MOUNTVIEW ESTATES P.L.C.

REPORT AND ACCOUNTS

2011

CONTENTS

	2011 £	2010 £	(Decrease) /Increase %
Turnover (millions)	47.7	56.7	(15.9)
Gross Profit (millions)	29.1	34.5	(15.7)
Profit Before Tax (millions)	23.6	29.3	(19.5)
Profit Before Tax excluding investment properties revaluation (millions)	21.1	27.1	(22.1)
Equity Holders' Funds (millions)	214.9	203.1	5.8
Earnings Per Share (pence)	435.3	554.8	(21.5)
Net Assets Per Share	55.1	52.1	5.8
Dividend Per Share (pence)	165	165	–

The year ended 31 March 2011 has been a difficult one but the results are satisfactory and there has been good progress towards the changes that must be made for the future prosperity of the Company. The year ended 31 March 2010 saw a strong recovery from the disappointing results of the previous year but, as the realities of the country's economic situation became apparent under the new government, it has not been possible to maintain that recovery in its fullest form this year.

My suggestion at the interim stage that the second half of the Company's financial year might be as good as the first half happily proved to be accurate almost to the penny and the gross profit as a percentage of turnover has at least matched last year's performance. In the second half of this financial year the Company has made significant purchases and this trend has continued since 1 April 2011.

In a company as small as this each staff departure is a significant inconvenience but also a significant opportunity to make the changes that will enable the Company to progress towards a sound future. New recruitments have been made and further changes of personnel will be made as and when appropriate.

Following the acquisition of the Magdalen Park Estate portfolio at the end of January 2008 there was necessarily an emphasis on the repayment of debt and that has been achieved very successfully. Arguably that emphasis was overdone and the necessity for new purchases was overlooked. That necessity is being addressed but the level of indebtedness is being carefully monitored.

Economic conditions are not expected to be easy during the coming year although interest rates presently remain at historic lows. The Company is well placed to take advantage of good purchasing opportunities and I expect the Company's portfolio of properties to be significantly larger by the end of the year. The coming year is about building for and preparing for the future so that we are well placed to take advantage when the housing market improves.

My staff and colleagues have continued to work hard but unfortunately in the prevailing market conditions their efforts have not brought the same results and rewards as last year. Nevertheless it is possible to maintain the final dividend at last year's increased level.

The final dividend of 115 pence per share in respect of the year ended 31 March 2011 recommended by your Board is payable on 15 August 2011 to shareholders on the Register of Members as at 15 July 2011. This will make a total dividend for the year ended 31 March 2011 of 165 pence per share which is 2.6 times covered by the earnings per share.

D.M. SINCLAIR
Chairman

14 July 2011

D. M. Sinclair.

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:

Regulated 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 2011

	No of units	Cost £m
Regulated Tenancies	2,250	231.3
Ground Rents	1,096	1.7
Life Tenancies	364	26.5

Analysis of the Group Trading portfolio at the lower of cost and estimated net realisable value by geographical location as at 31 March 2011

	Regulated £m	Ground Rents £m	Life Tenancies £m	Portfolio %
London (North)	58.5	0.7	0.2	22.9
London (South)	79.0	0.8	3.3	32.0
Kent, Surrey, Sussex, Dorset Hampshire, I.O.W	22.6	0.04	6.1	11.1
Herts, Essex, Beds, Bucks, Oxon, Camb, Norfolk, Suffolk, Berks, Middx, Northants	42.1	0.1	6.6	18.8
Remainder of England and Wales	29.1	0.03	10.3	15.2

The Company's modus operandi is to buy tenanted residential property and sell it when it becomes vacant. Regulated investments which are characterised by early possession with rental returns below market value and high margin on sale are becoming increasingly short in supply. Life tenancy stock has nominal rental income, is bought at a greater discount to vacant possession value and has a higher margin on sale. In addition, the maintenance of the property is usually the responsibility of the life tenant.

1. RESIDENTIAL PROPERTIES *(continued)*

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

Sales Price (£)	No of units	Location
3 million	1	London
2 million+	2	London
500,000-1 million	4	London
below 500,000	147	London and other
	154	

The Majority of our residential properties subject to a regulated tenancy are concentrated in London and the South East.

Returns from the regulated portfolios are derived from a combination of below market rental income and trading profits on the sale of property, when the property falls vacant and the crystalisation of the reversionary gain.

The properties are generally unimproved and of low average values. Through active management we identify the opportunity to add value by refurbishing certain properties prior to their sale. We aim to refurbish properties at the upper end of the market.

Analysis of acquisitions

	No of units	Year ended 31.03.2011 Cost £'m
Regulated tenancies	115	10.8
Life tenancies	5	2.3
Ground rents (or created)	17	0.01
	137	13.11

The above analysis does not include legal and commission expenses directly related to the acquisition of properties or any repairs of a capital nature.

The Group residential trading properties are carried in the balance sheet at the lower of cost and net realisable value. In assessing the net realisable value the Group compares the net sales proceeds which the Group expects on the sale of property with the vacant possession value.

The Company has benefited from good market conditions in certain areas. Over the past year we have achieved premium prices for properties, especially in sought-after areas such as Belsize Park and the West End of London.

Based on sales made during the financial year, the Directors do not consider that any stock write down is necessary in respect of its properties. Trading conditions in the early part of this financial year were not easy, but we achieved sales of £34 million (2010: £42 million) demonstrating the liquidity of the portfolio. The average sales price achieved was £222,110.

1. RESIDENTIAL PROPERTIES *(continued)*

Rental Income

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

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

Where possible we still target those properties where the rent is capped and expenditure on improvements and the provision of missing amenities leads to substantial increases in rental income.

The operating contribution from the core business (comprising profits on sale of trading properties and rental income) is analysed in Note 4 on page 31.

2. INVESTMENT PROPERTIES

The analysis of the investment portfolio as at 31 March 2011 is as follows:

	2011	2010
Louise Goodwin Limited	**45 units**	50 units
A.L.G. Properties Limited	**10 units**	11 units

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

Mountview Estates P.L.C. purchased the investment companies in 1999. They are the only significant departures from the Company's normal activities.

During the financial year, we disposed of 5 units for a total of £5.3 million in Louise Goodwin Ltd and 1 unit for £1.3 million in A.L.G. Properties Ltd (2010: disposed of three units for £1.9 million).

Outlook

Where units become vacant we are prepared to refurbish the properties and sell them by private treaty to discerning purchasers who actively seek new homes in this prestigious area.

Valuation

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

Details of the valuation of the investment portfolio are disclosed on page 36.

SUMMARY

Prospects for the Group

Since the end of the financial year we are continuing to sell properties and we are pleased with the results achieved. Given our refinancing and the reduction in long term borrowings, we believe that we are in a strong position to take advantage of any prime purchasing opportunities which may arise in the near future.

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. Fellow 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. Resigned on 31 August 2010.

Mrs. M.M. Bray FCCA
Joined the Company in 1996 and became Company Secretary. Became a Director on 1 April 2004. Fellow of the Association of Chartered Certified Accountants.

Non-Executive Directors

J.B. Fulton FCA
Joined the Company as a Non-Executive Director on 1 January 2007. Fellow of the Institute of Chartered Accountants in England and Wales. He has held senior financial roles in multinational companies.

J.A.N. Laing FRICS
Joined the Company as a Non-Executive Director on 1 January 2009. Fellow of the Royal Institution of Chartered Surveyors. Retired as a partner from Strutt and Parker Property Consultants and Estate Agents in April 2009 but remains as a consultant.

A.J. Sinclair FCA
Joined the Company as a Non-Executive Director on 1 November 2010. Fellow of Institute of Chartered Accountants in England and Wales.

Son of the late Frank Sinclair co-founder of the Company. Retired as Head of Correspondent Banking for National Bank of Canada but remains as an Advisor on International Banking.

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 WC1 H9B

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

Registrars and Transfer Office
Capita Registrars
The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU

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

The Directors have pleasure in presenting to the Members their Seventy-Fourth Annual Report together with the Financial Statements for the year ended 31 March 2011.

1. RESULTS AND DIVIDENDS

The Results for the year are set out in the Income Statement on page 19.

The Directors recommend the payment of a final dividend of 115 pence per share. The dividend will be paid on 15 August 2011 subject to approval at the Annual General Meeting on 10 August 2011 to Shareholders on the register at the close of business on 15 July 2011.

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 6. In addition the Group has established the following Financial and Internal Performance Indicators:

Financial Key Performance Indicators

	2011 growth %	2010 growth %
Turnover	**(15.9)**	5.8
Profit before tax excluding investment properties revaluations	**(22.1)**	66.3
Earnings per share	**(21.5)**	130.2
Net assets per share	**5.8**	8.3

The Directors consider that there are no significant non-financial indicators in existence.

Internal Performance Measures

	2011 £'000	2010 £'000
Administrative expenses as percentage of revenue	**9.03%**	7.1%
Administrative expenses per member of staff	**179**	150
Profit before tax per member of staff	**982**	1,100

In the current economic climate, the impact of the credit crunch has caused a slowdown in the rate of house price growth and a strong decline in the level of mortgage approvals.

3. **REVIEW OF BUSINESS AND PROSPECTS** *(continued)*

Risk review
The key risks to the Group's business are:

- long-term downturn in the UK housing market
  Our residential portfolio consists mainly of low value units spread over high demand areas of London and the South East. The majority of our properties are of relatively low value, which are still affordable even during a market slowdown. Our investment portfolio is located in the highly desirable area of Belsize Park.
- significant fluctuations in interest rates
  The Company has entered into an Interest Rate Swap Agreement from 2008, for a period of 5 years on £40 million of its loan in order to reduce its exposure to interest rate fluctuations.
- a lack of availability of finance
  The Company has negotiated its long-term loan facilities with Barclays Bank until November 2014 and HSBC Bank until January 2015.

  The Company also demonstrated in the past that it is able to generate strong cash flows even in difficult market conditions.
- long term worldwide recession
  The shrinking of the UK economy combined with the worsening economic outlook and higher unemployment may affect the prices obtained from the sale of properties. Please see Note 3 to the Consolidated Financial Statements on pages 30 and 31.

4. **ROTATION OF DIRECTORS**

In accordance with the Company's Articles of Association, Mrs. M.M. Bray and Mr. J.B. Fulton 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. **SHARE CAPITAL**

The authorised share capital of the Company as at 31 March 2011 was £250,000 divided into 5,000,000 Ordinary Shares of 5 pence of which 3,899,014 were in issue (2010: 3,899,014).

The rights and obligations attaching to the Company's shares, as well as the powers of the Company's directors, are set out in the Company's Articles of Association, a copy of which can be viewed on the Company's website at www.mountviewplc.co.uk

The Company's Articles of Association can only be amended by special resolution of the shareholders.

6. **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 2011	1 April 2010
	Ordinary Shares of 5p each	
Mr. D.M. Sinclair including the following holding of Sinclair Estates Limited – 54,165 Mr. D.M. Sinclair is a Director of the above company	535,883	535,883
Mr. K. Langrish-Smith	307,000	307,000
Miss J.L. Murphy (resigned 31.08.2010)	1,500	1,500
Mrs. M.M. Bray	12,302	12,302
Mr. A. Sinclair (appointed 01.11.2010)	119,724	–

All the above interests are beneficial.

There have been no changes in the interests of Directors in the share capital of the Company between 31 March 2011 and 11 July 2011.

7. NOTIFIABLE INTERESTS IN SHARE CAPITAL

As at 11 July 2011, the following disclosures of major holdings of voting rights have been made (and have not been amended or withdrawn) to the Company pursuant to the requirements of Disclosure and Transparency Rule 5:

	Ordinary Shares of 5p each	% of Issued Share Capital
Mr. Phillip Wheater, Mrs. Daphne Sinclair and Mr. Alistair Sinclair, Trustees of the Frank and Daphne Sinclair Grandchildren Settlement*	393,193	10.08
Mr. Geoffrey Wilfred Bew Todd 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**	596,745	15.31
Mrs. A. Williams**	145,650	3.73
Mrs. S. Simpkins**	190,580	4.89

*denotes indirect holding
** denotes combined direct and indirect holding

8. ENVIRONMENTAL MATTERS AND SOCIAL/COMMUNITY ISSUES

Given the size of the Company and the nature of its business as a property trading company, the Company does not currently have any policies in place in relation to environmental, social or community issues.

9. EMPLOYEES

The Company provides regular training for its employees relating to the software used in the business, in order to ensure the ongoing development of each employee's skills and knowledge. A great number of our employees have worked for the Company for many years and there is very little turnover of staff.

10. SIGNIFICANT AGREEMENTS

Certain banking agreements to which the Company is a party (described in Note 19 to the Consolidated Financial Statements) alter or terminate upon a change of control of the Company following a takeover bid.

There are no other significant agreements to which the Company is a party that take effect, alter or terminate upon a change of control of the Company following a takeover bid.

There are no contractual or other agreements or arrangements in place between the Company and third parties which, in the opinion of the Directors, are essential to the business of the Company.

11. 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.

12. DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

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

The Company's Articles of Association at Article 163 permit the provision of indemnities to the Directors (at the discretion of the Board), which constitute qualifying third party indemnity and qualifying pension scheme indemnity provisions under the Companies Act 2006.

13. 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 abide by them.

Trade creditors existing at 31 March 2011 relating to purchases of property stock generally complete 28 days after exchange of contracts. Other trade creditors were settled, on average, 21 days after incurring the liability (2010: 21 days).

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk management objectives and policies are set out in Note 3 to the Consolidated Financial Statements on pages 30 to 31. Details regarding the Company's use of financial instruments are set out in Note 21 to the Consolidated Financial Statements on pages 40 and 42.

15. 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 10 August 2011 and accordingly, a resolution will be proposed at the Annual General Meeting.

16. CORPORATE GOVERNANCE

The Directors' statement on corporate governance is set out on pages 13 to 15.

17. HEALTH AND SAFETY

The Group is committed to achieving a high standard of health and safety. The Group regularly reviews its health and safety policies and practices to ensure that appropriate standards are maintained. The gas supply and appliances within all of the Group's relevant residential properties are independently inspected under the Gas Safety (Installation and Use) Amended Regulations 1996 and certificates of compliance issued.

18. DONATIONS

During the year the Group made charitable donations of £26,800 (2010: £24,500).

The main beneficiaries of such charitable donations are: Williow Foundation, Cancer Research UK and Cystic Fibrosis.

There were no political donations made during the year (2010: £nil).

19. GOING CONCERN BASIS

The Directors continue to adopt the going concern basis in preparing the accounts.

The financial position of the Group including key financial ratios is set out in the Review of Business and Prospects.

The Group is historically profitable, has considerable liquidity and recently reviewed its long term borrowing facilities with the banks. As a result, the Directors believe the Group is very well placed to manage its business risks successfully and have a good expectation that both the Company and the Group have adequate resources to continue their operations. Further detailed information is set out on pages 28 and 39.

20. POST BALANCE SHEET EVENTS

There are no material events that have occurred subsequent to the end of the financial year that require disclosure.

21. AUDITORS

Messrs. BSG Valentine have indicated their willingness to continue in office and a resolution for the reappointment of BSG Valentine as auditors for the ensuing year will be proposed at the Annual General Meeting.

By Order of the Board
M.M. BRAY
Secretary
14 July 2011

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 that the financial statements comply with IFRS's as adopted by the European Union;
- 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 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation. 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.

The Directors confirm to the best of their knowledge:

- the consolidated financial statements, which have been prepared in accordance with United Kingdom law and the International Financial Reporting Standards (IFRSs) and in accordance with rule 4.1.12(3)(a) of the Disclosure and Transparency Rules, have been prepared in accordance with the applicable set of accounting standards and give a true and fair view of the assets, liabilities and financial position and profit or loss of the Group and the undertakings included in the consolidation taken as a whole; and
- the Management Report represented by the Directors' Report has been prepared in accordance with rule 4.1.12(3)(b) of the Disclosure and Transparency Rules, and includes a fair review of the development and performance of the business and the position of the Group and the subsidiary undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties the Group faces.

The Directors are responsible for the maintenance and integrity of the Group website www.mountviewplc.co.uk.

By Order of the Board
M.M. BRAY
Secretary
14 July 2011

The Financial Reporting Council (FRC) published a new version of the Combined Code in June 2008. This is applicable to the Company for the reporting year commencing 1 April 2010. 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, whose net aggregate shareholdings amount to approximately 53 percent of the issued share capital of the Company.

Throughout the year ended 31 March 2011 the Company has been in compliance with the Code provisions set out in Section 1 of the June 2008 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.

  Given the size of the Company, there is no formal nomination of a senior independent director.

The Board

As at the year ended 31 March 2011 the Board comprised the Chairman, Mr. D.M. Sinclair, two executive Directors and three 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. A. Sinclair	Mr. J.B. Fulton	Mr. J.A.N. Laing
Full Board	4	4	1	4	1	4	3
Audit Committee	2	–	–	2	2	3	3
Remuneration Committee	1	–	–	–	2	2	2
Nomination Committee	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 of Association 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 9.

The Articles of Association of the Company contain the following provisions relating to the appointment and replacement of Directors:

- The Company may, by ordinary resolution, appoint a person who is willing to act to be a Director, either to fill a vacancy or as an addition to the existing Board.
- The Board has the power to appoint any person who is willing to act as a Director, either to fill a vacancy or as an addition to the existing Board. Any Director appointed by the Board is required to retire at the first AGM of the Company following his or her appointment.
- The total number of Directors (other than any alternate Directors) must not be more than 12 or less than two.
- In addition to any power to remove a Director conferred by Section 168 of the Companies Act 2006, the Company may, by ordinary resolution remove any Director before the expiration of his period of office, but without prejudice to any claim for damages which he may have for breach of any contract of service between him or her and the Company. The Company may then appoint another person who is willing to act, to be a Director in his or her place in accordance with the Articles of Association.

Going concern

After making diligent enquiries, including the review of future anticipated cash flows and compliance with banking covenants, the Directors have a reasonable expectation that the Group and Company have adequate resources to continue in existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the accounts.

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. J.B. Fulton (non-executive Director), Mr. J.A.N. Laing (non-executive Director) and Mr. A.J. Sinclair (non-executive Director). The Committee, which is chaired by Mr. J.A.N. Laing, monitors, reviews and makes recommendations to the Board on all elements of the remuneration of the executive Directors. The Committee meets twice a year.

Mr D.M. Sinclair, the Chairman of the Company, is invited by the Remuneration Committee members to attend one meeting or part of any meeting as and when appropriate.

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 16 to 18.

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. There was one meeting during the year.

Audit Committee

The Audit Committee comprises Mr. J.B. Fulton (non-executive Director), Mr. J.A.N. Laing (non-executive Director) and Mr. A.J. Sinclair (non-executive Director). The Committee, which is chaired by Mr. J.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.

This includes the approval of any non-audit service fees above a relatively normal level.

The Committee is satisfied that the taxation services provided by BSG Valentine are overseen by partners and staff who are excluded from the audit procedure.

Mr D.M. Sinclair and Mrs M.M. Bray attended two of the meetings held by the Audit Committee.

The Committee meets three times a year and 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. J.B. Fulton is a Fellow of the 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 Board as a whole acknowledges its responsibility for ensuring satisfactory dialogue with Shareholders and the Chairman is available to meet Shareholders on request to discuss specific concerns they may have. The Company principally communicates with and updates its Shareholders as to its progress by way of the Annual Report and Accounts and half yearly interim reports which are posted on the Company's website www.mountviewplc.co.uk. Investors may use the Company's Annual General Meeting to communicate with the Board. The entire Board will be available at the Annual General Meeting for Shareholders to ask questions. The Board including the non-executive Directors, is available throughout the year to listen to the views of Shareholders.

Risk Management

Details of the Company's risk management profile are included in paragraph 14 in the Report of the Directors on page 11 and in Note 3 to the Consolidated Financial Statements on pages 30 to 31.

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 2010 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.

By Order of the Board
M.M. BRAY
Secretary
14 July 2011

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 financial year under review.

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, private medical health insurance and life insurance.

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

All members of staff benefit from health and life insurances.

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

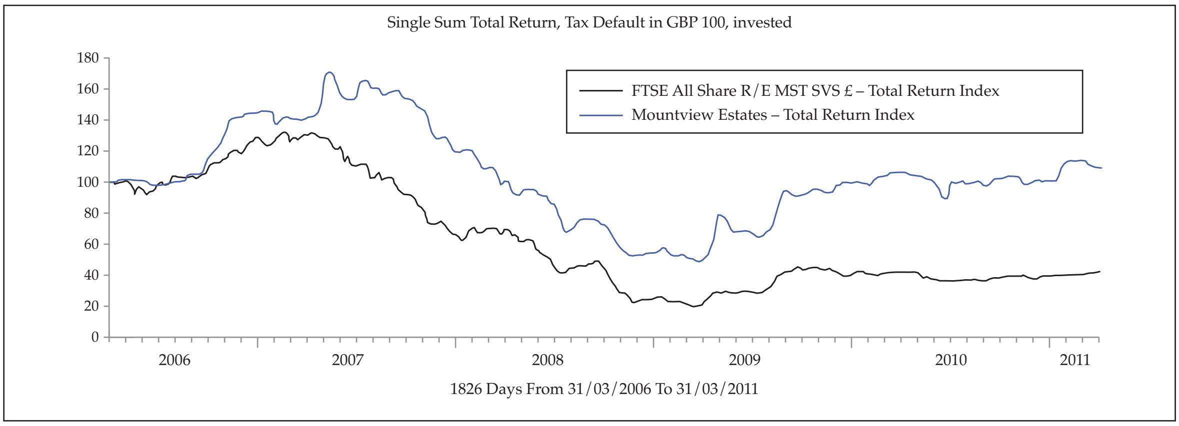
Each non-executive Director receives fees of £24,000 per annum. The non-executive Directors are not entitled to bonuses, benefits or pension contributions.

Pensions

The Company contributes 5% of the total of the executive Directors' gross annual salaries and bonuses to a Stakeholder Pension Scheme. This 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 P.L.C. on 31 March each year compared to the value of £100 invested in the FTSE All-Share Real Estate Index.

Details of the Directors' service contracts and letters of appointment with the Company, and the unexpired terms thereunder are as follows:

	Contract date	Unexpired term	Notice period
D.M. Sinclair	8 August 2002	No fixed term	12 months
K. Langrish-Smith	8 August 2002	No fixed term	12 months
M.M. Bray	1 April 2004	No fixed term	12 months
J.B. Fulton	1 January 2010	17 months	none
J.A.N. Laing	1 January 2009	5 months	none
A.J. Sinclair	1 November 2010	27 months	none

The executive Directors are entitled to a compensation payment after a change in control of the Company. Such compensation payment (subject to deduction of income tax as required by law and any other sums owed by the executive Director to the Company) is equal to the executive Director's gross renumeration as reported in the Company's last audited accounts as announced to the London Stock Exchange.

Non-executive Directors are entitled to accrued fees only due to them as at the date of termination of their appointment.

AUDITED INFORMATION

2011	Salary £000	Bonus £000	Benefits in kind £000	Pensions Contri-butions £000	Total £000
Executive					
D.M. Sinclair	250	210	40	23	523
K. Langrish-Smith	150	60	23	10	243
Miss J.L. Murphy (Resigned 31.08.2010)*	75	–	5	4	84
Mrs M.M. Bray	215	150	–	18	383
Non-Executive					
J.B. Fulton	24	–	–	–	24
J.A.N. Laing	24	–	–	–	24
A.J. Sinclair (Appointed 1.11.2010)	10	–	–	–	10
	748	420	68	55	1,291

2010	Salary £000	Bonus £000	Benefits in kind £000	Pensions Contri-butions £000	Total £000
Executive					
D.M. Sinclair	250	240	38	24	552
K. Langrish-Smith	150	80	24	11	265
Miss J.L. Murphy	180	150	11	16	357
Mrs M.M. Bray	212	165	–	18	395
Non-Executive					
J.P. Hall (retired August 2009)	10	–	–	–	10
J.B. Fulton	24	–	–	–	24
J.A.N. Laing	24	–	–	–	24
	850	635	73	69	1,627

- The Committee this year considered the information provided by IDS and other public information for their Executive Compensation Review.
- The Committee had regard to the personal bonus paid in previous years as a percentage of profit before tax.

*Details of Miss J.L. Murphy's compensation are set out in Note 25 to the Consolidated Financial Statements on page 43.

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 14 July 2011.

J.A.N. Laing
Chairman of the Remuneration Committee

for the year ended 31 March 2011

	Notes	Year ended 31.03.2011 £000	Year ended 31.03.2010 £000
REVENUE	4	**47,655**	56,697
Cost of sales	4	**(18,548)**	(22,191)
GROSS PROFIT		**29,107**	34,506
Administrative Expenses		**(4,305)**	(4,046)
Operating profit before changes in fair value of investment properties		**24,802**	30,460
Increase in fair value of investments		**2,454**	2,142
PROFIT FROM OPERATIONS		**27,256**	32,602
Change in fair value of derivatives	21	**(292)**	–
Finance costs	8	**(3,404)**	(3,347)
PROFIT BEFORE TAXATION		**23,560**	29,255
Taxation – current		**(7,425)**	(7,969)
Taxation – deferred		**836**	349
Taxation	10	**(6,589)**	(7,620)
PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS		**16,971**	21,635
Basic and diluted earnings per share (pence)	12	**435.3p**	554.8p

The notes on pages 24-43 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2011

	Year ended 31.03.2011 £000	Year ended 31.03.2010 £000
Profit for the year	**16,971**	21,635
Net (expense) recognised directly in equity	**–**	(26)
Total recognised income	**16,971**	21,609
The total recognised income in the year is attributable to Equity shareholders of the parent	**16,971**	21,609

The notes on pages 24-43 are an integral part of these consolidated financial statements.

Company number: 328020 *as at 31 March 2011*

	Notes	As at 31.03.2011 £000	As at 31.03.2010 £000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	13	**2,461**	2,422
Investment properties	14	**30,314**	32,872
		32,775	35,294
CURRENT ASSETS			
Inventories of trading properties	16	**259,462**	256,964
Trade and other receivables	17	**1,192**	1,197
Cash and cash equivalents		**116**	443
		260,770	258,604
TOTAL ASSETS		**293,545**	293,898
EQUITY AND LIABILITIES			
Capital and reserves attributable to equity holders of the company			
Share capital	22	**195**	195
Capital redemption reserve	23	**55**	55
Capital reserve	23	**25**	25
Other reserves	23	**56**	56
Cash flow hedge reserve	21	**(2,340)**	(3,640)
Retained earnings	24	**216,905**	206,366
		214,896	203,057
NON-CURRENT LIABILITIES			
Long-term borrowings	19	**50,000**	65,000
Deferred tax	20	**7,321**	8,157
		57,321	73,157
CURRENT LIABILITIES			
Bank overdrafts and loans	19	**13,940**	8,876
Trade and other payables	18	**1,485**	1,355
Current tax payable		**3,271**	3,813
Derivative financial instruments	21	**2,632**	3,640
		21,328	17,684
TOTAL LIABILITIES		**78,649**	90,841
TOTAL EQUITY AND LIABILITIES		**293,545**	293,898

Approved by the Board on 14 July 2011.

D. M. SINCLAIR Chairman

K. LANGRISH-SMITH Director

The notes on pages 24-43 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2011

	Notes	Share capital £000	Capital reserve £000	Capital redemption reserve £000	Cash flow hedge reserve £000	Other reserves £000	Retained earnings £000	Total £000
Changes in equity for year ended 31 March 2010								
Balance as at 1 April 2009		195	25	55	(3,614)	56	190,773	187,490
Profit for the year							21,635	21,635
Movements in cash flow hedge	21				(26)			(26)
Dividends	11						(6,042)	(6,042)
Balance at 31 March 2010	24	195	25	55	(3,640)	56	206,366	203,057
Changes in equity for year ended 31 March 2011								
Balance as at 1 April 2010		195	25	55	(3,640)	56	206,366	203,057
Reduction in reserve	21				1,300			1,300
Profit for the year							16,971	16,971
Dividends	11						(6,432)	(6,432)
Balance at 31 March 2011	24	195	25	55	(2,340)	56	216,905	214,896

The notes on pages 24-43 are an integral part of these consolidated financial statements.

for the year ended 31 March 2011

	Notes	Year ended 31.03.2011 £000	Year ended 31.03.2010 £000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit from operations		**27,256**	32,602
Adjustments for:			
Depreciation		**174**	156
Loss on disposal of property, plant and equipment		**11**	5
(Increase) in fair value of investment properties		**(2,454)**	(2,142)
Operating cash flows before movement in working capital		**24,987**	30,621
(Increase)/Decrease in inventories		**(2,498)**	11,841
Decrease/(Increase) in receivables		**5**	(538)
Increase/(Decrease) in payables		**125**	(822)
Cash generated from operations		**22,619**	41,102
Interest paid		**(3,404)**	(3,347)
Income taxes paid		**(8,027)**	(6,410)
Net cash inflow from operating activities		**11,188**	31,345
Investing activities			
Proceeds from disposal of investment properties		**6,600**	1,895
Purchase of property, plant and equipment	13	**(309)**	(11)
Capital expenditure on investment properties	14	**(1,438)**	(434)
Net cash inflow from investing activities		**4,853**	1,450
Cash flows from financing activities			
Repayment of borrowings		**(14,700)**	(23,800)
Equity dividend paid		**(6,432)**	(6,042)
Net cash (outflow) from financing activities		**(21,132)**	(29,842)
Net (decrease)/increase in cash and cash equivalents		**(5,091)**	2,953
Cash and cash equivalents at beginning of the period		**(8,258)**	(11,211)
Cash and cash equivalents at end of year	19(a)	**(13,349)**	(8,258)

The notes on pages 24-43 are an integral part of these consolidated financial statements.

for the year ended 31 March 2011

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 website is: www.mountviewplc.co.uk

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

These consolidated financial statements have been approved for issue by the Board of Directors on 14 July 2011.

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 Group's financial statements 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, (IFRS) as adopted by the EU.

The Company has elected to prepare its parent company financial statements in accordance with UK GAAP. These are presented on pages 46 to 53.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies.

The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 2(s) "Estimates and Judgements".

(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 exercises 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.

2. **ACCOUNTING POLICIES** *(continued)*

(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.

The Group has identified two such segments as follows:

- core portfolio
- residential investments

Above segments are UK based. More details are given in note 5.

(d) 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.

(e) 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.

(f) Dividend distribution

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

(g) 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 2011

2. ACCOUNTING POLICIES *(continued)*

(h) 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.

(i) 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.

(j) Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property.

Investment property is measured initially at its cost including related transaction costs.

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices adjusted, if necessary, for any difference in the nature, location or condition of the specified asset. If this information is not available the Group uses alternative valuation methods such as recent prices or less active markets or discounted cash flow projections.

Subsequent expenditure is included in the carrying amount of the property 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 during the financial period in which they are incurred.

Gains or losses arising from changes in the fair value of the Group's investment properties are included in the income statement of the period in which they arise.

2. ACCOUNTING POLICIES *(continued)*

(k) Inventories – trading properties

These comprise residential properties all of which are held for resale, and are shown in the financial statements at the lower of cost and estimated net realisable value. Cost 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 with vacant possession. Where residential properties are sold tenanted, net realised value is the current market value net of associated selling costs. There were no such sales during the financial year. The analysis of the Group revenue as at 31 March 2011 is on page 31.

(l) Pension Costs

The Group operates a stakeholder contribution pension scheme for employees. The annual contributions payable are charged to the Income Statement. The Group has no further payment obligations once the contributions have been paid.

(m) 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 and other receivables and trade and other payables and cash and cash equivalents are measured at their net realisable value.

(n) Bank Borrowings

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

(o) 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.

(p) Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

(q) Derivatives

The Group uses derivative instruments to help manage its interest rate risk. In accordance with its treasury policy, the Group does not hold or issue derivatives for trading purposes.

The derivatives are recognised initially at fair value. Subsequently, the gain or loss on remeasurement to fair value is recognised immediately in the income statement, unless the derivatives qualify for cash flow hedge accounting in which case any gain or loss is taken to equity in a cash flow hedge reserve.

In order to qualify for hedge accounting, the Group is required to document in advance the relationship between the item being hedged and the hedging instrument. The Group is also required to demonstrate that the hedge will be highly effective on an ongoing basis. The effectiveness testing is reperformed at each period end to ensure that the hedge remains highly effective.

In previous years the Directors decided to hedge account in relation to an Interest Rate Swap. During the year ended 31 March 2011 the Directors decided to revoke the decision to hedge account. See Note 21 for further details.

for the year ended 31 March 2011

2. ACCOUNTING POLICIES *(continued)*

(r) New and Revised International Financial Reporting Standards

Changes to accounting policies since the last period
The Group has considered or applied the following significant standards for the period commencing 1 April 2010. There has been no significant impact to the financial information as a result of applying these standards for the first time.

- IFRS 1 (amended)/IAS 27 (amended) – Cost of an investment in a Subsidiary, Jointly Controlled Entity or Associate
- IFRS 3 (revised 2008) – Business combinations

Certain new standards and interpretations have been published that are mandatory for the Group's accounting periods beginning on or after 1 April 2011 or later periods and which the entity has not yet adopted. Except where stated none of these standards are expected to have a significant impact on recognition or measurement of the Group's assets or liabilities.

- IAS 24 (revision) – Related Party disclosure
- IFRS 19 – Financial Instruments
- Improvements to IFRS (May 2010)
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

The Parent Company and subsidiaries have not adopted IFRS in their individual accounts.

(s) Critical Accounting Judgements and Key Areas of Estimation Uncertainty

Going concern
The Directors are required to make an assessment of the Group's ability to continue to trade as a going concern. Because of the difficult market conditions prevailing this assessment has been subject to more uncertainties than are usual.

The two main considerations were as follows:

1. Refinancing of banking facilities
   The Group has successfully renegotiated its £20 million revolving loan facility with HSBC Bank. The new termination date of this facility is January 2015.

   The Group has successfully renegotiated its £75 million revolving loan facility with Barclays Bank. The new termination date of this facility is November 2014.

2. Covenant compliance
   The core facility has two covenants, both unchanged by the new facilities, covering loan to value ("LTV") ratio and interest cover. The Group has remained well within both of these covenants during the year.

   On the basis of the above, the directors have a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future.

   Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

2. ACCOUNTING POLICIES *(continued)*

(s) Critical Accounting Judgements and Key Areas of Estimation Uncertainty (continued)

Distinction between investment and trading property
The Group considers the intention at the outset when each property is acquired in order to classify the property as either an investment or a trading property. Where the intention is to either trade the property or where the property is held for immediate sale upon receiving vacant possession within the ordinary course of business, the property is classified as trading property. Where the intention is to hold the property for its long-term rental yield and/or capital appreciation, the property is classified as an investment property.

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.

The valuation of the portfolios were made in accordance with the requirements of the RICS Valuation Standards Manual, Sixth Edition and International Valuation Standard 40.

Carrying value of trading stock
The Group's residential trading stock is carried in the balance sheet at the lower of cost and net realisable value.

As the Group's business model is to sell trading stock on vacancy, net realisable value is the net sales proceeds which the Group expects on sale of a property with vacant possession.

Inventory expected to be settled in more than 12 months
The Board estimate that inventory of £12.3 million will be settled within the next 12 months, with the remaining inventory value expected to be settled in more than 12 months. This estimation is based on the average cost of sales of inventory over the last 3 year period. Mountview's business, historic and current has involved the purchase for sale of residential properties subject to regulated tenancies, such properties being sold when vacant possession is obtained.

Regulated tenancies by their nature are not for any specific period of time and in most cases they do not become vacant until the death of the tenant.

It is difficult to predict with any certainty the time at which Mountview's inventory properties might become vacant.

for the year ended 31 March 2011

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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 Group's policies on financial risk management are to minimise the risk of adverse effect on performance and to ensure the ability of the Group to continue as a going concern.

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

(a) Market risk

The Group is exposed to market risk through interest rates and availability of credit.

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 constantly monitored by the Group's management. The Group uses derivative instruments to help manage its interest rate risk.

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

As at 31 March 2011 we had decreased our long term borrowings by £15 million to £50 million (2010: £65 million).

The Group has two covenants covering loan to value ratio and interest cover. These covenants were complied with during the financial year and we are confident to meet them at the interim stage.

(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. Regulated tenants are incentivised through the benefit of their tenancy agreement to avoid default on their rent.

Lifetime tenancies are generally at low or zero rent and hence suffer minimal credit risk.

(c) Liquidity risk

The Group's liquidity position is monitored daily by management and is reviewed quarterly by the Board of Directors. The Group ensures that it maintains sufficient cash for operational requirements at all times. The nature of its business is very cash generative from its gross rents and sales of trading properties.

In adverse trading conditions, new acquisitions can be minimised, and as a consequence reduce the gearing level and improve the liquidity. A summary table with maturity of financial liabilities is presented in Note 19.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

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.

	2011 £000	2010 £000
Total borrowings	**63,940**	73,876
Less cash and cash equivalents	**(116)**	(443)
Net borrowings	**63,824**	73,433
Total equity	**214,896**	203,057
Total borrowings plus equity	**278,720**	276,490
Gearing ratio	**22.9%**	27%

4. ANALYSIS OF REVENUE AND COST OF SALES

All revenue arises in the United Kingdom.

1. Rental income from tenancies of occupied properties. The income is recognised on an accruals basis.
2. Sale of stock properties. This is recognised on the date of legal completion.

	2011 £000	2010 £000
Revenue		
Gross sales of properties	**34,205**	42,927
Gross rental income	**13,450**	13,770
	47,655	56,697
Cost of Sales		
Cost of properties sold	**13,180**	17,547
Property expenses	**5,368**	4,644
	18,548	22,191
Gross Profit		
Sales of properties	**21,025**	25,380
Net rental income	**8,082**	9,126
	29,107	34,506

for the year ended 31 March 2011

5. SEGMENTAL INFORMATION

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 following segments:

	2011 Property Trading £'000	**2011** Property Investment £'000	**2011** Group £'000	2010 Property Trading £'000	2010 Property Investment £'000	2010 Group £'000
Revenue	47,107	548	47,655	55,992	705	56,697
Operating profit before changes in fair value of investment properties	24,955	(153)	24,802	30,116	344	30,460
Finance costs	(3,404)		(3,404)	(3,347)		(3,347)
Profit after tax			16,971			21,635
Assets	263,065	30,480	293,545	260,866	33,023	293,889
Liabilities	68,013	46	68,059	78,804	67	78,871
Fixed assets capital expenditure	182	1,563	1,745	–	434	434
Depreciation	136	38	174	144	12	156

Head office costs have been allocated and included within the Group's two operating segments.

The Group's two main business segments operate within the United Kingdom.

6. PROFIT FROM OPERATIONS

	2011 £000	2010 £000
The operating profit is stated after charging:		
Depreciation of tangible fixed assets	**174**	156
Loss on disposal of fixed assets	**11**	–
Auditors' remuneration		
– the audit of the parent company and consolidated financial statements	**38**	36
– the audit of the company's subsidiaries pursuant to legislation	**12**	12
– tax compliance work	**9**	9
operating expenses for investment properties	**701**	298
And after crediting:		
– net rental income	**8,082**	9,126
– administrative charges to related companies (Note 25)	**35**	30

7. STAFF COSTS (including Directors)

	2011 £000	2010 £000
Wages and salaries	**2,078**	2,373
Social security costs	**225**	288
Pension costs	**87**	98
	2,390	2,759

Directors' Remuneration	2011 £000	2010 £000
Total Directors' Remuneration including salary, bonuses, benefits in kind and pension contributions amounted to:	**1,291**	1,627

The details of Directors' Remuneration are shown in the audited section of the Remuneration Report on page 18.

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

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

	2011	2010
Office and management	**24**	27

8. FINANCE COSTS

	2011 £000	2010 £000
Interest on bank overdrafts, and loans	**3,404**	3,347

9. INCOME FROM INVESTMENTS

	2011 £000	2010 £000
Interest on bank deposits	**–**	–

for the year ended 31 March 2011

10. INCOME TAX EXPENSE

	2011 £000	2010 £000
(a) Analysis of charge in the year		
Current tax:		
UK Corporation Tax 28% (2010: 28%)	**7,425**	7,969
Deferred tax:		
Current year 28% (2010: 28%)	**(836)**	(349)
Taxation attributable to the Company and its Subsidiaries	**6,589**	7,620

(b) Factors affecting income tax expense

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

	2011 £000	2010 £000
Profit on ordinary activities before taxation	**23,560**	29,255
Profit on ordinary activities multiplied by rate of tax 28% (2010: 28%)	**6,596**	8,191
Expenses not deductible for tax	**164**	58
Income not taxable	**(41)**	–
Depreciation in excess of capital allowances	**(210)**	24
Taxation on capital gains	**1,428**	309
Marginal relief	**–**	(5)
Revaluation surplus in subsidiaries not taxed	**(688)**	(599)
Deferred tax	**(836)**	(349)
Under provision in prior years	**(12)**	–
Sundry adjusting items	**–**	(9)
Taxation attributable to the Company and its Subsidiaries	**6,589**	7,620

11. DIVIDENDS

On 16 August 2010 a dividend of 115p per share (2009: 105p per share) was paid to the shareholders. On 29 March 2011 a dividend of 50p per share (2010: 50p per share) was paid to the shareholders. This resulted in total dividends paid in the year of £6.43 million (2010: £6.43 million).

In respect of the current year, the Directors propose that a final dividend of 115p per share will be paid to the shareholders on 15 August. 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 2011 is payable to all shareholders on the Register of Members on 15 July 2011. The total estimated final dividend to be paid is £4.48 million.

12. EARNINGS PER SHARE

	2011 £000	2010 £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)	**16,971**	21,635
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	**435.3p**	554.8p

The Company has no dilutive potential ordinary shares.

13. PROPERTY, PLANT AND EQUIPMENT

	Freehold Property £000	**Fixtures & Fittings £000**	**Motor Vehicles £000**	**Computer Equipment £ 000**	**Total £000**
COST					
At 1 April 2010	2,671	82	353	131	3,237
Additions	–	132	156	21	309
Disposals	–	(6)	(194)	–	(200)
At 31 March 2011	**2,671**	**208**	**315**	**152**	**3,346**
DEPRECIATION					
At 1 April 2010	489	46	181	99	815
Charge for the year	53	44	40	37	174
On disposals	–	(6)	(98)	–	(104)
At 31 March 2011	**542**	**84**	**123**	**136**	**885**
NET BOOK VALUE					
At 31 March 2010	2,182	36	172	32	2,422
At 31 March 2011	**2,129**	**124**	**192**	**16**	**2,461**

Property, Plant and Equipment are located within United Kingdom.

Hire Purchase Agreement

Included within the net book value of £2,461,000 is £34,970 relating to assets held under hire purchase agreement. The depreciation charged to the financial statements in the year in respect of such assets amounted to £9,420 (2010: £nil).

for the year ended 31 March 2011

13. PROPERTY, PLANT AND EQUIPMENT *(continued)*

	Freehold Property £000	Fixtures & Fittings £000	Motor Vehicles £000	Computer Equipment £ 000	Total £000
COST					
At 1 April 2009	2,671	289	353	173	3,486
Additions	–	11	–	–	11
Disposals	–	(218)	–	(42)	(260)
At 31 March 2010	**2,671**	**82**	**353**	**131**	**3,237**
DEPRECIATION					
At 1 April 2009	436	237	138	108	919
Charge for the year	53	27	43	33	156
On disposals	–	(218)	–	(42)	(260)
At 31 March 2010	**489**	**46**	**181**	**99**	**815**
NET BOOK VALUE					
At 31 March 2009	2,235	52	215	65	2,567
At 31 March 2010	**2,182**	**36**	**172**	**32**	**2,422**

Property, Plant and Equipment are located within United Kingdom.

14. INVESTMENT PROPERTIES

	2011 £000	2010 £000
Fair Value at 1 April 2010 (2009)	**32,872**	32,195
Additions:		
Subsequent expenditure	**1,438**	434
Disposals	**(6,450)**	(1,899)
Increase in Fair Value during the year	**2,454**	2,142
At 31 March 2011 (2010)	**30,314**	32,872

Louise Goodwin Limited and **ALG Properties Limited**
The Companies' investment properties were valued on a Fair Value basis as at 31 March 2011 by External Valuers, Mr F. Hill MRICS and Mr J.A. Rollings MRICS of Castles Surveyors Limited. The valuations were in accordance with the requirements of the RICS Valuation Standards Manual, Sixth Edition (The Red Book) and International Accounting Standard 40. The valuation of each investment property assumed that the property would be sold subject to any existing leases, regulated and assured tenancies, but otherwise, with vacant possession. On this basis, the aggregate Fair Value of the Company's interests in its investment properties was:

Louise Goodwin Limited
£24,474,000 (twenty four million, four hundred and seventy four thousand pounds).

ALG Properties Limited
£5,840,000 (five million, eight hundred and forty thousand pounds).

Information relating to the basis of valuation of investment properties and the judgements and assumption adopted by management is set out in note 2(u) "Estimates and Judgements".

A revaluation surplus of £2.454 million has arisen on valuation of investment properties to fair value as at 31 March 2011 (2010: surplus of £2.142 million) and this has been taken to the income statement.

15. 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 2010 2011 £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

16. INVENTORIES

	2011 £000	2010 £000
Residential properties	**259,462**	256,964

17. TRADE AND OTHER RECEIVABLES

	2011 £000	2010 £000
Trade receivables	**218**	131
Prepayments and accrued income	**974**	1,066
	1,192	1,197

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

There are no bad or doubtful debts at the year end. There are no material debts past due, and there are no financial assets that are impaired.

18. TRADE AND OTHER PAYABLES

	2011 £000	2010 £000
Trade creditors	**535**	855
Other taxes and social security costs	**144**	142
Other creditors	**806**	358
	1,485	1,355

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

for the year ended 31 March 2011

18(a) COMMITMENTS UNDER HIRE PURCHASE AGREEMENT

Future commitments under hire purchase agreements are as follows:

	2011 £000	2010 £000
Amounts payable within 1 year	**35**	–

19. BANK OVERDRAFTS AND LOANS

	2011 £000	2010 £000
Bank overdrafts	**13,465**	8,701
Bank loans	**50,000**	65,000
Other loans	**475**	175
	63,940	73,876

(a) Cash and cash equivalents

	2011 £000	2010 £000
Bank overdrafts	**(13,465)**	(8,701)
Cash	**116**	443
Cash and cash equivalents as at 31 March	**(13,349)**	(8,258)

Maturity profile of financial liabilities at 31 March 2011 was as follows:

	2011 £000	2010 £000
Amounts repayable:		
In one year or less	**13,940**	8,876
Between one and two years	**–**	–
Between two and five years	**50,000**	65,000
	63,940	73,876
Less: amount due for settlement within 12 months (shown under current liabilities)	**(13,940)**	(8,876)
Amount due for settlement after 12 months	**50,000**	65,000

The average interest rates paid were as follows:

	2011	2010
Bank overdrafts and Money Market Loan	**4.91%**	2.12%
Bank loans	**3.62%**	3.97%
Other loans	**1.00%**	1.00%

19. BANK OVERDRAFTS AND LOANS *(continued)*

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 Group has reduced its short term borrowing facilities from £22 million to £12 million with Barclays Bank. This facility expires at September 2011 and the rate of interest payable is:
   - 1.5% over LIBOR on £7 million
   - 1.7% over Base rate on £5 million.

   Headroom of this facility at 31 March 2011 amounted to £1.9 million (2010: £16.9 million).
2. The bank overdrafts are repayable on demand. The bank overdrafts are secured by a Letter of Negative Pledge by Mountview Estates P.L.C.
3. The Group has a £75 million long-term borrowing facility with Barclays Bank. This is a 5 year revolving loan and the termination date of this facility is November 2014. The rate of interest payable on the loan is 1.8% 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. Headroom of this facility at 31 March 2011 amounted to £45 million (2010: £30 million).
4. The Group has successfully renegotiated its £10 million short-term borrowing facilities with HSBC Bank. This facility expires at August 2011 and the rate of interest payable is 2.25% over Base rate. Headroom of this facility at 31 March 2011 amounted to £6.6 million (2010: 6.3 million).
5. The Group has a £20 million long-term borrowing facility with HSBC Bank. This is a 5 year revolving loan and the termination date of this facility is January 2015. The rate of interest payable on the loan is 2.5% above LIBOR. The loan is secured by Letter of Negative Pledge. The loan is not repayable by instalments. Headroom of this facility at 31 March 2011 amounted to £nil (2010: £nil).
6. Other loans consist of loans from connected persons, and companies of which Mr. D.M. Sinclair is a Director. Loans of £475,000 (2010: £175,000) are repayable within one year. Interest payable on these loans is at 0.5% above Barclays Bank Plc base rate.

for the year ended 31 March 2011

20. DEFERRED TAX

Analysis for financial reporting purposes

	2011 £000	2010 £000
Deferred tax liabilities	**7,321**	8,157
Net position at 31 March	**7,321**	8,157

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

	2011 £000	2010 £000
At 1 April	**8,157**	8,506
(Credit) to income for the year	**(836)**	(349)
At 31 March	**7,321**	8,157

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

	Revaluation of properties	
	2011 £000	2010 £000
At 1 April	**8,157**	8,506
(Credit) to income for the year	**(836)**	(349)
At 31 March	**7,321**	8,157

21. 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 £1.3 million (2010: £1.6 million)

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

The trade receivables amounted to £1.2 million (2010: £1.2 million).

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

Fair value of borrowings

	2011 £000	2010 £000
Bank overdrafts	**13,465**	8,701
Secured bank loans	**50,000**	65,000
Unsecured loans	**475**	175
	63,940	73,876

21. FINANCIAL INSTRUMENTS *(continued)*

Interest charged in the income statement for the above borrowings amounted to £3.4 million (2010: £3.3 million).

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 19.

As at 31 March 2011 it is estimated that general increase of 1 point in interest rates would decrease the Group's profit before tax by approximately £100,000 (2010: £250,000).

Derivative financial instruments

The Group has entered into an Interest Rate Swap Agreement in January 2008 in order to help manage its interest rate risk.

The interest rate swap matures in March 2013 and is based on £40 million non-amortising notional amount. As at 31 March 2011 the fixed interest rate was 4.98% (31 March 2010: 4.98%).

As at 31 March 2011 the fair value of the interest rate swap represents a liability of £2.6 million (2010: £3.6 million). During the year ended 31 March 2011 the Directors decided to revoke the decision to hedge account. The balance on the cash flow hedge reserve will be released to the income statement on straight line basis over the remaining term of the interest rate swap agreement.

In the Income Statement there is a charge of £292,000 relating to "change in fair value of derivatives".

This figure is the net effect of:

- A reduction (credit) in the fair value of a financial instrument by £1.008 million – 2011 £2.632 million (2010: £3.640 million).
- Debit of £1.3 million which relates to the change in value of the cash flow hedge reserve which is being written off on straight line basis over remaining term of the agreement.

The interest rate swap was valued by Barclays Capital.

Undiscounted maturity profile of financial liabilities

The following table analyses the Group's financial liabilities and derivative financial liabilities at the balance sheet date into relevant maturity groupings based on the remaining period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. As the amounts included in the table are the contractual undiscounted cash flows, these amounts will not always equal the amounts disclosed on the balance sheet for borrowings, derivative financial instruments, and trade and other payables.

Trade and other payables due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 March 2011	**Less than 1 year £000**	**Between 1 & 5 years £ 000**	**Total £000**
Interest bearing loans and borrowings	14,175	61,550	75,725
Cash flow hedge	2,632	–	2,632
Trade and other payables	1,485	–	1,485

At 31 March 2010	**Less than 1 year £000**	**Between 1 & 5 years £ 000**	**Total £000**
Interest bearing loans and borrowings	9,155	81,058	90,213
Cash flow hedges	3,640	–	3,640
Trade and other payables	1,355	–	1,355

for the year ended 31 March 2011

21. FINANCIAL INSTRUMENTS *(continued)*

Reconciliation of maturity analysis

At 31 March 2011	**Less than 1 year £000**	**Between 1 & 5 years £ 000**	**Total £000**
Interest bearing loans and borrowings per accounts	13,940	50,000	63,940
Interest	235	11,550	11,785
Financial liability cash flows as above	14,175	61,550	75,725

At 31 March 2010	**Less than 1 year £000**	**Between 1 & 5 years £ 000**	**Total £000**
Interest bearing loans and borrowings per accounts	8,876	65,000	73,876
Interest	279	16,058	16,337
Financial liability cash flows as above	9,155	81,058	90,213

22. CALLED UP SHARE CAPITAL

	2011 £000	2010 £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

23. OTHER RESERVES

	2011 £000	2010 £000
Capital redemption reserve	**55**	55
Capital reserve	**25**	25
Other reserves	**56**	56
	136	136

Capital redemption reserve relates to buy-back of the Company's own shares.

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 2011 stood at £56,000 (2010: £56,000).

24. RETAINED EARNINGS

	£000
Balance at 1 April 2010	**206,366**
Net profit for the year	**16,971**
Dividends paid	**(6,432)**
Balance at 31 March 2011	**216,905**

25. RELATED PARTY TRANSACTIONS

1. During the financial year there were no key management personnel emoluments, other than remuneration.

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 £35,189 (2010: £30,237) were charged for these services.

(b) Included within other loans repayable in less than one year and on demand is a loan from Sinclair Estates Limited. The balance outstanding at the balance sheet date was £125,000 (2010: £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 £980 (2010: £240).

(c) Included within other loans repayable in less than one year and on demand is a loan from Ossian Investors Limited. The balance outstanding at the balance sheet date was £175,000 (2010: £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 £1,258 (2010: £540).

(d) 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 (2010: £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 £1,750 (2010: £1,615).

(e) All of the above loans are unsecured.

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

3. Compensation paid to the ex-Executive Director

	2011 **£000**	2010 £000
Salary and bonus	**292**	–
Termination benefit	**30**	–
Post employment benefit	**41**	–

Miss J.L. Murphy resigned as an Executive Director on 31 August 2010. Pursuant to the terms of compromise agreement between Miss J.L. Murphy and the Company relating to her resignation as a Director the Company has made an aggregate payment to Miss J.L. Murphy of £363,645.

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 2011, which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the statement of consolidated cash flows and the related Notes 1 to 25. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ('IFRS') as adopted by the European Union.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the statement of Directors' Responsibilities set out in the Directors' Report, the Directors are responsible for the preparation of the Group financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the Group financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements.

OPINION ON FINANCIAL STATEMENTS

In our opinion the Group financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 March 2011 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and Article 4 of the IAS Regulation.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion:

- the information given in the Directors' Report for the financial year for which the Group financial statements are prepared is consistent with the Group financial statements.
- the information given in the corporate governance statement on pages 13-15 with respect to internal control and risk management systems and about share capital structures is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following: Under the Companies Act 2006 we are required to report to you if, in our opinion:

- 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;
- a corporate governance statement has been prepared by the parent company.

Under the Listing Rules we are required to review:

- the Directors' statement in relation to going concern; and
- the part of the Corporate Governance report relating to the Company's compliance with the nine provisions of the June 2008 Combined Code specified for our review.

OTHER MATTERS

We have reported separately on the parent Company financial statements of Mountview Estates P.L.C. for the year ended 31 March 2011 and on the information in the Report of the Remuneration Committee and Directors' Remuneration Report that is described as having been audited.

Norman Strong (Senior Statutory Auditor)
for and on behalf of BSG Valentine
Chartered Accountants and Statutory Auditors
London

14 July 2011

COMPANY BALANCE SHEET UNDER UK GAAP

as at 31 March 2011

	Notes	As at 31.03.2011 £000	As at 31.03.2010 £000
FIXED ASSETS			
Tangible assets	3	**2,343**	2,392
Investments	4	**18,276**	18,276
		20,619	20,668
CURRENT ASSETS			
Stocks	5	**243,990**	243,860
Debtors	6	**1,140**	1,124
Cash at bank and in hand		**86**	319
		245,216	245,303
CREDITORS: Amounts falling due within one year	7	**(20,364)**	(17,101)
NET CURRENT ASSETS		**224,852**	228,202
TOTAL ASSETS LESS CURRENT LIABILITIES		**245,471**	248,870
CREDITORS: Amounts falling due after more than one year	8	**(77,847)**	(90,200)
		167,624	158,670
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
Cash flow hedge reserve	11	**(2,340)**	(3,640)
Profit and Loss Account	12	**169,650**	161,996
		167,624	158,670

Approved by the Board on 14 July 2011.

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

for the year ended 31 March 2011

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 with vacant possession in its current condition. The analysis of the Group revenue as at 31 March 2011 is on page 31.

(h) Hire purchase agreements
Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

(i) 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 the extent that the directors consider that it is more likely than 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 2011

2. STAFF COSTS (including Directors)

	2011 £000	2010 £000
Wages and salaries	**2,078**	2,373
Social security costs	**225**	288
Pension costs	**87**	98
	2,390	2,759

DIRECTORS' REMUNERATION

	2011 £000	2010 £000
Total Directors' Remuneration including salary, bonuses, benefits in kind and pensions contributions amounted to:	**1,291**	1,627

The details of Directors' Remuneration are shown in the audited section of the Remuneration Report on page 18.

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

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

	2011	2010
Office and management	**24**	27

3. TANGIBLE ASSETS

	Freehold Property £000	Fixtures & Fittings £000	Motor Vehicles £000	Computer Equipment £ 000	Total £000
COST					
At 1 April 2010	2,671	23	353	131	3,178
Additions	–	5	156	21	182
Disposals	–	(6)	(194)	–	(200)
At 31 March 2011	**2,671**	**22**	**315**	**152**	**3,160**
DEPRECIATION					
At 1 April 2010	489	17	181	99	786
Charge for the year	53	5	40	37	135
On disposals	–	(6)	(98)	–	(104)
At 31 March 2011	**542**	**16**	**123**	**136**	**817**
NET BOOK VALUE					
At 31 March 2010	2,182	6	172	32	2,392
At 31 March 2011	**2,129**	**6**	**192**	**16**	**2,343**

3. TANGIBLE ASSETS *(continued)*

Hire Purchase Agreement

Included within the net book value of £2,405,000 is £34,970 relating to assets held under hire purchase agreement. The depreciation charged to the financial statements in the year in respect of such assets amounted to £9,420 (2010: £nil).

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

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.

	Cost 2010 2011 £000
Hurstway Investment Company Limited	1
Louise Goodwin Limited	15,351
A.L.G. Properties Limited	2,924
	18,276

The Company owns 100% of the ordinary share capital of the following companies:

Subsidiary Undertaking	**Country of Incorporation**	**Principal Activity**
Hurstway Investment Company Limited	UK	Property Dealing
Louise Goodwin Limited	UK	Property Investment
A.L.G. Properties Limited	UK	Property Investment

5. STOCKS

	2011 £000	2010 £000
Residential properties	**243,990**	243,860

6. DEBTORS: due within one year

	2011 £000	2010 £000
Trade debtors	**203**	93
Prepayments and accrued income	**937**	1,031
	1,140	1,124

for the year ended 31 March 2011

7. CREDITORS: Amounts falling due within one year

	2011 £000	2010 £000
Bank loans and overdrafts	**13,465**	8,701
Trade creditors	**316**	497
Corporation Tax	**2,364**	3,295
Other taxes and social security costs	**143**	127
Other creditors	**969**	666
Other loans	**475**	175
Derivative financial instruments	**2,632**	3,640
	20,364	17,101

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

7(a) COMMITMENTS UNDER HIRE PURCHASE AGREEMENT

Future commitments under hire purchase agreements are as follows:

	2011 £000	2010 £000
Amounts payable within 1 year	**35**	–

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

	2011 £000	2010 £000
Bank loans	**50,000**	65,000
Amounts owed to Subsidiary undertakings	**27,847**	25,200
Other loans	**–**	–
	77,847	90,200

Maturity profile of financial liabilities at 31 March 2011 was as follows:

	2011 £000	2010 £000
Amounts repayable:		
In one year or less	**13,940**	8,876
Between one and two years	**–**	–
Between two and five years	**50,000**	65,000
More than five years	**27,847**	25,200
	91,787	99,076
Less: amount due for settlement within 12 months (shown under current liabilities)	**(13,940)**	(8,876)
Amount due for settlement after 12 months	**77,847**	90,200

8. CREDITORS: Amounts falling due after more than one year *(continued)*

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 Group has reduced its short term borrowing facilities from £22 million to £12 million with Barclays Bank. This facility expires at September 2010 and the rate of interest payable is:
   - 1.5% over LIBOR or £7 million
   - 1.7% over Base rate or £5 million.

   Headroom of this facility at 31 March 2011 amounted to £1.9 million (2010: £16.9 million).
2. The Group has a £75 million long-term borrowing facility with Barclays Bank. This is a 5 year revolving loan and the termination date of this facility is November 2014. The rate of interest payable on the loan is 1.8% 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. Headroom of this facility at 31 March 2011 amounted to £45 million (2010: £30 million).
3. The Group has successfully renegotiated its £10 million short-term borrowing facilities with HSBC Bank. This facility expires at August 2011 and the rate of interest payable is 2.25% over Base rate. Headroom of this facility at 31 March 2011 amounted to £6.6 million (2010: £6.3 million).
4. The Group has a £20 million long-term borrowing facility with HSBC Bank. This is a 5 year revolving loan and the termination date of this facility is January 2015. The rate of interest payable on the loan is 2.5% above LIBOR. The loan is secured by Letter of Negative Pledge. The loan is not repayable by instalments. Headroom of this facility at 31 March 2011 amounted to £nil (2010: £nil).
5. Other loans consist of loans from connected persons, and companies of which Mr. D.M. Sinclair is a Director. Loans of £475,000 (2010: £175,000) are repayable within one year. Interest payable on these loans is at 0.5% above Barclays Bank Plc base rate.

9. CALLED UP SHARE CAPITAL

	2011	2010
	£000	£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

for the year ended 31 March 2011

10. OTHER RESERVES

	2011 £000	2010 £000
Capital redemption reserve	**55**	55
Capital reserve	**25**	25
Other reserves	**39**	39
Balance at 31 March	**119**	119

Capital redemption reserve relates to buy-back of the Company's own shares.

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 2011 stood at £39,000 (2010: £39,000).

11. DERIVATIVE FINANCIAL INSTRUMENTS

The Company entered into an Interest Rate Swap Agreement in January 2008 in order to help manage its interest rate risk.

The interest rate swap matures in March 2013 and is based on £40 million non-amortising notional amount. As at 31 March 2011 the fixed interest rate was 4.98% (March 2010: 4.88%).

12. PROFIT AND LOSS ACCOUNT

	2011 £000	2010 £000
Balance at 1 April	**161,996**	151,072
Net profit for the year	**14,086**	16,966
Dividends paid	**(6,432)**	(6,042)
Balance at 31 March	**169,650**	161,996

13. RELATED PARTY TRANSACTIONS

1. During the financial year there were no key management personnel emoluments, other than remuneration.

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 £35,819 (2010: £30,237) were charged for these services.

(b) Included within other loans repayable in less than one year and on demand is a loan from Sinclair Estates Limited. The balance outstanding at the balance sheet date was £125,000 (2010: £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 £980 (2010: £240).

(c) Included within other loans repayable in less than one year and on demand is a loan from Ossian Investors Limited. The balance outstanding at the balance sheet date was £175,000 (2010: £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 £1,258 (2010: £540).

13. RELATED PARTY TRANSACTIONS *(continued)*

(d) 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 (2010: £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 £1,750 (2010: £1,615).

(e) All of the above loans are unsecured.

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

3. Compensation paid to the ex-Executive Director

	2011	2010
	£000	£000
Salary and bonus	**292**	–
Termination benefit	**30**	–
Post employment benefit	**41**	–

Miss J.L. Murphy resigned as an Executive Director on 31 August 2010. Pursuant to the terms of compromise agreement between Miss J.L. Murphy and the Company relating to her resignation as a Director the Company has made an aggregate payment to Miss J.L. Murphy of £363,645.

INDEPENDENT AUDITORS' REPORT

to the Members of Mountview Estates P.L.C. on the parent Company financial statements

We have audited the parent Company financial statements of Mountview Estates P.L.C. for the year ended 31 March 2011 which comprise the parent Company balance sheet and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the statement of Directors' responsibilities set out in the Directors' Report, the Directors are responsible for the preparation of the parent Company financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the parent Company financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland).

Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

OPINION ON FINANCIAL STATEMENTS

In our opinion the parent Company financial statements:

- Give a true and fair view of the state of the Company's affairs as at 31 March 2011 and of its profit for the year when ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion:

- The part of the report of the Remuneration Committee and Directors' Remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- The information given in the Directors' Report for the financial year for which the parent Company financial statements are prepared is consistent with the parent Company financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent Company financial statements and the part of the Directors' Remuneration Report to be audited 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.

OTHER MATTER

We have reported separately on the Group financial statements of Mountview Estates P.L.C. for the year ended 31 March 2011.

Norman Strong (Senior Statutory Auditor)
for and on behalf of BSG Valentine
Chartered Accountants and Statutory Auditors
London

14 July 2011

as at 31 March 2011

	IFRS 2006 £000	IFRS 2007 £000	IFRS 2008 £000	IFRS 2009 £000	IFRS 2010 £000	**IFRS 2011 £000**
Revenue	47,456	68,168	54,338	53,599	56,697	**47,655**
Profit before taxation	22,660	50,227	29,529	13,062	29,255	**23,560**
Taxation	6,738	15,167	8,861	3,673	7,620	**6,589**
Profit after taxation	15,922	35,060	20,668	9,389	21,635	**16,971**
Dividend in relation to the year	5,069	5,848	6.042	6.042	6,432	**6,432***
Earnings per share	408.4p	899.2p	530.1p	241.0p	554.8p	**453.3**
Rate of dividend	130p	150p	155p	155p	165p	**165p**

*The £6.43 million dividend in relation to 2011 is made up of the interim dividend of £1.95 million and the final dividend of £4.48 million, which will be paid on 15 August 2011, subject to approval at the AGM on 10 August 2011.

Notice is hereby given that the Seventy-Fourth Annual General Meeting of the Members of Mountview Estates P.L.C. (incorporated in England and Wales with registered number 00328020) will be held at the offices of Norton Rose LLP, 3 More London Riverside, London SE1 2AQ on 10 August 2011 at 11.30 a.m. for the following purposes:

As ordinary business:

1. To receive and consider the Reports of the Directors and the Auditors and the audited Statements of Accounts of the Company for the year ended 31 March 2011.
2. To declare a final dividend of 115p per share payable on 15 August 2011 to Shareholders on the register at 15 July 2011.
3. To re-appoint Mrs M.M. Bray as a Director of the Company.
4. To re-appoint Mr. J. Fulton as a Director of the Company.
5. To elect Mr. A.J. Sinclair 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 2011.
7. To re-appoint Messrs BSG Valentine as Auditors of the Company to hold office from the conclusion of the Meeting to the conclusion of the next meeting at which the accounts are laid before the meeting.
8. 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
14 July 2011

Notes:–

1. A Member who is entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend, speak and vote instead of him/her. A proxy need not also be a Member of the Company. If a Member appoints more than one proxy to attend the Meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by the Member. If a Member wishes to appoint more than one proxy and so requires additional Forms of Proxy, the Member should contact Capita Registrars (PXS), The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

2. A Form of Proxy is enclosed with this Report and Accounts and should be completed in accordance with the instructions contained therein. Completion and return of the Form of Proxy will not prevent a Member from attending the Meeting and voting in person. To be effective, the Form of Proxy and any power of attorney or other authority under which it is signed (or a notarially certified copy of such authority) must be deposited at the office of the Company's Registrars, Capita Registrars (PXS), The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, not later than 48 hours before the time of the Meeting or any adjournment thereof. Amended instructions must also be received by the Company's Registrars by the deadline for receipt of Forms of Proxy.

3. To appoint a proxy or to give or amend an instruction to a previously appointed proxy via the CREST system, the CREST message must be received by the issuer's agent RA10 by no later than 48 hours before the time of the Meeting or any adjournment thereof. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message. After this time any change of instructions to a proxy appointed through CREST should be communicated to the proxy by other means. CREST Personal Members or other CREST sponsored members, and those CREST Members who have appointed voting service provider(s) should contact their CREST sponsor or voting service provider(s) for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings please refer to the CREST Manual. We may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001. In any case your proxy instruction must be received by the company's registrars no later than 48 hours before the time of the Meeting or any adjournment thereof.

4. Any person receiving a copy of this Notice as a person nominated by a Member to enjoy information rights under section 146 of the Companies Act 2006 (a "Nominated Person") should note that the provisions in Notes 1 and 2 above concerning the appointment of a proxy or proxies to attend the Meeting in place of a Member, do not apply to a Nominated Person as only shareholders have the right to appoint a proxy. However, a Nominated Person may have a right under an agreement between the Nominated Person and the Member by whom he or she was nominated to be appointed, or to have someone else appointed, as a proxy for the Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right under such an agreement to give instructions to the Member as to the exercise of voting rights at the Meeting.

   Nominated persons should also remember that their main point of contact in terms of their investment in the Company remains the Member who nominated the Nominated Person to enjoy information rights (or, perhaps the custodian or broker who administers the investment on their behalf). Nominated Persons should continue to contact that Member, custodian or broker (and not the Company) regarding any changes or queries relating to the Nominated Person's personal details and interest in the Company (including any administrative matter). The only exception to this is where the Company expressly requests a response from a Nominated Person.

5. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (as amended) and for the purposes of Section 360B of the Companies Act 2006, entitlement to attend and vote at the Meeting and the number of votes which may be cast thereat will be determined by reference to the register of members of the Company as at 11.30 a.m. on the day which is two days before the day of the Meeting (the "Specified Time") or adjourned Meeting. If the Meeting is adjourned to a time not more than 48 hours after the Specified Time, that time will also apply for the purpose of determining the entitlement of Members to attend and vote and for the purpose of determining the number of votes they may cast at the adjourned Meeting. Changes to entries on the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the Meeting.

6. Any corporation which is a Member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a Member, provided that, if it is appointing more than one corporate representative, it does not do so in relation to the same shares. It is therefore no longer necessary to nominate a designated corporate representative.

7. If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes the subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests in the Company's securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure and Transparency Rules, the Chairman will make the necessary notifications to the Company and the Financial Services Authority. As a result, any Member holding 3% or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure and Transparency Rules, need not make a separate notification to the Company and the Financial Services Authority.

8. Under section 527 of the Companies Act 2006, Members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to:

   (a) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the meeting; or

   (b) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006.

   The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 Companies Act 2006. Where the Company is required to place a statement on a website under section 527 Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required under section 527 Companies Act 2006 to publish on a website.

9. Any Member attending the Meeting has the right to ask questions. The Company must cause to be answered any question relating to the business being dealt with at the Meeting put by a Member attending the Meeting. However, Members should note that no answer need be given in the following circumstances:

   (a) if to do so would interfere unduly with the preparation of the Meeting or would involve a disclosure of confidential information;

   (b) if the answer has already been given on a website in the form of an answer to a question; or

   (c) if it is undesirable in the interests in the Company or the good order of the meeting that the question be answered.

10. This Notice, together with information about the total numbers of shares in the Company in respect of which Members are entitled to exercise voting rights at the Meeting as at 12 July 2011 being the last business day prior to the printing of this Notice and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this Notice, will be available on the Company's website www.mountviewplc.co.uk.

11. Any electronic address provided either in this Notice or in any related documents (including the Form of Proxy) may not be used to communicate with the Company for any purposes other than those expressly stated.

12. As at 12 July 2011, being the last business day prior to the printing of this Notice, the Company's issued capital consisted of 3,899,014 Ordinary Shares carrying one vote each. Therefore, the total voting rights in the Company as at 12 July 2011 are 3,899,014.

13. Copies of the Directors' service contracts and letters of appointment with the Company are available for inspection at the registered office at Mountview House, 151 High Street, Southgate, London N14 6EW during normal business hours on weekdays (Saturdays, Sundays and English public holidays excepted) from the date of this notice until the conclusion of the Meeting and will also be available for inspection on the date and at the place of the Meeting from 15 minutes prior to the commencement of the Meeting until the conclusion of the Meeting.

FINANCIAL CALENDAR 2011

Final dividend record date	**15 July**
Annual Report Posted to Shareholders	**15 July**
Annual General Meeting	**10 August**
Final dividend payment	**15 August**
Interim Results	**30 November**

Copies of this statement are being sent to shareholders. Copies may be obtained from the Company's registered office:

Mountview House
151 High Street
Southgate
London N14 6EW

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

Capita Registrars
Northern House
Woodsome Park
Fenay Bridge
Huddersfield
West Yorkshire HD8 0GA

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