MOUNTVIEW ESTATES P.L.C.

Annual Report and Accounts 2014

CONTENTS / ABOUT US

Mountview Estates P.L.C. was established in 1937 as a small family business based in North London by two brothers, Frank and Irving Sinclair.

Mountview Estates P.L.C. is a Property Trading Company. The Company owns and acquires tenanted residential property throughout the UK and sells such property when it becomes vacant.

OUR PERFORMANCE

£66.2m
Turnover
+17%
(2013: £56.6m)

£38.6m
Gross profit
+14.5%
(2013: £33.7m)

£35.4m
Profit before tax
+22.5%
(2013: £28.9m)

£32.2m
Profit before tax excluding investment properties revaluation
+22.4%
(2013: £26.3m)

£265.6m
Equity holders' funds
+8.9%
(2013: £244.0m)

729.5p
Earnings per share
+28.4%
(2013: 568p)

£68.1
Net assets per share
+8.8%
(2013: £62.6)

200p
Dividend per share
+14.3%
(2013: 175p)

Mountview Estates P.L.C. advises its shareholders that, following the issue of the final results, the relevant dates in respect of the proposed final dividend payment of 150p per share are as follows:

Ex-dividend date	16 July 2014
Record date	18 July 2014
Payment date	18 August 2014

WHERE WE OPERATE

The figures below are calculated as a percentage of the total value of Inventories of Trading properties.

1
Portfolio percentage
4.58%
Derbyshire, Leicestershire, Nottinghamshire

2
Portfolio percentage
13.08%
Remainder of England and Wales

3
Portfolio percentage
14.00%
Kent, Surrey, Sussex, Dorset, Hampshire, Isle of Wight

4
Portfolio percentage
23.31%
London (South)

5
Portfolio percentage
22.27%
London (North)

6
Portfolio percentage
22.76%
Bedfordshire, Berkshire, Essex, Buckinghamshire, Cambridgeshire, Hertfordshire, Oxfordshire, Norfolk, Suffolk, Middlesex, Northamptonshire

CHAIRMAN'S STATEMENT

I am delighted to report both increased turnover and increased profits for the year ended 31 March 2014.

Profit before tax for the year was £35.4 million (2013: £28.9 million) representing an increase of £6.5 million and growth of 22.5%. This performance reflects a very buoyant housing market in our core geographical area. These results are the second highest in the history of the Company and this must be considered an excellent achievement. Equally pleasing is the increase in Shareholders' funds of 8.9% to £265.6 million together with a reduction in borrowings of 16.5% to £78 million.

These results have meant that we are able to recommend an increased final dividend of 150p per share in respect of the year ended 31 March 2014. This final dividend is payable on 18 August 2014 to Shareholders on the Register of Members as at 18 July 2014. This will make a total dividend for the year ended 31 March 2014 of 200p per share (2013: 175p per share). The increased dividend is still more than three times covered by the earnings per share.

In the year, we have continued to purchase new trading stock. We have been able to invest £23.9 million in new properties. The buoyant housing market has brought more players into our core market and this has resulted in greater competition for new purchases. However, we believe we have continued to buy wisely, investing in properties located in our key locations and where we see good value and potential profits.

Whilst it has never been a requirement to value the trading stock, it has been a concern for some of the Shareholders. The Board has decided to undertake the valuation of the trading stock and anticipate that the results will be published together with the Interim Report 2014.

The results are made with a stable, experienced and committed executive and management team and staff. We continue to develop managerial staff and this is an important part of business progression.

Duncan Sinclair has been with the Company for 43 years, during which he has occupied the positions of Company Secretary, Director, Executive Chairman and Chief Executive. The Company has grown and developed significantly since Duncan became Chief Executive in 1990. The search to find and establish Duncan's successor is on going and now intensifying. This is an important phase in the Company's development.

I am pleased to announce that Mrs Mhairi Jarvis will join our Board as an independent Non-Executive Director with effect from 1 July 2014. Mhairi is a Chartered Surveyor, who brings to this role a wealth of experience in the UK residential property sector. She is a graduate of the University of Aberdeen in Land Economy and has worked for over 15 years in a variety of private practice and consulting roles with auction houses, agencies and asset managers.

On 23 June 2014, Mountview Estates P.L.C. was included in the FTSE All-Share Ex-Multinational Index for the first time.

This is my first statement as Chairman since we made the decision to split the combined role of Chairman and Chief Executive at last year's Annual General Meeting. I am grateful for the support of my fellow Directors and wish to express my thanks to them.

J.B. Fulton FCA
Non-Executive Chairman

REVIEW OF OPERATIONS

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

OUR PORTFOLIO

Categories of property held as trading stock

The Group trades in the following categories:

- Regulated tenanted (residential) units
- Ground rent units
- Life tenancy units
- Assured tenancies

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 2014

	No. of units	Cost £m
Regulated, Assured Shorthold tenancies, and other	2,424	271.75
Assured tenancies	231	23.04
Ground rents	1,127	1.84
Life tenancies	329	24.69

Analysis of the Group Trading portfolio at the lower of cost and estimated net realisable value by geographical location as at 31 March 2014

	Regulated, Assured Shorthold tenancies, Assured tenancies and other £m	Ground rents £m	Life tenancies £m	Portfolio %
London (North)	70.66	0.70	0.21	22.27
London (South)	71.08	0.86	2.96	23.31
Kent, Surrey, Sussex, Dorset Hampshire, Isle of Wight	39.43	0.05	5.49	14.00
Bedfordshire, Berkshire, Essex, Buckinghamshire, Cambridgeshire, Hertfordshire, Oxfordshire, Norfolk, Suffolk, Middlesex, Northamptonshire	66.59	0.12	6.42	22.76
Derbyshire, Leicestershire and Nottinghamshire	13.81	0.11	0.80	4.58
Remainder of England and Wales	33.22	-	8.81	13.08

Austerfield Pumping Station

Brookfield Court, Hayes

Woodlands Walk, GU17

SALES

At Mountview, we have a relatively straightforward yet proven way of working: we buy tenanted residential properties and sell them when they become vacant. We buy both regulated tenancy and life tenancy property. The former, which are characterised by rental returns below market value balanced by earlier settlement, are becoming increasingly short in supply. Since the Housing Act 1988 no new such tenancies have been created.

Life tenancy stock has nominal rental income, is bought at a greater discount to vacant possession value and has a higher margin on sale. A key attraction of this sector to Mountview is the fact that property maintenance is usually the responsibility of the life tenant and this leads to lower ongoing costs to ourselves. We carry out regular checks to ensure that all properties are maintained in good condition.

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

Sales Price (£)	No. of units	Location
4 million	1	London
1 million – 1,500,000 million	1	London
500,000 – 1 million	14	London
below 500,000	163	London and other

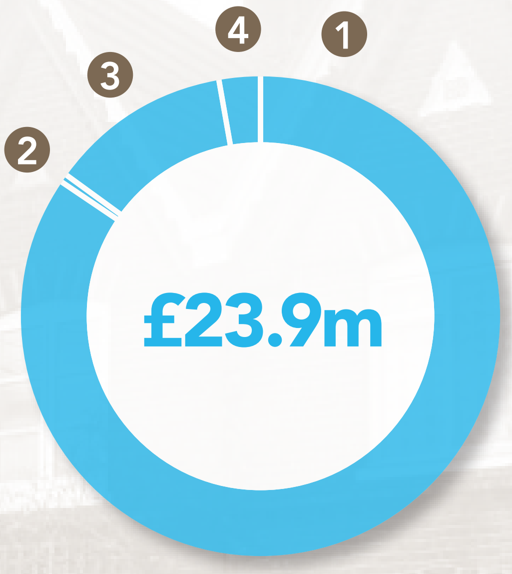
We achieved sales of £48.36 million (2013: £39.96 million), demonstrating the liquidity of the Portfolio. The average sales price achieved was £270,000 (2013: £225,000).

£66.2m
Revenue
(2013: £56.6m)

£38.6m
Gross profit
(2013: £33.7m)

Strategic Report

REVIEW OF OPERATIONS *continued*



Analysis of acquisitions

1. Regulated tenancies 152

2. Life tenancies 1

3. Ground rents 22

4. Assured tenancies 5

Kingsway, Mortlake

Perrers Road, W6

PURCHASES

The majority of our residential properties that are 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 reversionary gain is crystallised.

Most properties acquired are unimproved and therefore of low average value. One of the core Mountview capabilities is to actively manage these properties: we identify opportunities to add value by carrying out refurbishments prior to their sale. The greatest gains are available at the upper end of the market and this is where we concentrate our refurbishment activities. These properties are sold by private treaty.

ANALYSIS OF ACQUISITIONS

	No. of units	Year ended 31 March 2014 Cost £m
Regulated tenancies	152	**23.01**
Life tenancies	1	**0.16**
Ground rents (or created)	22	**0.03**
Assured tenancies (or created)	5	**0.73**
	180	**23.93**

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

Chester Close, Uxbridge

The Group residential trading properties are carried in the balance sheet at the lower of cost and net realisable value. Net realisable value is the estimated net proceeds of sale if the property were to be vacant at the date of the balance sheet.

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 where our team has identified opportunities to make key improvements. For example, a relatively modest investment can ensure that a property benefits from services and amenities that have been lacking in the past. In many cases, this leads directly to a substantial increase 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 35.

Strategic Report

REVIEW OF OPERATIONS *continued*

SUMMARY PROSPECTS FOR THE GROUP

The professional knowledge and skills of our compact team ensured that we were able to purchase properties for a total of £23.9 million.

Looking ahead, we believe that we will identify similar opportunities in the coming months. Our strength is based on a tight focus on our core business of regulated tenancies together with a prudent approach. We have kept gearing low and borrowing under control.

Since the end of the financial year we have continued to sell and purchase properties and we are pleased with the results achieved. Given our financial strength, we believe that we are in a strong position to take advantage of any prime purchasing opportunities which may arise in the near future.

INVESTMENT COMPANIES

The analysis of the investment portfolio as at 31 March 2014 is as follows:

	2014	2013
Louise Goodwin Limited	34 units	37 units
A.L.G. Properties Limited	4 units	4 units

All of the properties are situated in Belsize Park, London NW3, one of the capital's most prestigious locations.

The only significant departures from the Company's normal activities, these investment companies were purchased in 1999 when we took the opportunity to build a presence in one of the best locations in London. Although rental returns have proven to be less significant than we anticipated, the investment portfolio has nevertheless generated consistently strong cash flow.

When the properties become vacant, we refurbish and sell them. During the financial year, we disposed of three units for £2.373 million in Louise Goodwin Limited. (2013: disposed of one unit for £1.88 million in Louise Goodwin Limited and one freehold for £59,000 in A.L.G. Properties Limited).

OUTLOOK

We will continue to maintain our strategy for the investment portfolio, deriving rental income in the short to medium term and capital through sales when 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 area.

As Belsize Park is an extremely desirable area with high levels of demand, the outlook remains positive.

VALUATIONS

Valuations increased during the year by £3.185 million. 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 in Note 13 to the Consolidated Financial Statement on pages 39 to 40.

Louise Goodwin Limited

34 units

(2013: 37 units)

A.L.G. Properties Limited

4 units

(2013: 4 units)

total disposals
in investment companies

£2.373m

Belsize Park Gardens

Belsize Park

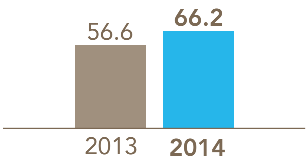
REVIEW OF OPERATIONS *continued*

REVIEW OF BUSINESS AND PRINCIPAL RISKS

Details of the Group's performance during the year and expected future developments are contained in the Chairman's Statement. The Group has established the following Financial Key Performance Indicators:

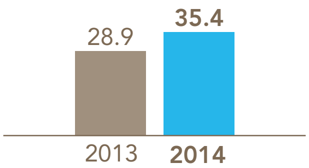
Financial Key Performance Indicators

Turnover *(£m)*



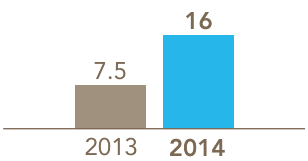
+17%

Profit before tax *(£m)*

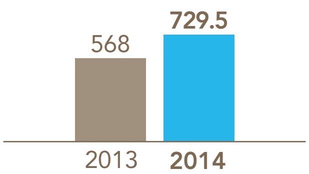


+22.5%

Interest cover in relation to profit before interest and taxation *(x)*

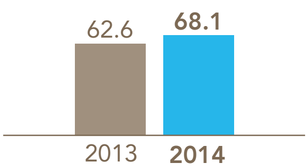


Earnings per share *(p)*



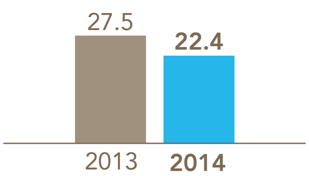
+28.4%

Net assets per share *(£)*



+8.8%

Gearing ratio *(%)*



Risk review

The Group's business is subject to a number of different risk factors but management considers the key risks to the Group's business are:

The Group's inability to maintain the size of its Regulated Tenancy portfolio

The Group may experience difficulty in replacing asset sales at Vacant Possession with sufficient stock.

The Group has performed creditably in replacing assets over the last seven years and would expect to be able to make acquisitions for the next few years.

Management succession in place over the medium term

Significant operating expertise is concentrated in a small team of executive and senior management. New management is being recruited and trained to operate in the Group's highly specialised market. The business requires a medium term, evolutionary approach to management changes to minimise risk to the business. The continuing development of managerial staff is an important part of business progression.

The Group is intensifying the search to recruit a successor to the Chief Executive.

House price inflation becomes severe house price deflation

House prices tend to behave in a cyclical fashion; a shortage of supply is nothing new and mortgage approvals are gently recovering, but a period of house price deflation, as experienced in 2008, may return over the medium term.

The Group's exposure is weighted towards the stronger London and South East markets and this geographical area is typically a consistent above-average performer.

With relatively low leverage the Group can continue to maintain its borrowings on a floating rate basis. Currently the risk of the Group's debt not being refinanced on maturity is viewed as small.

The Group maintains a good relationship with its bankers and has recently refinanced its facilities with Barclays and HSBC Bank for a further period of five years on market terms.

The Group is conservatively geared and operates well within financial covenants.

DIRECTORS AND ADVISERS

D.M. Sinclair FCA (CEO)

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.

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* (Non-Executive Chairman)

Joined the Company as a Non-Executive Director on 1 January 2007. Became a Non-Executive Chairman on 14 August 2013. Fellow of the Institute of Chartered Accountants in England and Wales. He has held senior financial roles in multinational companies.

*J.B. Fulton is considered to be independent for the purposes of the UK Corporate Governance Code.

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 Adviser on International Banking.

Mrs. M.L. Jarvis MRCS*

Joined the Company as a Non-Executive Director on 1 July 2014. Member of the Royal Institution of Chartered Surveyors. She has held various roles with property companies, including Jones Lang LaSalle, and now acts as an Adviser to clients in a range of property sectors, including residential and commercial property.

*Mrs. M.L. Jarvis is considered to be independent for the purposes of the UK Corporate Governance Code.

Secretary and Registered Office

Mrs. M.M. Bray FCCA

Mountview House,
151 High Street,
Southgate,
London N14 6EW

Bankers

HSBC Bank Plc
60 Queen Victoria Street,
London EC4N 4TR

Barclays Bank Plc
One Churchill Place,
London E14 5HP

Auditors

BSG Valentine
Lynton House,
7–12 Tavistock Square,
London WC1H 9BQ

Solicitors

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

Registrars and Transfer Office

Capita Asset Services
The Registry,
34 Beckenham Road,
Beckenham,
Kent BR3 4TU

Brokers

N+1 Singer
One Bartholomew Lane,
London EC2N 2AX

Financial Advisers

SPARK Advisory Partners Limited
5 St John's Lane,
London EC1M 4BH

DIRECTORS' REPORT

The Directors have pleasure in presenting to the Members their 77th Annual Report together with the Financial Statements for the year ended 31 March 2014.

1. RESULTS AND DIVIDENDS

The results for the year are set out in the Income Statement on page 25.

The Directors recommend the payment of a final dividend of 150p per share. The dividend will be paid on 18 August 2014, subject to approval at the Annual General Meeting on 13 August 2014, to Shareholders on the register at the close of business on 18 July 2014.

2. ACTIVITIES

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

Parent Company

Mountview Estates P.L.C.	Property Trading

Subsidiary undertakings (wholly-owned)

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

3. ROTATION AND APPOINTMENT OF DIRECTORS

In accordance with the Company's Articles of Association, Mr. A.J. Sinclair retires from the Board by rotation and being eligible, offers himself for reappointment. A resolution for his reappointment will be proposed at the Annual General Meeting.

In accordance with the Company's Articles of Association, Mrs. M.L. Jarvis was appointed as a Director during the course of the year and offers herself up for election. A resolution for her election will be proposed at the Annual General Meeting.

4. SHARE CAPITAL

The authorised share capital of the Company as at 31 March 2014 was £250,000 divided into 5,000,000 Ordinary Shares of 5p of which 3,899,014 were in issue (2013: 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.

5. DIRECTORS' INTERESTS IN SHARE CAPITAL

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

	31 March 2014	1 April 2013
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	**538,383**	538,383
Mrs. M.M. Bray	**12,302**	12,302
Mr. A.J. Sinclair, including the following holding of Viewthorpe (Old) Limited – 28,208 and 8532630 Canada Inc. – 44,276, both companies being wholly-owned by Mr. A.J. Sinclair, and the holding of 8532729 Canada Inc. – 60,000, which Company is wholly-owned by Mrs. Mary Gillin Sinclair	**132,484**	132,484

All the above interests are beneficial.

There have been no changes in the interest of the Directors in the share capital of the Company between 31 March 2014 and 16 July 2014.

6. NOTIFIABLE INTERESTS IN SHARE CAPITAL

As at 16 July 2014, 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, Mr. David Wright and Mr. Alistair Sinclair, Trustees of the Frank and Daphne Sinclair Grandchildren Settlement*	393,193	10.08
Withers Trust Corporation Limited as Trustee of the W.D.I. Sinclair Grandchildren Settlement*	179,400	4.60
Withers Trust Corporation Limited as Trustee of the Doris Sinclair Will Trust*	118,100	3.03
Mrs. M.A. Murphy**	596,745	15.31
Mrs. E. Langrish-Smith**	307,000	7.87
Mrs. A. Williams**	145,650	3.73
Mrs. S. Simkins**	148,220	3.80

* denotes indirect holding

** denotes combined direct and indirect holding

7. 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 specific policies in place in relation to environmental, social, human rights or community issues, but keeps these issues under review.

8. GREENHOUSE GAS EMISSIONS DISCLOSURE

Recently implemented Mandatory Greenhouse Gas (GHG) reporting regulation requires quoted companies to report their Scope 1 and Scope 2 emissions. It is not mandatory to report Scope 3 emissions. Mountview Estates P.L.C. has committed to report Scope 1, Scope 2, and limited Scope 3 emissions under Mandatory Greenhouse Gas Reporting legislation.

Using an operational control approach, the Company assessed its boundaries to identify all of the activities and facilities for which it is responsible and reported on all of the material greenhouse gas (GHG) emissions from Scopes 1 and 2. Relevant activity data were identified, collected and provided to an independent consultant. The validity and completeness of the data were checked by the independent consultant and used to calculate the greenhouse gas emissions for the Company. The calculations performed follow the ISO-14064-1:2006 standard and give absolute and intensity factors for company's emissions.

The results show that total gross GHG emissions in the period were 412.4 tonnes of CO_2e, comprised of the following:

- Direct Emissions (Scope 1) amounted to 75.6 tonnes of CO_2e or 18% of the total
- Indirect Emissions (Scope 2) amounted to 255.8 tonnes of CO_2e or 62% of the total
- Indirect Other Emissions (Scope 3) amounted to 81.0 tonnes of CO_2e or 20% of the total.

The results are presented below.

Table 1: Emissions data

Type of Emissions	Activity	tCO_2e	% of Total
Direct (Scope 1)	Natural Gas	13.5	3.3%
	Owned Company Vehicles	62.1	15.1%
	Subtotal	75.6	18.3%
Indirect (Scope 2)	Electricity	255.8	62.0%
	Subtotal	255.8	62.0%
Indirect Other (Scope 3)	Well To Tank All Scopes	81.0	19.6%
	Subtotal	81.0	19.6%
	TOTAL	**412.4**	

Governance

DIRECTORS' REPORT *continued*

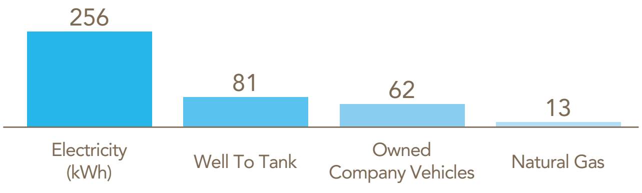
8. GREENHOUSE GAS EMISSIONS DISCLOSURE CONTINUED

Table 2: Intensity ratio

Type of Emissions	tCO_2e
Total Gross Emissions (tCO_2e)	412.4
Revenue (£)	66,000,000
Tonnes of gross CO_2e per million GB £ turnover	**6.2**

Figure 1: Source of emissions

Group Emissions *(tCO_2e)*



NOTES

1. Well to Tank (WTT) Emissions: "Well to Tank" – (WTT) is the term used to describe the factors that use to be in Scope 2, total indirect GHG in Defra 2012. These factors enable organisations to account for the emissions associated with extracting, refining, and transportation of the raw fuel to the vehicle, asset or process under scrutiny.
2. Mountview is responsible for electricity charges in the communal areas for 1,800 flats and the Company pays £30 electricity charge per flat. The approximate total electricity consumption for communal areas is 355,633 kWh or 158 tCO_2e (38% of Company's total emissions).

9. EMPLOYEES

The Company provides regular training relating to the use of computer software and the general professional development of the staff concerned. A great number of our employees have worked for the Company for many years and there is very little turnover of staff.

10. DIVERSITY

As at 31 March 2014, the Company had a female Executive Director, Mrs. Marie Bray, who has been on the Board since 2004, representing 25% of Board membership. As disclosed above Mrs. M.L. Jarvis joined the Board with effect from 1 July 2014, taking female Board membership representation to 40%.

The Company has 7 Senior Managers (who are not Directors), of which 2 are female.

Of the 26 total employees in the Company, 10 are male and 16 female

11. SIGNIFICANT AGREEMENTS

Certain banking agreements to which the Company is a party (described in Note 18 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.

12. 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.

13. 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.

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 34 and 35. Details regarding the Company's use of financial instruments are set out in Note 20 to the Consolidated Financial Statements on pages 43 and 44.

15. REMUNERATION POLICY

The Company's Shareholders will be asked to approve the Remuneration Report and the Remuneration Policy, which forms part of the Remuneration Report, contained in the Annual Report and Accounts at the Annual General Meeting to be held on 13 August 2014 and accordingly, such resolutions will be proposed at the Annual General Meeting.

16. CORPORATE GOVERNANCE

The Directors' statement on Corporate Governance is set out on pages 17 to 19.

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 obtained.

18. DONATIONS

During the year the Group made charitable donations of £64,150 (2013: £46,160).

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

There were no political donations made during the year (2013: £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 page 33.

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
Company Secretary

18 July 2014

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report, the Directors' Remuneration Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, and the Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether IFRSs as adopted by the European Union and applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Group and Parent Company financial statements respectively; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements and the Directors' remuneration report 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.

Each of the Directors, whose names and functions are listed on page 11 confirm that, to the best of their knowledge:

- the Group financial statements, which have been prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Group;
- the Strategic Report on pages 1 to 10 includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces;
- 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 the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The maintenance and integrity of the Mountview Estates P.L.C. website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

By Order of the Board

M.M. Bray
Company Secretary

18 July 2014

CORPORATE GOVERNANCE

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% of the issued share capital of the Company.

The Company has applied the principles and provisions set out in the UK Corporate Governance Code as issued by the Financial Reporting Council, a copy of which can be found at www.frc.org.uk/corporate/ukcgcode.cfm, including both the main principles and the supporting principles throughout the accounting period except as detailed in this section.

The UK Corporate Governance Code requires that there should be a clear division of responsibilities at the head of the Company between the running of the Board and the executives' responsibility for running the Company's business. In addition, the UK Corporate Governance Code requires (for smaller Companies) there to be at least two independent Non-Executive Directors and that the Company should have at least three Non-Executive Directors. In this regard the Board has carefully considered the number of independent Non-Executive Directors and as from 1 July appointed Mrs. M. Jarvis as an independent Non-Executive Director.

Each Board member has responsibility to ensure that the Group's strategies lead to increased shareholder value.

THE BOARD

As at the year ended 31 March 2014, the Board comprised the CEO, one Executive Director and two Non-Executive Directors (of which one is considered to be independent for the purpose of the UK Corporate Governance Code). 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. The following table sets out details of the number of meetings of the Board (excluding ad hoc meetings) and of the Audit and Remuneration Committees during the year and the attendance at these meetings by the Directors who were in office during the period.

Meetings	Mr. D.M. Sinclair	Mrs. M.M. Bray	Mr. A.J. Sinclair	Mr. J.B. Fulton
Full Board	7	7	7	7
Audit Committee	1	1	2	2
Remuneration Committee	2	1	3	3
Nomination Committee	2	6	2	6

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 that one third of their number offer themselves for re-election each year and, on appointment, at the first Annual General Meeting (AGM) after appointment. Details of those Directors offering themselves for reappointment are set out in the Directors' Report on page 12.

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 or her period of office, but without prejudice to any claim for damages which he or she 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.

CORPORATE GOVERNANCE *continued*

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 Directors consider that the small size of the Group and Board does not warrant a formal evaluation process. However, performance of the Directors is evaluated on an ongoing basis by the Board. Based on the close working relationships of Board and the Committees, the Directors are satisfied with both the performance of the Board and its Committees. In making decisions throughout the year, the Board is strongly aware of its responsibilities to the Company's Shareholders.

Any areas of concern are addressed during regular management or Board meetings.

REMUNERATION COMMITTEE

The Remuneration Committee comprises Mr. J.B. Fulton (Non-Executive Director and Non-Executive Chairman) and Mr. A.J. Sinclair (Non-Executive Director). The Committee, which is chaired by Mr. A.J. Sinclair, monitors, reviews and makes recommendations to the Board on all elements of the remuneration of the Executive Directors. The Committee meets twice a year and the aim of the Committee is to provide total remuneration packages which attract, retain and motivate Executive Directors of the appropriate calibre.

Mr. D.M. Sinclair, the CEO 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 20 to 24.

NOMINATION COMMITTEE

In accordance with best practice of Corporate Governance Mr. J.B. Fulton is the Chairman and all the Directors of the Company are members. There were six meetings during this year and key matters considered were:

- Appointment of an independent external search consultant.
- Reviewing and interviewing potential Non-Executive Directors.

The Nomination Committee keeps the composition of the Board and possible Directors appointments under regular review and when the Board and Nomination Committee determine that it may be appropriate to appoint further Directors it would engage an independent external search consultant to assist in the process.

For the purpose of identifying a Non-Executive candidate during the year, an external search was commissioned, using an independent Executive search firm, Trust Associates Ltd., which has no other connection with the Company.

The Nomination Committee has recommended and obtained approval from the Full Board for the nomination of an independent Non-Executive Director Mrs. M.L. Jarvis.

AUDIT COMMITTEE

The Audit Committee comprises Mr. J.B. Fulton (Non-Executive Director and Non-Executive Chairman) 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 one of the meetings held by the Audit Committee.

The Committee meets twice 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.

Based on the Committee's assessment of the external auditor's performance, the Committee has provided the Board with its recommendation to the Shareholders on the re-appointment of BSG Valentine as external auditors for the year ended 31 March 2015. There are no contractual obligations restricting the Committee's choice of auditor.

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 and meetings are held during the year when appropriate.

RISK MANAGEMENT & INTERNAL FINANCIAL CONTROL

Details of the Company's risk management profile are included in paragraph 14 in the Report of the Directors on page 15 and in Note 3 to the Consolidated Financial Statements on pages 34 to 35.

An ongoing process for identifying, evaluating and managing the significant risks faced by the Group was in place throughout the period from 1 April 2013 to the date of approval of the Annual Report and Accounts. The effectiveness of this process is reviewed annually by the Board.

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 identify, evaluate and manage risks faced by that group and meet the particular needs of that group and the risks to which it is exposed. By their nature such system can provide reasonable but not absolute protection against material misstatement or loss. Due to its size, the Group does not have a dedicated 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
Company Secretary

18 July 2014

REMUNERATION REPORT

This is the first new style of remuneration report since the passage of the Enterprise and Regulatory Reform Act 2013.

We have pleasure in complying with the additional detail required in the new reporting requirements and would confirm that there have been no changes to the policy in the current year. We believe that this will provide even more assurance for shareholders that our remuneration is considered, fair and fully aligned with shareholder interests.

A.J. Sinclair
Chairman of the Remuneration Committee

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 Remuneration Committee currently comprises one independent Non-Executive Director Mr. J.B. Fulton and Non-Executive Director Mr. A.J. Sinclair who is the Chairman of the Remuneration Committee. The Board as a whole considers the remuneration of the Non-Executive Directors. External advisers were not used in the financial year under review.

REMUNERATION POLICY

The tables below summarise the main elements of the remuneration packages for the Executive Directors.

	Base salary
Purpose and link to strategy	To provide a competitive level of non-variable remuneration aligned to market practice for similar sized organisations; to reflect the seniority of the post and expected contribution to the delivery of the Company's strategy.
Operation	Basic salaries are reviewed by the Remuneration Committee annually with uplifts effective from 1 April being by reference to cost of living, responsibilities and market rates, as for all employees.
Opportunity	The basic salary for the CEO will be increased by 20%, and for the Finance Director by 6% Variable rate of increases in salaries of up to 10% will be applied to staff The uplifts will be effective from 1 April 2014.
Performance metrics	N/A
Changes in year	None

	Benefits
Purpose and link to strategy	To aid recruitment and retention of high-quality executives.
Operation	Car allowance Private medical insurance Life assurance
Opportunity	N/A
Performance metrics	N/A
Changes in year	The CEO ceased to receive a car allowance and the increase in his basic salary is reflected above

	Pension
Purpose and link to strategy	To aid recruitment and retention of high-quality executives.
Operation	The Company will contribute into a personal pension arrangement for all of the Executive Directors.
Opportunity	The pension contribution is based on 15% of basic salary and bonuses and it will take effect from 1 April 2014.
Performance metrics	N/A
Changes in year	None

REMUNERATION POLICY continued

	Annual bonus
Purpose and link to strategy	To incentivise performance over a 12-month period and reward personal performance as agreed with the Remuneration Committee.
Opportunity	The level of bonus awarded is determined at the discretion of the Remuneration Committee who consider the level within a range appropriate to the interests of the Company.
Operation	In assessing personal performance the Remuneration Committee takes into account the Group's corporate performance within the property sector and other similar sized companies.

Non-Executive Directors

The Non-Executive Director receives fees of £36,000 p.a. The Non-Executive Chairman receives fees of £60,000 p.a.

The Non-Executive Directors are not entitled to bonuses, benefits or pension contributions.

Pensions

The Company contributes 10% 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.

Approach to Recruitment Remuneration

When setting the remuneration package for a new Executive Director, the Committee will apply the same principles and implement the policy as set out above.

Base salary will be set at a level appropriate to the role and experience of the Executive Director being appointed. This may include agreement on future increases up to a market rate, in line with increased experience and / or responsibilities, subject to good performance, where it is considered appropriate.

In relation to external appointments, the Committee may structure a remuneration package that it considers appropriate to recognise awards or benefits that will or may be forfeited on resignation from a previous position, taking into account timing and valuation and such other specific matters as it considers relevant. The policy is that the maximum payment under any such arrangements (which may be in addition to the normal variable remuneration) should be no more than the Committee considers is required to provide reasonable compensation to the incoming Director.

In case of an employee who is promoted to the position of Executive Director, it is the Company's policy to honour pre-existing award commitments in accordance with their terms.

Non-Executive Director appointments will be through a Non-Executive Director Agreement. Non-Executive Directors' base fees, including those of the Chairman, will be set at a competitive market level, reflecting experience, responsibility and time commitment.

Non-Executive Directors do not receive any performance-related remuneration, or any benefits.

Details of the Directors' Service Agreements and letters of appointment with the Company, and the unexpired terms there under are as follows:

	Contract date	Unexpired term	Notice period
D.M. Sinclair	8 August 2002	No fixed term	12 months
M.M. Bray	1 April 2004	No fixed term	12 months
J.B. Fulton	1 January 2013	17 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 remuneration as reported in the Company's last audited accounts as announced to the London Stock Exchange.

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.

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

REMUNERATION REPORT *continued*

Illustration of the application of the remuneration policy

D.M. Sinclair *(£'000)*

M.M. Bray *(£'000)*

Salary, pension and benefits   Bonus

The Bonus element of remuneration is calculated by reference to minimum and maximum range which depends on appropriate factors and in the light of these what the Remuneration Committee determines might be a commensurate amount.

Provision on payment for loss of office

If an Executive Director's employment is to be terminated, the Committee policy in respect of the Service Agreement, in the absence of a breach of the Service Agreement by the Director, is to agree a termination payment based on the value of base salary and contractual pension amounts and benefits that would have accrued to the Director during the contractual notice period. The policy is that, as is considered appropriate at the time, the departing Director may work, or be placed on garden leave, for part of his notice period (for up to maximum period of 6 months) or receive a payment in lieu of notice in accordance with the provision of the Service Agreement. The Committee will also honour all other contractual entitlements of the Director which may apply to the circumstances of the termination of the Director's employment.

In addition, where the Director may be entitled to pursue a claim against the Company in respect of his/her statutory employment rights or any other claim arising from the employment or its termination, the Committee will be entitled to negotiate settlement terms (financial or otherwise) with the Director that the committee considers to be reasonable in all circumstances and in the best interests of the Company and to enter into a settlement agreement with the Director to effect both the terms agreed under the Service Agreement and the settlement of any additional statutory or other claims, including bonus payments and to record any agreement in relation to bonus payment in line with the policies described above.

The Committee will consider whether a departing Director should receive an annual bonus in respect of the financial year in which the termination occurs or in respect of any period of the financial year following termination for which the director has been deprived of the opportunity to earn annual bonus. If the employment ends by reason of redundancy, retirement with the agreement of the Company, ill health or disability or death or for any other reason considered appropriate by the Committee, the Director may be considered for a bonus payment.

IMPLEMENTATION REPORT

AUDITED INFORMATION

Director's Total Remuneration Single Figure Table

2014	Salary £000	Bonus £000	Benefits in kind £000	Pensions contributions £000	Total £000
Executive					
D.M. Sinclair	300	240	65	54	659
Mrs M.M. Bray	250	180	–	43	473
Non-Executive					
J.B. Fulton (appointed as a Non-Executive Chairman 14 August 2013)	51	–	–		51
A.J. Sinclair	36	–	–	–	36
	637	420	65	97	1,219

Director's Total Remuneration Single Figure Table continued

2013	Salary £000	Bonus £000	Benefits in kind £000	Pensions contributions £000	Total £000
Executive					
D.M. Sinclair	300	240	68	54	662
K. Langrish-Smith (deceased 17 December 2012)	112	45	12	15	184
Mrs M.M. Bray	250	180	–	43	473
Non-Executive					
J.B. Fulton	36	–	–	–	36
A.J. Sinclair	36	–	–	–	36
	734	465	80	112	1,391

UNAUDITED INFORMATION

CEO Single Figure

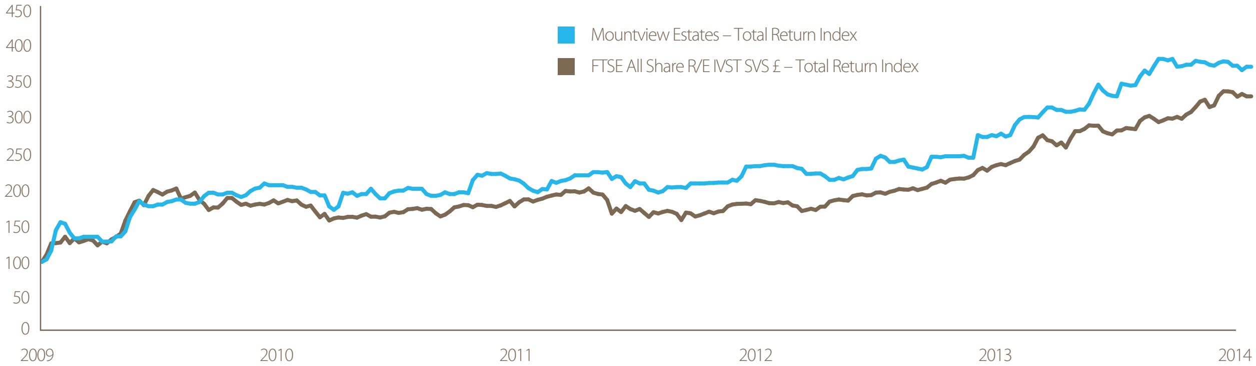
		CEO single figure of total remuneration £'000
2014	D.M. Sinclair	659
2013	D.M. Sinclair	662
2012	D.M. Sinclair	520
2011	D.M. Sinclair	523
2010	D.M. Sinclair	552

Percentage change in remuneration of CEO and employees. The percentage change in remuneration between 2014 and 2013 for the CEO and for all employees in the Group was:

CEO	(-0.4%)
Employee population	4.8%

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.



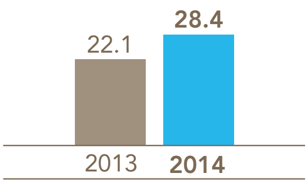
The graph looks at the value of £100 invested in Mountview Estates P.L.C. on 31 March each year compared to the value of £100 invested in the FTSE All-Share Real Estate Index.

REMUNERATION REPORT *continued*

Relative importance of spend on pay

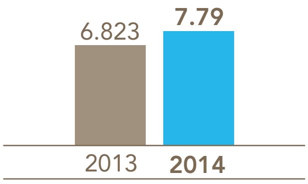
The difference in actual expenditure between 2013 and 2014 on remuneration for all employees in comparison to profit after tax and distributions to shareholders by way of dividend are set out in the tabular graphs below:

Profit after tax *(£m)*



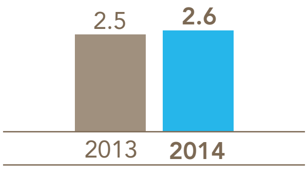
+6.29m

Dividend *(£m)*



+0.975m

Total employee pay *(£m)*



+0.1m

Statement of implementation of remuneration policy in the current financial year

With effect from 1 April 2014 the basic salary of CEO will be increased by 20% and the Finance Director by 6%.
CEO will be rewarded in accordance with all the elements set out in the policy

Details of the Remuneration Committee

The Remuneration Committee currently comprises one independent Non-Executive Director and one Non-Executive Director.

Details of the Directors who were members of the Committee during the year are disclosed on page 18.

Statement of voting at general meeting

At the AGM held on 14 August 2013 the Directors' Remuneration Report received the following votes based on Proxy forms from shareholders.

	Total number of votes	% of votes cast
For	1,143,542	99.9
Against	100	0.01
Total votes cast (for and against)	1,143,642	100
Votes withheld	–	–
Total votes cast (including withheld votes)	1,143,642	–

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 2014	1 April 2013
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	**538,383**	538,383
Mrs. M.M. Bray	**12,302**	12,302
Mr. A.J. Sinclair, including the following holding of Viewthorpe (Old) Limited – 28,208 and 8532630 Canada Inc. – 44,276, both companies being wholly-owned by Mr. A.J. Sinclair, and the holding of 8532729 Canada Inc. – 60,000, which Company is wholly-owned by Mrs. Mary Gillin Sinclair	**132,484**	132,484

All the above interests are beneficial.

There have been no changes in the interest of the Directors in the share capital of the Company between 31 March 2014 and 16 July 2014.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2014

	Notes	Year ended 31 March 2014 £000	Year ended 31 March 2013 £000
Revenue	4	**66,150**	56,646
Cost of sales	4	**(27,555)**	(22,906)
Gross profit		**38,595**	33,740
Administrative expenses		**(4,256)**	(3,759)
Gain on sale of investment properties	13	**214**	84
Operating profit before changes in fair value of investment properties		**34,553**	30,065
Increase in fair value of investment properties	13	**3,185**	2,602
Profit from operations		**37,738**	32,667
Change in fair value of derivatives		**–**	563
Net finance costs	8	**(2,344)**	(4,302)
Profit before taxation		**35,394**	28,928
Taxation – current		**(7,724)**	(6,511)
Taxation – deferred	19	**772**	(272)
Taxation	9	**(6,952)**	(6,783)
Profit attributable to equity Shareholders		**28,442**	22,145
Basic and diluted earnings per share (pence)	11	**729.5p**	568.0p

The notes on pages 29 to 45 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

for the year ended 31 March 2014

	Notes	As at March 2014 £000	As at March 2013 £000
Assets			
Non-current assets			
Property, plant and equipment	12	**2,116**	2,337
Investment properties	13	**29,396**	27,852
		31,512	30,189
Current assets			
Inventories of trading properties	15	**321,323**	316,626
Trade and other receivables	16	**1,578**	1,198
Cash at bank		**1,217**	900
		324,118	318,724
Total assets		**355,630**	348,913
Equity and liabilities			
Capital and reserves attributable to equity holders of the Company			
Share capital	21	**195**	195
Capital redemption reserve	22	**55**	55
Capital reserve	22	**25**	25
Other reserves	22	**56**	56
Retained earnings	23	**265,260**	243,641
		265,591	243,972
Non-current liabilities			
Long-term borrowings	18	**69,800**	84,950
Deferred tax	19	**5,522**	6,294
		75,322	91,244
Current liabilities			
Bank overdrafts and loans	18	**8,168**	8,427
Trade and other payables	17	**2,004**	1,631
Current tax payable		**4,545**	3,639
		14,717	13,697
Total liabilities		**90,039**	104,941
Total equity and liabilities		**355,630**	348,913

Approved by the Board on 18 July 2014.

D.M. Sinclair
Chairman

M.M. Bray
Director

The notes on pages 29 to 45 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2014

	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 2013								
Balance as at 1 April 2012		195	25	55	(1,040)	56	227,928	227,219
Reduction in reserve	20				1,040			1,040
Profit for the year							22,145	22,145
Dividends	10						(6,432)	(6,432)
Balance at 31 March 2013	23	195	25	55	–	56	243,641	243,972
Changes in equity for year ended 31 March 2014								
Balance as at 1 April 2013		**195**	**25**	**55**	**–**	**56**	**243,641**	**243,972**
Profit for the year							**28,442**	**28,442**
Dividends	**10**						**(6,823)**	**(6,823)**
Balance at 31 March 2014		**195**	**25**	**55**	**–**	**56**	**265,260**	**265,591**

The notes on pages 29 to 45 are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 March 2014

	Notes	Year ended 31 March 2014 £000	Year ended 31 March 2013 £000
Cash flows from operating activities			
Profit from operations		**37,738**	32,667
Adjustment for:			
Depreciation		**138**	163
Loss on disposal of property, plant and equipment		**42**	3
Gain on disposal of investment properties		**(214)**	(84)
(Increase) in fair value of investment properties		**(3,185)**	(2,602)
Operating cash flows before movement in working capital		**34,519**	30,147
(Increase) in inventories		**(4,697)**	(15,554)
(Increase)/Decrease in receivables		**(380)**	173
Increase in payables		**373**	246
Cash generated from operations		**29,815**	15,012
Interest paid		**(2,344)**	(4,302)
Income taxes paid		**(6,908)**	(5,675)
Net cash inflow from operating activities		**20,563**	5,035
Investing activities			
Proceeds from disposal of investment properties	13	**2,373**	1,939
Capital expenditure on investment properties	13	**(518)**	(567)
Purchase of property, plant and equipment	12	**(19)**	(74)
Proceeds from disposal of property, plant and equipment		**150**	–
Net cash inflow from investing activities		**1,986**	1,298
Cash flows from financing activities			
Increase in borrowings		**–**	687
Repayment of borrowings		**(15,305)**	(5,050)
Equity dividend paid		**(6,823)**	(6,432)
Net cash (outflow) from financing activities		**(22,128)**	(10,795)
Net increase/(decrease) in cash and cash equivalents		**421**	(4,462)
Opening cash and cash equivalents		**(6,565)**	(2,103)
Cash and cash equivalents at end of year	18(a)	**(6,144)**	(6,565)

The notes on pages 29 to 45 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2014

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 18 July 2014.

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 49 to 55.

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(t) "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.

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

for the year ended 31 March 2014

2. ACCOUNTING POLICIES CONTINUED

(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 is 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.

(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%

2. ACCOUNTING POLICIES CONTINUED

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.

(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 2014 is on page 35.

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

for the year ended 31 March 2014

2. ACCOUNTING POLICIES CONTINUED

(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) Leasing

Rentals payable under operating leases are charged to profit and loss on a straight-line basis over the term of the relevant lease.

(r) Derivatives

The Group has not hedge accounted during the year.

(s) Impact of standards and interpretations issued

i) New and amended standards issued in the year. At the date of approval of these financial statements, the following interpretations and amendments were issued, endorsed by the EU and are mandatory for the Group for the first time for the financial year beginning 1 April 2013. There are no new standards, amendments or interpretations that are effective for the first time for the current financial year that have had a material impact on the Group.

ii) New and amended standards

– IAS 1, "Financial Statement Presentation" has been amended and introduced the requirement to group items presented in "other comprehensive income" on the basis of whether they are potentially reclassable to profit or loss subsequently (reclassification adjustments). The Group has adopted this revised presentation in these financial statements.

– IAS 12, "Deferred Tax: Recovery of Underlying Assets" introduces a rebuttable presumption that deferred tax on investment properties measured at fair value will be recognised on a sales basis, unless an entity has a business model that would indicate the investment property will be consumed in the business.

– IFRS 13, 'Fair value measurement', provides consistency by making available a single source of guidance on how fair value is measured. IFRS 13 is applied when fair value measurements or disclosures are required or permitted by other IFRSs. IFRS 13 is effective for annual periods beginning or after 1 January 2013.

iii) New and amended standards not effective

At the date of authorisation of these financial statements, there were a number of new standards, amendments to existing standards and interpretations in issue that have not been applied in preparing these consolidated financial statements. The Group has no plan to adopt these standards earlier than the effective date. Those that are most relevant to the Group are set out below.

- IFRS 10, 'Consolidated Financial Statements', which establishes a single control model that applies to all entities including special purpose entities and requirements management to exercise judgement over which entities are required to be consolidated. IFRS 10 is effective for annual periods beginning on or after 1 January 2014.

- IFRS 12, 'Disclosures of interests in other entities' brings together all the disclosure requirements about an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. IFRS 12 is effective for annual periods beginning on or after 1 January 2014.

In addition, as part of the IASB's project to replace IAS 39 'Financial Instruments: Recognition and Measurement', the IASB has issued the phases of IFRS 9 covering the classification and measurement of financial assets and the accounting for financial liabilities.

The other phases, covering hedge accounting and impairment, are still to be completed. In December 2011, the IASB decided that IFRS 9 will be effective for annual periods beginning on or after 1 January 2015. The date for EU adoption is not yet known.

All the above IRFSs, IFRIC interpretations and amendments to existing standards are endorsed by the European Union ('EU') at the date of approval of these financial statements.

The Directors are currently considering the potential impact arising from the future adoption of these standards and interpretations listed above.

2. ACCOUNTING POLICIES CONTINUED

(t) 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.

The two main considerations were as follows:

1. Refinancing of banking facilities

The Group has re-negotiated a £20 million revolving loan facility with HSBC Bank. The termination date is January 2020.

The Group has re-negotiated a £10 million revolving loan facility with HSBC Bank. The termination date is December 2019.

The Group has a £75 million revolving loan facility with Barclays Bank. The termination date of this facility is December 2018.

2. Covenant compliance

The core facility has two covenants, Consolidated Gross Borrowings to Consolidated Net Tangible Assets ratio, and also interest cover ratio. 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.

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 was 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

for the year ended 31 March 2014

2. ACCOUNTING POLICIES CONTINUED

Inventory expected to be settled in more than 12 months

The Board estimate that inventory of £15.7 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 three 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.

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

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 majority of financial liabilities is presented in Note 18.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES CONTINUED

(d) 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.

	2014 £000	2013 £000
Total borrowings	**77,968**	93,377
Less cash	**(1,217)**	(900)
Net borrowings	**76,751**	92,477
Total equity	**265,591**	243,972
Total borrowings plus equity	**342,342**	336,449
Gearing ratio	**22.42%**	27.5%

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.

	2014 £000	2013 £000
Revenue		
Gross sales of properties	**48,364**	39,968
Gross rental income	**17,786**	16,678
	66,150	56,646
Cost of sales		
Cost of properties sold	**21,870**	16,156
Property expenses	**5,685**	6,750
	27,555	22,906
Gross profit		
Sales of properties	**26,494**	23,812
Net rental income	**12,101**	9,928
	38,595	33,740

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

for the year ended 31 March 2014

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:

			2014			2013
	Property trading £000	**Property investment £000**	**Group £000**	Property trading £000	Property investment £000	Group £000
Revenue	**65,649**	**501**	**66,150**	56,198	448	56,646
Operating profit before changes in fair value of investment properties	**34,221**	**332**	**34,553**	30,066	(1)	30,065
Finance costs	**(2,344)**	**–**	**(2,344)**	(4,302)		(4,302)
Profit after tax			**28,442**			22,145
Assets	**326,074**	**29,556**	**355,630**	316,552	32,361	348,913
Liabilities	**89,832**	**207**	**90,039**	104,684	257	104,941
Fixed assets						
Capital expenditure	**19**	**518**	**537**	74	567	641
Depreciation	**92**	**46**	**138**	117	46	163

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

	2014 £000	2013 £000
The operating profit is stated after charging:		
Depreciation of tangible fixed assets	**138**	163
Loss on disposal of fixed assets	**42**	3
Auditors' remuneration		
– the audit of the Parent Company and Consolidated Financial Statements	**40**	40
– the audit of the Company's subsidiaries pursuant to legislation	**12**	12
– tax compliance work	**9**	9
Operating expenses for investment properties	**101**	236
And after crediting:		
– net rental income	**12,101**	9,928
– administrative charges to related companies (Note 25)	**52**	38

The details of Directors' remuneration are shown in the audited section of the Remuneration Report on pages 22 to 23.

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:

	2014	2013
Office and management	**26**	24

7. STAFF COSTS (INCLUDING DIRECTORS)

	2014 £000	2013 £000
Wages and salaries	**2,170**	2,113
Social security costs	**259**	254
Pension costs	**169**	112
	2,598	2,479
Directors' remuneration		
Total Directors' remuneration including salary, bonuses, benefits in kind and pensions contributions amounted to:	**1,219**	1,391

8. FINANCE COSTS

	2014 £000	2013 £000
Interest on bank overdrafts, and loans	**2,344**	4,302

9. INCOME TAX EXPENSE

	2014 £000	2013 £000
(a) Analysis of charge in the year		
Current tax: UK Corporation Tax 23% (2013: 24%)	**7,724**	6,511
Deferred tax: Current year 23% (2013: 24%)	**(772)**	272
Taxation attributable to the Company and its subsidiaries	**6,952**	6,783
(b) Factors affecting income tax expense		
The charge for the year can be reconciled to the profit per the income statement as follows:		
Profit on ordinary activities before taxation	**35,394**	28,928
Profit on ordinary activities multiplied by rate of tax 23% (2013: 24%)	**8,140**	6,942
Expenses not deductible for tax	**34**	25
Depreciation in excess of capital allowances	**16**	18
Taxation on capital gains	**305**	316
Profit on sale of assets	**(39)**	(19)
Marginal relief	**–**	(3)
Revaluation surplus in subsidiaries not taxed	**(732)**	(624)
Deferred tax	**(772)**	272
Cash flow hedge adjustment	**–**	(135)
Sundry adjusting items	**–**	(9)
Taxation attributable to the Company and its subsidiaries	**6,952**	6,783

The deferred tax adjustment relates to the change in fair value of investment properties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

for the year ended 31 March 2014

10. DIVIDENDS

On 19 August 2013, a dividend of 125p per share (2012: 115p per share) was paid to the Shareholders. On 31 March 2014 a dividend of 50p per share (2013: 50p per share) was paid to the Shareholders. This resulted in total dividends paid in the year of £6.82 million (2013: £6.43 million).

In respect of the current year, the Directors propose that a final dividend of 150p per share will be paid to the Shareholders on 18 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 2014 is payable to all Shareholders on the Register of Members on 18 July 2014. The total estimated final dividend to be paid is £5.84 million.

11. EARNINGS PER SHARE

	2014 £000	2013 £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)	**28,442**	22,145
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	**729.5p**	568.0p

The Company has no dilutive potential Ordinary Shares.

12. PROPERTY, PLANT AND EQUIPMENT

	Freehold property £000	Fixtures and fittings £000	Motor vehicles £000	Computer equipment £000	Total £000
Cost					
At 1 April 2013	2,671	400	224	28	3,323
Additions	–	19	–	–	19
Disposals	–	(11)	(224)	–	(235)
At 31 March 2014	**2,671**	**408**	**0**	**28**	**3,107**
Depreciation					
At 1 April 2013	648	202	119	17	986
Charge for the year	53	78	–	7	138
On disposals	–	(14)	(119)	–	(133)
At 31 March 2014	**701**	**266**	**0**	**24**	**991**
Net book value					
At 31 March 2013	2,023	198	105	11	2,337
At 31 March 2014	**1,970**	**142**	**0**	**4**	**2,116**

Property, plant and equipment are located within the UK.

12. PROPERTY, PLANT AND EQUIPMENT CONTINUED

	Freehold property £000	Fixtures and fittings £000	Motor vehicles £000	Computer equipment £000	Total £000
Cost					
At 1 April 2012	2,671	333	271	21	3,296
Additions	–	67	–	7	74
Disposals	–	–	(47)	–	(47)
At 31 March 2013	**2,671**	**400**	**224**	**28**	**3,323**
Depreciation					
At 1 April 2012	595	122	128	10	855
Charge for the year	53	80	23	7	163
On disposals	–	–	(32)	–	(32)
At 31 March 2013	**648**	**202**	**119**	**17**	**986**
Net book value					
At 31 March 2012	2,076	211	143	11	2,441
At 31 March 2013	**2,023**	**198**	**105**	**11**	**2,337**

Property, plant and equipment are located within the UK.

13. INVESTMENT PROPERTIES

	2014 £000	2013 £000
Fair value at 1 April 2013/(2012)	**27,852**	26,537
Subsequent expenditure	**518**	568
Disposals	**(2,159)**	(1,855)
Increase in Fair Value during the year	**3,185**	2,602
At 31 March 2014/(2013)	**29,396**	27,852

The sales of investments properties are not included in the Group Revenue.

During the financial year we disposed of three units for a total of £2.373 million.

The difference between the sales price £2.373 million (2013: £1.939 million) and the market fair value £2.159 million (2013: £1.855 million) of £214,000 (2013: £84,000) is shown in the Consolidated Income Statement as a separate item.

The realised gains on sales are transferred to Reserves in the Group accounts.

Louise Goodwin Limited and A.L.G. Properties Limited

The Companies' freehold and long leasehold properties were valued on 31 March 2014 by an external valuer Martin Angel, FRICS of Allsop LLP. The valuations are in accordance with the requirements of the RICS Valuation – Professional Standards – Global and UK Edition, 2014. The properties are all held for investment and Market Values are on the basis that the properties would be sold subject to any existing leases and tenancies. The valuer's opinion of Market Value was primarily derived using comparable recent market transactions on arm's-length terms.

Allsop LLP has undertaken work for Mountview Estates P.L.C. for in excess of 20 years including acquisitions, disposals and valuations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

for the year ended 31 March 2014

13. INVESTMENT PROPERTIES CONTINUED

In relation to Allsop LLP's preceding financial year, the proportion of the total fees payable by Mountview Estates P.L.C. to the total fee income of Allsop LLP was less than 5% which is regarded by the RICS as negligible.

The aggregate Fair Value of the Company's interests in its investment portfolios was:

Louise Goodwin Limited

- Freehold: £26,248,000 (Twenty-six million, two hundred and forty-eight thousand pounds).

A.L.G. Properties Limited

- Freehold: £3,148,000 (Three million, one hundred and forty eight 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 £3.185 million has arisen on valuation of investment properties to Market Value as at 31 March 2014 (2013: surplus of 2.602 million) and this has been taken to the income statement.

The Directors are of the opinion that the fair value equates to the Market Value.

14. INVESTMENTS

Fixed asset investments

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

	Principal activity	Cost 2013 2014 £000
Hurstway Investment Company Limited	Property trading	**1**
Louise Goodwin Limited	Property investment	**15,351**
A.L.G. Properties Limited	Property investment	**2,924**
		18,276

15. INVENTORIES

	2014 £000	2013 £000
Residential properties	**321,323**	316,626

16. TRADE AND OTHER RECEIVABLES

	2014 £000	2013 £000
Trade receivables	**219**	339
Prepayments and accrued income	**1,359**	859
	1,578	1,198

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.

17. TRADE AND OTHER PAYABLES

	2014 £000	2013 £000
Trade creditors	**716**	589
Other taxes and social security costs	**167**	151
Other creditors	**1,121**	891
	2,004	1,631

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

17(A) COMMITMENTS UNDER HIRE PURCHASE AGREEMENT

Future commitments under hire purchase agreements are as follows:

	2014 £000	2013 £000
Amounts payable within 1 year	**–**	22

18. BANK OVERDRAFTS AND LOANS

	2014 £000	2013 £000
Bank overdrafts	**7,361**	7,465
Bank loans	**69,800**	84,950
Other loans	**807**	962
	77,968	93,377

18.(A) CASH AND CASH EQUIVALENTS

	2014 £000	2013 £000
Bank overdrafts	**(7,361)**	(7,465)
Cash	**1,217**	900
Cash and cash equivalents as at 31 March	**(6,144)**	(6,565)

Maturity profile of financial liabilities at 31 March 2014 was as follows:

	2014 £000	2013 £000
Amounts repayable:		
In one year or less	**8,168**	8,427
Between one and five years	**43,000**	84,950
Over five years	**26,800**	–
	77,968	93,377
Less: amount due for settlement within 12 months (shown under current liabilities)	**(8,168)**	(8,427)
Amount due for settlement after 12 months	**69,800**	84,950

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

for the year ended 31 March 2014

18.(A) CASH AND CASH EQUIVALENTS CONTINUED

The average interest rates paid were as follows:

	2014	2013
Bank overdrafts and money market loan	**2.33%**	2.48%
Bank loans	**2.78%**	4.31%
Other loans	**1.0%**	1.0%

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 short-term borrowing facilities of £15 million with Barclays Bank. This facility expires at November 2014 and the rate of interest payable is:

- 1.75% over LIBOR on £6 million.
- 1.9% over Base rate on £9 million.

Headroom of this facility at 31 March 2014 amounted to £7.6 million (2013: £7.5 million).

2. The Group has renewed its £75 million long-term loan facility with Barclays Bank. This is a five year revolving loan and the termination date of this facility is December 2018. The rate of interest payable on the loan is 2.1% 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 under this facility at 31 March 2014 amounted to £32 million (2013: £18.5 million).

3. The Group has re-negotiated a £10 million long-term revolving loan facility with HSBC Bank. The termination date for this facility is December 2019. The rate of interest payable on the new loan is 2.25% above LIBOR. The loan has the benefit of Negative Pledge. The loan is not repayable by instalments. Headroom under this facility at 31 March 2014 amounted to £3.2 million (2013: 1.55 million).

   The Group has re-negotiated a £20 million long-term revolving loan facility with HSBC Bank. The termination date for this facility is January 2020. The rate of interest payable on the new loan is 2.25% above LIBOR. The loan has the benefit of a Negative Pledge. The loan is not repayable by instalments. Headroom under this facility at 31 March 2014 amounted to £nil (2013: £nil).

4. Other loans consist of loans from connected persons, and companies of which Mr. D.M. Sinclair is a Director. Loans of £806,915 (2013: £962,800) are repayable within one year. Interest payable on these loans is at 0.5% above Barclays Bank Plc base rate.

19. DEFERRED TAX

Analysis for financial reporting purposes

	2014 £000	2013 £000
Deferred tax liabilities	**5,522**	6,294
Net position at 31 March	**5,522**	6,294

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

	2014 £000	2013 £000
At 1 April	**6,294**	6,023
(Credit)/Debit to income for the year	**(772)**	271
At 31 March	**5,522**	6,294

19. DEFERRED TAX CONTINUED

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

Revaluation of properties

	2014 £000	2013 £000
At 1 April	**6,294**	6,023
(Credit)/Debit to income for the year	**(772)**	271
At 31 March	**5,522**	6,294

20. FINANCIAL INSTRUMENTS

Fair value of financial assets

The Group's financial assets at the year end consist of trade receivables and cash at bank and in hand of £1.217 million (2013: £900,000).

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

The trade receivables amounted to £1.578 million (2013: £1.2 million).

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

Fair value of borrowings

	2014 £000	2013 £000
Bank overdrafts and loans	**8,168**	8,427
Secured bank loans	**69,800**	84,950
	77,968	93,377

Interest charged in the Income Statement for the above borrowings amounted to £2.34 million (2013: £4.32 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 2014 it is estimated that general increase of 1 point in interest rates would decrease the Group's profit before tax by approximately £771,000 (2013: £450,000).

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 2014	Less than 1 year £000	Between 1 and 5 years £000	Over 5 years £000	Total £000
Interest bearing loans and borrowings	8,168	43,000	26,800	77,968
Trade and other payables	2,004	–		2,004

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

for the year ended 31 March 2014

20. FINANCIAL INSTRUMENTS CONTINUED

At 31 March 2013	Less than 1 year £000	Between 1 and 5 years £000	Over 5 years £000	Total £000
Interest bearing loans and borrowings	8,705	92,542	–	101,247
Trade and other payables	1,051	–	–	1,051

Reconciliation of maturity analysis

At 31 March 2014	**Less than 1 year £000**	**Between 1 and 5 years £000**	**Over 5 years £000**	**Total £000**
Interest loans and borrowings				
Drawdown 31.3.14	8,168	43,000	26,800	77,968
Interest	170	6,574	5,096	11,840
Total	**8,338**	**49,574**	**31,896**	**89,808**

At 31 March 2013	Less than 1 year £000	Between 1 and 5 years £000	Over 5 years £000	Total £000
Interest bearing loans and borrowings per accounts	8,427	84,950	–	93,377
Interest	278	7,592	–	7,870
Financial liability cash flows as above	8,705	92,542	–	101,247

21. CALLED UP SHARE CAPITAL

	2014 £000	2013 £000
Authorised:		
5,000,000 Ordinary Shares of 5p each	**250**	250
Allotted, issued and fully paid:		
3,899,014 Ordinary Shares of 5p each	**195**	195

22. OTHER RESERVES

	2014 £000	2013 £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 2014 stood at £56,000 (2013: £56,000).

23. RETAINED EARNINGS

	£000
Balance at 1 April 2013	243,641
Net profit for the year	28,442
Dividends paid	(6,823)
Balance at 31 March 2014	**265,260**

24. 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 £56,825 (2013: £38,179) 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 £631,915 (2013: £637,800). Interest was payable on the loan at a rate of 0.5% above Barclays Bank Plc base rate. Interest paid in the year on this loan amounted to £3,483 (2013: £3,152).

   (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 £nil (2013: £nil). Interest was payable on the loan at a rate of 0.5% above Barclays Bank Plc base rate. Interest paid in the year on this loan amounted to £33 (2013: £767).

   (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 (2013: £175,000). Interest was payable on the loan at a rate of 0.5% above Barclays Bank Plc base rate. Interest paid in the year on this loan amounted to £1,750 (2013: £1,750).

   (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.

25. OPERATING LEASE COMMITMENTS

The future aggregate minimum lease payments payable by the Group under non-cancellable operating leases are as follows:

	2014 £000	2013 £000
Operating lease payments due:		
Not later than one year	**47**	–
Later than one year and not later than five years	**48**	10
Later than five years	**–**	–
	95	10

INDEPENDENT AUDITORS' REPORT

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

We have audited the Group Financial Statements of Mountview Estates P.L.C. for the year ended 31 March 2014, which comprise 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.

This report is made solely for the Company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 .Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purposes. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed .

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Statement of Directors' Responsibilities set out on page 16, 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 and express an opinion on 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. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies with the audited financial statements we consider the implications for our report.

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 2014 and of the Group profit and of its profit 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.

OUR ASSESSMENT OF RISKS OF MATERIAL MISSTATEMENT

We identified the following risks that we believed would have the greatest impact on our overall strategy; the allocation of resources in the audit; and directing the efforts of the engagement team:

- Revenue recognition;
- Valuation of investment and trading properties; and
- Risk of fraud and management override.

OUR APPLICATION OF MATERIALITY

We determined materiality for the Group to be £3.5 million, which is approximately 1% of gross assets. This provided a basis for determining the nature, timing and extent of risk assessment procedures, identifying and assessing the risk of material misstatements and determining the nature, timing and extent of further audit procedure .

We agreed with the Audit Committee that we would report to them corrected and uncorrected differences in excess of 5% of the materiality level, as well as differences below that threshold that in our view warranted reporting on qualitative grounds.

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

The Group reports its operating results and financial position along two business lines being UK residential trading properties, and UK residential investment properties. The Parent Company and all three subsidiaries are audited by BSG Valentine. The accounting books and records for all business lines are located at the Group's head office in North London.

In our audit we tested and examined information, using sampling and other techniques, to the extent we considered necessary to provide a reasonable basis for us to draw conclusions. We obtained audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

The principal ways in which we responded to the risks identified above included:

Revenue recognition

Our testing of revenue transactions focused on understanding whether cash had been received and reading extracts of the related contracts – for example a property sale completion statement or a rental contract.

Valuation of investment and trading properties

For investment properties we checked that the property database information supplied to external valuers by management was consistent with the underlying property records held by the Group and tested during our audit.

Our assessment of the net realisable value of trading properties held as inventories focused on the critical accounting assumptions disclosed in Note 2 to the Financial Statements. In addition we reviewed recent comparable market data.

Risk of fraud and management override

Procedures included analytical procedures and journal entry testing in order to identify and address the risk of management override of controls. We designed testing procedures and thresholds for all balances in such a way to ensure that the risk of fraud and error is mitigated. We also examined accounting estimates relevant to the Financial Statements.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the Group Financial Statements are prepared is consistent with the Group Financial Statements.

INDEPENDENT AUDITORS' REPORT *continued*

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following.

Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the Annual Report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit; or
- is otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the Directors' statement that they consider the Annual Report is fair, balanced and understandable and whether the Annual Report appropriately discloses those matters that we communicated to the Audit Committee which we consider should have been disclosed.

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;

Under the Listing Rules we are required to review:

- the Directors' statement set out on page 15 in relation to going concern; and
- the part of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review; and

OTHER MATTERS

We have reported separately on the Parent Company financial statements of Mountview Estates P.L.C. for the year ended 31 March 2014 and on the information in the Directors' Remuneration Report that is described as having been audited.

Athanasios Athanasiou (Senior Statutory Auditor)
for and on behalf of BSG Valentine

Chartered Accountants and Statutory Auditors
London, United Kingdom

18 July 2014

COMPANY BALANCE SHEET UNDER UK GAAP

as at 31 March 2014

	Notes	As at 31 March 2014 £000	As at 31 March 2013 £000
Fixed assets			
Tangible assets	3	**2,035**	2,225
Investments	4	**18,276**	18,276
		20,311	20,501
Current assets			
Stocks	5	**306,305**	301,501
Debtors	6	**1,512**	1,138
Cash at bank and in hand		**1,165**	866
		308,982	303,505
Creditors: amounts falling due within one year	7	**(14,249)**	(13,138)
Net current assets		**294,733**	290,367
Total assets less current liabilities		**315,044**	310,868
Creditors: amounts falling due after more than one year	8	**(78,926)**	(91,130)
		236,118	219,738
Capital and reserves			
Called up share capital	9	**195**	195
Capital redemption reserve	10	**55**	55
Capital reserve	10	**25**	25
Other reserves	10	**39**	39
Profit and loss account	12	**235,804**	219,424
		236,118	219,738

Approved by the Board on 18 July 2014.

D.M. Sinclair
Chairman

M.M. Bray
Director

NOTES TO THE FINANCIAL STATEMENTS UNDER UK GAAP

for the year ended 31 March 2014

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 cost 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 2014 is on page 35.

(h) Leasing

Rentals payable under operating leases are charged to profit and loss on a straight-line basis over the term of the relevant lease.

(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.

2. STAFF COSTS (INCLUDING DIRECTORS)

	2014 £000	2013 £000
Wages and salaries	**2,170**	2,113
Social security costs	**259**	254
Pension costs	**169**	112
	2,598	2,479

Directors' remuneration

	2014 £000	2013 £000
Total Directors' remuneration including salary, bonuses, benefits in kind and pensions contributions amounted to:	**1,219**	1,391

The details of Directors' remuneration are shown in the audited section of the Remuneration Report on pages 22 to 23.

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:

	2014 £000	2013 £000
Office and management	**26**	24

3. TANGIBLE ASSETS

	Freehold property £000	Fixtures and fittings £000	Motor vehicles £000	Computer equipment £000	Total £000
Cost					
At 1 April 2013	2,671	171	224	28	3,094
Additions	–	7	–	–	7
Disposals	–	–	(224)	–	(224)
At 31 March 2014	**2,671**	**178**	**–**	**28**	**2,877**
Depreciation					
At 1 April 2013	648	85	119	17	869
Charge for the year	53	32	–	7	92
On disposals	–	–	(119)	–	(119)
At 31 March 2014	**701**	**117**	**–**	**24**	**842**
Net book value					
At 31 March 2013	2,023	86	105	11	2,225
At 31 March 2014	**1,970**	**61**	**–**	**4**	**2,035**

All tangible assets of the Company are located within the UK.

NOTES TO THE FINANCIAL STATEMENTS UNDER UK GAAP *continued*

for the year ended 31 March 2014

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.

	2014 £000	2013 £000
Hurstway Investment Company Limited	**1**	1
Louise Goodwin Limited	**15,351**	15,351
A.L.G. Properties Limited	**2,924**	2,924
	18,276	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 trading
Louise Goodwin Limited	UK	Property investment
A.L.G. Properties Limited	UK	Property investment

5. STOCKS

	2014 £000	2013 £000
Residential properties	**306,305**	301,501

6. DEBTORS: DUE WITHIN ONE YEAR

	2014 £000	2013 £000
Trade debtors	**215**	324
Prepayments and accrued income	**1,297**	814
	1,512	1,138

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £000	2013 £000
Bank loans and overdrafts	**7,361**	7,465
Trade creditors	**688**	578
Corporation Tax	**4,155**	3,128
Other taxes and social security costs	**167**	152
Other creditors	**1,071**	853
Other loans	**807**	962
	14,249	13,138

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

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2014 £000	2013 £000
Bank loans	**69,800**	84,950
Amounts owed to subsidiary undertakings	**9,126**	6,180
Other loans	**–**	–
	78,926	91,130

Maturity profile of financial liabilities at 31 March 2014 was as follows:

	2014 £000	2013 £000
Amounts repayable:		
In one year or less	**8,168**	8,427
Between one and five years	**43,000**	84,950
Over five years	**26,800**	–
	77,968	93,377
Less: amount due for settlement within 12 months (shown under current liabilities)	**(8,168)**	(8,427)
Amount due for settlement after 12 months	**69,800**	84,950

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 short-term borrowing facilities of £15 million with Barclays Bank. This facility expires at November 2014 and the rate of interest payable is:

- 1.75% over LIBOR on £6 million.
- 1.9% over Base rate on £9 million.

Headroom of this facility at 31 March 2014 amounted to £7.6 million (2013: £7.5 million).

2. The Group has renewed its £75 million long-term loan facility with Barclays Bank. This is a five year revolving loan and the termination date of this facility is December 2018. The rate of interest payable on the loan is 2.1% 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 under this facility at 31 March 2014 amounted to £32 million (2013: £18.5 million).

3. The Group has re-negotiated a £10 million long-term revolving loan facility with HSBC Bank. The termination date for this facility is December 2019. The rate of interest payable on the new loan is 2.25% above LIBOR. The loan has the benefit of Negative Pledge. The loan is not repayable by instalments. Headroom under this facility at 31 March 2014 amounted to £3.2 million (2013: 1.55 million).

   The Group has re-negotiated a £20 million long-term revolving loan facility with HSBC Bank. The termination date for this facility is January 2020. The rate of interest payable on the new loan is 2.25% above LIBOR. The loan has the benefit of a Negative Pledge. The loan is not repayable by instalments. Headroom under this facility at 31 March 2014 amounted to £nil (2013: £nil).

4. Other loans consist of loans from connected persons, and companies of which Mr. D.M. Sinclair is a Director. Loans of £806,915 (2013: £962,800) are repayable within one year. Interest payable on these loans is at 0.5% above Barclays Bank Plc base rate.

NOTES TO THE FINANCIAL STATEMENTS UNDER UK GAAP *continued*

for the year ended 31 March 2014

9. CALLED UP SHARE CAPITAL

	2014 £000	2013 £000
Authorised:		
5,000,000 Ordinary Shares of 5p each	**250**	250
Allotted, issued and fully paid:		
3,899,014 Ordinary Shares of 5p each	**195**	195

10. OTHER RESERVES

	2014 £000	2013 £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 2014 stood at £39,000 (2013: £39,000).

11. PROFIT AND LOSS ACCOUNT

	2014 £000	2013 £000
Balance at 1 April	**219,424**	207,281
Net profit for the year	**23,203**	18,575
Dividends paid	**(6,823)**	(6,432)
Balance at 31 March	**235,804**	219,424

12. 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 £56,825 (2013: £38,179) 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 £631,915 (2013: £637,800). Interest was payable on the loan at a rate of 0.5% above Barclays Bank Plc base rate. Interest paid in the year on this loan amounted to £3,483 (2013: £3,152).

   (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 £nil (2013: £nil). Interest was payable on the loan at a rate of 0.5% above Barclays Bank Plc base rate. Interest paid in the year on this loan amounted to £33 (2013: £767).

   (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 (2013: £175,000). Interest was payable on the loan at a rate of 0.5% above Barclays Bank Plc base rate. Interest paid in the year on this loan amounted to £1,750 (2013: £1,750).

   (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.

13. OPERATING LEASE COMMITMENTS

At 31 March 2014 the Company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2014 £000	2013 £000
Operating lease payments due:		
Not later than one year	**10**	–
Later than one year and not later than five years	**37**	10
Later than five years	**–**	–
	47	10

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 2014 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).

This report is made solely to the Company's members,as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose.To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinion we have formed .

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Statement of Directors' Responsibilities set out on page 16 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 and express an opinion on 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.

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.

In addition we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2014;
- 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 Strategic Report and the Directors' Report for the financial year for which the 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 2014.

Athanasios Athanasiou (Senior Statutory Auditor)
for and on behalf of BSG Valentine

Chartered Accountants and Statutory Auditors
London, United Kingdom

18 July 2014

Other Information

TABLE OF COMPARATIVE FIGURES

	IFRS 2008 £000	IFRS 2009 £000	IFRS 2010 £000	IFRS 2011 £000	IFRS 2012 £000	IFRS 2013 £000	As at 31 March 2014 **IFRS 2014 £000**
Revenue	54,338	53,599	56,697	47,655	42,931	56,646	**66,150**
Profit before taxation	29,529	13,062	29,255	23,560	22,805	28,928	**35,394**
Taxation	8,861	3,673	7,620	6,589	5,350	6,783	**6,952**
Profit after taxation	20,668	9,389	21,635	16,971	17,455	22,145	**28,442**
Earnings per share	530.1p	241.0p	554.8p	435.3p	447.7p	568.0p	**729.5p**
Rate of dividend	155p	155p	165p	165p	165p	175p	**200p**
Cover	3.42	1.55	3.36	2.64	2.71	3.25	**3.64**
Cost of dividend	6,042	6,042	6,432	6,432	6,432	6,823	**7,798***
Total remuneration (including Directors)	2,846	2,528	2,759	2,390	2,184	2,479	**2,598**
Executive Directors' remuneration	1,498	1,436	1,569	1,233	1,117	1,319	**1,132**
Total remuneration (including Directors) as percentage of dividend	47.10	41.84	42.89	37.15	33.95	36.33	**33.32**
Cost of Executive Directors' remuneration as percentage of total remuneration	52.64	56.80	56.87	51.59	51.14	53.2	**43.57**
Cost of Executive Directors' remuneration as percentage of dividend	24.7	23.7	24.3	19.1	17.3	19.3	**14.52**

*The £7.79 million dividend in relation to 2014 is made up of the interim dividend of £1.95 million and the final dividend of £5.84 million, which will be paid on 18 August 2014, subject to approval at the AGM on 13 August 2014.

NOTICE OF MEETING

Notice is hereby given that the 77th 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 Fulbright LLP, 3 More London Riverside, London SE1 2AQ on 13 August 2014 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 2014.
2. To declare a final dividend of 150p per share payable on 18 August 2014 to Shareholders on the register at 18 July 2014.
3. To re-appoint Mr. A.J. Sinclair as a Director of the Company.
4. To elect Mrs. M.L. Jarvis as a Director of the Company.
5. To approve the Directors' Remuneration Report (excluding the Directors' Remuneration Policy set out on pages 20 to 21 of this report) set out in the Annual Report and Accounts for the year ended 31 March 2014.
6. To approve the Directors' Remuneration Policy, the full text of which is contained in the Directors' Remuneration Report set out in the Annual Report and Accounts for the year ended 31 March 2014.
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
Company Secretary

Mountview House
151 High Street
Southgate
London N14 6EW

18 July 2014

NOTICE OF MEETING *continued*

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 Asset Services (PXS1), 34 Beckenham Road, Beckenham, Kent BR3 4ZF.

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 Asset Services (PXS1), 34 Beckenham Road, Beckenham, Kent BR3 4ZF, 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 6.00 pm on 11 August 2014 (the "Specified Time") or 48 hours (excluding any day or part of any day that is not a working day) before the date of any 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 18 July 2014 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 18 July 2014, 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 18 July 2014 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.

SHAREHOLDERS' INFORMATION

FINANCIAL CALENDAR 2014

Final dividend record date	18 July
Annual Report posted to Shareholders	21 July
Annual General Meeting	13 August
Final dividend payment	18 August
Interim results	27 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 Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

Other Information

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