Number 2015	Weighted average share price (pence) 2014	Number 2014
Granted during the year	414	1,422,582	-	-
Outstanding at the end of the year		<u>1,422,582</u>		<u>-</u>

Under this scheme, the Group's Directors were awarded 260,767 shares (2014: nil).

The total expense recognised for the year arising from the ESS was £90,000 (2015: £nil). A capital contribution from Mount Anvil Group Limited of £90,000 (2014: £nil) has also been recognised.

24. PENSION COMMITMENTS

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £35,000 (2014: £36,000). Contributions totalling £11,000 (2014: £11,000) were payable to the fund at the Statement of Financial Position date.

MOUNT ANVIL NEW HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

25. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2015 the Group and Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2015 £000	Group 2014 £000	Company 2015 £000	Company 2014 £000
Not later than 1 year	418	418	-	-
Later than 1 year and not later than 5 years	1,673	1,673	-	-
Later than 5 years	523	941	-	-
Total	2,614	3,032	-	-

26. RELATED PARTY TRANSACTIONS

At the end of the year the loan balance with C K Hurley and the Group was £nil (2014: £198,000 owed to C K Hurley).

During the year the group invoiced amounts totalling £66,664,698 (2014: £77,229,000) to the Group's joint ventures in respect of construction services. At 31 December 2015 the amount owed to Mount Anvil New Holdings Limited and its subsidiaries from these joint ventures in relation to construction services was £4,788,614 (2014: £19,051,000 owed to the joint ventures).

During the year the group sold apartments to C K Hurley, P R Burslem and J A Spring at open market value which totalled £2,197,000 (2014: Nil).

See note 7 for Director's remuneration.

27. CONTROLLING PARTY

At 31 December 2015 the company's immediate and ultimate parent undertaking was Mount Anvil Group Limited. At 31 December 2015 the company's ultimate controlling party was C K Hurley.

Copies of the consolidated financial statements Mount Anvil Group Limited are available from Companies House.

MOUNT ANVIL NEW HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

28. FIRST TIME ADOPTION OF FRS 102

Included in the transitional changes affecting the Statement of Financial Position below are changes relating to the classification of balances.

Group		As previously stated 1 January 2014 £000	Effect of transition 1 January 2014 £000	FRS 102 (as restated) 1 January 2014 £000	As previously stated 31 December 2014 £000	Effect of transition 31 December 2014 £000	FRS 102 (as restated) 31 December 2014 £000
Fixed assets	1,2	76,610	(1,495)	75,115	100,829	(1,981)	98,848
Current assets	1,5,6,7	97,630	6,987	104,617	87,332	8,669	96,001
Creditors: amounts falling due within one year	3,4,5,6	(107,949)	(7,219)	(115,168)	(81,856)	(9,084)	(90,940)
Net current assets		(10,319)	(232)	(10,551)	5,476	(415)	5,061
Total assets less current liabilities		66,291	(1,727)	64,564	106,305	(2,396)	103,909
Creditors: amounts falling due after more than one year		(34,215)	-	(34,215)	(61,604)	-	(61,604)
Provisions for liabilities	7	(41)	41	-	(200)	158	(42)
Net assets		32,035	(1,686)	30,349	44,501	(2,238)	42,263
Capital and reserves		32,035	(1,686)	30,349	44,501	(2,238)	42,263

The impact above of the FRS102 restatement on current assets and creditors also includes a presentational adjustment to show the gross amounts due to and from joint ventures where previously the net position was recognised. The adjustment to current assets and creditors in relation to FRS102 was a charge of £38,000 and £377,000 respectively. The impact of presenting the gross joint venture loan receivables and payables was an additional £8,707,000 to current assets and creditors.

MOUNT ANVIL NEW HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

28. FIRST TIME ADOPTION OF FRS 102 (continued)

	Note	As previously stated 31 December 2014 £000	Effect of transition -31 December 2014 £000	FRS 102 (as restated) 31 December 2014 £000
Turnover		189,519	-	189,519
Cost of sales	1	(165,357)	247	(165,110)
		24,162	247	24,409
Administrative expenses	1,2,3,4,5	(14,046)	(218)	(14,264)
Other operating income	1	7,678	(644)	7,034
Operating profit		17,794	(617)	17,179
Interest receivable and similar income		14	-	14
Interest payable and similar charges	5,6	(521)	(42)	(563)
Taxation	7	(2,543)	105	(2,438)
Profit on ordinary activities after taxation and for the financial year		<u>14,744</u>	<u>(554)</u>	<u>14,192</u>

Explanation of changes to previously reported profit and equity:

- 1 Previously under UK GAAP, certain sales and marketing costs were capitalised to work in progress and released to cost of sales in line with the related turnover. Under FRS 102, these costs are expensed as incurred as administrative expenses. The effect of this change was to decrease costs of sales in 31 December 2014 by £247,000, increase administrative costs by £300,000 and decrease returns from joint ventures (classified as other operating income) by £644,000. At 1 January 2014, the Group's work in progress balance decreased by £87,000 and its investment in joint ventures decreased by £67,000, and At 31 December 2014, the Group's work in progress balance decreased by £140,000 and its investments in joint ventures decreased by £712,000.
- 2 Previously under UK GAAP, goodwill was amortised over a twenty-year life. Under FRS 102, there is a rebuttable presumption that goodwill be amortised over a ten-year life, meaning all goodwill would have been amortised prior to 1 January 2014. Accordingly at 31 December 2014, goodwill previously carried of £1,268,000 (1 January 2014: £1,428,000) was fully amortised and the goodwill amortisation charge for the year ended 31 December 2014 was decreased by £161,000.
- 3 Previously under UK GAAP, operating lease incentives were spread over the shorter of the lease period or the period to the first rent review. Under FRS 102, these lease incentives must be spread over the lease term. Accordingly the operating lease charge has increased by £55,000 for the year ended 31 December 2014, with an increase in the future lease commitments of £146,000 at 31 December 2014 (1 January 2014: increase in the lease commitment of £91,000).
- 4 FRS 102 requires short term employee benefits to be charged to the profit and loss account as the employee service is received. This has resulted in the Group recognising a liability for holiday pay of £61,000 on transition to FRS 102 at 1 January 2014. Previously holiday pay accruals were not recognised and were charged to the profit and loss account as they were paid. In the year to 31 December 2014 an additional charge of £10,000 was recognised in the profit and loss account and the liability at 31 December 2014 was £71,000.

MOUNT ANVIL NEW HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

28. FIRST TIME ADOPTION OF FRS 102 (continued)

- 5 Under FRS 102 the Group has recognised a provision for dilapidation on its operating leases. Previously such provisions were not recognised and the costs were charged to the profit and loss account as they were incurred. This provision made is based upon the Group's best estimate of likely committed cash outflow at the end of the lease period. Accordingly, the Group has recognised an asset of £114,000 and a provision of £142,000 as at 1 January 2014. In the year to 31 December 2014 an additional interest charge of £17,000 and a depreciation charge of £14,000 was recognised in the profit and loss account and the asset and liability at 31 December 2014 were £101,000 and £159,000 respectively.
- 6 FRS 102 requires derivative financial instruments to be recognised at fair value. Previously under UK GAAP the Group did not recognise these instruments in the financial statements. On transition to FRS 102 the Group adopted mark-to-market accounting for a number of interest rate caps which were held at 1 January 2014, and accordingly has recognised an asset at this date of £25,000. The instruments expired in the year ended 31 December 2014 and therefore an interest expense of £25,000 has been recognised in the year, with the asset fully written-off at the end of the year.
- 7 The impact on deferred tax as a result of the adjustments above and the subsequent effect of the change in tax rates was to decrease the deferred tax liability at 1 January 2014 by £41,000 and create a deferred tax asset of £11,000, and to decrease the income tax charge for the year ended 31 December 2014 by £105,000. The deferred tax liability at 31 December 2014 was decreased by £157,000.