Mountview Estates P.L.C.

Annual Report and Accounts

2015

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.

Contents

Our Performance

TURNOVER
£71.3m
▲ 7.7%
(2014: £66.2m)

GROSS PROFIT
£46.7m
▲ 21.0%
(2014: £38.6m)

PROFIT BEFORE TAX
£40.0m
▲ 13.0%
(2014: £35.4m)

PROFIT BEFORE TAX EXCLUDING INVESTMENT PROPERTIES REVALUATION
£40.0m
▲ 24.2%
(2014: £32.2m)

SHAREHOLDERS' EQUITY
£287.7m
▲ 8.3%
(2014: £265.6m)

EARNINGS PER SHARE
816.0p
▲ 11.9%
(2014: 729.5p)

NET ASSETS PER SHARE
£73.8
▲ 8.4%
(2014: £68.1)

DIVIDEND PER SHARE
275p
▲ 37.5%
(2014: 200p)

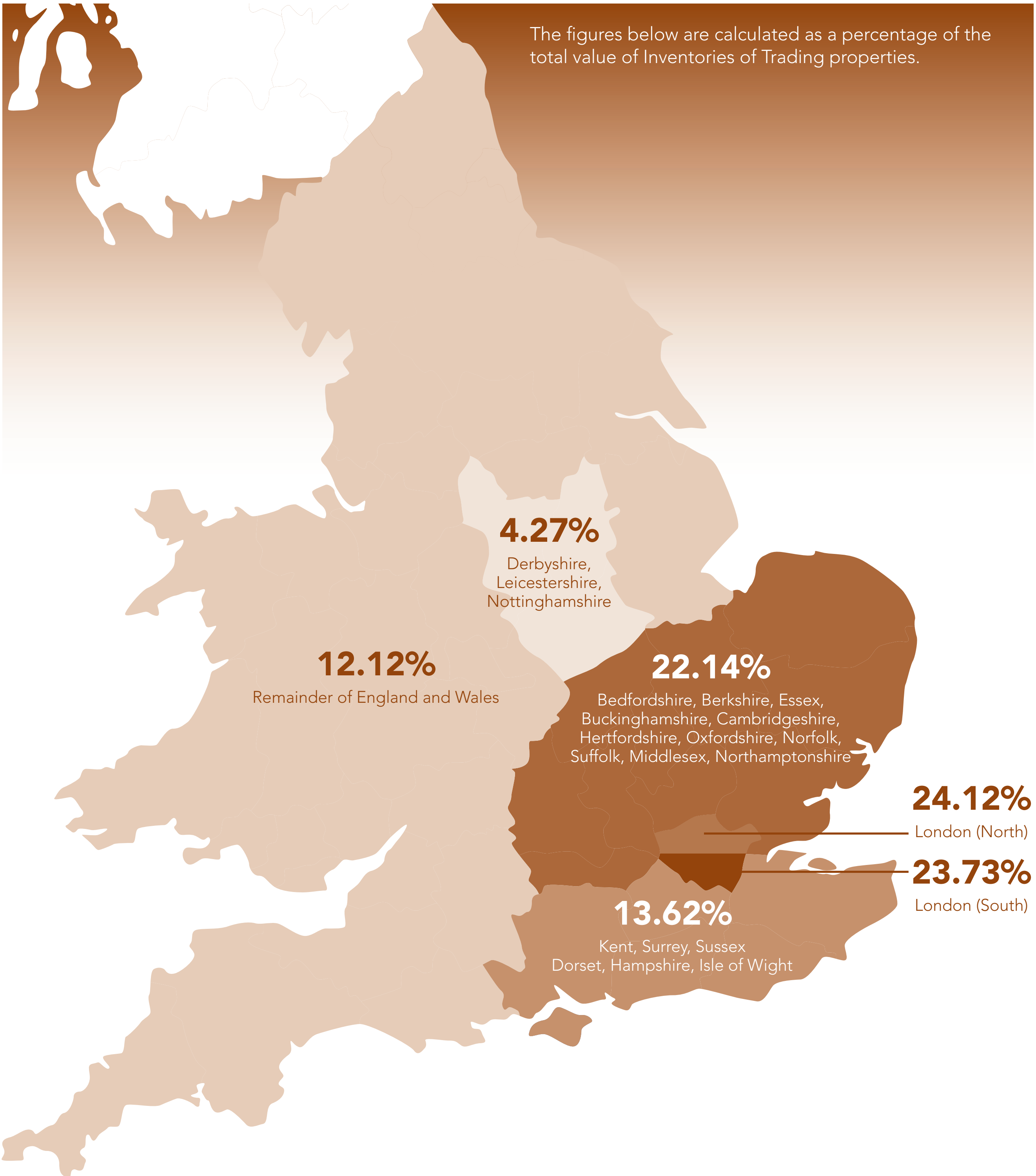
Mountview Estates P.L.C. advises its shareholders that, following the issue of the final results, the relevant dates in respect of the proposed final dividend payment of 175p per share are as follows:

Ex-dividend date	23 July 2015
Record date	24 July 2015
Payment date	24 August 2015

STRATEGIC REPORT

Where We Operate

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



Chief Executive's Statement

As recently announced, John Fulton relinquished his role as Non-Executive Chairman on 30 June 2015, and left the Company on that date. John had joined the Company at the beginning of 2007 and served the Company loyally and efficiently. When it was decided to accept that good corporate governance dictates the splitting of the roles of Chairman and Chief Executive, John was the natural candidate to take on the role of Non-Executive Chairman. In this capacity, he has served the Company well, and it is perhaps unfortunate that he chose to leave so soon to pursue his various other interests.

As Chief Executive for some 25 years, it seems appropriate that I should review the results for the year ended 31 March 2015. During this financial year, turnover has increased by 7.7%, gross profit has increased by 21% and profit before tax has increased by 13%. This has enabled earnings per share to increase by 11.9% to 816 pence which still covers the dividend per share nearly three times.

The recommended final dividend of 175 pence per share in respect of the year ended 31 March 2015 will be payable on 24 August 2015 to Shareholders on the Register of Members as at 24 July 2015. The total dividends for the year at 275 pence per share will have increased by 37.5% from 200 pence per share in respect of the year ended 31 March 2014.

The results of the valuation undertaken as at 30 September 2014 and published with the interim report showed a strength in our balance sheet way beyond the historical cost figures.

Borrowings have been reduced and we are still able to make good purchases. The enhanced performance this year is on top of the very strong performances of the two previous years and is a tribute not only to the experience of my established colleagues but also to the enthusiasm of our more recent recruits.

Our management teams continue to evolve and it may become appropriate to appoint one or more of these personnel to the Board. The continuing good results and the sound financial structure of the Company are a testimony to tried and trusted methods and tried and trusted personnel. Whilst we are aware of the need for our management structure to evolve for the future benefit of the Company, our results do not suggest that radical surgery is needed as a matter of urgency.

The default retirement age has been abolished and shareholders will be aware that many companies are being well served by men and women who would once have been regarded as being of advanced years. I may be considered to fall into this category, but I will be happy to step aside when we have in position those of proven ability who are capable of producing results at the level for which I have been responsible for an extended period of years.

Tony Solway joined the Company on 11 June 2015 and succeeded John Fulton as Non-Executive Chairman on 01 July 2015. Tony started his business life in his family's printing company and then progressed to IT and management consulting. He has extensive experience in the financial services and wealth management industries, both in the United Kingdom and globally. His involvement in these industries also brought him into contact with property businesses, and more recently he has developed a portfolio of non-executive directorships. His breadth of experience should serve the Company well, and we look forward to a long and successful relationship.

D.M. Sinclair

D.M. Sinclair
Chief Executive Officer

STRATEGIC REPORT

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
- Assured tenancy units
- Ground rent units
- Life tenancy units

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

Analysis of the Group Trading portfolio by type as at 31 March 2015

	No. of units	Cost (£m)
Regulated, Assured Shorthold tenancies and other	2,312	270.18
Assured tenancies	243	26.95
Ground rents	1,124	1.81
Life tenancies	317	24.08

Analysis of the Group Trading portfolio at the lower of cost and estimated net realisable value by geographical location as at 31 March 2015

	Regulated, Assured Shorthold tenancies, Assured tenancies and other (£m)	Ground rents (£m)	Life tenancies (£m)	Portfolio (%)
London (North)	77.00	0.69	0.21	24.12
London (South)	72.92	0.83	2.89	23.73
Kent, Surrey, Sussex, Dorset, Hampshire, Isle of Wight	38.44	0.05	5.50	13.62
Bedfordshire, Berkshire, Essex, Buckinghamshire, Cambridgeshire, Hertfordshire, Oxfordshire, Norfolk, Suffolk, Middlesex, Northamptonshire	65.15	0.13	6.25	22.14
Derbyshire, Leicestershire and Nottinghamshire	12.91	0.10	0.80	4.27
Remainder of England and Wales	30.72	–	8.43	12.12

54 Grange Road, New Arlesford

65 Belsize Park Gardens

28 Coronation Road, Weymouth

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
1 million +	3	London
500,000 – 1 million	21	London and other
below 500,000	168	London and other

We achieved sales of £53.4 million (2014: £48.36 million), demonstrating the liquidity of the Portfolio. The average sales price achieved was £278,000 (2014: £270,000).

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.

REVENUE

£71.3m

(2014: £66.2m)

GROSS PROFIT

£46.7m

(2014: £38.6m)

STRATEGIC REPORT

Review of Operations *continued*

Analysis of Acquisitions

	No. of units	Year ended 31 March 2015 Cost £m
Regulated tenancies	33	**13.76**
Assured tenancies (or created)	19	**3.32**
Ground rents (or created)	21	**0.01**
Life tenancies	4	**0.28**
	77	**17.37**

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

The Group residential trading properties are carried in the balance sheet at the lower of cost and net realisable value. 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 36.

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 £17.37 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 2015 is as follows:

	2015	2014
Louise Goodwin Limited	33 units	34 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 one Ground Rent unit for £54,000 in Louise Goodwin Limited (2014: disposed of three units for £2.373 million in Louise Goodwin Limited).

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 increased during the year by £57,000. 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 40 to 41.

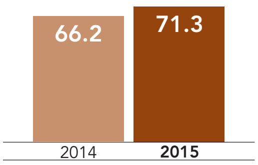
Review of business and principal risks

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

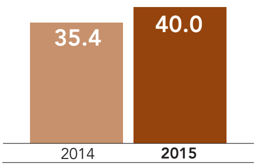
Turnover (£)

+7.7%

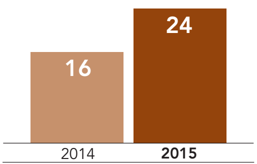


Profit before tax (£m)

+13.0%

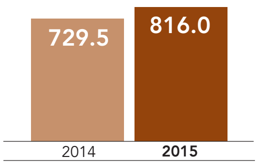


Interest cover in relation to profit before interest and taxation (x)



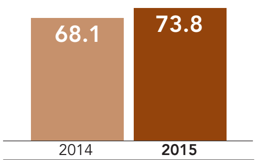
Earnings per share (p)

+11.9%

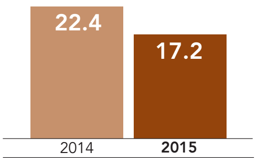


Net assets per share (£)

+8.4%



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 ability 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 this class of assets.

Management succession in place over the medium term

Significant operating expertise is concentrated in a small team of executive and senior management. 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.

Property Market

The UK housing market slowed down in the early part of 2015. London and South East prices continue to improve but at a lower rate with the Regions, generally, showing low, yet sustained, levels of growth. Stricter mortgage lending, election uncertainty, buy-to-let and tax changes have recently tempered the market. However, sustained low interest rates, stamp duty changes, help-to-buy schemes, pension rule relaxation along with ever increasing scarcity continues to enhance the market in which we operate.

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 is conservatively geared and operates well within financial covenants.

The Group maintains a good relationship with its bankers. Its banking facilities are fully performing with a spread of maturities and the Company will address any re-financing well before final maturity.

Approved and agreed on behalf of the Board by:

D.M. Sinclair
Chief Executive Officer
23 July 2015

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. Retained the position of Chief Executive ('CEO') when the role of Chairman and CEO was split into separate roles in 2013. 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.

Resigned on 30 June 2015.

* 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.

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.

A.C.J. Solway* (Non-Executive Chairman)

Joined the Company on 11 June 2015 and became Non-Executive Chairman of the Board on 1 July 2015. Following a successful career as a financial services executive, Tony now holds a portfolio of Non-Executive roles. He is a Chartered Fellow of the Institute for Securities and Investment and holds the Institute of Directors Certificate In Company Direction.

* Mr. A.C.J. Solway 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 78th Annual Report together with the Financial Statements for the year ended 31 March 2015.

1. Results and Dividends

The results for the year are set out in the Income Statement on page 26.

The Directors recommend the payment of a final dividend of 175p per share. The dividend will be paid on 24 August 2015, subject to approval at the Annual General Meeting on 19 August 2015, to Shareholders on the register at the close of business on 24 July 2015.

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, Mrs.M.M.Bray retires from the Board by rotation and being eligible, offers herself for reappointment. A resolution for her reappointment will be proposed at the Annual General Meeting.

In accordance with the Company's Articles of Association, Mr. A.C.J. Solway was appointed as a Director on 11 June 2015 and offers himself up for election. A resolution for his election will be proposed at the Annual General Meeting.

4. Share Capital

The authorised share capital of the Company as at 31 March 2015 was £250,000 divided into 5,000,000 Ordinary Shares of 5p of which 3,899,014 were in issue (2014: 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.

Directors' Report *continued*

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 2015	1 April 2014
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.

Mr. A.C.J. Solway, Non-Executive Chairman, purchased 500 Ordinary Shares in the Company between 31 March 2015 and 23 July 2015.

6. Notifiable Interests in Share Capital

As at 17 July 2015, 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**	147,675	3.79
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

Introduction

Mandatory Greenhouse Gas (GHG) Reporting regulation requires quoted companies to report the annual quantity of emissions in tonnes of carbon dioxide equivalent from activities for which the company is responsible, including:

- The combustion of fuel
- The operation of any facility
- The purchase of electricity, heat, steam or cooling by the company for its own use.

The report must cover the "Kyoto" GHGs: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF6). The reporting entity is also required to report at least one "intensity ratio", expressing its annual emissions in relation to a quantifiable factor associated with the company's activities.

The regulation requires quoted companies to report their Scope 1 and Scope 2 emissions. It is not mandatory to report Scope 3 emissions however Carbon Clear recommends clients to report Scope 3 emissions as it can lead to greater understanding of the company's wider impacts. Mountview Estates Plc (Mountview) has committed to report Scope 1, Scope 2 and limited Scope 3 emissions under Mandatory Greenhouse P.L.C Gas Reporting legislation.

Headline results

This report details Mountview's GHG emissions for the 12 months ending 31st March 2015. Using an operational control approach, Mountview 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 and collected and provided to independent consultant, Carbon Clear. The validity and completeness of the data were checked by Carbon Clear and used to calculate the greenhouse gas emissions for Mountview. 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 154.7 tonnes of CO_2e, comprised of the following;

- Direct Emissions (Scope 1) amounted to 43.0 tonnes of CO_2e or 27.8% of the total
- Indirect Emissions (Scope 2) amounted to 83.6 tonnes of CO_2e or 54.1% of the total
- Indirect Other Emissions (Scope 3) amounted to 28.1 tonnes of CO_2e or 18.1% of the total

The results are presented in Tables 1 and 2 below.

Table 1: Emissions data

Type of Emissions	Activity	tCO_2e 2013/14	tCO_2e 2014/15	% of Total
Direct (Scope 1)	Natural Gas	13.5	**16.3**	21%
	Owned Company Vehicles	62.1	**26.7**	-57%
	Subtotal	75.6	**43.0**	-43%
Indirect (Scope 2)	Electricity	255.8	**83.6**	-67%
	Subtotal	255.8	**83.6**	-67%
Indirect Other (Scope 3)	Well To Tank All Scopes	81.0	**28.1**	-65%
	Subtotal	81.0	**28.1**	-65%
	Total emissions (tCO_2e)	412.4	**154.7**	-62%

GOVERNANCE

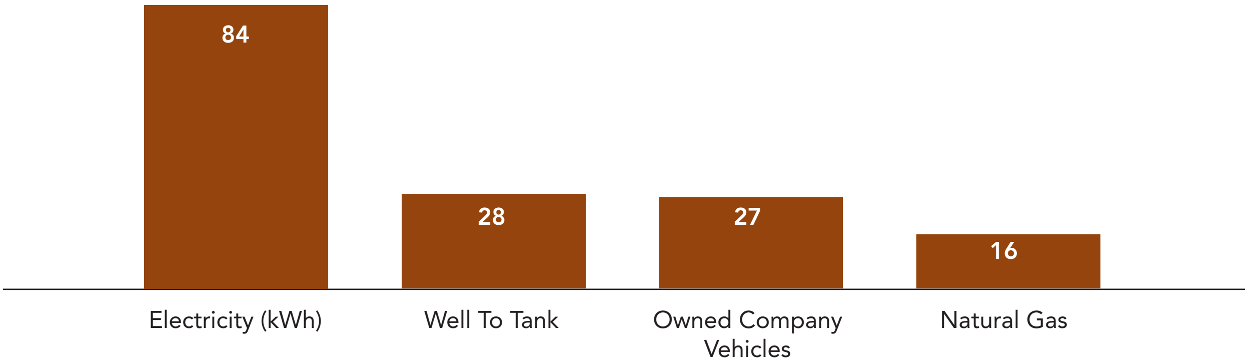
Directors' Report continued

Table 2: Intensity ratio

Intensity Metric	tCO_2e 2013/14	tCO_2e 2014/15	% change
Total Gross Emissions (tCO_2e)	412.4	**154.7**	-62%
Revenue (£)	66,000,000	**71,300,000**	8%
Tonnes of gross CO_2e per million GB £ turnover	6.2	**2.2**	-65%

Figure 1: Source of emissions

Gross Emission (tCO_2e)



Year on year comparison

Overall emissions have decreased 62% from 2013/14 to 2014/15, due to a significant reduction in energy consumption across the managed flats. During this reporting period Mountview significantly improved the accuracy of the methodology used to determine the total number of managed flats which had communal areas in which Mountview were responsible for the energy supply. The revised methodology has resulted in an 85% reduction in emissions from managed flats. This has impacted on the carbon intensity metric which has decreased 65% from 2013/14 to 2014/15.

Scope 1 emissions decreased 43% from 2013/14 to 2014/15 due to a 55% reduction in the total miles travelled for business in company owned cars. Subsequently, the associated scope 3 WTT emissions associated with fuel consumption also significantly decreased. **Natural gas consumption increased 20% across the same period**.

As a result of reducing the managed flat portfolio **electricity consumption decreased 68% and associated scope 2 emissions decreased 67%**. As with company cars, the scope 3 WTT emissions associated with electricity have also significantly decreased.

NOTES

1. **Well to Tank (WTT) Emissions**: "Well to Tank" – (WTT) is the term used to describe the factors that used 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 250 flats and the company pays on average £30 electricity charge per flat. The approximate total electricity consumption for communal areas is **49,393 kWh** or **22.83 tCO_2e** scope 2 emissions (15% of company's total emissions) and **1.9 tCO_2e of WTT emissions**.
3. Mountview confirmed that there has been no refrigerant use in this compliance year as the air conditioning system is only 18 months old and it has not required the refrigerant to be topped up as yet.

REFERENCES

The following sources of the carbon emissions factors and electricity expenditure conversions were used:

- "2015 Guidelines to Defra/DECC's GHG Conversion Factors for Company Reporting", Department for Environment, Food and Rural Affairs (DEFRA) and Department for Energy and Climate Change (DECC).
- "Quarterly Energy Prices' June 2015", Department for Energy and Climate Change (DECC).

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 2015, the Company had a female Executive Director, Mrs. Marie Bray, who has been on the Board since 2004, representing 20% 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 seven Senior Managers (who are not Directors), three of whom are female.

Of the 26 total employees in the Company, 10 are male and 16 are 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 35 and 36. Details regarding the Company's use of financial instruments are set out in Note 20 to the Consolidated Financial Statements on pages 45 and 46.

15. Remuneration Policy

The Company's Shareholders will be asked to approve the Remuneration Report at the Annual General Meeting to be held on 19 August 2015 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 16 to 19.

Directors' Report continued

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 £31,230 (2014: £64,150).

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 (2014: £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 regularly reviews 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 17.

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.

22. Relationship Party Agreement

In accordance with the UK Listing Rules, the Company has entered into an agreement with the Sinclair family concert party, which as it controls more than 30% of the Group's total issued share capital is deemed a controlling shareholder. The relationship agreement is intended to ensure the controlling shareholder complies with the independence provisions in Listing Rule 9.2.2A.

By Order of the Board

M.M. Bray
Company Secretary
23 July 2015

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 8 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 7 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;
- 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; and
- the annual report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's performance, business model and strategy.

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
23 July 2015

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. A.C.J. Solway, newly appointed Non-Executive Chairman, is considered to be independent for the purposes of the UK Corporate Governance Code. 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. At present the Board does not intend to appoint any Director to fulfil the role of senior independent director given the limited size of the Board but may decide to do so in the future.

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 2015, the Board comprised the CEO, one Executive Director and three Non-Executive Directors (of which two are 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 Company Secretary sends out the agenda and supporting information to all members of the Board in advance of Board meetings. The following table sets out details of the number of meetings of the Board (excluding ad hoc meetings) and of the Audit, Nomination 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	Mrs. M.L. Jarvis
Full Board	6	6	6	6	4
Audit Committee	1	1	2	2	2
Remuneration Committee	2	1	3	3	3
Nomination Committee	4	4	3	1	3

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 about the Company's operations.

The Non-Executive Directors hold meetings without the Executive Directors to discuss remuneration of the Executive Directors and to meet with the external auditor to discuss the audit of the annual report and accounts.

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 9.

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

- The Company may, by ordinary resolution, appoint a person who is willing to act to be a Director, either to fill a vacancy or as an addition to the existing Board.

- The Board has the power to appoint any person who is willing to act as a Director, either to fill a vacancy or as an addition to the existing Board. Any Director appointed by the Board is required to retire at the first AGM of the Company following his or her appointment.
- The total number of Directors (other than any alternate Directors) must not be more than 12 or less than two.
- In addition to any power to remove a Director conferred by Section 168 of the Companies Act 2006, the Company may, by ordinary resolution remove any Director before the expiration of his 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.

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 during the period comprised Mr. J.B. Fulton (Non-Executive Director and Non-Executive Chairman), Mrs. M.L. Jarvis (Non-Executive Director) 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 25.

Nomination Committee

All the Directors of the Company are members of this Committee, which is chaired by Mr J.B. Fulton. Mr.J.B. Fulton was not involved in the selection process for the recruitment of his successor as Non-Executive Chairman.

There were four meetings during this year and key matter considered was:

- Appointment of an independent Non-Executive Chairman

The Nomination Committee keeps the composition of the Board and possible Director appointments under regular review. For the purpose of identifying a Non-Executive Chairman 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 Mr. A.C.J. Solway as independent Non-Executive Chairman to succeed Mr J.B. Fulton with effect 1 from July 2015.

Corporate Governance continued

Audit Committee

The Audit Committee during the period comprised Mr. J.B. Fulton (independent Non-Executive Director and Non-Executive Chairman), Mrs. M.L. Jarvis (independent Non-Executive Director) and Mr. A.J. Sinclair (Non-Executive Director). The Committee, which was 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. As part of its review the Committee notes that the Group Audit Partner was rotated in 2011 and the current audit partner's five year term will end in 2016.

The Committee gives careful consideration before appointing the auditors to provide other non-audit service 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.

The Committee meets twice a year and one of these meetings is with the external auditors without either of the Executive Directors in attendance. Following which the Chairman reports to the Board on matters discussed with the external auditors. Mr. D.M. Sinclair and Mrs M.M. Bray were invited to attend one of the meetings held by the audit Committee. 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.

The Committee is satisfied that the 2015 annual report and accounts taken as a whole provide a fair, balanced and understandable assessment of the Company's position as at 31 March 2015 and has advised the Board accordingly.

Based on the Committee's assessment of the external auditor's performance, the Committee has provided the Board with its recommendation to be made to the Shareholders on the re-appointment of BSG Valentine as external auditors for the year ended 31 March 2016. 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 Financial Reporting Council's Guidance on Audit Committees.

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 13 and in Note 3 to the Consolidated Financial Statements on pages 35 to 36.

An ongoing process for identifying, evaluating and managing the significant risks faced by the Group was in place throughout the period from 1 April 2014 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 systems 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
23 July 2015

Remuneration Report

We confirm that there have been no changes to the remuneration 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. This report sets out the Company's policy on Directors' remuneration for the forthcoming year, and so as practicable, for subsequent years as well as information on remuneration paid to Directors in the financial year ended 31 March 2015. The report is divided into two sections: Directors' remuneration policy report, which was approved at the 2014 AGM and shall remain in place for a period of three years. This report is represented for information purposes, with relevant changes made to references including page numbers, years of operation, and with details of new Directors' contracts included; and the annual report on remuneration which will be subject to an advisory vote at the 2015 AGM and sets out the remuneration paid or payable in relation to the year ended 31 March 2015 and the implementation of the policy for the year ahead. The parts of the report that have been audited by the auditors have been highlighted as required by the Large and Medium-sized Companies and Groups (Accounts and Reports)(Amendment) Regulations 2013.

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 comprised during the period two independent Non-Executive Directors Mr. J.B. Fulton and Mrs. M.L. Jarvis, Mr. A.J. Sinclair 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	N/A
Performance metrics	N/A
Changes in year	None

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

	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	N/A
Performance metrics	N/A
Changes in year	None

Non-Executive Directors

The Non-Executive Directors receive 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.

	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 which takes into consideration individual and corporate performance against a pre-determined set of criteria.
Operation	In establishing bonus awards, the Remuneration Committee takes in to account the Group's performance by way of comparison with other property and similar-sized companies.

Pensions

The Company contributes 15% 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.

Remuneration Report *continued*

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		Resigned on 30 June 2015	none
A.J. Sinclair	1 November 2010	15 months	none
M.L. Jarvis	1 July 2014	24 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 annual 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.

Illustration of the application of the remuneration policy

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

2015	Salary £000	Bonus £000	Benefits in kind £000	Pensions contributions £000	Total £000
Executive					
D.M. Sinclair	**360**	**300**	**19**	**99**	**778**
Mrs M.M. Bray	**265**	**210**	**–**	**71**	**546**
Non-Executive					
J.B. Fulton (resigned as a Non-Executive Chairman on 30 June 2015)	**60**	**–**	**–**	**–**	**60**
A.J. Sinclair	**36**	**–**	**–**	**–**	**36**
M.L. Jarvis (appointed as a Non-Executive Director 1 July 2014)	**27**	**–**	**–**	**–**	**27**
	748	**510**	**19**	**170**	**1,447**

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

Unaudited Information

CEO Single Figure

		CEO single figure of total remuneration £'000
2015	D.M. Sinclair	778
2014	D.M. Sinclair	659
2013	D.M. Sinclair	662
2012	D.M. Sinclair	520
2011	D.M. Sinclair	523

Percentage change in remuneration of CEO and employees. The percentage change in remuneration between 2015 and 2014 for the CEO and for all employees in the Group was:

CEO	18%
Employee population	16%

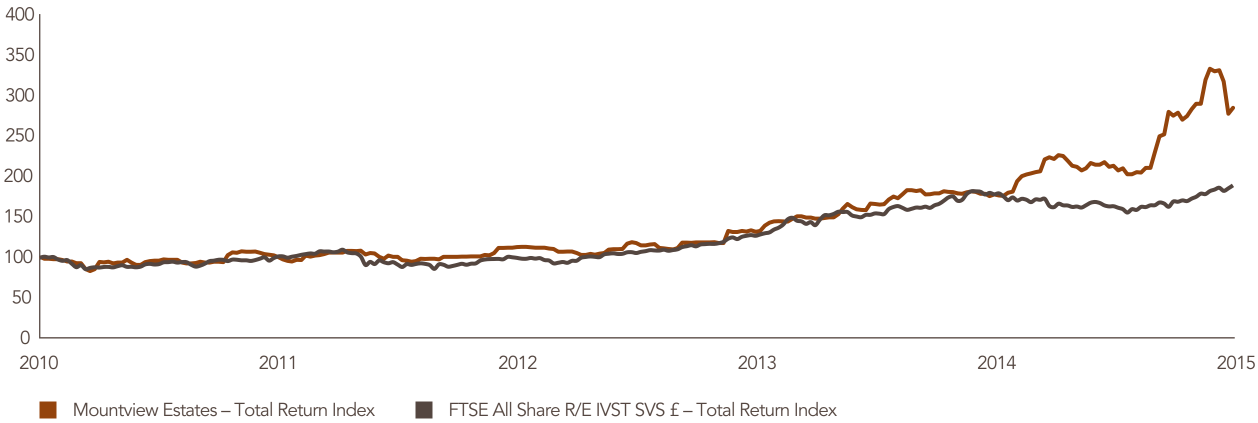
GOVERNANCE

Remuneration Report *continued*

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.

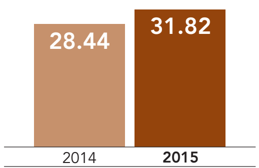


Relative importance of spend on pay

The difference in actual expenditure between 2014 and 2015 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:

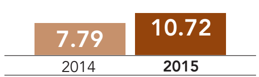
Profit after tax (£m)

+3.38m



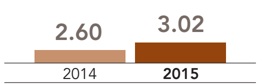
Dividend (£m)

+2.93m



Total employee pay (£m)

+0.42m



Statement of implementation of remuneration policy in the current financial year

With effect from 1 April 2015 the basic salary of CEO will be increased by 5% and the Finance Director by 7.5%. Pension benefits for both Executive Directors will be reduced from 15% to 10% of basic salary and bonuses with effect from 1 April 2015.

Details of the Remuneration Committee

The Remuneration Committee during the period comprised 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 17.

Statement of voting at general meeting

At the AGM held on 13 August 2014 the Directors' Remuneration Report received the following votes based on Proxy forms from shareholders.

	Total number of votes	% of votes cast
For	1,780,789	73.4
Against	648,076	26.6
Total votes cast (for and against)	2,428,865	100
Votes withheld	–	–
Total votes cast (including withheld votes)	2,428,865	–

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 2015	31 March 2014
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.

Mr. A.C.J. Solway, Non-Executive Chairman, purchased 500 Ordinary Shares in the Company between 31 March 2015 and 23 July 2015.

FINANCIAL STATEMENTS

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 31 MARCH 2015

	Notes	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Revenue	4	**71,331**	66,150
Cost of sales	4	**(24,621)**	(27,555)
Gross profit		**46,710**	38,595
Administrative expenses		**(5,055)**	(4,256)
Gain on sale of investment properties	13	**–**	214
Operating profit before changes in fair value of investment properties		**41,655**	34,553
Increase in fair value of investment properties	13	**57**	3,185
Profit from operations		**41,712**	37,738
Net finance costs	8	**(1,736)**	(2,344)
Profit before taxation		**39,976**	35,394
Taxation – current		**(8,422)**	(7,724)
Taxation – deferred	19	**263**	772
Taxation	9	**(8,159)**	(6,952)
Profit attributable to equity Shareholders		**31,817**	28,442
Basic and diluted earnings per share (pence)	11	**816.0p**	729.5p

All the activities of the group are classed as continuing.

The notes on pages 30 to 48 are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

FOR THE YEAR ENDED 31 MARCH 2015

	Notes	As at March 2015 £000	As at March 2014 £000
Assets			
Non-current assets			
Property, plant and equipment	12	**2,008**	2,116
Investment properties	13	**29,399**	29,396
		31,407	31,512
Current assets			
Inventories of trading properties	15	**323,020**	321,323
Trade and other receivables	16	**1,948**	1,578
Cash at bank		**1,625**	1,217
		326,593	324,118
Total assets		**358,000**	355,630
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	**287,330**	265,260
		287,661	265,591
Non-current liabilities			
Long-term borrowings	18	**60,200**	69,800
Deferred tax	19	**5,259**	5,522
		65,459	75,322
Current liabilities			
Bank overdrafts and loans	18	**963**	8,168
Trade and other payables	17	**2,343**	2,004
Current tax payable		**1,574**	4,545
		4,880	14,717
Total liabilities		**70,339**	90,039
Total equity and liabilities		**358,000**	355,630

Approved by the Board on 23 July 2015.

D.M. Sinclair
Chairman

M.M. Bray
Director

The notes on pages 30 to 48 are an integral part of these consolidated financial statements.

FINANCIAL STATEMENTS

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 MARCH 2015

	Notes	Share capital £000	Capital reserve £000	Capital redemption reserve £000	Other reserves £000	Retained earnings £000	Total £000
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	23	195	25	55	56	265,260	265,591
Changes in equity for year ended 31 March 2015							
Balance as at 1 April 2014		**195**	**25**	**55**	**56**	**265,260**	**265,591**
Profit for the year						**31,817**	**31,817**
Dividends	10					**(9,747)**	**(9,747)**
Balance at 31 March 2015	23	**195**	**25**	**55**	**56**	**287,330**	**287,661**

The notes on pages 30 to 48 are an integral part of these consolidated financial statements.

Consolidated Cash Flow Statement

FOR THE YEAR ENDED 31 MARCH 2015

	Notes	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Cash flows from operating activities			
Profit from operations		**41,712**	37,738
Adjustment for:			
Depreciation		**140**	138
Loss on disposal of property, plant and equipment		**0**	42
(Gain) on disposal of investment properties		**0**	(214)
(Increase) in fair value of investment properties		**(57)**	(3,185)
Operating cash flows before movement in working capital		**41,795**	34,519
(Increase) in inventories		**(1,697)**	(4,697)
(Increase) in receivables		**(370)**	(380)
Increase in payables		**339**	373
Cash generated from operations		**40,067**	29,815
Interest paid		**(1,736)**	(2,344)
Income taxes paid		**(11,393)**	(6,908)
Net cash inflow from operating activities		**26,938**	20,563
Investing activities			
Proceeds from disposal of investment properties	13	**54**	2,373
Capital expenditure on investment properties	13	**–**	(518)
Purchase of property, plant and equipment	12	**(33)**	(19)
Proceeds from disposal of property, plant and equipment		**–**	150
Net cash inflow from investing activities		**21**	1,986
Cash flows from financing activities			
Increase in borrowings		**–**	–
Repayment of borrowings		**(10,181)**	(15,305)
Equity dividend paid		**(9,747)**	(6,823)
Net cash (outflow) from financing activities		**(19,928)**	(22,128)
Net increase in cash and cash equivalents		**7,031**	421
Opening cash and cash equivalents		**(6,144)**	(6,565)
Cash and cash equivalents at end of year	18(a)	**887**	(6,144)

The notes on pages 30 to 48 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 MARCH 2015

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 23 July 2015.

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 52 to 58.

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.

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%

Notes to the Consolidated Financial Statements *continued*

FOR THE YEAR ENDED 31 MARCH 2015

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 2015 is on page 36.

(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.

2. Accounting policies continued

(o) Cash and cash equivalents

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

(p) Hire purchase agreements

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

(q) 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 2014. 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

- IFRS 10, 'Consolidated Financial statements', 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 12, 'Disclosures of interests in other entities', brings together all the disclosure requirements about the Group's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities.
- 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.

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 9, 'Financial Instruments', replaces IAS 39 and sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. IFRS 9 is effective for annual periods beginning on or after 1 January 2018.
- IFRS 15, 'Revenue from contracts', replaces both IAS 11 and IAS 19 as well as SIC 31, IFRIC 13, IFRIC 15 and IFRIC 18 and establishes a single, comprehensive framework for revenue recognition. IFRS 15 is effective for annual periods beginning on or after 1 January 2017.

All the above IFRSs, IFRIC interpretations and amendments to existing standards are still to be 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

Notes to the Consolidated Financial Statements *continued*

FOR THE YEAR ENDED 31 MARCH 2015

2. Accounting policies continued

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.

(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 a £30 million revolving loan facility with HSBC Bank. The termination date is November 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.

2. Accounting policies continued

Inventory expected to be settled in more than 12 months

The Board estimates that inventory of £18.4 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 the directors 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.

FINANCIAL STATEMENTS

Notes to the Consolidated Financial Statements continued

FOR THE YEAR ENDED 31 MARCH 2015

3. Financial risk management objectives and policies continued

(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.

(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.

	2015 £000	2014 £000
Total borrowings	**61,163**	77,968
Less cash	**(1,625)**	(1,217)
Net borrowings	**59,538**	76,751
Total equity	**287,661**	265,591
Total borrowings plus equity	**347,199**	342,342
Gearing ratio	**17.15%**	22.42%

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.

	2015 £000	2014 £000
Revenue		
Gross sales of properties	**53,382**	48,364
Gross rental income	**17,949**	17,786
	71,331	66,150
Cost of sales		
Cost of properties sold	**18,696**	21,870
Property expenses	**5,925**	5,685
	24,621	27,555
Gross profit		
Sales of properties	**34,686**	26,494
Net rental income	**12,024**	12,101
	46,710	38,595

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:

	2015			2014		
	Property trading £000	Property investment £000	Group £000	Property trading £000	Property investment £000	Group £000
Revenue	**70,801**	**530**	**71,331**	65,649	501	66,150
Operating profit before changes in fair value of investment properties	**41,382**	**273**	**41,655**	34,221	332	34,553
Finance costs	**(1,736)**	**–**	**(1,736)**	(2,344)	–	(2,344)
Profit after tax			**31,817**			28,442
Assets	**322,405**	**35,595**	**358,000**	326,074	29,556	355,630
Liabilities	**70,270**	**69**	**70,339**	89,832	207	90,039
Fixed assets						
Capital expenditure	**33**	**–**	**33**	19	518	537
Depreciation	**95**	**45**	**140**	92	46	138

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

	2015 £000	2014 £000
The operating profit is stated after charging:		
Depreciation of tangible fixed assets	**140**	138
Loss on disposal of fixed assets	**–**	42
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	**48**	101
And after crediting:		
– net rental income	**12,024**	12,101
– administrative charges to related companies (Note 24)	**42**	57

The details of Directors' remuneration are shown in the audited section of the Remuneration Report on page 20.

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:

	2015 £000	2014 £000
Office and management	**26**	26

Notes to the Consolidated Financial Statements *continued*

FOR THE YEAR ENDED 31 MARCH 2015

7. Staff costs (including Directors)

	2015 £000	2014 £000
Wages and salaries	**2,512**	2,170
Social security costs	**300**	259
Pension costs	**208**	169
	3,020	2,598
Directors' remuneration		
Total Directors' remuneration including salary, bonuses, benefits in kind and pensions contributions amounted to:	**1,447**	1,219

8. Finance costs

	2015 £000	2014 £000
Interest on bank overdrafts, and loans	**1,736**	2,344

9. Income tax expense

	2015 £000	2014 £000
(a) Analysis of charge in the year		
Current tax: UK Corporation Tax 21% (2014: 23%)	8,422	7,724
Deferred tax: Current year 21% (2014: 23%)	(263)	(772)
Taxation attributable to the Company and its subsidiaries	8,159	6,952
(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	39,976	35,394
Profit on ordinary activities multiplied by rate of tax 21% (2014: 23%)	8,394	8,140
Expenses not deductible for tax	16	34
Depreciation in excess of capital allowances	17	16
Taxation on capital gains	10	305
Profit on sale of assets	--	(39)
Revaluation surplus in subsidiaries not taxed	(12)	(732)
Deferred tax	(263)	(772)
Sundry adjusting items	(3)	–
Taxation attributable to the Company and its subsidiaries	8,159	6,952

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

10. Dividends

On 18 August 2014, a dividend of 150p per share (2013: 125p per share) was paid to the Shareholders. On 31 March 2015 a dividend of100 p per share (2014: 50p per share) was paid to the Shareholders. This resulted in total dividends paid in the year of £9.74million (2014: £6.82 million).

In respect of the current year, the Directors propose that a final dividend of 175 p per share will be paid to the Shareholders on 24 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 2015 is payable to all Shareholders on the Register of Members on 24 July 2015. The total estimated final dividend to be paid is £6.82 million.

11. Earnings per share

	2015 £000	2014 £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)	**31,817**	28,442
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	**816.0p**	729.5p

The Company has no dilutive potential Ordinary Shares.

12. Property, plant and equipment

	Freehold property £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost				
At 1 April 2014	2,671	408	28	3,107
Additions	–	13	20	33
Disposals	–	(132)	(28)	(160)
At 31 March 2015	**2,671**	**289**	**20**	**2,980**
Depreciation				
At 1 April 2014	701	266	24	991
Charge for the year	53	79	9	141
On disposals	–	(132)	(28)	(160)
At 31 March 2015	**754**	**213**	**5**	**972**
Net book value				
At 31 March 2014	1,970	142	4	2,116
At 31 March 2015	**1,917**	**76**	**15**	**2,008**

Property, plant and equipment are located within the UK.

Notes to the Consolidated Financial Statements continued

FOR THE YEAR ENDED 31 MARCH 2015

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 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.

13. Investment properties

	2015 £000	2014 £000
Fair value at 1 April 2014/(2013)	**29,396**	27,852
Subsequent expenditure	**–**	518
Disposals	**(54)**	(2,159)
Increase in Fair Value during the year	**57**	3,185
At 31 March 2015/(2014)	**29,399**	29,396

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

During the financial year we disposed of one Ground Rent unit for £54,000.

There was no gain or loss on the disposal made in the current year. In 2014 a gain of £214,000 was made on the disposals, and this 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 2015 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.

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 Market Value of the Company's interests in its investment portfolios was:

Louise Goodwin Limited

- Freehold: £26,186,000 (Twenty-six million, one hundred and eighty-six thousand pounds).

A.L.G. Properties Limited

- Freehold: £3,213,000 (Three million, two hundred and thirteen 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 £57,000 has arisen on valuation of investment properties to Market Value as at 31 March 2015 (2014: surplus of £3.185 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 2014 2015 £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

Notes to the Consolidated Financial Statements *continued*

FOR THE YEAR ENDED 31 MARCH 2015

15. Inventories

	2015 £000	2014 £000
Residential properties	**323,020**	321,323

The Company's freehold and long leasehold interests in its portfolio of properties which are held as Trading Stock were valued on 30 September 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 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 confirm that the aggregate Market Value of the Company's interest in its trading properties was

Freehold	£473,759,504	
Long leasehold	£192,106,762	
Total	£665,866,266	(Six hundred and sixty-five million, eight hundred and sixty-six thousand, two hundred and sixty-six pounds)

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.

16. Trade and other receivables

	2015 £000	2014 £000
Trade receivables	**214**	219
Prepayments and accrued income	**1,734**	1,359
	1,948	1,578

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

	2015 £000	2014 £000
Trade creditors	**1,114**	716
Other taxes and social security costs	**185**	167
Other creditors	**1,044**	1,121
	2,343	2,004

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

18. Bank overdrafts and loans

	2015 £000	2014 £000
Bank overdrafts	**738**	7,361
Bank loans	**60,200**	69,800
Other loans	**225**	807
	61,163	77,968

18.(a) Cash and cash equivalents

	2015 £000	2014 £000
Bank overdrafts	**(738)**	(7,361)
Cash	**1,625**	1,217
Cash and cash equivalents as at 31 March	**887**	(6,144)

Maturity profile of financial liabilities at 31 March 2015 was as follows:

	2015 £000	2014 £000
Amounts repayable:		
In one year or less	**963**	8,168
Between one and five years	**60,200**	43,000
Over five years	**–**	26,800
	61,163	77,968
Less: amount due for settlement within 12 months (shown under current liabilities)	**(963)**	(8,168)
Amount due for settlement after 12 months	**60,200**	69,800

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Notes to the Consolidated Financial Statements *continued*

FOR THE YEAR ENDED 31 MARCH 2015

18.(a) Cash and cash equivalents continued

The average interest rates paid were as follows:

	2015 £000	2014 £000
Bank overdrafts and money market loan	**2.26%**	2.33%
Bank loans	**2.81%**	2.78%
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 2015 and the rate of interest payable is:
   - 1.45% over Base Rate on MML.
   - 1.6% over Base rate on overdraft.
   - Headroom of this facility at 31 March 2015 amounted to £14.3 million (2014: £7.6 million).
2. The Group has a £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 1.8% above LIBOR. The loan is secured by a cross guarantee between Mountview Estates P.L.C. and its subsidiaries. The loan is not repayable by instalments. Headroom under this facility at 31 March 2015 amounted to £44 million (2014: £32 million).
3. The Group has a £30 million long-term revolving loan facility with HSBC Bank. The termination date for this facility is November 2019. 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 2015 amounted to £800,000 (2014: £nil).
4. Other loans consist of loans from connected persons, and companies of which Mr. D.M. Sinclair is a Director. Loans of £50,000 (2014: £806,915) 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

	2015 £000	2014 £000
Deferred tax liabilities	**5,259**	5,522
Net position at 31 March	**5,259**	5,522

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

	2015 £000	2014 £000
At 1 April	**5,522**	6,294
(Credit) to income for the year	**(263)**	(772)
At 31 March	**5,259**	5,522

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

Revaluation of properties

	2015 £000	2014 £000
At 1 April	**5,522**	6,294
(Credit) to income for the year	**(263)**	(772)
At 31 March	**5,259**	5,522

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 £1.625 million (2014: £1.217 million).

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

The trade receivables amounted to £1.948 million (2014: £1.578 million).

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

The complaint made by Mountview Estates P.L.C to Barclays Bank PLC in relation to the interest rate SWAP January 2008 has been resolved on mutually accepted terms. The terms of that resolution are confidential.

Fair value of borrowings

	2015 £000	2014 £000
Bank overdrafts and loans	**963**	8,168
Secured bank loans	**60,200**	69,800
	61,163	77,968

Notes to the Consolidated Financial Statements *continued*

20. Financial instruments continued

Interest charged in the Income Statement for the above borrowings amounted to £1.73 million (2014: £2.34 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 18.

As at 31 March 2015 it is estimated that general increase of 1 point in interest rates would decrease the Group's profit before tax by approximately £611,000 (2014: £771,000).

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 2015	Less than 1 year £000	Between 1 and 5 years £000	Over 5 years £000	Total £000
Interest bearing loans and borrowings	**963**	**60,200**	**–**	**61,163**
Trade and other payables	**1,626**	**–**	**–**	**1,626**

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

Reconciliation of maturity analysis

At 31 March 2015	Less than 1 year £000	Between 1 and 5 years £000	Over 5 years £000	Total £000
Interest bearing loans and borrowings per accounts	**963**	**60,200**	**–**	**61,163**
Interest	**50**	**8,108**	**–**	**8,158**
Financial liability cash flows as above	**1,013**	**68,308**	**–**	**69,321**

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 per accounts	8,168	43,000	26,800	77,968
Interest	170	6,574	5,096	11,840
Financial liability cash flows as above	8,338	49,574	31,896	89,808

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21. Called up share capital

	2015 £000	2014 £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

	2015 £000	2014 £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 2015 stood at £56,000 (2014: £56,000).

23. Retained earnings

	£000
Balance at 1 April 2014	265,260
Net profit for the year	31,817
Dividends paid	(9,747)
Balance at 31 March 2015	**287,330**

Notes to the Consolidated Financial Statements *continued*

FOR THE YEAR ENDED 31 MARCH 2015

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 £41,961 (2014: £56,825) 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 £nil (2014: £631,915). 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 £3,511 (2014: £3,483).

   (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 £50,000 (2014: £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 £370 (2014: £33).

   (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(2014: £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(2014: £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:

	2015 £000	2014 £000
Operating lease payments due:		
Not later than one year	**51**	47
Later than one year and not later than five years	**38**	48
Later than five years	**–**	–
	89	95

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 2015, 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 15, 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 2015 and of the Group 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.

Independent Auditors' Report continued

TO THE MEMBERS OF MOUNTVIEW ESTATES P.L.C.

Our application of materiality

We determined materiality for the Group to be £3.4 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 part of the 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 Group Financial Statements are prepared is consistent with the Group Financial Statements.

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
- certain elements of the Report to the shareholders by the Board on Directors' remuneration.

Other matters

We have reported separately on the Parent Company financial statements of Mountview Estates P.L.C. for the year ended 31 March 2015.

Athanasios Athanasiou (Senior Statutory Auditor)
for and on behalf of BSG Valentine
Chartered Accountants and Statutory Auditors
London, United Kingdom
23 July 2015

FINANCIAL STATEMENTS

Company Balance Sheet under UK GAAP

FOR THE YEAR ENDED 31 MARCH 2015

	Notes	As at 31 March 2015 £000	As at 31 March 2014 £000
Fixed assets			
Tangible assets	3	**1,965**	2,035
Investments	4	**18,276**	18,276
		20,241	20,311
Current assets			
Stocks	5	**307,089**	306,305
Debtors	6	**1,748**	1,512
Cash at bank and in hand		**1,504**	1,165
		310,341	308,982
Creditors: amounts falling due within one year	7	**(4,566)**	(14,249)
Net current assets		**305,775**	294,733
Total assets less current liabilities		**326,016**	315,044
Creditors: amounts falling due after more than one year	8	**(69,965)**	(78,926)
		256,051	236,118
Capital and reserves			
Called up share capital	9	**195**	195
Capital redemption reserve	10	**55**	55
Capital reserve	10	**25**	25
Other reserves	10	**39**	39
Profit and loss account	11	**255,737**	235,804
		256,051	236,118

Approved by the Board on 23 July 2015.

D.M. Sinclair
Chairman

M.M. Bray
Director

Notes to the Financial Statements under UK GAAP

FOR THE YEAR ENDED 31 MARCH 2015

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%

(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 2015 is on page 36.

(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.

FINANCIAL STATEMENTS

Notes to the Financial Statements under UK GAAP *continued*

FOR THE YEAR ENDED 31 MARCH 2015

2. Staff costs (including Directors)

	2015 £000	2014 £000
Wages and salaries	**2,512**	2,170
Social security costs	**300**	259
Pension costs	**208**	169
	3,020	2,598

Directors' remuneration

	2015 £000	2014 £000
Total Directors' remuneration including salary, bonuses, benefits in kind and pensions contributions amounted to:	**1,447**	1,219

The details of Directors' remuneration are shown in the audited section of the Remuneration Report on pages 20 to 25.

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:

	2015 £000	2014 £000
Office and management	**26**	26

3. Tangible assets

	Freehold property £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost				
At 1 April 2014	2,671	178	28	2,877
Additions	–	4	20	24
Disposals	–	(6)	(27)	(33)
At 31 March 2015	**2,671**	**176**	**21**	**2,868**
Depreciation				
At 1 April 2014	701	117	24	842
Charge for the year	53	32	9	94
On disposals	–	(6)	(27)	(33)
At 31 March 2015	**754**	**143**	**6**	**903**
Net book value				
At 31 March 2014	1,970	61	4	2,035
At 31 March 2015	**1,917**	**33**	**15**	**1,965**

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

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.

	2015 £000	2014 £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

	2015 £000	2014 £000
Residential properties	**307,089**	306,305

6. Debtors: due within one year

	2015 £000	2014 £000
Trade debtors	**179**	215
Prepayments and accrued income	**1,569**	1,297
	1,748	1,512

7. Creditors: amounts falling due within one year

	2015 £000	2014 £000
Bank loans and overdrafts	**737**	7,361
Trade creditors	**1,108**	688
Corporation Tax	**1,334**	4,155
Other taxes and social security costs	**184**	167
Other creditors	**978**	1,071
Other loans	**225**	807
	4,566	14,249

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

FINANCIAL STATEMENTS

Notes to the Financial Statements under UK GAAP *continued*

FOR THE YEAR ENDED 31 MARCH 2015

8. Creditors: amounts falling due after more than one year

	2015 £000	2014 £000
Bank loans	**60,200**	69,800
Amounts owed to subsidiary undertakings	**9,765**	9,126
Other loans	**–**	–
	69,965	78,926

Maturity profile of financial liabilities at 31 March 2015 was as follows:

	2015 £000	2014 £000
Amounts repayable:		
In one year or less	**963**	8,168
Between one and five years	**60,200**	43,000
Over five years	**–**	26,800
	61,163	77,968
Less: amount due for settlement within 12 months (shown under current liabilities)	**(963)**	(8,168)
Amount due for settlement after 12 months	**60,200**	69,800

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 2015 and the rate of interest payable is:
   - 1.45% over Base Rate on MML.
   - 1.6% over Base rate on overdraft.

   Headroom of this facility at 31 March 2015 amounted to £14.3 million (2014: £7.6 million).
2. The Group has a £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 1.8% above LIBOR. The loan is secured by a cross guarantee between Mountview Estates P.L.C. and its subsidiaries. The loan is not repayable by instalments. Headroom under this facility at 31 March 2015 amounted to £44 million (2014: £32 million).
3. The Group has a £30 million long-term revolving loan facility with HSBC Bank. The termination date for this facility is November 2019. 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 2015 amounted to £800,000 (2014: £nil).
4. Other loans consist of loans from connected persons, and companies of which Mr. D.M. Sinclair is a Director. Loans of £50,000 (2014: £806,915) are repayable within one year. Interest payable on these loans is at 0.5% above Barclays Bank Plc base rate.

9. Called up share capital

	2015 £000	2014 £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

	2015 £000	2014 £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 2015 stood at £39,000 (2014: £39,000).

11. Profit and loss account

	2015 £000	2014 £000
Balance at 1 April	**235,804**	219,424
Net profit for the year	**29,680**	23,203
Dividends paid	**(9,747)**	(6,823)
Balance at 31 March	**255,737**	235,804

Notes to the Financial Statements under UK GAAP *continued*

FOR THE YEAR ENDED 31 MARCH 2015

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 £41,961 (2014: £56,825) 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 £nil (2014: £631,915). 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 £3,511 (2014: £3,483).

(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 £50,000 (2014: £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 £370 (2014: £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 (2014: £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 (2014: £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 2015 the Company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2015 £000	2014 £000
Operating lease payments due:		
Not later than one year	**5**	10
Later than one year and not later than five years	**45**	37
Later than five years	**–**	–
	50	47

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 2015 which comprise the Parent Company Balance Sheet and the related Notes 1 to 25. 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 15 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 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 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 2015;
- 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 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.

Independent Auditors' Report *continued*

FOR THE YEAR ENDED 31 MARCH 2015

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 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 2015.

Athanasios Athanasiou (Senior Statutory Auditor)
for and on behalf of BSG Valentine
Chartered Accountants and Statutory Auditors
London, United Kingdom
23 July 2015

Table of Comparative Figures

FOR THE YEAR ENDED 31 MARCH 2015

	IFRS 2009 £000	IFRS 2010 £000	IFRS 2011 £000	IFRS 2012 £000	IFRS 2013 £000	IFRS 2014 £000	As at 31 March 2015 IFRS 2015 £000
Revenue	53,599	56,697	47,655	42,931	56,646	66,150	**71.331**
Profit before taxation	13,062	29,255	23,560	22,805	28,928	35,394	**39,976**
Taxation	3,673	7,620	6,589	5,350	6,783	6,952	**8,159**
Profit after taxation	9,389	21,635	16,971	17,455	22,145	28,442	**31,817**
Earnings per share	241.0p	554.8p	435.3p	447.7p	568.0p	729.5p	**816.0p**
Rate of dividend	155p	165p	165p	165p	175p	200p	**275p**
Cover	1.55	3.36	2.64	2.71	3.25	3.64	**2.98**
Cost of dividend	6,042	6,432	6,432	6,432	6,823	7,798*	**10,722**
Total remuneration (including Directors)	2,528	2,759	2,390	2,184	2,479	2,598	**3,020**
Executive Directors' remuneration	1,436	1,569	1,233	1,117	1,319	1,132	**1,324**
Total remuneration (including Directors) as percentage of dividend	41.84	42.89	37.15	33.95	36.33	33.32	**28.17**
Cost of Executive Directors' remuneration as percentage of total remuneration	56.80	56.87	51.59	51.14	53.2	43.57	**43.84**
Cost of Executive Directors' remuneration as percentage of dividend	23.7	24.3	19.1	17.3	19.3	14.52	**12.35**

* The £10.72 million dividend in relation to 2015 is made up of the interim dividend of £3.90 million and the final dividend of £6.82 million, which will be paid on 24 August 2015, subject to approval at the AGM on 19 August 2015.

Notice of Meeting

Notice is hereby given that the 78th Annual General Meeting of the Members of Mountview Estates P.L.C. (incorporated in England and Wales with registered number 00328020) (the "Company") will be held at the offices of Norton Rose Fulbright LLP, 3 More London Riverside, London SE1 2AQ on 19 August 2015 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 2015.
2. To declare a final dividend of 1.75p per share payable on 24 August 2015 to Shareholders on the register at 24 July 2015.
3. To re-appoint Mrs. M.M.Bray as a Director of the Company.
4. To elect Mr. A.C.J. Solway as a Director of the Company, provided that resolution 8 is passed.
5. To approve the Directors' Remuneration Report (excluding the Directors' Remuneration Policy) in the Annual Report and Accounts for the year ended 31 March 2015.
6. 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.
7. To authorise the Directors to determine the Auditors' remuneration for the ensuing year.

In accordance with Listing Rule 9.2.2 ER, notice is also hereby given for the independent shareholders of the Company only:

8. To elect Mr A.C.J. Solway as a Director of the Company, provided that resolution 4 is passed.

By Order of the Board

M.M. Bray
Company Secretary

Mountview House
151 High Street
Southgate
London N14 6EW

23 July 2015

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 17 August 2015 (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.

Notice of Meeting *continued*

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 Conduct 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 23 July 2015 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 23 July 2015, 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 23 July 2015 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.

Explanatory note for resolutions 4 and 8:

Changes to the Financial Conduct Authority's Listing Rules ("LR") which came into effect in 2014 introduced new voting requirements for the election of independent directors in listed companies with a controlling shareholder (a shareholder who exercises 30% or more of the votes). Under the new rules, the election or re-election of any director whom the Company has determined to be independent under the UK Corporate Governance Code ("the Code") must be approved by the shareholders as a whole, and separately by all shareholders excluding the Sinclair family concert party which is collectively deemed to be a controlling shareholder (the "Independent Shareholders"). Therefore at this year's Meeting there will be two votes in relation to the election of the non-executive director, Mr. A.C.J. Solway, one vote by the shareholders as a whole and another vote by the Independent Shareholders.

If a vote to re-elect a non-executive director is not passed by the Independent Shareholders, the Company may propose a further resolution to re-elect the relevant director between 90 and 120 days from the date of the original vote. This further resolution must be passed by a majority of the shareholders as a whole only, and there is no requirement for an additional vote by the Independent Shareholders. LR 9.2.2DG allows any non-executive director who is not re-elected by the Independent Shareholders to remain in office until the further resolution has been voted on.

OTHER INFORMATION

Shareholders' information

Financial calendar 2015

Final dividend record date	24 July
Annual Report posted to Shareholders	24 July
Annual General Meeting	19 August
Final dividend payment	24 August
Interim results	26 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

Mountview Estates P.L.C.

Mountview House,
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