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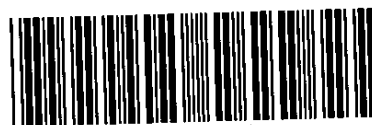
## MOUNT ANVIL GROUP LIMITED

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### ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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**MOUNT ANVIL GROUP LIMITED**

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**COMPANY INFORMATION**

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<b>DIRECTORS</b>	E T Anderson J R Hall C K Hurley D R J Hurley K Hurley
<b>COMPANY SECRETARY</b>	E T Anderson
<b>REGISTERED NUMBER</b>	04410393
<b>REGISTERED OFFICE</b>	140 Aldersgate Street London EC1A 4HY
<b>INDEPENDENT AUDITORS</b>	BDO LLP 55 Baker Street London W1U 7EU
<b>BANKERS</b>	Lloyds Bank plc 10 Gresham Street London EC2V 7AE
<b>SOLICITORS</b>	Dickson Minto Broadgate Tower 20 Primrose Street London EC2A 2EW

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**MOUNT ANVIL GROUP LIMITED**

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## MOUNT ANVIL GROUP LIMITED

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

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Our vision is to create outstanding places where people can thrive.

We have evolved significantly over the 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
- Five consecutive years as the UK's Number One Company for Health and Safety (2014-2018)
- 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
- Consistently profitable for our partners and ourselves for 27 years

We recruit and retain increasingly capable people. Mount Anvil is a truly owner-managed business – in order to reinforce this position and in light of headcount growth we launched a new share scheme during 2018, and now approximately 90% of our people with more than one years' service 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 27 years in creating homes and communities which enhance its world class status.

Over the last five years the Group has adapted its land acquisition strategy in response to market conditions, consciously limiting its exposure to competitive bidding processes, and diverting 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.

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. That means we remain disciplined in our approach to land-buying, only acquiring the sites that fulfil all of our investment criteria. Then, once we have purchased a site, we manage costs in an equally stringent fashion, ensuring that we deliver best value, without sacrificing the quality that is associated with a Mount Anvil branded home.

Our long-term approach is paying-off. In 2018 we exchanged on contracts to deliver an additional scheme in Central London with the capacity to deliver over 900 new homes. We also completed the purchase of two previously contracted schemes, with the capacity to deliver nearly 1,000 homes. This is as a result of our continued focus and success rate in securing viable planning permissions that embrace high levels of affordable housing.

We are delighted with the continued 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.

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## MOUNT ANVIL GROUP LIMITED

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### GROUP STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 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 joint venture turnover<sup>1</sup> of £264 million (2017: £268 million) and total profit before tax<sup>2</sup> of £30.7 million (2017: £88.2 million) generated by our development activities (including our partners' share) the decrease from 2017 is due to the mix and timing of completions on different schemes. We are delighted to have generated £32.1 million (2017: £75.6 million) of profit for our JV partners in 2018 and are set to generate a further £197 million (2017: £179 million) in the future from schemes (including our partners' share) on which we that we have currently exchanged contracts.

The Group reported a profit before tax of £9.7 million in 2018 (2017 restated: £10.9 million), from a turnover of £241.8 million (2017 restated: £227.6 million). Our reported turnover includes our share of joint venture developments of £68.7 million (2017: £71.8 million), along with turnover from contracting and services of £156.1 million (2017 restated: £140.5 million) and property development services of £17.1 million (2017: £13.2 million). The restated amounts are explained in note 25 in the notes to the financial statements.

A total of 380 homes (2017: 214) were delivered in the year, of which 157 were private (2017: 214 private), 64 affordable (2017: no affordable) and 159 private rental (2017: no private rental). As expected, the average selling price of our private homes reduced to £840,000 (2017: £1,179,000). The reduction reflected the mix of completions in the year with 2017 being influenced by the completion of remaining penthouse apartments at Dollar Bay and completions at Queens Wharf (which are higher value homes than our previous and pipeline schemes) – we expect the average selling price to reduce further to more normal levels in 2019 and later years.

As a world class city, demand for London property – and for our homes – remains strong. Further, over the last two and a half years, we have improved our sales and marketing strategy which has resulted in a record breaking number of pre-sold homes, we have already secured 71% of our 2019-2021 sales targets with significant levels of pre-sales on a number of our schemes.

#### DEVELOPMENT SUMMARY

Our results for the year have been driven largely by significant numbers of home completions at our Keybridge (250 homes) and Excel (88 homes) schemes. As at 31 December 2018, the total pipeline of homes carried forward on our owned and contracted developments amounted to 5,197 homes and the total pipeline of commercial space amounted to 16,300 sq. m (2017: 4,124 homes and 9,400 sq. m of commercial space). Based on current day prices, the total sales value of this pipeline, together with freehold and commercial disposals, is approximately £1.93 billion (2017: 2.05 billion).

#### CONTRACTING SUMMARY

The turnover in Mount Anvil Limited, the Group's construction arm, was £165.4 million (2017: £146.9 million) and profit before taxation was £2.5 million (2017 restated: £3.2 million), both before eliminating intra-group activity. This reflects strong and continued focus on cost control and greater alignment with our supply chain. Looking forward, the external Registered Provider order book has a value of £37.6 million (2017: £5.9 million) and the intra group private build contracts add a further £351.0 million (2017: £231.2 million).

#### FINANCIAL PERFORMANCE

The performance of the Group as described above resulted in profit before tax of £9.7 million (2017 restated: £10.9 million). The Group has restated its prior year results to correct the treatment of profits from certain joint ventures and the tax thereon, and to release certain accruals that were materially excessive. These changes reduced the 2017 profit before from £11.8m to £11.0 million, and increased the profit after tax from £7.5 million to £9.1 million. Further detail on the prior year restatement is presented in the notes to the financial statements (note 25).

The net assets of the Group increased by £9.4 million to £72.0 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 £22.7 million (2017: net cash of £32.2 million). This was a strong net cash performance in a year that included the £12.9 million of investment in new schemes, while the Group remained debt-free throughout 2018 and at 31 December 2018.

<sup>1</sup> KPI defined as being total scheme turnover, including joint venture's share

<sup>2</sup> KPI defined as being total scheme margin, including joint venture share, and including Mount Anvil's statutory profit before tax

<sup>3</sup> KPI prior year comparative restated to reflect borrowing cost accounting policy change. See note 25 for more detail

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## MOUNT ANVIL GROUP LIMITED

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### GROUP STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 DECEMBER 2018

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Significant movements in the Statement of Financial Position include the increase in the value of our investments in joint ventures of £12.8 million as noted above; this reflected our investment in the Whitechapel (Silk District) and Gillender (Three Waters) schemes in the year. An increase in amounts owed by joint ventures due within one year of £8.9 million and an increase in trade debtors of £4.8m predominately relating to the stage of completion of the both sales and construction across our portfolio of developments.

#### 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

We have been recognised by the British Safety Council as the UK's Number One company for Health and Safety for 4 successive years, across any sector and were awarded a 5 Star Rating and a score of 99.97% (2017: 99.7%) – 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 eleven consecutive years is a stand-out achievement for Mount Anvil and is unique in our industry. In 2019 we have been included as one of the Best 75 Small Companies to Work For in London b-Heard Survey.

The launch of the Employee Shareholder Status scheme in 2015 and Growth Share scheme in 2018 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 30 September 2019 and signed on its behalf by:



Ewan Anderson  
Director

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## MOUNT ANVIL GROUP LIMITED

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### DIRECTORS REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

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The directors present their report and the financial statements for the year ended 31 December 2018.

#### 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 after tax of £9,681,000 (2017 restated: £10,941,000) in the year. No distributions were paid in the year (2017: £nil)

The company is expected to continue as a holding company.

#### Directors

The following directors have held office since the beginning of the year and up to the date of signing the financial statements:

E T Anderson  
P R Burslem (resigned 21 March 2018)  
J R Hall  
C K Hurley  
D R J Hurley  
K Hurley  
P Gore (appointed 21 March 2018, resigned 31 July 2018)

#### 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 £246,000 (2017: £178,000), there were no political contributions (2017: £nil).

#### Events after the statement of financial position date

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

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MOUNT ANVIL GROUP LIMITED

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DIRECTORS REPORT (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2018

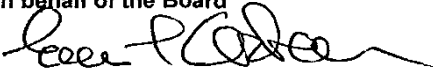
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**Auditors**

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.

On behalf of the Board



Ewan Anderson  
Company Secretary

Date: 30 SEPTEMBER 2019



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## MOUNT ANVIL GROUP LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF MOUNT ANVIL GROUP LIMITED

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#### Opinion

We have audited the financial statements of Mount Anvil Group Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 December 2018 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2018 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.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or the Parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors' report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Opinions 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.

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MOUNT ANVIL GROUP LIMITED

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INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF MOUNT ANVIL GROUP LIMITED

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**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 and Directors' report.

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

**Responsibilities of Directors**

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, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Use of our report**

*This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.*

Thomas Edward Goodworth (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
55 Baker Street  
London  
W1U 7EU

Date: 30 September 2019

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

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**MOUNT ANVIL GROUP LIMITED**

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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	Note	2018 £'000	2017 restated £'000
Turnover including share of joint ventures		241,826	225,465
Less: joint ventures' turnover		<u>(68,669)</u>	<u>(71,814)</u>
<b>Turnover</b>	<b>4</b>	<b>173,157</b>	<b>153,651</b>
Cost of sales		<u>(153,555)</u>	<u>(144,336)</u>
<b>Gross profit</b>		<b>19,602</b>	<b>9,315</b>
Administrative expenses		(16,168)	(15,356)
Share of profit of joint ventures	13	<u>5,614</u>	<u>17,920</u>
<b>Total operating profit</b>	<b>5</b>	<b>9,048</b>	<b>11,879</b>
Interest receivable and similar income	9	650	1,068
Interest payable and similar charges	10	<u>(17)</u>	<u>(2,006)</u>
<b>Profit before taxation</b>		<b>9,681</b>	<b>10,941</b>
Taxation on profit from ordinary activities	11	<u>(283)</u>	<u>(1,880)</u>
<b>Profit for the year and total comprehensive income for the year (Attributable to owners of the parent company)</b>		<u><b>9,398</b></u>	<u><b>9,061</b></u>

All amounts relate to continuing operations.

The notes on pages 16 to 34 form part of these financial statements.

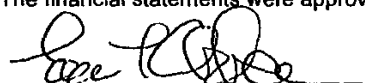
MOUNT ANVIL GROUP LIMITED

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2018**  
**REGISTERED NUMBER: 04410393**

	Note	2018 £'000	2017 restated £'000
<b>Fixed assets</b>			
Tangible fixed assets	12	1,408	1,648
Investments	13	53,408	46,102
		<u>54,816</u>	<u>47,750</u>
<b>Current assets</b>			
Stocks	14	1,320	3,704
Debtors: amounts falling due within one year	15	44,367	32,010
Cash at bank and in hand	16	22,736	32,236
Deferred tax asset	20	681	12
		<u>69,104</u>	<u>67,962</u>
Creditors: amounts falling due within one year	17	<u>(49,537)</u>	<u>(51,398)</u>
<b>Net current assets</b>		<u>19,567</u>	<u>16,564</u>
<b>Total assets less current liabilities</b>		<u>74,383</u>	<u>64,314</u>
Creditors: amounts falling due after more than one year	18	<u>(2,391)</u>	<u>(1,720)</u>
<b>Net assets</b>		<u>71,992</u>	<u>62,594</u>
<b>Capital and reserves</b>			
Called up share capital	21	7,189	7,178
Share premium account		30	30
Capital redemption reserve		3,087	3,098
Share based payment reserve		576	576
Retained earnings		<u>61,110</u>	<u>51,712</u>
<b>Equity attributable to owners of the parent company</b>		<u>71,992</u>	<u>62,594</u>

The notes on pages 16 to 34 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 SEPTEMBER 2019



Ewan Anderson  
Director

**MOUNT ANVIL GROUP LIMITED**

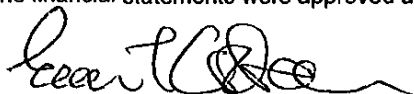
**COMPANY STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2018  
REGISTERED NUMBER: 04410393**

	Note	2018 £'000	2017 £'000
<b>Fixed assets</b>			
Investments	13	12,968	12,738
		<u>12,968</u>	<u>12,738</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	15	10,676	8,910
Cash at bank and in hand	16	32	39
		<u>10,708</u>	<u>8,949</u>
Creditors: amounts falling due within one year	17	(12,397)	(10,692)
<b>Net current liabilities</b>		<u>(1,689)</u>	<u>(1,743)</u>
<b>Total assets less current liabilities</b>		<b>11,279</b>	<b>10,995</b>
Creditors: amounts falling due after more than one year	18	(1,691)	(1,462)
<b>Net assets</b>		<u><b>9,588</b></u>	<u><b>9,533</b></u>
<b>Capital and reserves</b>			
Called up share capital	21	7,189	7,178
Share premium account		30	30
Capital redemption reserve		3,087	3,098
Share based payment reserve		576	576
Retained earnings		(1,294)	(1,349)
<b>Equity attributable to owners of the parent company</b>		<u><b>9,588</b></u>	<u><b>9,533</b></u>

The company profit and total comprehensive income for the year was £55,000 (2017: £1,349,000 loss).

The notes on pages 16 to 34 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 SEPTEMBER 2019



Ewan Anderson  
Director

**MOUNT ANVIL GROUP LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
AS AT 31 DECEMBER 2018**

	Share capital	Share premium	Capital redemption reserve	Share based payment reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2018 (as previously stated)	7,178	30	3,098	576	50,392	61,274
Restatement (note 25)	-	-	-	-	1,320	1,320
<b>At 1 January 2018 (restated)</b>	<b>7,178</b>	<b>30</b>	<b>3,098</b>	<b>576</b>	<b>51,712</b>	<b>62,594</b>
<b>Comprehensive income for the year</b>						
Comprehensive income for the year	-	-	-	-	9,398	9,398
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,398</b>	<b>9,398</b>
<b>Contributions by and distributions to owners</b>						
Growth Share Scheme Issue (see notes 21 and 22)	11	-	(11)	-	-	-
<b>Total transactions with owners</b>	<b>11</b>	<b>-</b>	<b>(11)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 31 December 2018</b>	<b>7,189</b>	<b>30</b>	<b>3,087</b>	<b>576</b>	<b>61,110</b>	<b>71,992</b>

The notes on pages 16 to 34 form part of these financial statements.

**MOUNT ANVIL GROUP LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
AS AT 31 DECEMBER 2017**

	Share capital	Share premium	Capital redemption reserve	Share based payment reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2017 (as previously stated)	7,178	30	3,098	576	42,901	53,783
Restatement (note 25)	-	-	-	-	(250)	(250)
At 1 January 2017 (restated)	7,178	30	3,098	576	42,651	53,533
Comprehensive income for the year						
Comprehensive income for the year (restated)	-	-	-	-	9,061	9,061
Total comprehensive income for the year	-	-	-	-	9,061	9,061
At 31 December 2017 (restated)	7,178	30	3,098	576	51,712	62,594

The notes on pages 16 to 34 form part of these financial statements.

**MOUNT ANVIL GROUP LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
AS AT 31 DECEMBER 2018**

	Share capital	Share premium	Capital redemption Reserve	Share based payment reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
<b>At 1 January 2018</b>	<b>7,178</b>	<b>30</b>	<b>3,098</b>	<b>576</b>	<b>(1,349)</b>	<b>9,533</b>
<b>Comprehensive income for the year</b>						
Comprehensive income for the year	-	-	-	-	55	55
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>55</b>	<b>55</b>
<b>Contributions by and distributions to owners</b>						
Growth Share Scheme Issue (see notes 21 and 22)	11	-	(11)	-	-	-
<b>Total transactions with owners</b>	<b>11</b>	<b>-</b>	<b>(11)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 31 December 2018</b>	<b>7,189</b>	<b>30</b>	<b>3,087</b>	<b>576</b>	<b>(1,294)</b>	<b>9,588</b>

The notes on pages 16 to 34 form part of these financial statements.



**MOUNT ANVIL GROUP LIMITED**

**COMPANY STATEMENT OF CHANGES IN EQUITY  
AS AT 31 DECEMBER 2017**

	<b>Share capital</b>	<b>Share premium</b>	<b>Capital redemption Reserve</b>	<b>Share based payment reserve</b>	<b>Retained earnings</b>	<b>Total equity</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>At 1 January 2017</b>	<b>7,178</b>	<b>30</b>	<b>3,098</b>	<b>576</b>	<b>-</b>	<b>10,882</b>
<b>Comprehensive income for the year</b>						
Comprehensive income for the year	-	-	-	-	(1,349)	(1,349)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,349)</b>	<b>(1,349)</b>
<b>Contributions by and distributions to owners</b>						
Dividends paid	-	-	-	-	-	-
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 31 December 2017</b>	<b>7,178</b>	<b>30</b>	<b>3,098</b>	<b>576</b>	<b>(1,349)</b>	<b>9,533</b>

The notes on pages 16 to 34 form part of these financial statements.

**MOUNT ANVIL GROUP LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018 £'000	2017 restated £'000
<b>Cash flows from operating activities</b>		
Profit for the financial year	9,398	9,061
<b>Adjustments for:</b>		
Depreciation of tangible assets	486	526
Write-off of investments	25	305
Interest payable	17	2,006
Interest receivable	(650)	(1,068)
Tax expense	283	1,880
Decrease / (Increase) in stocks	2,384	(174)
Increase in deferred tax asset	(669)	-
Increase in debtors (excluding joint ventures)	(3,372)	(6,507)
(Decrease)/ Increase in creditors due in less than one year (excluding joint ventures)	(3,200)	16,815
Increase in amounts owed to joint ventures	(7,647)	(4,387)
Increase in creditors due in more than one year (excluding joint ventures)	671	-
Share of profit of joint ventures	(5,614)	(17,920)
<b>Cash from operations</b>	(7,888)	537
Corporation tax paid	(78)	(2,118)
Interest paid	(17)	(2,006)
Interest received	446	2,415
<b>Net cash used in operating activities</b>	(7,537)	(1,172)
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(246)	(1,664)
Investments in joint ventures	(12,851)	(1,678)
Capital repaid to members	-	10,338
Dividend received from joint ventures	11,134	7,858
Receipt of monies lent	-	25,000
<b>Net cash (used in) / generated from investing activities</b>	(1,963)	39,854
<b>Cash flows from financing activities</b>		
Repayment of loans	-	(25,000)
<b>Net cash used in financing activities</b>	-	(25,000)
<b>Net (decrease) / increase in cash and cash equivalents</b>	(9,500)	13,682
Cash and cash equivalents at beginning of year	32,236	18,554
Cash and cash equivalents at the end of year	22,736	32,236
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	22,736	32,236

The notes on pages 16 to 34 form part of these financial statements.

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## MOUNT ANVIL GROUP LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1. STATUTORY INFORMATION

Mount Anvil Group Limited is a private company limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the company information page.

#### 2. ACCOUNTING POLICIES

##### 2.1 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. The company is a private company limited by share capital incorporated and domiciled in England. The address of the registered office is set out on the contents page of these financial statements.

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 parent company;
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole; and
- 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 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 following principal accounting policies have been applied:

##### 2.2 Basis of consolidation - subsidiaries

The consolidated financial statements incorporate the results of Mount Anvil Group Limited and all of its subsidiary undertakings as at 31 December 2018 using the acquisition method of accounting. The results of subsidiary undertakings are included from the date of acquisition.

##### 2.3 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 (less transaction costs) and is subsequently adjusted to reflect the investor's share of the profit or loss after tax, other comprehensive income, dividends and equity of the joint venture.

##### 2.4 Turnover

Turnover represents the value of measured works, net of value added tax. Project management fees earned by the company are recognised on a percentage of completion basis or otherwise according to the milestones set out in the underlying contracts, net of value added tax, and are also included within turnover.

In respect of the joint venture developments, turnover represents the value of unconditional unit sales, net of value added tax and is recognised when the significant risks and rewards are considered to have been transferred to the buyer.

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MOUNT ANVIL GROUP LIMITED

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NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2018

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**2. ACCOUNTING POLICIES (continued)**

**2.4 Turnover (continued)**

Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

**2.5 Construction contracts**

Recognition of revenue and profit on construction contracts requires management judgement regarding the anticipated final outcome of individual contracts and of the proportion of works completed at the reporting date. Management undertakes detailed reviews on a monthly basis in order to exercise judgement over the outcome of each contract and the associated risks and opportunities.

The value of work completed at the reporting date is assessed by undertaking surveys and completing internal valuations on each element of works completed and in progress. Regular management reviews of contract progress include a comparison of internal valuations to the applications for payment made by supply chain partners and to external valuations completed on behalf of clients. Any material variances are investigated and updates made where appropriate.

The age, nature and recoverability of all debtors and amounts recoverable on construction contracts are reviewed regularly by management and provisions made where appropriate.

Consistent procedures and management tools are in place to ensure that estimates are applied and results determined on a consistent basis.

Where it is probable that total contract cost will exceed total contract revenue, the expected loss is recognised as an expense immediately.

**2.6 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.

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.

**2.7 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.

**2.8 Investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.9 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.

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MOUNT ANVIL GROUP LIMITED

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NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2018

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2. ACCOUNTING POLICIES (continued)

2.10 Impairment of assets

Assets other than those measured at fair value are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets are impaired where there is objective evidence that the estimated recoverable value of the asset has been reduced.

For financial assets measured at amortised cost, the amount of an impairment is the difference between the assets carrying value and the present value of estimated cash flows, discounted at the asset's original effective interest rate.

2.11 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.

2.12 Cash and cash equivalents

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

2.13 Financial instruments

*Financial assets*

Financial assets are initially measured at the transaction price (including transaction costs) and subsequently held at cost, less any impairment.

*Financial liabilities and equity*

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at the transaction price (including transaction costs) and subsequently held at amortised cost.

2.14 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.

2.15 Finance costs

Finance costs arising in respect of any of the Group's corporate loan facilities are expensed when incurred. Finance costs incurred in relation to loans in joint venture development companies are 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. All other finance costs are charged to profit or loss over the term of the debt using the effective interest rate method.

2.16 Cash settled share scheme

Cash-settled share options are measured at fair value at the reporting date. The Group recognises a liability at the reporting date based on these fair values, taking into account the estimated number of awards that will actually vest in line with the latest assessment of the vesting period. Changes in the value of this liability are recognised in the Statement of Comprehensive Income.

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**MOUNT ANVIL GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**2. ACCOUNTING POLICIES (continued)**

**2.17 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.

**2.18 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.

**2.19 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:

- 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.

**2.20 Reserves**

The Group and Company's reserves are as follows:

- Called up share capital represents the nominal value of the shares issued.
- The share premium account represents the premium on issue of equity shares, net of any issue costs.
- The capital redemption reserve represents the nominal value of own shares that have been acquired by the Company and cancelled.
- The share based payment reserve represents the cost of the shares of the Company purchased by the Share Incentive Plan (SIP) trust for the benefit of the employees of the Group. The SIP was closed in 2013 and all the remaining shares were repurchased by the Company.

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**MOUNT ANVIL GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**2. ACCOUNTING POLICIES (continued)**

**2.21 Going concern**

The Group and company is in a net current asset and net asset position and is able to meet its commitments as they fall due. The directors have reviewed the group cash flow forecasts for a period of at least 12 months from the date of signing these financial statements and have concluded that it is appropriate to continue to adopt the going concern basis in the preparation of the financial statements.

**3. 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.

Recognition of revenue and profit on construction contracts requires management judgement regarding the anticipated final outcome of individual contracts and of the proportion of works completed at the reporting date. Management undertakes detailed reviews on a monthly basis in order to exercise judgement over the outcome of each contract and the associated risks and opportunities.

The value of work completed at the reporting date is assessed by undertaking surveys and completing internal valuations on each element of works completed and in progress. Regular management reviews of contract progress include a comparison of internal valuations to the applications for payment made by supply chain partners and to external valuations completed on behalf of clients. Any material variances are investigated, and updates made where appropriate.

The age, nature and recoverability of all debtors and amounts recoverable on construction contracts are reviewed regularly by management and provisions made where appropriate.

Consistent procedures and management tools are in place to ensure that estimates are applied, and results determined on a consistent basis.

**4. ANALYSIS OF TURNOVER**

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

	2018 £'000	2017 £'000
Property development	17,087	13,199
Design and build contracting	<u>156,070</u>	<u>140,452</u>
	<u>173,157</u>	<u>153,651</u>

All turnover arose within the United Kingdom.

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**MOUNT ANVIL GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**5. OPERATING PROFIT**

The operating profit is stated after charging:

	2018 £'000	2017 £'000
Depreciation of tangible fixed assets (note 12)	486	526
Rent - operating leases	868	665
Share based payment expense (note 22)	228	681
Fees payable to the Group's auditor and its associates for the audit of the Company's annual accounts (note 6)	227	121
Defined contribution pension cost (note 23)	<u>176</u>	<u>131</u>

**6. AUDITORS' REMUNERATION**

	2018 £'000	2017 £'000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	10	4
Fees payable to the Company's auditor for the audit of the Company's subsidiary companies	<u>217</u>	<u>117</u>
	<u>227</u>	<u>121</u>

**7. EMPLOYEES**

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

	2018 £'000	2017 £'000
Wages and salaries	20,187	17,557
Social security costs	2,729	3,523
Cost of defined contribution pension scheme	<u>176</u>	<u>131</u>
	<u>23,092</u>	<u>21,211</u>

Included in wages and salaries are share based payment charges of £228,000 (2017: £681,000). Refer to note 22 for additional information.



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**MOUNT ANVIL GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**7. EMPLOYEES (continued)**

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

	2018 No.	2017 No.
Site	126	119
Administration	104	86
	<u>230</u>	<u>205</u>

**8. DIRECTORS' REMUNERATION**

	2018 £'000	2017 £'000
Directors' emoluments	2,048	2,327
Company contributions to defined contribution pension schemes	4	6
	<u>2,052</u>	<u>2,333</u>

The highest paid director received remuneration of £585,000 (2017: £641,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £2,000 (2017: £5,000).

The total accrued pension provision of the highest paid director at 31 December 2018 amounted to £7,000 (2017: £5,000).

The highest paid director exercised no share options in the year to 31 December 2018 (2017: none).

**9. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2018 £'000	2017 £'000
Loan and other interest receivable	650	1,068
	<u>650</u>	<u>1,068</u>

**10. INTEREST PAYABLE AND SIMILAR CHARGES**

	2018 £000	2017 £000
Other interest payable	17	2,006
	<u>17</u>	<u>2,006</u>

**MOUNT ANVIL GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**11. TAXATION**

	2018 £'000	2017 restated £'000
<b>UK Corporation tax</b>		
Current tax on profits for the year	151	352
Adjustments in respect of previous periods	801	1,528
<b>Total current tax</b>	<b>952</b>	<b>1,880</b>
<b>Deferred tax</b>		
Recognition of deferred tax asset on trading losses	(358)	-
Origination and reversal of timing differences	(311)	-
<b>Total deferred tax</b>	<b>(669)</b>	<b>-</b>
<b>Taxation on profit on ordinary activities</b>	<b>283</b>	<b>1,880</b>

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is lower than (2017: lower than) the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%). The differences are explained below:

	2018 £'000	2017 restated £'000
Profit on ordinary activities before tax	9,681	10,941
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2017: 19.25%)	1,839	2,106
<b>Effects of:</b>		
Expenses not deductible for tax purposes	146	127
Income not taxable in determining taxable profit	(1,079)	(353)
Utilisation of tax losses not previously recognised	(815)	-
Timing differences	23	-
Recognition of deferred tax assets on trading losses and timing differences	(669)	-
Adjust closing deferred tax to average rate of 19.00%	55	-
Adjust opening deferred tax to average rate of 19.00%	(145)	-
Tax on apportioned LLP profits	127	-
Adjustments to tax charge in respect of prior periods	801	-
<b>Total tax charge for the year</b>	<b>283</b>	<b>1,880</b>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

There were no factors that may affect future tax charges.

**PRIOR YEAR RESTATEMENT**

The adjustment recorded to restate the prior year tax charge is to reclassify tax in respect of certain joint ventures to ensure the treatment is consistent with the Group's accounting policy. The effect of this adjustment has been to decrease the corporation tax expense by £2,431,000. Note 25 provides further details.

**MOUNT ANVIL GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**12. TANGIBLE FIXED ASSETS**

Group	Fixtures and fittings	Leasehold improvements	Total
	£'000	£'000	£'000
<b>Cost</b>			
At 1 January 2018	1,578	1,158	2,736
Additions	246	-	246
<b>At 31 December 2018</b>	<b>1,824</b>	<b>1,158</b>	<b>2,982</b>
<b>Depreciation</b>			
At 1 January 2018	980	108	1,088
Charge for the period	370	116	486
<b>At 31 December 2018</b>	<b>1,350</b>	<b>224</b>	<b>1,574</b>
<b>At 31 December 2018</b>	<b>474</b>	<b>934</b>	<b>1,408</b>
<b>At 31 December 2017</b>	<b>598</b>	<b>1,050</b>	<b>1,648</b>

**13. FIXED ASSET INVESTMENTS**

Group	Investment in joint ventures £'000
<b>Carrying value</b>	
At 1 January 2018 (as previously stated)	49,495
Restatement (note 25)	(3,393)
At 1 January 2018 (as restated)	46,102
Additions	12,851
Write off	(25)
Dividend received from joint venture	(11,134)
Joint venture profit share	5,614
<b>At 31 December 2018</b>	<b>53,408</b>

The adjustment recorded to restate the investment in joint ventures balance is to reclassify tax in respect of certain joint ventures to ensure the treatment is consistent with the Group's accounting policy. The effect of this adjustment has been to decrease share of joint venture profits by £3,393,000. Note 25 provides further details.

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**MOUNT ANVIL GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**13. FIXED ASSET INVESTMENTS (continued)**

Company	Investments in subsidiary companies £'000
<b>Cost or valuation</b>	
At 1 January 2018	12,738
Additions	230
	<hr/>
<b>At 31 December 2018</b>	<b>12,968</b>

**Subsidiary companies**

Name	Country of Incorporation	Holding	Principal activity
Mount Anvil Limited*	United Kingdom	100%	Construction company
Mount Anvil New Holdings Limited	United Kingdom	100%	Intermediate holding company
Mount Anvil (Development Management) Limited*	United Kingdom	100%	Property development manager
Mount Anvil Centre of Excellence Limited**	United Kingdom	100%	Dormant company
Mount Anvil (Union Street) Limited**	United Kingdom	100%	Property developer
Mount Anvil (Buckhold Road) Limited**	United Kingdom	100%	Dormant company
Mount Anvil (Buckhold Road) Commercial Limited**	United Kingdom	100%	Dormant company
Mount Anvil (Broomhill Road) Limited**	United Kingdom	100%	Property developer
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%	Dormant company
Central Street Developments Holdco 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 (SSM) Limited**	United Kingdom	100%	Dormant company
Mount Anvil UK Limited**	United Kingdom	100%	Intermediate holding company
Mount Anvil UK2 Limited**	United Kingdom	100%	Intermediate holding company
Mount Anvil UK3 Limited**	United Kingdom	100%	Intermediate holding company

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**MOUNT ANVIL GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**13. FIXED ASSET INVESTMENTS (continued)**

Mount Anvil UK4 Limited <sup>^*</sup>	United Kingdom	100%	Intermediate holding company
Mount Anvil UK5 Limited <sup>^*</sup>	United Kingdom	100%	Intermediate holding company
Mount Anvil UK6 Limited <sup>^*</sup>	United Kingdom	100%	Intermediate holding company
Mount Anvil UK7 Limited <sup>^*</sup>	United Kingdom	100%	Intermediate holding company
Mount Anvil UK8 Limited <sup>^*</sup>	United Kingdom	100%	Intermediate holding company
Mount Anvil (Western Gateway Holdco 2) Limited <sup>^*</sup>	United Kingdom	100%	Intermediate holding company
Mount Anvil (Western Gateway Holdco 3) Limited <sup>^*</sup>	United Kingdom	100%	Intermediate holding company
Mount Anvil (New Cross Gate) 1 Limited <sup>^*</sup>	United Kingdom	100%	Intermediate holding company
Mount Anvil (New Cross Gate) 2 Limited <sup>^*</sup>	United Kingdom	100%	Intermediate holding company
Mount Anvil (New Cross Gate) 3 Limited <sup>^*</sup>	United Kingdom	100%	Intermediate holding company
Mount Anvil (Friary Park 1) Limited <sup>^*</sup>	United Kingdom	100%	Intermediate holding company
Mount Anvil (Friary Park 2) Limited <sup>^*</sup>	United Kingdom	100%	Intermediate holding company
Mount Anvil (Friary Park 3) Limited <sup>^*</sup>	United Kingdom	100%	Intermediate holding company

**Joint Ventures**

<b>Name</b>	<b>Country of Incorporation</b>	<b>Holding</b>	<b>Principal activity</b>
Mount Anvil Hyde Regeneration LLP	United Kingdom	50%	Property developer
Eagle House Developments Limited <sup>*</sup>	Jersey	33.33%	Property developer
261 City Road Developments LLP <sup>*</sup>	United Kingdom	50%	Property developer
City Road (Lexicon) Limited <sup>*</sup>	Bermuda	50%	Property developer
Seward Street Developments LLP <sup>*</sup>	United Kingdom	25%	Property developer
Central Street Developments LLP <sup>*</sup>	United Kingdom	50%	Dormant company
72 Farm Lane Developments LLP <sup>*</sup>	United Kingdom	50%	Property developer
Mount Anvil (Jersey) Limited <sup>*</sup>	Jersey	50%	Intermediate holding company
Mount Anvil (Keybridge House) Limited <sup>*</sup>	Jersey	50%	Intermediate holding company
Keybridge House LLP <sup>*</sup>	United Kingdom	25%	Property developer
Mount Anvil (Kidderpore) Limited <sup>*</sup>	Jersey	25%	Property developer
Mount Anvil (Riverside) Limited <sup>*</sup>	Jersey	50%	Intermediate holding company
Hammersmith Developments Holdco Limited <sup>*</sup>	United Kingdom	50%	Intermediate holding company
Queen's Wharf Riverside LLP <sup>*</sup>	United Kingdom	25%	Property developer
Mount Anvil (Dollar Bay) Limited <sup>*</sup>	Jersey	25%	Intermediate holding company

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**MOUNT ANVIL GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**13. FIXED ASSET INVESTMENTS (continued)**

Dollar Bay Developments Holdco Limited*	United Kingdom	25%	Intermediate holding company
Western Gateway 2 LLP*	United Kingdom	50%	Property developer
Western Gateway 3 LLP*	United Kingdom	50%	Property developer
New Cross Gate 1 LLP*	United Kingdom	50%	Property developer
New Cross Gate 2 LLP*	United Kingdom	50%	Property developer
New Cross Gate 3 LLP*	United Kingdom	50%	Property developer
Friary Park 1 LLP*	United Kingdom	50%	Property developer
Friary Park 2 LLP*	United Kingdom	50%	Property developer
Friary Park 3 LLP*	United Kingdom	50%	Property developer
Dollar Bay Developments LLP*	United Kingdom	12.5%	Property developer
Mount Anvil (Keybridge House 2) Limited*	United Kingdom	50%	Intermediate holding company
Keybridge House 2 LLP*	United Kingdom	25%	Property developer
Mount Anvil (Gillender) Limited*	United Kingdom	25%	Intermediate holding company
Gillender 2 LLP*	United Kingdom	12.5%	Property developer
Western Gateway 1 LLP*	United Kingdom	25%	Intermediate holding company
Mount Anvil (Western Gateway) Limited*	Jersey	25%	Property developer
Mount Anvil (Stepney Way 1) Limited*	United Kingdom	50%	Intermediate holding company
Stepney Way 1 LLP*	United Kingdom	25%	Property developer
Mount Anvil (Stepney Way 2) Limited*	United Kingdom	50%	Intermediate holding company
Stepney Way 2 LLP*	United Kingdom	25%	Property developer

The above footnotes are denoted as follows:

All entities have a reporting period ended 31 with the exception of Keybridge House LLP, Keybridge House 2 LLP, Mount Anvil Hyde Regeneration LLP, Gillender 2 LLP, Stepney Way 1 LLP, Stepney Way 2 LLP, New Cross Gate 1 LLP, New Cross Gate 2 LLP, New Cross Gate 3 LLP and Queens Wharf Riverside LLP which have reporting periods ended 31 March.

\* These entities are held through an intermediate holding company

^ These entities have taken an exemption from audit by parent guarantee under section 479A of the Companies Act 2006.

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 GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**14. STOCKS**

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Work in progress	1,320	3,704	-	-
	<u>1,320</u>	<u>3,704</u>	<u>-</u>	<u>-</u>

Work in progress recognised in cost of sales during the year as expense was £153,555,000 (2017 restated: £144,335,000). No stocks are pledged as security for liabilities (2017: £nil).

**15. DEBTORS**

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Trade debtors	4,824	157	-	-
Amounts owed by group undertakings	-	-	9,008	8,910
Amounts owed by joint ventures	31,684	22,699	-	-
Other debtors	4,590	5,951	1,523	-
Prepayments and accrued income	3,269	3,203	145	-
	<u>44,367</u>	<u>32,010</u>	<u>10,676</u>	<u>8,910</u>

All amounts are due for repayment within one year.

**16. CASH AND CASH EQUIVALENTS**

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Cash at bank and in hand	22,736	32,236	32	39
	<u>22,736</u>	<u>32,236</u>	<u>32</u>	<u>39</u>

Cash at bank and in hand includes an amount of £550,000 (2017: £53,000) held with solicitors and available on demand.

**MOUNT ANVIL GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**17. CREDITORS: Amounts falling due within one year**

	Group	Group restated	Company	Company
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Trade creditors	8,619	7,590	135	-
Amounts owed to group undertakings	-	-	12,194	10,674
Amounts owed to joint ventures	1,777	439	-	-
Corporation tax	3,748	2,820	-	-
Taxation and social security	2,105	1,511	-	-
Other creditors	5,000	1,581	-	-
Accruals and deferred income	28,288	37,457	68	18
	<u>49,537</u>	<u>51,398</u>	<u>12,397</u>	<u>10,692</u>

The Directors have reviewed the prior year end provisions for corporation tax and accruals and deferred income and determined these to be overstated; see note 25 for more details.

**18. CREDITORS: Amounts falling due after more than one year**

	Group	Group restated	Company	Company
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Share based payment liability	1,690	1,462	1,691	1,462
Obligations under contracts	273	258	-	-
Provisions	428	-	-	-
	<u>2,391</u>	<u>1,720</u>	<u>1,691</u>	<u>1,462</u>

The Group has an obligation for dilapidations at the end of its head office lease in 2027 – this has been reclassified in the current year from current creditors to non-current creditors to more accurately reflect the due date of amounts payable.

**19. FINANCIAL INSTRUMENTS**

	Group	Group restated	Company	Company
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Financial assets measured at amortised cost	66,111	59,051	10,708	8,949
	<u>66,111</u>	<u>59,051</u>	<u>10,708</u>	<u>8,949</u>
Financial liabilities measured at amortised cost	(35,070)	(38,179)	(14,088)	(12,154)
	<u>(35,070)</u>	<u>(38,179)</u>	<u>(14,088)</u>	<u>(12,154)</u>



**MOUNT ANVIL GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**19. FINANCIAL INSTRUMENTS (continued)**

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

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

**20. DEFERRED TAX ASSET**

**Group**

	<b>Deferred tax £'000</b>
At 1 January 2018	12
Credited to profit and loss	669
<b>At 31 December 2018</b>	<b>681</b>

The provision for deferred taxation is made up as follows:

	<b>Group 2018 £'000</b>	<b>Group 2017 £'000</b>	<b>Company 2018 £'000</b>	<b>Company 2017 £'000</b>
Trading losses carried forward	358	-	-	-
Timing differences	323	12	-	-
	<b>681</b>	<b>12</b>	<b>-</b>	<b>-</b>

**21. SHARE CAPITAL**

	<b>2018 £'000</b>	<b>2017 £'000</b>
<b>Authorised</b>		
367,690 (2017: 367,690) B Ordinary shares of £1 each	368	368
1,440,372 (2017: 1,440,372) - C Ordinary shares of £1 each	1,440	1,440
4,020,125 (2017: 4,020,125) - A1 Ordinary shares of £1 each	4,020	4,020
1,350,000 (2017: 1,350,000) - A2 Ordinary shares of £1 each	1,350	1,350
14,100,000 (2017: 14,100,000) - Preference shares of £1 each	14,100	14,100
916,534 (2017: none) – D Ordinary shares of £0.01 each (2017: none)	9	-
207,500 (2017: none) – E Ordinary shares of £0.01 each (2017: none)	2	-
	<b>21,289</b>	<b>21,278</b>
<b>Allotted, called up and fully paid</b>		
367,690 (2017: 367,690) - B Ordinary shares of £1 each	368	368
1,440,372 (2017: 1,440,372) - C Ordinary shares of £1 each	1,440	1,440
4,020,125 (2017: 4,020,125) - A1 Ordinary shares of £1 each	4,020	4,020
1,350,000 (2017: 1,350,000) - A2 Ordinary shares of £1 each	1,350	1,350
889,721 (2017: none) – D Ordinary shares of £0.01 each (2017: none)	9	-
207,500 (2017: none) – E Ordinary shares of £0.01 each (2017: none)	2	-
	<b>7,189</b>	<b>7,178</b>

The A1, A2 and B shares rank pari passu with equal dividend and voting rights. The C, D and E shares are non-voting and have no dividend rights.

During 2018, 1,097,221 (889,721 D shares of £0.01 each and 207,500 E shares of £0.01 each) were issued under a Growth share scheme.

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**MOUNT ANVIL GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**22. SHARE BASED PAYMENTS**

In 2015 certain 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) 2018	Number 2018	Weighted average share price (pence) 2017	Number 2017
Outstanding at the start of the year	414	954,204	414	1,064,643
Granted during the year	414	-	414	-
Lapsed during the year	414	(163,467)	414	(110,439)
<b>Outstanding at the end of the year</b>	<b>414</b>	<b><u>790,737</u></b>	<b>414</b>	<b><u>954,204</u></b>

In the current year the Group's Directors were not granted any shares (2017: None).

The total expense recognised for the year arising from the ESS was £nil (2017: £681,000).

In 2018, certain employees of Mount Anvil Limited were offered the option to be issued with D and E ordinary shares under a new Growth Shareholder Scheme ('GSS').

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

Retaining ownership of the D and E ordinary shares is conditional on continuing employment. Specific rules apply if the employee ceases employment during the vesting period. The D and E ordinary shares have no dividend rights and no voting rights.

The shares in the Company issued under the GSS were valued using the net present value of estimated future economic returns at the issue date and will be remeasured at each subsequent reporting date.

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**MOUNT ANVIL GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**22. SHARE BASED PAYMENTS (continued)**

	Weighted average share price (pence)	Number 2018 D	Number 2018 E
Outstanding at the start of the year	400	-	-
Granted during the year	400	918,034	207,500
Lapsed during the year	400	(18,313)	-
Outstanding at the end of the year	400	<u>899,721</u>	<u>207,500</u>

In the current year the Group's Directors were not granted any shares.

The total expense recognised for the year arising from the GSS was £228,000 (2017: £nil).

**23. 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 £176,000 (2017: £131,000). Contributions totalling £36,000 (2017: £19,000) were payable to the fund at the Statement of Financial Position date.

**24. COMMITMENTS UNDER OPERATING LEASES**

At 31 December 2018 the Group and Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group	Group	Company	Company
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Not Later than 1 year	817	817	-	-
Later than 1 year and not later than 5 years	2,946	2,969	-	-
Later than 5 years	2,250	3,044	-	-
Total	<u>6,013</u>	<u>6,830</u>	<u>-</u>	<u>-</u>

**MOUNT ANVIL GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**25. PRIOR YEAR RESTATEMENT**

*During the year the directors reviewed the treatment of prior year tax charges relating to certain joint ventures. This has resulted in an adjustment being booked to ensure the correct treatment in respect of the accounting for profit and tax for joint ventures has been applied consistently across the Group. In addition, the directors have assessed the Group's accruals position at the prior year-end and determined it was overstated and given the level of overstatement it was deemed appropriate to restate and release.*

<b>Profit and loss account</b>	<b>£'000</b>
At 1 January 2017 as previously reported	42,901
Reclassification of tax on joint venture tax to share of joint venture profits	(250)
<b>At 1 January 2017 as restated</b>	<b>42,651</b>
 Profit for the year as previously reported	 7,491
Reclassification of tax on joint venture tax to share of joint venture profits	(3,047)
Reclassification of tax on joint venture tax from taxation on profit	2,431
Release of construction accruals	2,186
 Profit for the year as restated	 <u>9,061</u>
 <b>At 31 December 2017 as restated</b>	 <b><u>51,712</u></b>

<b>Group</b>			
<b>Statement of comprehensive income</b>	<b>As previously stated</b>	<b>Adjustment</b>	<b>Restated</b>
Cost of Sales	(146,454)	2,118	(144,336)
Administrative Expenses	(15,424)	68	(15,356)
Share of profit of joint ventures	20,967	(3,047)	17,920
Profit before taxation	11,802	(861)	10,941
Taxation on profit from ordinary activities	(4,311)	2,431	(1,880)
Profit for the year and total comprehensive income for the year	7,491	1,570	9,061

<b>Group</b>			
<b>Statement of financial position</b>	<b>As previously stated</b>	<b>Adjustment</b>	<b>Restated</b>
	<b>2017</b>	<b>2017</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Investments	49,495	(3,393)	46,102
Creditors: amounts falling due within one year	(56,369)	4,971	(51,398)
Creditors: amount falling due after one year	(1,462)	(258)	(1,720)
Net assets	61,274	1,320	62,594
Profit and loss account	50,392	1,320	51,712
Total equity attributable to shareholders	61,274	1,320	62,594

In relation to the Group, the aggregate impact for periods before those presented in these financial statements is a decrease to the retained earnings position brought forward at 1 January 2017 of £250,000

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**MOUNT ANVIL GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**26. RELATED PARTY TRANSACTIONS**

At the end of the year the loan balance between C K Hurley and the Group was £39,000 owed to C K Hurley (2017: £47,000 owed to C K Hurley). The highest balance during the year was £631,000 owed from C K Hurley (2017: £674,000 owed to C K Hurley).

During the year the group invoiced amounts totalling £156,070,000 (2017: £143,284,000) to the Group's joint ventures in respect of construction services. At 31 December 2018 the amount owed to Mount Anvil Group Limited and its subsidiaries from these joint ventures in relation to construction services was £31,684,000 (2017: £22,699,000). At 31 December 2018 the amount owed by Mount Anvil Group Limited and its subsidiaries to these joint ventures in relation to construction activities was £1,777,000 (2017: £439,000).

No apartments were sold to related parties in 2018 or 2017.

See note 8 for Director's remuneration. The Directors are considered to be the key management personnel in the Group.

**27. CONTROLLING PARTY**

At 31 December 2018 and 31 December 2017, the company's ultimate controlling party was C K Hurley.