MOUNTVIEW ESTATES P.L.C.

REPORT AND ACCOUNTS

2007

CONTENTS

FINANCIAL HIGHLIGHTS

	2007 £	2006 £	Increase %
Turnover (millions)	68.2	47.5	43.4
Gross Profit (millions)	43.1	28.1	53.4
Profit Before Tax (millions)	50.2	22.7	121.1
Shareholders' Funds (millions)	172.9	143.2	21.0
Earnings per share (pence)	899.2	408.4	120.1
Net assets per share	44.3	36.7	20.7
Dividend per share (pence)	150	130	15.4

Opposite are the financial highlights for the year ended 31 March 2007.

It is always a pleasure to announce increased profits, particularly when those profits represent a new high for the Company. No sooner has such a record high been announced than it becomes regarded as the norm, but I do believe that these profits must be regarded as exceptional. That is not to say that we do not respect this new benchmark as the target to which we must aspire and we shall strive to match it and, indeed, exceed it in years to come.

My loyal staff have accepted new and increased responsibilities which have been thrust upon them and have risen to these challenges admirably. So successful have they been that our second six months were even better than the first six months. I am happy not only to thank my staff and colleagues for all their hard work in difficult and changed circumstances but also to know that they are relishing the challenges ahead.

I have often emphasised the need to make the right purchases for the future success of the Company. This does not become any easier but happily the number of purchases made in the year to 31 March 2007 exceeded the number for the previous year and this trend has continued as our new financial year gets under way. We have the necessary financial facilities in place and so we are ready to take advantage of the right purchasing opportunities.

We have purchased more life tenancies during the year ended 31 March 2007 and will continue to pursue this source of trading stock. Whilst the income from these investments is negligible the discount to vacant possession value at which they can be bought is substantial at a time when the discount in respect of regulated tenancies is narrower than ever.

We have continued our policy of maintaining our properties and making the necessary improvements to enhance rental income and thus ensuring that properties are in optimum condition at the point of sale. Whilst the strength of our sales figures during the last year rightly takes greater emphasis than anything else, the continuing security of our rental income covering so many of our costs is most welcome.

I believe that this Company is in good shape to continue to deliver strong results but, if government and monetary policies are to have their intended effect, we must expect a quietening of the housing market. We continue to have in position firm financial and internal controls and we are well placed to deal with any challenges that may arise.

I have previously reported the departure of Christopher Maunder Taylor as at 30 September 2006. There is no intention to appoint a Director in his place. I now report that Nigel Palmer left the Company as a Non-Executive Director as at 31 December 2006. He has been replaced as a Non-Executive Director by John Fulton. As a Chartered Accountant John is ideally suited to be Chairman of the Audit Committee and will stand for election at the Annual General Meeting on 15 August 2007.

Your Board is recommending an increased final dividend of 100 pence per share in respect of the year ended 31 March 2007. This dividend is payable on 20 August 2007 to shareholders on the Register of Members as at 20 July 2007. This will make a total dividend for the year ended 31 March 2007 of 150 pence per share.

D.M. Sinclair

D.M. SINCLAIR
Chairman

18 July 2007

PROPERTY REVIEW

1. RESIDENTIAL PROPERTIES

The Group's business model is simple. We are a property trading company buying tenanted properties at a discount to notional vacant possession value and selling them when they become vacant.

Categories of Property held as trading stock

The Group trades in the following categories:

Rack rent (tenanted residential) units
Ground rent units
Life tenancy units

A unit is a property, however large or small, whether freehold or leasehold, which is held subject to one tenancy.

Analysis of the Group Trading portfolio by type as at 31 March 2007

	No of units	Cost £m
Rack Rents	2,348	160.80
Ground Rents	1,043	0.97
Life Tenancies	372	22.1

Analysis of the Group Trading portfolio at the lower of cost and estimated net realisable value by geographical location as at 31 March 2007

	Rack Rents £m	Ground Rents £m	Life Tenancies £m	Portfolio %
London (North)	49.1	0.4	0.2	27.1
London (South)	44.2	0.4	0.5	24.5
Kent, Surrey, Sussex, Dorset Hampshire, I.O.W	21.3	0.04	5.1	14.4
Herts, Essex, Beds, Bucks, Oxon, Camb, Norfolk, Suffolk, Berks, Middx, Northants	28.9	0.1	7.1	19.6
Remainder of England and Wales	17.3	0.03	9.2	14.4

Acquisitions

The Company's modus operandi is to buy tenanted residential property and sell it when it becomes vacant. Regulated investments that are characterised by early possession with rental returns below market value and high margin on sale are becoming increasingly short in supply. The Group continues to place more emphasis on the acquisition of life tenancies. Although this type of trading stock has nominal rental income, the properties are bought at a greater discount to vacant possession value and have a higher margin on sale. In addition, the maintenance of the property is usually the responsibility of the life tenant. The Group has made a number of quality residential purchases during the year, however, the number of units sold exceeds the number of units purchased, mainly due to the competitive nature of the market.

During the financial year the Group has sold and purchased the following number of units:

	Sold	Purchased
Rack Rents	227	132
Ground Rents	47	17 (or created)
Life Tenancies	10	36

Rental Income

The Company's rental income is derived from five different sources:

- Regulated tenancies
- Assured tenancies
- Assured shorthold tenancies
- Life tenancies
- Ground rents

More than ever we continue to target those properties where the rent is capped such that expenditure on improvements and the provision of missing amenities lead to substantial increases in rental income.

2. INVESTMENT PROPERTIES

The analysis of the investment portfolio as at 31 March 2007 is as follows:

Louise Goodwin Limited	54 units
A.L.G. Properties Limited	11 units

All the properties are located in Belsize Park, London NW3.

During the financial year, we have disposed of one unit.

Mountview Estates P.L.C. purchased the investment companies in 1999. They are the only significant departures from the Company's normal activities, and it was believed that the rental income could be increased to such an extent that the long term holding of the properties could be justified.

Outlook

Over the past 12 months, as a result of market conditions, rental income has not risen in the way we had anticipated. There is, however, an active owner/occupier purchasing market of which we intend to take advantage by the sale of units that fall vacant.

Valuation

The properties comprised within the investment portfolio have been revalued externally for the purposes of these accounts. The value attributed to each individual property reflects the change in its condition where appropriate and the adjustment resulting from changes in market circumstances.

Details of the valuation of the investment portfolio are disclosed on page 28.

Executive Directors

D.M. Sinclair FCA (Chairman)
Joined the Company as Company Secretary in 1977, became a Director on 1 January 1982 and succeeded his late father as Chairman on 5 June 1990. Member of the Institute of Chartered Accountants in England and Wales.

K. Langrish-Smith
Joined the Company in 1974 and became a Director on 1 January 1982.

Miss J.L. Murphy
Joined the Company in 1990 as an assistant to the late Frank Sinclair and became a Director on 1 September 1995.

Mrs. M.M. Bray FCCA
Joined the Company in 1996 and became Company Secretary. Appointed an Executive Director on 1 April 2004. Member of the Association of Chartered Certified Accountants.

C. Maunder Taylor FRICS
Joined the Company as a Non-Executive Director in 1990 and became an Executive Director on 1 January 1992. Member of the Royal Institute of Chartered Surveyors. Resigned on 30 September 2006.

Non-Executive Directors

J.P. Hall
Joined the Company as a Non-Executive Director on 1 December 2000.

J.B. Fulton FCA
Joined the Company as a Non-Executive Director on 1 January 2007. Member of the Institute of Chartered Accountants in England and Wales.

N.S. Palmer
Joined the Company as a Non-Executive Director on 1 December 2000. Resigned on 31 December 2006.

Secretary and Registered Office
Mrs. M.M. Bray FCCA
Mountview House, 151 High Street, Southgate, London N14 6EW

Bankers
HSBC Bank Plc, 60 Queen Victoria Street, London EC4N 4TR
Barclays Bank Plc, One Churchill Place, London E14 5HP

Auditors
BSG Valentine
Lynton House, 7-12 Tavistock Square, London WC1H 9B

Solicitors
Norton Rose
3 More London Riverside, London SE1 2AQ

Registrars and Transfer Office
Capita Registrars
Bourne House, 34 Beckenham Road, Beckenham, Kent BR3 4TU

Brokers
Brewin Dolphin Securities Ltd
12 Smithfield Street, London EC1A 9BD

The Directors have pleasure in presenting their Seventieth Annual Report to the Members together with the Financial Statements for the year ended 31 March 2007.

1. RESULTS AND DIVIDENDS

The Results for the year are set out in the Income Statement on page 16.

The Directors recommend the payment of a final dividend of 100 pence per share. The dividend will be paid on 20 August 2007 subject to approval at the A.G.M. on 15 August 2007 to Ordinary Shareholders on the register at the close of business on 20 July 2007.

2. ACTIVITIES

The principal activities of the Company and its Subsidiary undertakings are as follows:

Parent Company

Mountview Estates P.L.C.	Property Dealing

Subsidiary undertakings (wholly owned)

Hurstway Investment Company Limited	Property Dealing
Louise Goodwin Limited	Property Investment
A.L.G. Properties Limited	Property Investment

3. REVIEW OF BUSINESS AND PROSPECTS

Details of the Group's performance during the year and expected future developments are contained in the Chairman's Statement and the Review of Operations on pages 4 to 5. In addition the Group has established the following Financial and Internal Performance Indicators:

Financial Key Performance Indicators

	2007 growth %	2006 growth %
Earnings per share	**120.1**	(8.3)
Dividend	**15.4**	3.2
Net assets per share	**20.7**	6.4

The Directors do not consider that any non-financial indicators are in existence.

Internal Performance Measures

	2007 £'000	2006 £'000
Revenue per member of staff	**2,434**	1,581
Administrative expenses as percentage of revenue	**6.6%**	6.4%
Profit before tax per member of staff	**1,794**	755

4. ROTATION OF DIRECTORS

In accordance with the Company's Articles of Association, Mr. D.M.Sinclair and Mrs. M.M.Bray retire from the Board by rotation and being eligible, offer themselves for re-appointment. Resolutions for their re-appointment will be proposed at the Annual General Meeting.

5. DIRECTORS' INTERESTS IN SHARE CAPITAL

The number of Ordinary Shares in the Company in which the Directors and their families were interested is as follows:

	31 March 2007	1 April 2006
	Ordinary Shares of 5p each	
Mr. D.M. Sinclair including the following holding Sinclair Estates Limited – 54,165 beneficial Mr. D.M. Sinclair is a Director of the above company	**534,883**	534,883
Mr. K. Langrish-Smith	**221,155**	221,500
Miss J.L. Murphy	**1,100**	1,100
Mrs. M. M. Bray	**10,187**	10,187
Mr. J.P. Hall	**2,000**	2,000
Mr. C. Maunder Taylor (Resigned 30.09.2007)	**1,090**	800

All the above interests are beneficial except where otherwise stated.

Mr. K. Langrish-Smith has increased his beneficial holdings by 1,755 Ordinary Shares within 1 month of the Notice of Meeting.

6. SUBSTANTIAL INTERESTS IN SHARE CAPITAL

As at the date of this Report notices have been received of the following substantial interests in the capital of the Company:

	Ordinary Shares of 5p each	% of Issued Share Capital
Mr. Phillip Trevor Wheater FDSGS Acct and Mrs. Daphne Sinclair and Mr. Alistair James Sinclair	633,780	16.25
Mr. Richard Michael Moyse and Mr. Stephen Robin Oldfield Trustees of W.D.I. Sinclair Grandchildren Settlement	179,400	4.60
Estate of Mrs. Doris Sinclair	118,100	3.03
Mrs. M. A. Murphy	625,823	16.05
Mrs. S.M. Simkins	168,150	4.35
Mrs. A. Williams	119,890	3.07
Viewthorpe Limited	134,419	3.44

7. DIRECTORS' INTERESTS IN CONTRACTS

There was no Contract in existence during or at the end of the financial year in which a Director of the Company is, or was, materially interested, and which is or was significant in relation to the Company's business.

8. DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Company purchases liability insurance covering the Directors and Officers of the Company and its Subsidiary undertakings.

9. POLICY ON THE PAYMENT OF CREDITORS

The Company's policy in respect of all its suppliers is to settle the terms of payment when agreeing the terms of each transaction. The Company also ensures that the suppliers are made aware of the terms of payment and abides by them.

Trade creditors existing at 31 March 2007 relating to purchases of property stock generally complete 28 days after exchange of contracts. Other trade creditors were settled, on average, 14 days after incurring the liability (2006: 14 days).

10. REMUNERATION POLICY

The Company's Shareholders will be asked to approve the Remuneration Report contained in the Annual Report and Accounts at the Annual General Meeting to be held on 15 August 2007 and a resolution is drafted accordingly.

11. CORPORATE GOVERNANCE

The Directors' statement on corporate governance is set out on pages 11 to 13.

12. HEALTH AND SAFETY

The Group is committed to achieving a high standard of health and safety. The Group operates and regularly reviews its health and safety policies and practices to ensure that appropriate standards are maintained.

13. DONATIONS

During the year the Group made charitable donations of £25,835 (2006: £29,515).
There were no political donations (2006: £nil).

14. GOING CONCERN

The Directors continue to adopt the going concern basis in preparing the accounts.
They are of the opinion that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future.

15. AUDITORS

BSG Valentine were appointed on 11 October 2006 to fill a vacancy in accordance with section 388(1) of the Companies Act 1985.A resolution to re-appoint BSG Valentine as auditors for the ensuing year will be proposed at the Annual General Meeting in accordance with section 385 of the Companies Act 1985.

By Order of the Board
M. M. BRAY
Secretary

Mountview House
151 High Street
Southgate
London N14 6EW
18 July 2007

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the Group financial statements in accordance with the applicable law and International Financial Reporting Standards as adopted by the European Union, in addition the Directors are responsible for preparing the Parent Company accounts in accordance with UK GAAP.

Company law requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss for that period. In preparing these 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 Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Directors are aware:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

By Order of the Board
M. M. BRAY
Secretary

Mountview House
151 High Street
Southgate
London N14 6EW
18 July 2007

The Financial Reporting Council (FRC) published a new version of the Combined Code in July 2003 following publication of the Higgs report earlier that year. This is applicable to the Company for the reporting year commencing 1 April 2004. The Board is satisfied that as a "small company" outside the FTSE 350 it would currently meet most of the requirements.

Mountview Estates P.L.C. is a family controlled Company. There is a concert party in existence, of which members of the Sinclair family, Sinclair Estates Limited, Viewthorpe Limited, directors of the Company and various long standing supporters of the Company are currently members. As a result of a reorganisation of certain of the Sinclair family's interests which took place in April 2005, shares in the Company which had previously been held by certain former members of the concert party are no longer being treated as held by the concert party. Due to this reorganisation and the addition also of certain other shareholdings, the net aggregate shareholdings of the concert party now amount to approximately 53 percent of the issued share capital of the company.

Throughout the year ended 31 March 2007 the Company has been in compliance with the Code provisions set out in Section 1 of the July 2003 FRC Combined Code on Corporate Governance with certain exceptions noted below:

- A2.1 requires justification for combining the posts of Chairman and Chief Executive Officer. There is no formal division of responsibilities but neither the Chairman nor any other member of the Board has unfettered powers of decision.

  As it is a small Company, there is no formal nomination of a senior independent director.

- A3.2 The majority of non-executive Directors should be independent of management and free from any business or other relationship, which could materially interfere with the exercise of their independent judgement. Mr. J.P.Hall, a non-executive Director, is the Chief Executive of Brewin Dolphin Holdings PLC but has no influence or part in the corporate advice received by the Company. Mr.J.P.Hall's detachment from the day-to-day issues raised within the Company during the year, together with the presence of the second non-executive Director Mr. J.B. Fulton provide sufficiently strong and experienced balance with the executive members of the Board for a Company of this size.

  In view of this we continue to believe that both our non-executive Directors are independent.

The Board

As at the year ended 31 March 2007 the Board comprised the Chairman, Mr. D. M. Sinclair, three executive Directors and two non-executive Directors. All Directors have access to independent professional advice at the expense of the Company and to the services of the Company Secretary who is responsible to the Board for ensuring the correct procedures are followed.

In addition to ad-hoc meetings arranged to discuss particular transactions and events, the full Board meets at least four times a year and retains full and effective control over the Group's activities.

Meetings	Mr. D.M. Sinclair	Mr. K. Langrish-Smith	Miss J.L. Murphy	Mrs. M.M. Bray	Mr. C. Maunder Taylor (Resigned 30 Sept. 2006)	Mr. J.P. Hall	Mr. J.B. Fulton	Mr. N.S. Palmer (Resigned 31 Dec. 2006)
Full Board	4	4	4	4	2	4	2	2
Audit Committee	3	n/a	n/a	3	n/a	3	1	3
Remuneration Committee	1	n/a	n/a	n/a	n/a	2	1	1
Nomination Committee	1	1	1	1	–	1	–	1

Day to day management is delegated to the Executive Board which focuses on major transactions, business growth, strategy, cash management and control.

There is regular communication with the Non-Executive Directors in order to keep them informed on the Company's operations.

All members of the Board are subject to the re-election provisions of the Articles which require them to offer themselves for re-election at least once every three years and, on appointment, at the first Annual General Meeting (AGM) after appointment. Details of those directors offering themselves for re-appointment are set out in the Directors' Report on Page 7.

Directors – performance evaluation

The Board is of the opinion that the Directors' performance is continuously evaluated throughout the year.

Any areas of concern are addressed during our regular management or Board meetings. Each of the Directors is responsible for his/her self-appraisal process in respect of their individual performance during the year. This is in turn discussed with the members of the Remuneration Committee who also review the performance of the Board as a whole.

Remuneration Committee

The Remuneration Committee comprises Mr. John Hall (non-executive Director), Mr. John B. Fulton (non-executive Director) and Mr.D.M.Sinclair (Chairman). The Committee, which is chaired by Mr. John Hall, monitors, reviews and makes recommendations to the Board on all elements of the remuneration of the executive Directors. The Committee meets twice a year.

No Director is involved in deciding his/her own remuneration and the remuneration of the non-executive Directors is determined by the full Board.

The report of Directors' Remuneration is set out on Pages 14 to 15.

Nomination Committee

The Nomination Committee is responsible for the selection and approval of appointments to the Board. Given the small size of the Company the Chairman of the Nomination Committee is Mr. D.M. Sinclair and all the Directors of the Company are members. The Committee has approved the nomination of Mr John B. Fulton as the new non-executive Director and Chairman of the Audit Committee.

Audit Committee

The Audit Committee comprises Mr. John Hall (non-executive Director) and Mr. John B. Fulton (non-executive Director). The Committee, which is chaired by Mr. John B. Fulton, has clear terms of reference agreed by the Board and is responsible for ensuring that the Group's system of financial control is adequate. It also keeps under review the cost effectiveness of the audit and the independence and objectivity of the auditors. The Committee has made recommendation and presided over the review of Grant Thornton UK LLP as the Company's Auditors. Mr D.M. Sinclair and Mrs M.M. Bray participated alongside the Audit Committee members during the meetings at which resignation of Grant Thornton LLP was accepted and BSG Valentine were selected as the new auditors for the current financial year.

The Committee meets a minimum of three times a year and at least one of these meetings is with the external auditors without an executive director in attendance. The Chairman of the Audit Committee reports to the Board on matters discussed with external auditors. The Audit Committee monitors the integrity of the financial statements and reviews the interim and annual financial statements before submission to the Board. Further the Committee seeks to ensure that the external auditors are independent.

Mr. John B. Fulton is a member of Institute of Chartered Accountants in England and Wales.

The Audit Committee has satisfied itself that the Company complies with the principles set out in the Smith Report.

Communications with Shareholders

The Company communicates with its shareholders by way of the annual reports and accounts and half yearly interim reports. Investors may use the Company's Annual General Meeting to communicate with the Board. The Board including the non-executive Directors is available throughout the year to listen to the views of Shareholders.

Internal Financial Control

An ongoing process for identifying, evaluating and managing the significant risks faced by the Group was in place throughout the period from 1 April 2006 to the date of approval of the Annual Report and Accounts. This process is regularly reviewed by the Board and accords with the Internal Control Guidance for Directors in the Combined Code.

The Directors are responsible for establishing and maintaining the Group's system of internal financial control. Internal control systems in any group are designed to meet the particular needs of that group and the risks to which it is exposed, and by their nature can provide reasonable but not absolute protection against material misstatement or loss. Due to its size, the Group does not have an internal audit function. The key procedures which the Directors have established with a view to providing effective internal financial control are as follows:

Identification of Business Risks – The Board is responsible for identifying the major business risks faced by the Group, such as fluctuations in interest rates, inflation rates, fluctuations in consumer spending, employment levels and for determining the appropriate course of action to manage those risks.

Management Structure – The Board has overall responsibility for the Group and there is a formal schedule of matters specifically reserved for decision by the Board.

Corporate Accounting – Responsibility levels are communicated throughout the Group as part of the corporate accounting procedures. These procedures set out authorisation levels, segregation of duties and other control procedures.

Quality and Integrity of Personnel – The integrity and competence of personnel is ensured through high recruitment standards and close Board supervision.

Monitoring – Internal financial control procedures are reviewed by the Board as a whole. These reviews embrace the provision of regular information to management, and monitoring of performance and key performance indicators.

UNAUDITED INFORMATION

Remuneration Committee
The Remuneration Committee, as constituted by the Board is responsible for the determination of the remuneration of the executive Directors of Mountview Estates P.L.C. The Board as a whole considers the remuneration of the non-executive Directors. External advisors were not used in the year under review. The composition of the Committee has not altered during the year.

Remuneration Policy

The Group operates in a competitive environment. In forming its policy on remuneration the Group aims to set reward packages which enable the Group to attract, retain and motivate executives with the appropriate skills and experience.

The Remuneration Committee has developed the following specific remuneration package consisting of two elements.

- Basic salary and benefits – the fixed part of the package
- Annual discretionary bonuses

Basic salaries and benefits in kind for each executive Director are reviewed on an annual basis by the Remuneration Committee, which takes into account individual responsibilities, experience and performance as well as competitive market practice. Benefits include the provision of a car and private medical health insurance.

Directors have the choice of the use of the company car or the cash alternative.

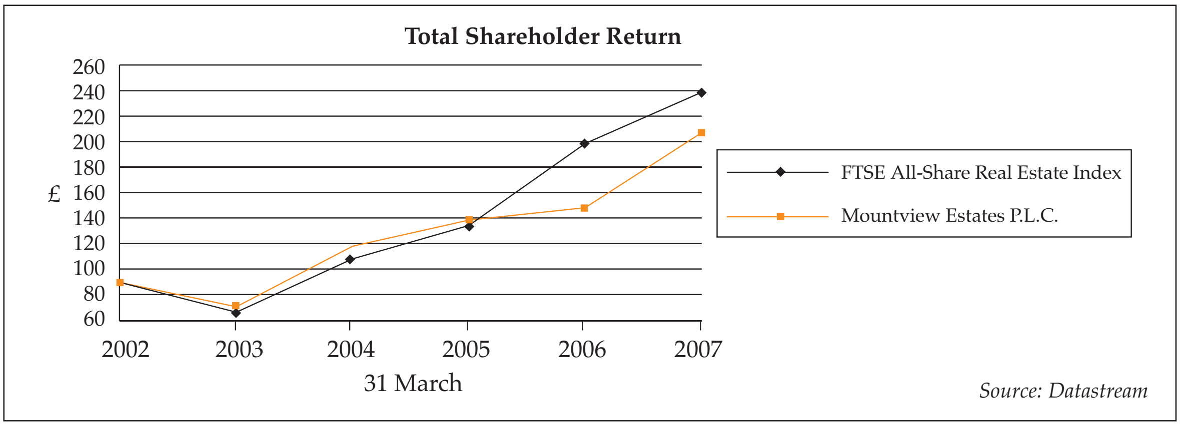
The Group does not operate any share option scheme.

Bonuses are recommended by the Committee and approved by the Board having regard to the performance of the Group and the executive Directors during the year. In assessing corporate performance the Remuneration Committee takes into account the Group's corporate performance within the property sector.

Non-Executive Directors
Each non-executive Director receives fees of £24,000 per annum. The non-executive Directors are not entitled to bonuses, benefits or pension contributions.

Pensions
The Company contributes 3% of the total of the executive Directors' gross annual salaries and bonuses to a Stakeholder Pension Scheme. The above scheme is available to all employees of the Company.

Performance Graph
The graph below is prepared in accordance with The Directors' Remuneration Report Regulations 2002 and illustrates the Company's performance compared to a broad equity market index over the past five years. As the Company is a constituent of the FTSE All-Share Real Estate Index, that index is considered the most appropriate form of broad equity market index against which the Company's performance should be plotted. Performance is measured by Total Shareholder Return as represented by share price performance and dividend.



The graph looks at the value of £100 invested in Mountview Estates PLC on 31 March each year compared to the value of £100 invested in the FTSE All-Share Real Estate Index.

AUDITED INFORMATION

2007	Salary £000	Bonus £000	Benefits in kind £000	Pensions Contri-butions £000	Total £000
Executive					
D. M. Sinclair	215	375	28	18	636
K. Langrish-Smith	135	200	15	10	360
Miss J. L. Murphy	161	275	14	13	463
Mrs M. M. Bray	161	300	–	14	475
C. Maunder Taylor (Resigned 30.09.2006)	79	–	6	2	87
Non-Executive					
J.P. Hall	24	–	–	–	24
J.B. Fulton (Appointed on 01.01.2007)	6	–	–	–	6
N.S. Palmer (Resigned 31.12.2006)	18				18
	799	1,150	63	57	2,069

2006	Salary £000	Bonus £000	Benefits in kind £000	Pensions Contri-butions £000	Total £000
Executive					
D. M. Sinclair	200	120	26	10	356
K. Langrish-Smith	120	45	14	5	184
Miss J. L. Murphy	150	60	12	6	228
Mrs M. M. Bray	150	105	–	8	263
C. Maunder Taylor	150	70	11	7	238
Non-Executive					
J.P. Hall	24	–	–	–	24
N.S. Palmer	24	–	–	–	24
	818	400	63	36	1,317

Service Contracts
Each of the executive Directors who served during the year has a service agreement, which can be terminated on one year's notice by either party.

Approval
An Ordinary Resolution to approve this report will be proposed at the Annual General Meeting of the Company.

This report was approved by the Board on 18 July 2007.

John Hall

John Hall
Chairman of the Remuneration Committee

CONSOLIDATED INCOME STATEMENT

for the year ended 31 March 2007

	Notes	**Year ended 31.03.2007 £000**	Year ended 31.03.2006 £000
REVENUE	4	**68,168**	47,456
Cost of sales	4	**(25,076)**	(19,402)
GROSS PROFIT		**43,092**	28,054
Administrative Expenses		**(4,526)**	(3,058)
Gain on sale of investment properties		**–**	599
Operating profit before changes in fair value of investment properties		**38,566**	25,595
Increase in fair value of investments		**14,224**	337
PROFIT FROM OPERATIONS		**52,790**	25,932
Finance costs	7	**(2,583)**	(3,299)
Income from investments	8	**20**	27
PROFIT BEFORE TAXATION		**50,227**	22,660
Taxation – current		**(11,029)**	(7,266)
Taxation – deferred		**(4,138)**	528
Taxation	9	**(15,167)**	(6,738)
PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS		**35,060**	15,922
Basic and diluted earnings per share (pence)	11	**899.2**	408.4

The notes on pages 20-33 are an integral part of these consolidated financial statements.

as at 31 March 2007

	Notes	As at 31.03.2007 £000	As at 31.03.2006 £000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	12	**2,607**	2,735
Investment properties	13	**34,080**	20,780
		36,687	23,515
CURRENT ASSETS			
Inventories of trading properties	15	**183,889**	176,095
Trade and other receivables	16	**1,061**	651
Cash and cash equivalents		**646**	2,338
		185,596	179,084
TOTAL ASSETS		**222,283**	202,599
EQUITY AND LIABILITIES			
Capital and reserves attributable to equity holders of the company			
Share capital	21	**195**	195
Capital redemption reserve	22	**55**	55
Capital reserve	22	**25**	25
Other reserves	22	**56**	56
Retained earnings	23	**172,606**	142,849
		172,937	143,180
NON-CURRENT LIABILITIES			
Long-term borrowings	18	**29,644**	29,716
Deferred tax	19	**9,194**	5,056
		38,838	34,772
CURRENT LIABILITIES			
Trade and other payables	17	**2,952**	1,420
Bank overdrafts and loans	18	**1,030**	20,149
Current tax payable		**6,526**	3,078
		10,508	24,647
TOTAL LIABILITIES		**49,346**	59,419
TOTAL EQUITY AND LIABILITIES		**222,283**	202,599

Approved by the Board on 18 July 2007.

D. M. SINCLAIR Chairman K. LANGRISH-SMITH Director

The notes on pages 20-33 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2007

	Notes	Share capital £000	Capital reserves £000	Capital redemption reserves £000	Other reserves £000	Retained earnings £000	Total £000
Changes in equity for year ended 31 March 2006							
Balance as at 1 April 2005		195	25	55	56	131,840	132,171
Profit for the year						15,922	15,922
Dividends						(4,913)	(4,913)
Balance at 31 March 2006		195	25	55	56	142,849	143,180
Changes in equity for year ended 31 March 2007							
Balance as at 1 April 2006		195	25	55	56	142,849	143,180
Profit for the year						35,060	35,060
Dividends	10					(5,303)	(5,303)
Balance at 31 March 2007	23	195	25	55	56	172,606	172,937

The notes on pages 20-33 are an integral part of these consolidated financial statements.

for the year ended 31 March 2007

	Notes	Year ended 31.03.2007 £000	Year ended 31.03.2006 £000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit from operations		**52,790**	25,932
Adjustments for:			
Depreciation		**146**	159
Loss on disposal of property, plant and equipment		**45**	30
Increase in fair value of investment properties		**(14,224)**	(337)
Gain on sale of investment properties		**–**	(599)
Operating cash flows before movement in working capital		**38,757**	25,185
(Increase) in inventories		**(7,794)**	(1,320)
(Increase) in receivables		**(410)**	(331)
Increase in payables		**1,532**	317
Cash generated from operations		**32,085**	23,851
Interest paid		**(2,583)**	(3,299)
Income taxes paid		**(7,581)**	(7,343)
Net cash from operating activities		**21,921**	13,209
Investing activities			
Interest received		**20**	27
Proceeds from sale of investment properties		**925**	3,122
Proceeds from disposals of property, plant and equipment		**41**	61
Purchase of property, plant and equipment	12	**(69)**	(165)
Purchase of investment properties	13	**(35)**	(498)
Net cash from investing activities		**882**	2,547
Cash flows from financing activities			
Repayment of borrowings		**(1,268)**	(12,711)
Dividends paid		**(5,303)**	(4,913)
Net cash used from financing activities		**(6,571)**	(17,624)
Net increase/(decrease) in cash and cash equivalents		**16,232**	(1,868)
Cash and cash equivalents at beginning of the period		**(15,586)**	(13,718)
Cash and cash equivalents at end of year	18	**646**	(15,586)

The notes on pages 20-33 are an integral part of these consolidated financial statements.

for the year ended 31 March 2007

1. GENERAL INFORMATION

Mountview Estates P.L.C. (the Company) and its Subsidiaries (the Group) is a property trading company with a portfolio in England and Wales.

The Company is a public limited liability company, incorporated, domiciled and registered in England.

The address of its registered office is: 151 High Street, Southgate, London N14 6EW.

The Company has its primary listing on the London Stock Exchange.

These consolidated financial statements have been approved for issue by the Board of Directors on 18 July 2007.

2. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of Preparation

The Accounts have been prepared under the historical cost convention, as modified by the revaluation of investment properties, and in accordance with applicable International Financial Reporting Standards as adopted by the EU.

(b) Basis of Consolidation

The Group's financial statements incorporate the results of Mountview Estates P.L.C. and all of its Subsidiary undertakings made up to 31 March each year. Control is achieved where the company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities.

The Group exercise control through voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

On acquisition, the identifiable assets, liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. The purchase method has been used in consolidating the subsidiary financial statements.

All significant inter company transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation within the consolidated accounts.

Consistent accounting policies have been used across the Group.

(c) Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

(d) Investment Properties

Properties that are held for long term rentals or for the capital appreciation are classified as investment properties.

Investment properties initially are measured at cost, including related transaction costs, thereafter are stated at their fair value at balance sheet. Expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.All other repairs and maintenance costs are charged to the income statement.

Gains or losses arising from changes in the fair value of investment properties are recorded in the income statement.

(e) Income Tax

The charge for current tax is based on the results for the year as adjusted for items which are non-assessable or disallowed. It is calculated using rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction, which affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in Subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the rates that are expected to apply when the asset or liability is settled. Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(f) Provisions

Provisions for legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

(g) Revenue

Revenue includes proceeds of sales of properties, rents from properties, which are held as trading stock, investment and other sundry items of revenue before charging expenses.

Rental income is recognised over the rental period.

Sales of properties are recognised on legal completion as in the Directors' opinion this is the point at which the substantial risks and rewards of ownership have been transferred.

(h) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved.

(i) Interest Expense

Interest expense for borrowings are recognised within "finance costs " in the income statement using the effective interest rate method. The effective interest method is a method of calculating the financial liability and of allocating the interest expense over the relevant period.

for the year ended 31 March 2007

(j) Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the item. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset using the straight-line method as follows:

Freehold property	–	2%
Fixtures and fittings and office equipment	–	20%
Computer equipment	–	25%
Motor Vehicles – reducing balance method	–	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each financial year. An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

(k) Impairment of Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Any impairment is recognised in the Income Statement in the year in which it occurs.

(l) Estimates and Judgements

Investment Properties

In considering the values attributable to the investment portfolio, the following factors are taken into consideration:

- sales of properties within the Group's portfolio during the preceding 12 months
- sales of properties in the same district whenever the information is available
- published market research concerning the performance of the property market in this region and district
- factors affecting individual properties and units in relation to value, and factors in the district which might affect the values of individual properties and units

Carrying value of trading stock

The average length of time a unit of stock is held by the Group is 15 years and historically, the value of properties has increased steadily due to favourable market condition. In addition it is the Company's policy to ensure that each unit of stock is kept in a good state of repair, in order that the value of trading stock will be maintained.

(m) Inventories

These comprise residential properties all of which are held for resale, and are valued at the lower of cost and estimated net realisable value. Cost to the Group includes legal fees and commission charges incurred during acquisition together with improvement costs. Net realisable value is the net sale proceeds which the Group expects on sale of a property in its current condition. The analysis of the Group trading portfolio as at 31 March 2007 is on page 4.

(n) Pension Costs

The Group operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Group. The annual contributions payable are charged to the Income Statement. The Group has no further payment obligations once the contributions have been paid.

(o) Financial Instruments

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group has become a party to the contractual provisions of the instrument. Trade receivables and trade payables are measured at their net realisable value.

(p) Bank Borrowings

Loans are recorded at fair value at initial recognition and thereafter at amortised costs under the effective interest method.

(r) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

3. FINANCIAL RISK MANAGEMENT

1. Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including price risk and cash flow risk) credit risk and liquidity risk.

The financial risks relate to the following financial instruments: trade receivables, cash and cash equivalents, trade and other payables and borrowings.

(a) Market risk

Price risk
– the Group is exposed to property price and property rental risk.

Cash flow and fair value interest rate risk
– as the Group has no significant interest bearing assets, its income and operating cash flows are substantially independent of changes in market interest rates.

Long Term Borrowings
– borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group's cash flow and fair value interest rate risk is periodically monitored by the Group's management. The Group has not adopted any form of interest costs hedging against any potential future changes in interest rate.

The Board is confident that based on the historical performance of the Group, the finance costs are sufficiently covered by profits from operations.

(b) Credit risk

Exposure to credit risk and interest risk arises in normal course of the Group's business.

The Group has no significant concentration of credit risk. Credit risk arises from cash and cash equivalents as well as credit exposures with respect to rental customers, including outstanding receivables. The Directors are of the opinion that credit risk is minimal due to the low level of trade receivables relative to the Balance Sheet totals. The receivables are reviewed on a regular basis to ensure that they are recoverable.

for the year ended 31 March 2007

(c) Liquidity risk

The Group's liquidity position is monitored daily by management and is reviewed quarterly by the Board of Directors. A summary table with maturity of financial liabilities are presented in the note 18.

2. Capital risk management

The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total debt and equity.

	2007 £000	2006 £000
Total borrowings	**33,626**	51,285
Less cash and cash equivalents	**(646)**	(2,338)
Net debt	**32,980**	48,947
Total equity	**172,937**	143,180
Total debt plus equity	**205,917**	192,127
Gearing ratio	**16%**	25%

4. SEGMENTAL INFORMATION

The revenue and cost of sales of the Group are analysed as follows:

	2007 £000	2006 £000
Revenue		
Gross sales of properties	**56,163**	35,667
Gross rental income	**12,005**	11,789
	68,168	47,456
Cost of Sales		
Cost of properties sold	**19,590**	14,286
Property expenses	**5,486**	5,116
	25,076	19,402
Gross Profit		
Sales of properties	**36,573**	21,381
Net rental income	**6,519**	6,673
	43,092	28,054

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. The Group monitors its operations in the above segments.

for the year ended 31 March 2007

5. (a) PROFIT FROM OPERATIONS

	2007 £000	2006 £000
The operating profit is stated after charging:		
Depreciation of tangible fixed assets	**146**	159
Loss on disposal of fixed assets	**45**	31
Auditors' remuneration		
– as auditors	**41**	47
– for other services	**9**	–
operating expenses for investment properties	**287**	524
And after crediting:		
– net rental income	**6,519**	6,673
– administrative charges to related companies (Note 24)	**66**	66

(b) PROFIT ON DISPOSAL OF INVESTMENT PROPERTIES IN SUBSIDIARIES

	2007	2006
	–	599

6. STAFF COSTS (including Directors)

	2007 £000	2006 £000
Wages and salaries	**2,917**	1,935
Social security costs	**382**	228
Pension costs	**78**	58
	3,377	2,221

Directors' Remuneration	2007 £000	2006 £000
Total Directors' Remuneration including salary, bonuses, benefits in kind and pensions contributions amounted to:	**2,069**	1,317

The details of Directors' Remuneration are shown in the audited section of the Remuneration Report on page 14.

The Company contributes 3% of the total annual gross salaries and bonuses of each employee to a Stakeholder Pension Scheme.

The average weekly number of employees during the year was as follows:

	2007	2006
Office and management	**28**	30

for the year ended 31 March 2007

7. FINANCE COSTS

	2007 £000	2006 £000
Interest on bank overdrafts, and loans	**2,583**	3,299

8. INCOME FROM INVESTMENTS

	2007 £000	2006 £000
Interest on bank deposits	**20**	27

9. INCOME TAX EXPENSE

	2007 £000	2006 £000
(a) Analysis of charge in the year		
Current tax: UK Corporation Tax 30% (2006: 30%)	**11,029**	7,266
Deferred tax: Current year 30% (2006: 30%)	**4,138**	(528)
Taxation attributable to the Company and its Subsidiaries	**15,167**	6,738

(b) Factors affecting income tax expense

The charge for the year can be reconciled to the profit per the income statement as follows:

	2007 £000	2006 £000
Profit on ordinary activities before taxation	**50,227**	22,660
Profit on ordinary activities multiplied by rate of tax (30%)	**15,067**	6,797
Expenses not deductible for tax	**57**	44
Income not liable to tax	**–**	(179)
Depreciation in excess of capital allowances	**18**	(14)
Taxation on capital gains	**176**	700
Marginal relief	**(7)**	–
Revaluation surplus in subsidiaries not taxed	**(4,277)**	(101)
Deferred tax	**4,118**	(518)
Sundry adjusting items	**15**	9
Taxation attributable to the Company and its Subsidiaries	**15,167**	6,738

for the year ended 31 March 2007

10. DIVIDENDS

On 21 August 2006 a dividend of 86 per share (2005: 82p per share) was paid to the shareholders. On 26 March 2007 a dividend of 50p per share (2006: 44p per share) was paid to the shareholders. This resulted in total dividends paid in the year of £5.303 million (2006: £4.913 million).

In respect of the current year, the Directors propose that a final dividend of 100p per share will be paid to the shareholders on 20 August 2007. This dividend is subject to approval by the shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

The proposed final dividend for 2007 is payable to all shareholders on the Register of Members on 20 July 2007. The total estimated final dividend to be paid is £3.899 million.

11. EARNINGS PER SHARE

	2007 £000	2006 £000
The calculations of earnings per share are based on the following profits and number of shares.		
Net profit for financial year (basic and fully diluted)	**35,060**	15,922
Weighted average number of ordinary shares for basic and fully diluted earnings per share	**3,899,014**	3,899,014
Basic and Diluted Earnings per share	**899.2p**	408.4p

The Company has no dilutive potential ordinary shares.

12. PROPERTY, PLANT AND EQUIPMENT

	Freehold Property £000	Fixtures & Fittings £000	Motor Vehicles £000	Computer Equipment £ 000	Total £000
COST					
At 1 April 2006	2,671	215	315	41	3,242
Additions	–	22	45	2	69
Disposals	–	–	(80)	–	(80)
At 31 March 2007	**2,671**	**237**	**280**	**43**	**3,231**
DEPRECIATION					
At 1 April 2006	277	102	94	34	507
Charge for the year	53	46	45	2	146
On disposals	–		(29)	–	(29)
At 31 March 2007	**330**	**148**	**110**	**36**	**624**
NET BOOK VALUE					
At 31 March 2006	2,394	113	221	7	2,735
At 31 March 2007	**2,341**	**89**	**170**	**7**	**2,607**

Property, Plant and Equipment are located within United Kingdom.

for the year ended 31 March 2007

13. INVESTMENT PROPERTIES

	2007 £000	2006 £000
Fair Value at 1 April	**20,780**	22,468
Additions	**35**	498
Disposals	**(959)**	(2,523)
Increase in Fair Value during the year	**14,224**	337
At 31 March	**34,080**	20,780

The Group's investment properties were valued on a Market Value basis as at 31 March 2007 by an External Valuer, Mr. Martin Angel FRICS of Allsop LLP. The valuations were in accordance with the requirement of the RICS Appraisal and Valuations Standards and FRS15. This valuation of each investment property was on the basis of Market Value, assuming that the property would be sold subject to any existing leases and tenancies, but otherwise, with vacant possession. On this basis, the aggregate Market Value of the Company's interest in its investment properties was £34.08 million (thirty four million and eighty thousand pounds) (freehold £33.81 million, long leasehold £270,000). The Valuer's opinion of the Market Value was primarily derived using comparable recent market transactions on arms-length terms.

As at 31 March 2007, if the investment properties had not been revalued, the historical cost of those properties would have been £623,505 (2006: £866,798). There were no unprovided contractual obligations for future repairs and maintenance.

14. INVESTMENTS

Fixed Asset Investments

These represent the cost of shares in the following wholly owned Subsidiary undertakings, which are incorporated and operate in England and Wales. Their results are consolidated in the accounts of the Group, for the period during which they are Subsidiary undertakings.

	Principal Activity	**Cost 2006 2007 £000**
Hurstway Investment Company Limited	Property Dealing	1
Louise Goodwin Limited	Property Investment	15,351
A.L.G. Properties Limited	Property Investment	2,924
		18,276

15. INVENTORIES

	2007 £000	2006 £000
Residential properties	**183,889**	176,095

16. TRADE AND OTHER RECEIVABLES

	2007 £000	2006 £000
Trade receivables	**658**	526
Prepayments and accrued income	**403**	125
	1,061	651

The Directors consider that the carrying amount of trade and other receivables approximates their fair value.

17. TRADE AND OTHER PAYABLES

	2007 £000	2006 £000
Trade creditors	**502**	372
Other taxes and social security costs	**181**	269
Other creditors	**2,269**	779
	2,952	1,420

The Directors consider that the carrying amount of trade and other payables approximates their fair value.

18. BANK OVERDRAFTS AND LOANS

	2007 £000	2006 £000
Bank overdrafts	**–**	17,924
Bank loans	**28,984**	28,216
Other loans	**1,690**	3,725
	30,674	49,865

(a) Cash and cash equivalents

	2007 £000	2006 £000
Bank overdrafts	**–**	(17,924)
Cash	**646**	2,338
Cash and cash equivalents as at 31 March	**646**	(15,586)

Maturity profile of financial liabilities at 31 March 2007 was as follows:

	2007 **£000**	2006 £000
Amounts repayable:		
In one year or less	**1,030**	20,149
In more than one year but no more than two years	**–**	–
In more than two years but no more than three years	**660**	–
In more than three years but no more than four years	**–**	–
In more than four years but not more than five years	**28,984**	29,716
In more than five years	**–**	–
	30,674	49,865
Less: amount due for settlement within 12 months (shown under current liabilities)	**1,030**	20,149
Amount due for settlement after 12 months	**29,644**	29,716

The average interest rates paid were as follows:

	2007	2006
Bank overdrafts	**6.06%**	6.59%
Bank loans	**5.94%**	5.74%
Other loans	**5.31%**	5.34%

The Directors consider that the carrying amount of bank overdrafts and loans approximates their fair value.

The other principal features of the Group's borrowings are as follows.

1. The bank overdrafts are repayable on demand. The bank overdrafts are secured by a Letter of Negative Pledge by Mountview Estates P.L.C.

2. The Group has renegotiated the terms of its existing revolving loan with Barclays Bank.

   (a) The loan outstanding at 31 March 2007 is £15 million. This is a five year revolving facility, which the parent company can draw down up to £50 million. The termination date of the facility is 30 November 2011. The rate of interest payable on the loan is 1.10% above Libor. The loan is secured by a cross guarantee between Mountview Estates P.L.C. and its Subsidiaries. The loan is not repayable by instalments.

3. The Group has also renegotiated its finance facility with HSBC Bank. The new £20 million revolving loan is not repayable in instalments.

   (a) The loan outstanding at 31 March 2007 is £15 million. This is a five year revolving loan which the parent company can draw down up to £20 million. The termination date of the facility is 12 September 2011. The rate of interest payable on the loan is 1.15% over LIBOR. The loan is secured by Letter of Negative Pledge.

4. Other loans consist of loans from connected persons, and companies of which Mr. D.M. Sinclair is a Director. Loans of £1.030 million (2006: £2.23 million) are repayable within one year, and loans of £660,000 (2006: £1.5 million) are repayable in the second to third year inclusive. Interest payable on these loans is at 0.5% above Barclays Bank Plc base rate.

19. DEFERRED TAX

Analysis for financial reporting purposes

	2007 £000	2006 £000
Deferred tax liabilities	**9,194**	5,056
Deferred tax assets	**–**	–
Net position at 31 March	**9,194**	5,056

The movement for the year in the Group's net deferred tax position was as follows.

	2007 £000	2006 £000
At 1 April	**5,056**	5,584
Charge to income for the year	**4,138**	(528)
At 31 March	**9,194**	5,056

The following are in deferred tax liabilities recognised by the Group and movements thereon during the period.

	Revaluation of properties	
	2007 £000	**2006 £000**
At 1 April 2006	5,056	5,584
Charge to income for the year	4,138	(528)
At 31 March 2007	**9,194**	**5,056**

20. FINANCIAL INSTRUMENTS

Fair value of financial assets

The Group's financial assets at the year end consist of trade receivables and cash at bank and in hand of £645,600 (2006: £2,338,396)

The Directors consider that the carrying amount of cash at bank and in hand approximates their fair value.

The trade receivables amounted to £1.061 million (2006: £651,000)

The Directors consider that the carrying amount of trade receivables approximates their fair value.

Fair value of borrowings

	2007 £000	2006 £000
Bank overdrafts	**–**	17,924
Secured bank loans	**28,984**	28,216
Unsecured loans	**1,690**	3,725
	30,674	49,865

The Directors consider that the carrying amount of borrowings approximates their fair value. The details of the terms of the borrowings together with the average interest rates can be seen in Note 18.

for the year ended 31 March 2007

21. CALLED UP SHARE CAPITAL

	2007 **£000**	2006 £000
Authorised:		
5,000,000 ordinary shares of 5p each	**250**	250
Allotted, issued and fully paid:		
3,899,014 ordinary shares of 5p each	**195**	195

22. OTHER RESERVES

	2007 **£000**	2006 £000
Capital redemption reserve	**55**	55
Capital reserve	**25**	25
Other reserves	**56**	56
	136	136

The Group does not maintain insurance cover against other risks except where several properties are located in close physical vicinity. A reserve is maintained to deal with such non-insured risks and at 31 March 2007 stood at £56,000 (2006: £56,000).

23. RETAINED EARNINGS

	£000
Balance at 1 April 2006	142,849
Dividends paid	(5,303)
Net profit for the year	35,060
Balance at 31 March 2007	**172,606**

Of retained earnings £14.224 million represents revaluation of investment properties and is not distributable.

24. RELATED PARTY TRANSACTIONS

1. The total compensation paid to the ex-Executive Director is as follows:

	2007 **£000**	2006 £000
Salary and bonus	**255**	–
Termination benefit	**30**	–
Post employment benefits	**9**	–
	294	–

for the year ended 31 March 2007

2. (a) Mountview Estates P.L.C. provides general management and administration services to Ossian Investors Limited and Sinclair Estates Limited, companies of which Mr. D.M. Sinclair is a Director. Fees of £49,817 (2006: £48,738) were charged for these services.

The same services were also provided to Viewthorpe Limited, fees of £15,851 (2006: £17,222) were charged for these services.

All directors of Viewthorpe Limited are significant shareholders of the Company, one director of Viewthorpe Limited is also the wife of a Director of the Company.

(b) Included within long-term borrowings is a loan from Sinclair Estates Limited. The balance outstanding at the balance sheet date was £500,000 (2006: £1,500,000). Interest was payable on the loan at a rate of 0.5 percent above Barclays Bank Plc base rate. Interest paid in the year on this loan amounted to £18,791 (2006: £37,722).

(c) Included within long-term borrowings is a loan from Ossian Investors Limited. The balance outstanding at the balance sheet date was £160,000 (2006: £nil). Interest was payable on the loan at a rate of 0.5 percent above Barclays Bank Plc base rate. Interest paid in the year on this loan amounted to £5,685 (2006: £4,835).

(d) Included within other loans repayable in less than one year and on demand is a loan from Viewthorpe Limited. The balance outstanding at the balance sheet date was £855,000 (2006: £600,000). Interest was payable on the loan at a rate of 0.5 percent above Barclays Bank Plc base rate. Interest paid in the year on this loan amounted to £58,499 (2006: £35,365).

(e) The loan of £500,000 as at 31 March 2006 from Mrs. P.E. Cullen, a shareholder of the Company and a director of Sinclair Estates Limited was repaid during the year. Interest was payable on the loan at a rate of 0.5 percent above Barclays Bank Plc base rate. Interest paid in the year on this loan amounted to £35,506 (2006: £24,719).

(g) Included within other loans, repayable in less than one year and on demand is a loan from Mrs. D. Sinclair, a shareholder of the Company. The balance outstanding at the balance sheet date was £175,000 (2006: £175,000). Interest was payable on the loan at a rate of 0.5 percent above Barclays Bank Plc base rate. Interest paid in the year on this loan amounted to £9,302 (2006: £9,338).

(h) The loan of £ 300,000 as at 31 March 2006 from Mr. K. Langrish-Smith, a Director of the Company was repaid during the year. Interest was payable on the loan at a rate of 0.5 percent above Barclays Bank Plc base rate. Interest paid in the year on this loan amounted to £13,158 (2006: £14,865).

(i) The loan of £600,000 as at 31 March 2006 from Mrs. E. Langrish-Smith, the wife of a Director of the Company was repaid during the year. Interest was payable on the loan at a rate of 0.5 percent above Barclays Bank Plc base rate. Interest paid in the year on this loan amounted to £26,139 (2006: £28,594).

(j) All of the above loans are unsecured.

(k) Transactions between the Group and its Subsidiaries, which are related parties, have been eliminated on consolidation and have not been disclosed in this note.

INDEPENDENT AUDITORS' REPORT

to the Members of Mountview Estates P.L.C.

We have audited the Group financial statements of Mountview Estates P.L.C. for the year ended 31 March 2007 which comprise the principal accounting policies, the Group income statement, the Group balance sheet, the Group cash flow statement, the Group statement of changes in shareholders equity and notes on pages 20-33. These Group financial statements have been prepared under the accounting policies set out therein.

We have reported separately on the parent company financial statements of Mountview Estates P.L.C. for the year ended 31 March 2007 and the information in the Directors' Remuneration Report that is described as having been audited.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Directors' responsibilities for preparing the Annual Report and the Group financial statements in accordance with United Kingdom law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the Group financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the Group financial statements give a true and fair view, and whether the Group financial statements have been properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation and whether the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We review whether the Corporate Governance Statement reflects the Company's compliance with the nine provisions of the 2003 FRC Combined Code specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not. We are not required to consider whether the Boards statement on internal control covers all risks and controls, or form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures.

We read other information contained in the Annual Report and consider whether it is consistent with the audited Group financial statements.

The other information comprises only the Directors' Report, the Chairman's Statement, the unaudited part of the Remuneration Report, the Operational Review and the Corporate Governance Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Group financial statements.

Our responsibilities do not extend to any other information.

BASIS OF OPINION

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

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

OPINION

In our opinion:

- the Group financial statements give a true and fair view, in accordance with IFRS as adopted by the European Union, of the state of the Group's affairs as at 31 March 2007 and of its profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation; and
- the information given in the Directors' Report is consistent with the financial statements for the year ended 31 March 2007.

BSG Valentine
Registered Auditors
Chartered Accountants
London
18 July 2007

COMPANY BALANCE SHEET UNDER UK GAAP

as at 31 March 2007

	Notes	As at 31.03.2007 £000	As at 31.03.2006 £000
FIXED ASSETS			
Tangible assets	3	**2,565**	2,672
Investments	4	**18,276**	18,276
		20,841	20,948
CURRENT ASSETS			
Stocks	5	**173,156**	167,709
Debtors	6	**997**	595
Cash at bank and in hand		**301**	2,203
		174,454	170,507
CREDITORS: Amounts falling due within one year	7	**(9,485)**	(23,890)
NET CURRENT ASSETS		**164,969**	146,617
TOTAL ASSETS LESS CURRENT LIABILITIES		**185,810**	167,565
CREDITORS: Amounts falling due after more than one year	8	**(48,970)**	(47,293)
		136,840	120,272
CAPITAL AND RESERVES			
Called up share capital	9	**195**	195
Capital redemption reserve	10	**55**	55
Capital reserve	10	**25**	25
Other reserves	10	**39**	39
Profit and Loss Account	11	**136,526**	119,958
		136,840	120,272

Approved by the Board on 18 July 2007.

D. M. SINCLAIR Chairman

K. LANGRISH-SMITH Director

for the year ended 31 March 2007

1. ACCOUNTING POLICIES

(a) Basis of Accounting
The Accounts have been prepared under the historical cost convention, and in accordance with applicable Accounting Standards.

(b) Investments
Fixed assets investments in Subsidiary undertakings are stated at costs less any provision for impairment.

(c) Taxation
Corporation tax payable is provided on taxable profits at the current rate.

(d) Turnover
Turnover includes proceeds of sales of properties, rents from properties which are held as trading stock, or investment and any other sundry items of revenue before charging expenses. Sales of properties are recognised on completion.

(e) Depreciation
Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset using the straight-line method as follows:

Freehold property	–	2%
Fixtures and fittings and office equipment	–	20%
Computer equipment	–	25%
Motor Vehicles – reducing balance method	–	20%

(f) Impairment of Fixed Assets
Fixed Assets are subject to review for impairment in accordance with FRS11 "Impairment of Fixed Assets and Goodwill". Any impairment is recognised in the Profit and Loss Account in the year in which it occurs.

(g) Stocks
These comprise residential properties all of which are held for resale, and are valued at the lower of cost and estimated net realisable value. Cost to the Group includes legal fees and commission charges incurred during acquisition together with improvement costs. Net realisable value is the net sale proceeds which the Group expects on sale of a property in its current condition. The analysis of the Group trading portfolio as at 31 March 2007 is on page 4.

(h) Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluations (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at balance sheet date, there is binding agreement to dispose of these assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;
- deferred tax assets are recognised only to extent that the directors consider that it is more likely that not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

for the year ended 31 March 2007

2. STAFF COSTS (including Directors)

	2007 £000	2006 £000
Wages and salaries	**2,917**	1935
Social security costs	**382**	228
Pension costs	**78**	58
	3,377	2,221

DIRECTORS' REMUNERATION

	2007 £000	2006 £000
Total Directors' Remuneration including salary, bonuses, benefits in kind and pensions contributions amounted to:	**2,069**	1,317

The details of Directors' Remuneration are shown in the audited section of the Remuneration Report on page 15.

The Company contributes 3% of the total annual gross salaries and bonuses of each employee to a Stakeholder Pension Scheme.

The average weekly number of employees during the year was as follows:

	2007	2006
Office and management	**28**	30

3. TANGIBLE ASSETS

	Freehold Property £000	Fixtures & Fittings £000	Motor Vehicles £000	Computer Equipment £ 000	Total £000
COST					
At 1 April 2006	2,671	82	315	41	3,109
Additions	–	15	45	2	62
Disposals	–	–	(80)	–	(80)
At 31 March 2007	**2,671**	**97**	**280**	**43**	**3,091**
DEPRECIATION					
At 1 April 2006	277	32	94	34	437
Charge for the year	53	18	45	2	118
On disposals	–	–	(29)	–	(29)
At 31 March 2007	**330**	**50**	**110**	**36**	**526**
NET BOOK VALUE					
At 31 March 2006	2,394	50	221	7	2,672
At 31 March 2007	**2,341**	**47**	**170**	**7**	**2,565**

All tangible assets of the Company are located within the United Kingdom.

for the year ended 31 March 2007

4. INVESTMENTS

Fixed Asset Investments
These represent the cost of shares in the following wholly owned Subsidiary undertakings, which are incorporated and operate in England and Wales. Their results are consolidated in the accounts of the Group, for the period during which they are Subsidiary undertakings.

	Principal Activity	**Cost 2006 2007 £000**
Hurstway Investment Company Limited	Property Dealing	1
Louise Goodwin Limited	Property Investment	15,351
A.L.G. Properties Limited	Property Investment	2,924
		18,276

5. STOCKS

	2007 £000	2006 £000
Residential properties	**173,156**	167,709

6. DEBTORS: due within one year

	2007 £000	2006 £000
Trade debtors	**621**	475
Prepayments and accrued income	**376**	120
	997	595

7. CREDITORS: Amounts falling due within one year

	2007 £000	2006 £000
Bank loans and overdrafts	**–**	17,924
Trade creditors	**393**	345
Corporation Tax	**5,633**	2,398
Other taxes and social security costs	**181**	269
Other creditors	**2,248**	729
Other loans	**1,030**	2,225
	9,485	23,890

Other loans consist of loans from connected persons. Interest payable on these loans was at 0.5% above Barclays Bank Plc Base rate.

for the year ended 31 March 2007

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

	2007 £000	2006 £000
Bank loans and overdrafts	**28,984**	28,216
Amounts owed to Subsidiary undertakings	**19,326**	17,577
Other loans	**660**	1,500
	48,970	47,293

Other loans consist of loans from companies of which Mr D.M.Sinclair is a Director. Interest payable on these loans was at 0.5% above Barclays Bank base rate.

Maturity profile of financial liabilities at 31 March 2007 was as follows:

	2007 £000	2006 £000
Amounts repayable:		
In one year or less	**1,030**	20,149
In more than one year but no more than two years	**–**	
In more than two years but no more than three years	**660**	–
In more than three years but no more than four years	**–**	–
In more than four years but not more than five years	**28,984**	29,716
In more than five years	**19,326**	17,577
	50,000	67,442
Less: amount due for settlement within 12 months (shown under current liabilities)	**1,030**	20,149
Amount due for settlement after 12 months	**48,970**	47,293

The Directors consider that the carrying amount of bank overdrafts and loans approximates their fair value.

The other principal features of the group's borrowings are as follows.

1. The bank overdrafts are repayable on demand. The bank overdrafts are secured by a Letter of Negative Pledge by Mountview Estates P.L.C.

2. The Group has renegotiated the terms of its existing revolving loan with Barclays Bank.

   (a) The loan outstanding at 31 March 2007 is £15 million. This is a five year revolving facility, which the parent company can draw down up to £50 million. The termination date of the facility is 30 November 2011. The rate of interest payable on the loan is 1.10% above Libor. The loan is secured by a cross guarantee between Mountview Estates P.L.C. and its Subsidiaries. The loan is not repayable by instalments.

3. The Group has also renegotiated its finance facility with HSBC Bank. The new £20 million revolving loan is not repayable in instalments.

   (a) The loan outstanding at 31 March 2007 is £15 million. This is a five year revolving loan which the parent company can draw down up to £20 million. The termination date of the facility is 12 September 2011. The rate of interest payable on the loan is 1.15% over LIBOR. The loan is secured by Letter of Negative Pledge.

4. Other loans consist of loans from connected persons, and companies of which Mr. D.M. Sinclair is a Director. Loans of £1.030 million (2006: £2.23 million) are repayable within one year, and loans of £660,000 (2006: £1.5 million) are repayable in the second to third year inclusive. Interest payable on these loans is at 0.5% above Barclays Bank Plc base rate.

9. CALLED UP SHARE CAPITAL

	2007 £000	2006 £000
Authorised:		
5,000,000 ordinary shares of 5p each	**250**	250
Allotted, issued and fully paid:		
3,899,014 ordinary shares of 5p each	**195**	195

10. OTHER RESERVES

	2007 £000	2006 £000
Capital redemption reserve	**55**	55
Capital reserve	**25**	25
Other reserves	**39**	39
Balance at 31 March	**119**	119

The Group does not maintain insurance cover against other risks except where several properties are located in close physical vicinity. A reserve is maintained to deal with such non-insured risks and at 31 March 2007 stood at £39,000 (2006: £39,000).

11. PROFIT AND LOSS ACCOUNT

	2007 £000	2006 £000
Balance at 1 April	**119,958**	111,214
Retained profit for the financial year	**16,568**	8,744
Balance at 31 March	**136,526**	119,958

12. RELATED PARTY TRANSACTIONS

1. The total compensation paid to the ex-Executive Director is as follows:

	2007 £000	2006 £000
Salary and bonus	**255**	–
Termination benefit	**30**	–
Post employment benefits	**9**	–
	294	–

for the year ended 31 March 2007

2. (a) Mountview Estates P.L.C. provides general management and administration services to Ossian Investors Limited and Sinclair Estates Limited, companies of which Mr. D.M. Sinclair is a Director. Fees of £49,817 (2006: £48,738) were charged for these services.

   The same services were also provided to Viewthorpe Limited, fees of £15,851 (2006: £17,222) were charged for these services.

   All directors of Viewthorpe Limited are significant shareholders of the Company, one director of Viewthorpe Limited is also the wife of a Director of the Company.

   (b) Included within long-term borrowings is a loan from Sinclair Estates Limited. The balance outstanding at the balance sheet date was £500,000 (2006: £1,500,000). Interest was payable on the loan at a rate of 0.5 percent above Barclays Bank Plc base rate. Interest paid in the year on this loan amounted to £18,791 (2006: £37,722).

   (c) Included within long-term borrowings is a loan from Ossian Investors Limited. The balance outstanding at the balance sheet date was £160,000 (2006: £nil). Interest was payable on the loan at a rate of 0.5 percent above Barclays Bank Plc base rate. Interest paid in the year on this loan amounted to £5,685 (2006: £4,835).

   (d) Included within other loans repayable in less than one year and on demand is a loan from Viewthorpe Limited. The balance outstanding at the balance sheet date was £855,000 (2006: £600,000). Interest was payable on the loan at a rate of 0.5 percent above Barclays Bank Plc base rate. Interest paid in the year on this loan amounted to £58,499 (2006: £35,365).

   (e) The loan of £500,000 as at 31 March 2006 from Mrs. P.E. Cullen, a shareholder of the Company and a director of Sinclair Estates Limited was repaid during the year. Interest was payable on the loan at a rate of 0.5 percent above Barclays Bank Plc base rate. Interest paid in the year on this loan amounted to £35,506 (2006: £24,719).

   (f) Included within other loans, repayable in less than one year and on demand is a loan from Mrs. D. Sinclair, a shareholder of the Company. The balance outstanding at the balance sheet date was £175,000 (2006: £175,000). Interest was payable on the loan at a rate of 0.5 percent above Barclays Bank Plc base rate. Interest paid in the year on this loan amounted to £9,302 (2006: £9,338).

   (g) The loan of £ 300,000 as at 31 March 2006 from Mr. K. Langrish-Smith, a Director of the Company was repaid during the year. Interest was payable on the loan at a rate of 0.5 percent above Barclays Bank Plc base rate. Interest paid in the year on this loan amounted to £13,158 (2006: £14,865).

   (h) The loan of £600,000 as at 31 March 2006 from Mrs. E. Langrish-Smith, the wife of a Director of the Company was repaid during the year. Interest was payable on the loan at a rate of 0.5 percent above Barclays Bank Plc base rate. Interest paid in the year on this loan amounted to £26,139 (2006: £28,594).

   (i) All of the above loans are unsecured.

   (j) Transactions between the Group and its Subsidiaries, which are related parties, have been eliminated on consolidation and have not been disclosed in this note.

to the Members of Mountview Estates P.L.C.

We have audited the parent Company financial statements of Mountview Estates P.L.C. for the year ended 31 March 2007 which comprise the principal accounting policies, the balance sheet and notes from 1 to 12.These parent Company financial statements have been prepared under the accounting policies set out therein. We have also audited the information in the Directors' Remuneration Report that is described as having been audited.

We have reported separately on the Group's financial statements of Mountview Estates P.L.C. for the year ended 31 March 2007.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Directors' responsibilities for preparing the Annual Report, the Directors' Remuneration Report and the parent Company financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the parent Company financial statements and the part of Directors' Remuneration Report to be audited in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the parent Company financial statements give a true and fair view, and whether the parent Company financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985 and Article 4 of the IAS Regulation and whether the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited parent Company financial statements.

The other information comprises only the Directors' Report, the Chairman's Statement, the unaudited part of the Remuneration Report, the Operational Review and the Corporate Governance Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Group financial statements. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

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

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

OPINION

In our opinion:

- The parent Company financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the Company's affairs as at 31 March 2007;
- the parent Company financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements for the year ended 31 March 2007

BSG Valentine
Registered Auditors
Chartered Accountants
London

18 July 2007

TABLE OF COMPARATIVE FIGURES

as at 31 March 2007

	UK GAAP 2002 £000	UK GAAP 2003 £000	UK GAAP 2004 £000	IFRS 2005 £000	IFRS 2006 £000	**IFRS 2007 £000**
Revenue	40,289	45,997	55,087	48,778	47,456	**68,168**
Profit before taxation	20,075	23,603	28,593	24,848	22,660	**50,227**
Taxation	6,013	7,878	8,584	7,482	6,738	**15,167**
Profit after taxation	14,062	15,725	20,009	17,366	15,922	**35,060**
Dividend in relation to the year	3,275	3,587	4,757	4,913	5,069	**5,848***
Earnings per share	325.1p	403.3p	513.2p	445.4p	408.4p	**899.2p**
Rate of dividend	84p	92p	122p	126p	130p	**150p**

*The £5.848 million dividend in relation to 2007 is made up of the interim dividend of £1.949 million and the final dividend of £3.899 million, which will be paid on 20 August 2007, subject to approval at the AGM on 15 August 2007.

Notice is hereby given that the Seventieth Annual General Meeting of the Members of Mountview Estates P.L.C. will be held at the Kenilworth Hotel, Great Russell Street, London WC1B 3LB on Wednesday 15 August 2007 at 11.30 a.m., for the following purposes:

1. To receive and consider the Reports of the Directors and the Auditors and the audited Statements of Accounts for the year ended 31 March 2007.
2. To declare a dividend of 100p per share payable on 20 August 2007 to Shareholders on the register at 20 July 2007.
3. To re-appoint Mr. D.M. Sinclair as a Director of the Company.
4. To re-appoint Mrs. M.M. Bray as a Director of the Company.
5. To elect Mr. J.B. Fulton as a Director of the Company.
6. To approve the Directors' Remuneration Report set out in the Annual Report and Accounts for the year ended 31 March 2007.
7. To re-appoint Messrs BSG Valentine as Auditors of the Company and to authorise the Directors to determine the Auditors' remuneration for the ensuing year.

By Order of the Board
M. M. BRAY
Secretary

Mountview House
151 High Street
Southgate
London N14 6EW
20 July 2007

Notes:–

1. A Member who is entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and, on a poll, vote instead of him/her. A Proxy need not also be a Member of the Company.
2. A form of Proxy is enclosed with this Report and Accounts and should be completed in accordance with the instructions contained therein.
3. Copies of the Directors' service contracts are available for inspection at the registered office at Mountview House, 151 High Street, Southgate, London N14 6EW during normal business hours on weekdays from the date of this notice until the conclusion of the Meeting. The register of Directors' interests kept by the Company under the Companies Act 1985 Section 325 will be available for inspection at the Meeting.

FINANCIAL CALENDAR 2007

Final dividend record date	**20 July**
Annual Report Posted to Shareholders	**20 July**
Annual General Meeting	**15 August**
Final dividend payment	**20 August**
Interim Results	**29 November**

SHAREHOLDERS' ENQUIRIES

All administrative enquiries relating to shareholdings should be addressed to the Company's registrars:

Capita Registrars
Bourne House
34 Beckenham Road
Beckenham
Kent BR3 4TU