

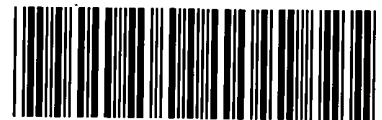
MOUNT ANVIL NEW HOLDINGS LIMITED

Report and Financial Statements

Year Ended 31 December 2016

Company number: 07209710

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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
SOLICITORS	Dickson Minto Broadgate Tower 20 Primrose Street London EC2A 2EW

MOUNT ANVIL NEW HOLDINGS LIMITED

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MOUNT ANVIL NEW HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

Our vision is to be Central London's most respected development partner.

We have evolved significantly over the past 25 years however our core values have remained constant: work collaboratively, raise the bar, do the right thing. Our values underpin everything we do. From our world-class Health and Safety culture, to the exceptional quality materials we use. From the locations we choose, to the partners we work with. From our unrelenting focus on our people, to sharing our financial success with others who are less fortunate. Ultimately, it comes back to our basic respect for people. It's what makes us different, even a little unusual in our industry – it's what sets us apart. Our partners tell us the reason they repeatedly work with us is that they have trust in our ability to deliver – borne of our character and competence.

The results are clear:

- Partners that want to work with us repeatedly
- Developments that people are proud to live in, work in and have in their communities
- Three consecutive years as the UK's Number One Company for Health and Safety
- Three years as Resi Developer of the Year (2013-2015)
- Eleven consecutive years as one of the Sunday Times Best 100 Small Companies to Work For
- Twenty five years of consistent profitability

We recruit and retain increasingly capable people. Mount Anvil is a truly owner-managed business – the majority of our people are shareholders. Our partners tell us that our owner managed ethos gives a substantial advantage.

London is ever-changing and we're proud of the role we've played over the last 25 years in creating homes and communities which enhance its world class status.

Over the last three years the Group has adapted its land acquisition strategy in response to market conditions. In our view, the market for sites with implementable planning consents has been overheated, and the level of competition and prices paid for sites had become unsustainable. Consequently, the Group has consciously limited its exposure to competitive bidding processes, and diverted resources to building long-term relationships with existing and potential partners and other stakeholders, with the long-term objective of lessening our reliance on competitive land bidding.

This approach has taken time to bear fruit, however as an owner-managed business, we are able to make decisions based on what's best in the long term, rather than because of a need to satisfy external shareholders every quarter. As a result, we made limited new land acquisitions between 2014 and 2016, resulting in a slightly lower volume of legal completions in 2016.

Our long-term approach is now starting to deliver significant benefits. We have recently exchanged contracts to acquire two sites in London Docklands, with the capacity for up to 750 new homes, which we will develop in joint venture with the existing landowner. In addition, we have a further four Central London sites at various stages in the legal process with the potential to deliver a further 2,500 units.

We are delighted with the success of our approach, which is focused on maximising long term profit, minimising risk and delivering a positive legacy. It has enabled us to deliver exceptional financial results, for both Mount Anvil and our partners.

MOUNT ANVIL NEW HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

OVERVIEW OF RESULTS

All our completions in the year were from developments undertaken through joint ventures (JVs) with a number of repeat partners. 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 £251 million (2015: £297 million) and profit before tax of £55 million (2015: £66 million) generated by our development activities (including our partners' share). We are delighted to have generated £43 million (2015: £41 million) of profit for our JV partners in 2016, and are set to generate a further £250 million in the future based on schemes currently owned and controlled.

The Group reported a profit before tax and exceptional items of £12.6 million in 2016 (2015: £25.5 million), from a turnover of £198.0 million (2015: £252.1 million). Our reported turnover includes our share of joint venture developments of £91.1 million (2015: £110.7 million), along with turnover from contracting and services of £98.3 million (2015: £107.4 million) and property development services of £8.6 million (2015: £34.0 million).

A total of 280 homes (2015: 460) were delivered in the year, of which 270 (2015: 335) were private. The average selling price of our private homes increased to £877,000 (2015: £867,000), reflecting our award-winning, design-led and legacy-focused approach to building homes in locations people want to live in. The anticipated decrease in volume, turnover and profit in the year reflects our cautious land acquisition strategy.

By delivering high quality homes and a great customer experience to our buyers, we have again won a Gold Award for Customer Satisfaction for 2016, achieving a 98% customer recommendation rating (2015: 97%). As a world class city, demand for London property – and for our homes – remains very strong with 95% of our 2017 sales target already secured.

DEVELOPMENT SUMMARY

Our results for the year have been driven largely by the completion of the Lexicon and Landau schemes, and 101 of the 115 private units at Dollar Bay. As at 31 December 2016, the total pipeline of homes carried forward on our owned developments amounted to 875 homes and the total pipeline of commercial space amounted to 9,400 sq m (2015: 1,100 homes and 10,000 sq m of commercial space). Based on current day prices, the total sales value of this pipeline, together with freehold disposals, is approximately £867 million (2015: £1,088 million). As noted above, we have since the year end exchanged on, or are in legals to acquire sites with the capacity for up to 3,250 units and a development value of approximately £1,250 million.

CONTRACTING SUMMARY

The turnover in Mount Anvil Limited, the Group's construction arm, was £97.8 million (2015: £98.1 million) and profit before taxation was £1.7 million (2015: £5.9 million), both before eliminating intra-group activity. Looking forward, the external Registered Provider order book has a value of £10 million (2015: £17 million) and the intra group private build contracts add a further £246 million (2015: £301 million).

FINANCIAL PERFORMANCE

The performance of the Group as described above resulted in profit before tax and exceptional administrative expenses of £12.6 million (2015: £25.5 million). Exceptional costs in the year of £0.8 million were incurred as part of our move to a new head office space.

Finance costs incurred in the year have increased to £10.6 million (2015: £8.3 million). This represents interest written off to profit and loss as a result of the decrease in the value of investments (reflecting the realisation of our investment in joint venture schemes) (2015: £6.4 million). The Group's tax charge for the year was £1.9 million (2015: £5.3 million).

The net assets of the Group increased by £9.8 million to £71.4 million. The strong financial performance of our schemes led to closing net cash (defined as cash, cash equivalents and loans receivable less loans payable) of £19.9 million (2015: net cash of £1.3 million) including a £26.3 million (2015: £nil) loan to a joint venture partner which is repayable at the Group's request. During the year, the Group renegotiated the terms of its mezzanine loan, reducing the outstanding debt to £25 million, and extending the maturity date from 31 December 2016 to 31 December 2018.

Other significant movements in the Statement of Financial Position include a decrease in the value of our investments in joint ventures of £17.8 million, reflecting our investment in Hampstead Manor and Royal Docks West schemes offset by the amortisation and realisation of schemes that completed in 2016, a decrease in stock of £2.6 million, a decrease in debtors (excluding loans receivable and amounts due from joint ventures) of £2.1 million and a decrease in current creditors of £7.9 million reflecting the completion of our 100% owned schemes.

MOUNT ANVIL NEW HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

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 second Globe of Honour by the British Safety Council in 2016.

HEALTH AND SAFETY

In 2016, we were recognised once again by the British Safety Council as the UK's Number One company for Health and Safety, across any sector; we were awarded a 5 Star Rating and a score of 99.97% (2015: 99.9%) – the highest ever issued. 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 eleventh consecutive year is a stand out achievement for Mount Anvil and is unique in our industry.

The launch of the Employee Shareholder Status scheme in 2015 means the majority of our staff are shareholders in the Group, making us a truly owner managed business and affording our wider team the opportunity to share in the projected future growth of the business.

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 20 September 2017 and signed on its behalf.



Ewan Anderson
Director

MOUNT ANVIL NEW HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

Results and principal activity

The principal activity of Mount Anvil Group Limited in the year under review was that of a holding company of a property development business. The group made a profit before tax of £11,850,000 (2015: £25,488,000) in the year. No distributions were paid in the year (2015: £nil)

The company is expected to continue as a holding company.

Directors

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

E T Anderson
P R Burslem
J R Hall
C K Hurley
D R J Hurley
J A Spring
W G Westbrook
J M Robertson

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), 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 they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. 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 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.

Charitable donations and political contributions

The aggregate amount of charitable donations made during the year was £152,000 (2015: £279,000), there were no political contributions.

MOUNT ANVIL NEW HOLDINGS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

Events after the statement of financial position date

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

Auditors

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

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

By order of the Board



E T Anderson
Secretary

Date: 20/09/2017

MOUNT ANVIL NEW HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MOUNT ANVIL NEW HOLDINGS LIMITED

We have audited the financial statements of Mount Anvil New Holdings Limited for the year ended 31 December 2016 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 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 group's and the parent company's affairs as at 31 December 2016 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 matters prescribed by the Companies Act 2006

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

- 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; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters 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.



Thomas Edward Goodworth (senior statutory auditor)

For and on behalf of BDO LLP, statutory auditor

55 Baker Street

London

W1U 7EU

Date



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

MOUNT ANVIL NEW HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £'000	2015 £'000
Turnover including share of joint ventures		197,985	252,060
Less: joint ventures' turnover		(91,148)	(110,741)
Turnover	3	106,837	141,319
Cost of sales		(106,558)	(127,272)
Gross profit		279	14,047
Administrative expenses		(16,061)	(17,113)
Exceptional administrative expenses	11	(757)	-
Share of profit of joint ventures	14	26,460	28,558
Total operating profit	4	9,921	25,492
Interest receivable and similar income	8	1,993	54
Interest payable and similar charges	9	(64)	(58)
Profit before taxation		11,850	25,488
Profit before taxation and exceptional administrative expenses		12,607	25,488
Taxation on profit from ordinary activities	10	(1,903)	(5,332)
Profit for the year and total comprehensive income for the year (Attributable to owners of the parent company)		9,947	20,156

All amounts relate to continuing operations.

The notes on pages 12 to 30 form part of these financial statements.

MOUNT ANVIL NEW HOLDINGS LIMITED
REGISTERED NUMBER: 07209710

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	2016 £'000	2015 restated £'000
Fixed assets			
Tangible fixed assets	13	567	1,214
Investments	14	60,980	78,751
		<u>61,547</u>	<u>79,965</u>
Current assets			
Stocks	15	3,530	6,132
Debtors: amounts falling due within one year	16	48,425	17,300
Cash at bank and in hand	17	18,553	32,668
		<u>70,508</u>	<u>56,100</u>
Creditors: amounts falling due within one year	18	(35,685)	(74,462)
Net current assets/(liabilities)		<u>34,823</u>	<u>(18,362)</u>
Total assets less current liabilities		<u>96,370</u>	<u>61,603</u>
Creditors: amounts falling due after more than one year	19	(25,000)	-
Deferred tax asset/(liability)	21	12	(44)
Net assets		<u><u>71,382</u></u>	<u><u>61,559</u></u>
Capital and reserves			
Called up share capital	22	4,142	4,142
Profit and loss account		59,327	50,330
Merger reserve		6,997	6,997
Capital contribution reserve		916	90
Equity attributable to owners of the parent Company		<u><u>71,382</u></u>	<u><u>61,559</u></u>

The notes on pages 12 to 30 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 20 September 2017.



E T Anderson
Director

MOUNT ANVIL NEW HOLDINGS LIMITED
REGISTERED NUMBER: 07209710

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	2016 £'000	2015 £'000
Fixed assets			
Investments	14	68,330	55,575
		<u>68,330</u>	<u>55,575</u>
Current assets			
Debtors: amounts falling due within one year	16	66,144	74,543
Cash at bank and in hand	17	4,469	9,500
		<u>70,613</u>	<u>84,043</u>
Creditors: amounts falling due within one year	18	(78,953)	(91,040)
Net current liabilities		<u>(8,340)</u>	<u>(6,997)</u>
Total assets less current liabilities		<u>59,990</u>	<u>48,578</u>
Net assets		<u><u>59,990</u></u>	<u><u>48,578</u></u>
Capital and reserves			
Called up share capital	22	4,142	4,142
Profit and loss account		48,851	37,439
Merger reserve		6,997	6,997
		<u><u>59,990</u></u>	<u><u>48,578</u></u>

The Company loss for the year and total comprehensive expense for the year was £11,787,000 (2015: £21,204,000).

The notes on pages 12 to 30 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 20 September 2017.



E T Anderson
 Director

MOUNT ANVIL NEW HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2016**

	Share capital	Merger reserve	Capital contribution reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000
At 1 January 2015	4,142	6,997	-	31,124	42,263
Comprehensive income for the year					
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
At 1 January 2016	4,142	6,997	90	50,330	61,559
Comprehensive income for the year					
Comprehensive income for the year	-	-	-	9,947	9,947
Total comprehensive income for the year	-	-	-	9,947	9,947
Contributions by and distributions to owners					
Capital contribution	-	-	826	-	826
Dividends paid	-	-	-	(950)	(950)
Total transactions with owners	-	-	826	(950)	(124)
At 31 December 2016	4,142	6,997	916	59,327	71,382

The notes on pages 12 to 30 form part of these financial statements.

MOUNT ANVIL NEW HOLDINGS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2016**

	Share capital	Merger reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000
At 1 January 2015	4,142	6,997	17,185	28,324
Comprehensive income for the year				
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
At 1 January 2016	4,142	6,997	37,439	48,578
Comprehensive income for the year				
Comprehensive income for the year	-	-	12,362	12,362
Total comprehensive income for the year	-	-	12,362	12,362
Contributions by and distributions to owners				
Dividends paid	-	-	(950)	(950)
Total transactions with owners	-	-	(950)	(950)
At 31 December 2016	4,142	6,997	48,851	59,990

The notes on pages 12 to 30 form part of these financial statements.

MOUNT ANVIL NEW HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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.

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 2016 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.

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 2016

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 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 the transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.10 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 2016**

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 arising on the Group's loan facility are either capitalised in work in progress over the term of the development where the costs are separately identifiable and are directly attributable to the acquisition or construction of an asset that takes a substantial period of time to complete, or, where the costs are directly attributable to the Group's investments in a joint venture, are capitalised as part of the cost of that joint venture. 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 2016**

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 within the Group to pay its debts 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 2016**

3. ANALYSIS OF TURNOVER

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

	2016 £'000	2015 £'000
Property development	8,581	33,970
Design and build contracting	98,256	107,349
	<u>106,837</u>	<u>141,319</u>

All turnover arose within the United Kingdom:

4. OPERATING PROFIT

The operating profit is stated after charging:

	2016 £'000	2015 £'000
Depreciation of tangible fixed assets	323	457
Rent - operating leases	464	436
Share based payment expense (note 23)	826	90
Fees payable to the Group's auditor and its associates for the audit of the Company's annual accounts	122	126
Defined contribution pension cost	<u>65</u>	<u>35</u>

MOUNT ANVIL NEW HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

5. AUDITORS' REMUNERATION

	2016 £'000	2015 £'000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	4	4
Fees payable to the Company's auditor for the audit of the Company's subsidiary companies	118	126
	<u>122</u>	<u>130</u>

6. EMPLOYEES

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

	2016 £'000	2015 £'000
Wages and salaries	15,817	14,945
Social security costs	2,063	1,976
Cost of defined contribution pension scheme	65	35
	<u>17,945</u>	<u>16,956</u>

Included in wages and salaries are share based payment charges of £826,000 (2015: £90,000). Refer to note 23 for additional information.

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

	2016 No.	2015 No.
Site	112	111
Administration	72	63
	<u>184</u>	<u>174</u>

MOUNT ANVIL NEW HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

7. DIRECTORS' REMUNERATION

	2016 £'000	2015 £'000
Directors' emoluments	2,426	1,870
Company contributions to defined contribution pension schemes	6	2
	<u>2,432</u>	<u>1,872</u>

The highest paid director received remuneration of £588,000 (2015: £618,000).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £5,000 (2015: £nil).

The total accrued pension provision of the highest paid director at 31 December 2016 amounted to £5,000 (2015: £nil).

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	2016 £'000	2015 £'000
Loan interest receivable	1,657	-
Other interest receivable	336	54
	<u>1,993</u>	<u>54</u>

9. INTEREST PAYABLE AND SIMILAR CHARGES

	2016 £'000	2015 £'000
Other loan interest payable	64	58
	<u>64</u>	<u>58</u>

MOUNT ANVIL NEW HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

10. TAXATION

	2016 £'000	2015 £'000
UK Corporation tax		
Current tax on profits for the year	2,603	5,513
Adjustments in respect of previous periods	(644)	(184)
	1,959	5,329
Total current tax		
Deferred tax		
Origination and reversal of timing differences	(56)	3
	(56)	3
Total deferred tax		
Taxation on profit on ordinary activities	1,903	5,332

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2015: higher than) the standard rate of corporation tax in the UK of 20% (2015: 20.25%). The differences are explained below:

	2016 £'000	2015 £'000
Profit on ordinary activities before tax	11,850	24,950
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015: 20.25%)	2,370	5,052
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	233	521
Adjustments to tax charge in respect of prior periods	(644)	(184)
Short term timing difference leading to an increase in taxation	(56)	3
Deduction in relation to share based payment charge	-	(60)
Total tax charge for the year	1,903	5,332

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 2016**

11. EXCEPTIONAL ADMINISTRATIVE EXPENSES

	2016 £'000	2015 £'000
Exceptional operating items	757	-
	<u>757</u>	<u>-</u>

Exceptional operating items in 2016 related to the costs of relocating the Group's office, including the write off of the residual net book value of leasehold improvements to the old office.

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.

13. TANGIBLE FIXED ASSETS

Group

	Fixtures and fittings £'000	Leasehold improvements £'000	Total £'000
Cost			
At 1 January 2016	1,178	1,139	2,317
Additions	450	86	536
Disposals	(315)	(1,139)	(1,454)
At 31 December 2016	<u>1,313</u>	<u>86</u>	<u>1,399</u>
Depreciation			
At 1 January 2016	767	336	1,103
Charge for the period	323	-	323
Disposals	(258)	(336)	(594)
At 31 December 2016	<u>832</u>	<u>-</u>	<u>832</u>
At 31 December 2016	<u>481</u>	<u>86</u>	<u>567</u>
At 31 December 2015	<u>411</u>	<u>803</u>	<u>1,214</u>

MOUNT ANVIL NEW HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

14. FIXED ASSET INVESTMENTS

Group

	Investment in joint ventures
	£'000
Carrying value	
At 1 January 2016 (restated)	78,751
Additions	17,410
Capital repaid to members	(14,570)
Write off	(10,624)
Dividend received from joint venture	(36,447)
Joint venture profit share	26,460
	<u>60,980</u>
At 31 December 2016	

Company

	Investments in joint ventures	Investments in subsidiary companies	Total
	£000	£000	£000
Cost or valuation			
At 1 January 2016	43,777	11,798	55,575
Additions	16,922	-	16,922
Capital repaid to members	(3,409)	-	(3,409)
Write off	-	(758)	(758)
	<u>57,290</u>	<u>11,040</u>	<u>68,330</u>
At 31 December 2016			

Prior year restatement

During the year the directors have reviewed the nature of the balances held in stock and in investments, and consider that the nature of certain items previously held within stocks is more akin to investments in joint ventures and therefore should be reclassified as such. Due to the size of the balance, the directors have restated the financial statements for the year ended 31 December 2015 to reflect this reclassification. The effect of this adjustment has been to increase investments at 31 December 2015 by £20,295,000 and to decrease stocks by £20,295,000. The adjustment has no impact on net assets, profit after tax or total comprehensive income for the year.

MOUNT ANVIL NEW HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

14. FIXED ASSET INVESTMENTS (continued)

Subsidiary companies

Name	Country of Incorporation	Holding	Principal activity
Mount Anvil Limited*	United Kingdom	100%	Construction company
Mount Anvil (Development Management) Limited	United Kingdom	100%	Property development manager
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 Freehold Limited	United Kingdom	100%	Buying and selling real estate
City Road Developments Holdco Limited	United Kingdom	100%	Intermediate holding company
Fulham Developments Holdco Limited	United Kingdom	100%	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
Central Street Developments Holdco Limited	United Kingdom	100%	Intermediate holding company
Mount Anvil (Milton Keynes) Limited	United Kingdom	100%	Dormant company
Mount Anvil (St.Anne's Limited)	United Kingdom	100%	Dormant company
Mount Anvil (SSM) Limited	United Kingdom	100%	Dormant company
Mount Anvil (SWM) Limited	United Kingdom	100%	Dormant company

MOUNT ANVIL NEW HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

14. FIXED ASSET INVESTMENTS (continued)

Joint Ventures

Name	Country of Incorporation	Holding	Principal activity
Eagle House Developments Limited	Jersey	33.33%	Property developer
261 City Road Developments LLP*	United Kingdom	50%	Property developer
City Road (Lexicon) Limited*	Bermuda	50%	Property developer
261 City Road Management Company Limited*	United Kingdom	50%	Intermediate holding company
City Road Basin Midco Limited*	United Kingdom	25%	Management company
72 Farm Lane Developments LLP*	United Kingdom	50%	Property developer
Mount Anvil (Jersey) Limited	Jersey	50%	Intermediate holding company
Mount Anvil (Keybridge House) Limited*	Jersey	50%	Intermediate holding company
Keybridge House LLP*	United Kingdom	25%	Property developer
Mount Anvil (Kidderpore) Limited*	Jersey	25%	Property developer
Mount Anvil (Riverside) Limited*	Jersey	50%	Intermediate holding company
Hammersmith Developments Holdco Limited*	United Kingdom	50%	Intermediate holding company
Queen's Wharf Riverside LLP*	United Kingdom	25%	Property developer
Mount Anvil (Dollar Bay) Limited*	Jersey	50%	Intermediate holding company
Dollar Bay Developments Holdco Limited*	United Kingdom	50%	Intermediate holding company
Dollar Bay Developments LLP*	United Kingdom	12.5%	Property developer
Central Street Developments LLP*	United Kingdom	50%	Property developer

MOUNT ANVIL NEW HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

14. FIXED ASSET INVESTMENTS (continued)

Joint Ventures (continued)

Name	Country of Incorporation	Holding	Principal activity
Seward Street Developments LLP*	United Kingdom	25%	Property developer
Mount Anvil (Parsons Green) Limited*	Jersey	50%	Dormant company
Mount Anvil (Wyvil Road) Limited*	Jersey	50%	Dormant company
Mount Anvil (Western Gateway) Limited*	Jersey	50%	Property developer

Entities marked with an asterisk are held through an intermediate holding company. They all have a reporting period ended 31 December with the exception of Keybridge House LLP and Queens Wharf Riverside LLP which have reporting periods ended 31 March.

The registered address of all UK subsidiaries and joint ventures is 140 Aldersgate Street, London, EC1A 4HY.

The registered address of all Jersey subsidiaries and joint ventures is 44 Esplanade, St Helier, Jersey, JE4 9WG.

The registered address of the Bermuda joint venture is Canon's Court, 22 Victoria Street, Hamilton, Bermuda, HM12.

MOUNT ANVIL NEW HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

15. STOCKS

	Group	Group	Company	Company
	2016	2015	2016	2015
	£'000	restated	£'000	£'000
		£'000		£'000
Work in progress	3,530	6,132	-	-
	3,530	6,132	-	-

Work in progress recognised in cost of sales during the year as an expense was £2,621,000 (2015: £31,842,000).

Work in progress includes £159,000 (2015: £388,000) of capitalised interest. During the year £nil (2015: £413,000) of interest was capitalised and £18,000 (2015: £1,098,000) was charged to the profit and loss account as part of cost of sales.

No stocks are pledged as security for liabilities (2015 £nil).

See Note 14 for details of prior year restatement.

16. DEBTORS

	Group	Group	Company	Company
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Trade debtors	1,227	551	-	-
Amounts owed by group undertakings	1,613	-	66,035	74,434
Amounts owed by joint ventures	18,174	15,514	-	-
Other debtors	364	224	25	25
Loan	26,347	-	-	-
Prepayments and accrued income	700	1,011	84	84
	48,425	17,300	66,144	74,543

All amounts are due for repayment within a year.

MOUNT ANVIL NEW HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

17. CASH AND CASH EQUIVALENTS

	Group 2016 £'000	Group 2015 £'000	Company 2016 £'000	Company 2015 £'000
Cash at bank and in hand	18,553	32,668	4,469	9,500
	<u>18,553</u>	<u>32,668</u>	<u>4,469</u>	<u>9,500</u>

Cash at bank and in hand includes an amount of £903,000 (2015: £2,000) held with solicitors in relation to the office relocation (2015: customer deposits) and is available on demand.

18. CREDITORS: Amounts falling due within one year

	Group 2016 £'000	Group 2015 £'000	Company 2016 £'000	Company 2015 £'000
Loans due to parent undertaking	-	30,917	-	70,634
Payments received on account	-	2,439	-	-
Trade creditors	5,150	5,493	-	-
Amounts owed to group undertakings	-	-	78,938	20,391
Amounts owed to joint ventures	301	3,658	-	-
Corporation tax	3,425	3,457	-	-
Taxation and social security	1,373	1,747	-	-
Other creditors	1,622	13,266	-	-
Accruals and deferred income	23,814	13,485	15	15
	<u>35,685</u>	<u>74,462</u>	<u>78,953</u>	<u>91,040</u>

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

	Group 2016 £'000	Group 2015 £'000	Company 2016 £'000	Company 2015 £'000
Loans due to parent undertakings	25,000	-	-	-
	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

MOUNT ANVIL NEW HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

20. FINANCIAL INSTRUMENTS

	Group 2016 £'000	Group 2015 £'000	Company 2016 £'000	Company 2015 £'000
Financial assets measured at amortised cost	47,897	16,865	66,063	74,543
	<u>47,897</u>	<u>16,865</u>	<u>66,063</u>	<u>74,543</u>
Financial liabilities measured at amortised cost	(25,066)	(68,125)	(78,953)	(91,040)
	<u>(25,066)</u>	<u>(68,125)</u>	<u>(78,953)</u>	<u>(91,040)</u>

Financial assets measured at amortised cost comprise trade receivables, 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. DEFERRED TAX ASSET/(LIABILITY)

Group	Deferred tax £000
At 1 January 2016	(44)
Credited to the profit or loss	56
At 31 December 2016	<u>12</u>

The provision for deferred taxation is made up as follows:

	Group 2016 £'000	Group 2015 £'000	Company 2016 £'000	Company 2015 £'000
Accelerated capital allowances	12	(44)	-	-
	<u>12</u>	<u>(44)</u>	<u>-</u>	<u>-</u>

MOUNT ANVIL NEW HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

22. SHARE CAPITAL

	2016 £'000	2015 £'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.

MOUNT ANVIL NEW HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

23. SHARE BASED PAYMENTS

In the prior year employees of Mount Anvil Limited, a subsidiary of the Company, were issued with C ordinary shares in the Company under an Employee Shareholder Status scheme ('ESS'). No shares were issued in the current year.

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

Retaining ownership of the C ordinary shares is conditional on continuing employment. Specific rules apply if the employee ceases employment during the vesting period.

The C ordinary shares have no dividend rights and no voting rights.

The shares in the Company issued under the ESS were valued using the net present value of estimated future economic returns at the issue date and at all reporting dates.

	Weighted average share price (pence) 2016	Number 2016	Weighted average share price (pence) 2015	Number 2015
Outstanding at the start of the year	414	1,422,582	414	-
Granted during the year	414	-	414	1,422,582
Lapsed during the year	414	(357,939)	414	-
Outstanding at the end of the year		1,064,643		1,422,582

In the current year the Group's Directors were not granted any shares (2015: 260,767).

The total expense recognised for the year arising from the ESS was £826,000 (2015: £90,000).

24. PENSION COMMITMENTS

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 pension cost charge represents contributions payable by the Group to the fund and amounted to £65,000 (2015: £35,000). Contributions totalling £16,000 (2015: £11,000) were payable to the fund at the Statement of Financial Position date.

MOUNT ANVIL NEW HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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25. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2016 the Group and Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2016 £'000	Group 2015 £'000	Company 2016 £'000	Company 2015 £'000
Not later than 1 year	23	418	-	-
Later than 1 year and not later than 5 years	2,992	1,673	-	-
Later than 5 years	3,838	523	-	-
Total	6,853	2,614	-	-

26. RELATED PARTY TRANSACTIONS

At the end of the year the loan balance with C K Hurley and the Group was £674,000 (2015: £nil) owed to C K Hurley, the highest balance during the year was £800,000 owed to C K Hurley. During the year C K Hurley redeemed preference shares amounting to £950,000 (2015: £950,000).

During the year the group invoiced amounts totalling £99,813,000 (2015: £66,665,000) to the Group's joint ventures in respect of construction services. At 31 December 2016 the amount owed to Mount Anvil New Holdings Limited and its subsidiaries from these joint ventures in relation to construction services was £18,174,000 (2015: £15,514,000). At 31 December 2016 the amount owed by Mount Anvil New Holdings Limited and its subsidiaries to these joint ventures in relation to construction activities was £301,000 (2015: £4,658,000).

Mount Anvil New Holdings Limited received dividends totalling £24,149,000 in the year (2015: £39,157,000) and paid dividends totalling £950,000 (2015: £950,000).

During the prior 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. No apartments were sold to related parties in 2016.

See note 7 for Director's remuneration. The Directors are considered to be the key management personnel in the Group.

27. CONTROLLING PARTY

At 31 December 2016 and 31 December 2015 the company's immediate and ultimate parent undertaking was Mount Anvil Group Limited. At 31 December 2016 and 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 140 Aldersgate Street, London, EC1A 4HY.