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We hereby certify that this Balance Sheet and the annexed Accounts are true copies of those laid before the Company at the Annual General Meeting held on the 17th August 1988.

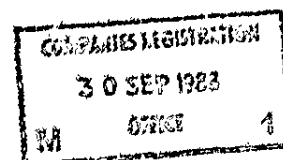
W. S. Sindain
Director

D. M. Sindain.
Secretary

MOUNTVIEW ESTATES PLC
FINANCIAL ACCOUNTS FOR THE YEAR ENDED
31 MARCH 1988

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MOUNTVIEW ESTATES PLC

REPORT OF THE DIRECTORS

The directors have pleasure in presenting their Fifty First Annual Report to the Members together with the Statements of Accounts for the year ended 31 March 1988.

	1988	1987
	£	£
1 The Net Profits of the Group, after providing for taxation, amounted to	6,768,502	4,648,546
From this sum must be deducted the following dividends		
Interim 20% (1987: 20%) already paid	48,536	48,965
Final 150% (1987: 100%) which is recommended by the directors	<u>362,137</u>	<u>244,826</u>
	<u>410,673</u>	<u>293,791</u>
Leaving an undistributed profit for the year of	6,357,829	4,354,755
Deduct: The transfer to reserve for property insurance	<u>2,000</u>	<u>2,000</u>
	6,355,829	4,352,755
Add: Transfer from capital reserve	<u>-</u>	<u>79,296</u>
	6,355,829	4,432,051
To this is added the balance brought forward from the previous year	18,415,134	14,772,304
Deduct:		
Redemption premium on the purchase by the company of its own shares	671,524	784,047
Transfer to capital redemption reserve	<u>3,401</u>	<u>5,174</u>
	674,925	789,221
Leaving an unappropriated group profit to carry forward of	<u>24,096,038</u>	<u>18,415,134</u>

2 ACTIVITIES

There has been no significant change in the principal activities of the company and its subsidiaries and these activities are shown below

Parent Company

Mountview Estates PLC

Property Dealing

Subsidiaries (both wholly owned)

Hurstway Investment Co Limited)
 Seru Investments Ltd)

Property Dealing

The future prospects of the company are reviewed in the Chairman's statement.

REPORT OF THE DIRECTORS (Continued)

3 FIXED ASSETS

The fixed assets in the Consolidated Balance Sheet at the net book amount of £20,248 consist wholly of motor cars and office furniture held by the Parent Company.

4 DIRECTORS

The Directors of the company are Mr W D I Sinclair, Mr F P Sinclair, Mr D M Sinclair and Mr K Langrish-Smith. No other persons have been Directors during the year.

Under Sections 379 and 293 (5) of the Companies Act 1985, Mr W D I Sinclair retires from the Board, by reason of his age and offers himself for re-election. Accordingly special notice has been received and a motion for his re-appointment will be proposed at the Annual General Meeting, notwithstanding that he is now 75 years of age.

For similar reasons special notice has been received that the re-appointment of Mr F P Sinclair will be proposed at the AGM notwithstanding that he is now 72 years of age.

In accordance with the Company's Articles of Association Mr K Langrish-Smith retires from the Board by rotation and being eligible, offers himself for re-appointment. A motion for his re-appointment will be proposed at the Annual General Meeting.

Contracts of Service between the Directors of the Company and the Company or its Subsidiaries are determinable within one year without payment of compensation.

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 1988	31 March 1987
Ordinary shares of 5p each		
W D I Sinclair (including the holding by Mrs Doris Sinclair of 158,500 and by Kingsway Wallpaper Stores Ltd of 61,200)	376,700	373,242
F P Sinclair (including the holding by Mrs Daphne Sinclair of 522,093)	607,960	622,960
D M Sinclair (including the holding by Mrs Pam Sinclair of 4,000)	501,310	519,745
K Langrish-Smith (including the holding by Mrs Elizabeth Langrish-Smith of 216,675)	217,675	217,675

The above interests are all beneficial. W D I Sinclair has increased his interest to 377,300 through the acquisition of 600 shares by Kingsway Wallpaper Stores Ltd, since the year end.

In addition to the above interests notices have been received of the following substantial interests in the capital of the company.

Mrs M A Murphy	516,295	516,295
TR Property Investment Trust PLC	335,000	370,000
Mrs S M Simkins	285,189	287,689

MOUNTVIEW ESTATES PLC

REPORT OF THE DIRECTORS (Continued)

6 DIRECTORS' INTERESTS IN CONTRACTS

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

7 PURCHASE OF OWN SHARES

During the year the Company purchased 68,025 Ordinary shares of 5p each for an aggregate consideration of £674,925 within the terms of the authority given by by the special resolution passed at the Extraordinary General Meeting held on 13 August 1986. Together with the 103,475 shares purchased during the previous year this represents 3.43% of the called-up share capital. As explained in the documents accompanying the notice of that meeting and in the documents accompanying these Accounts it has become increasingly difficult to find enough suitable properties to utilise fully the Company's resources. By purchasing its own shares the Company should be better able to maintain a good return on the reduced capital without taking the greater risks of investing in unknown areas. A better market should also result from such purchases and make it easier for shareholders to realise all or part of their investment in the Company should they wish to do so.

8 INCOME AND CORPORATION TAXES ACT, 1970

The Board are of the opinion that the company is not a close company.

9 AUDITORS

Messrs BSG Valentine, who succeeded Messrs Binder Hamlyn as auditors of the company during the year have indicated their willingness to continue in office, and a motion for their re-appointment will be proposed at the Annual General Meeting.

- 10 A source and application of funds statement has not been prepared as the directors consider it would not serve any useful purpose and consequently the expense cannot be justified.

42A High Road
Wood Green
London N22 6DB

22 June, 1988

By Order of the Board

D M Sinclair
Secretary

MOUNTVIEW ESTATES PLC

CHAIRMAN'S STATEMENT

TRADING RESULTS

It is with pleasure that again I report a successful year. Group Profits before tax for the year to 31 March 1988 are £10,434,651 as compared with £7,155,904 for the year to 31 March 1987. With Corporation Tax at 35% the resulting profits are £6,768,502 after taxation, as compared with £4,648,546 for 1987.

DIVIDEND

Your Board recommend a 50% increase in the final dividend and thus propose that 7.5p per share be payable on 22 August 1988. This makes a total of 8.5p per share for the year compared with 6p per share last year.

THE FUTURE

In 1986 at the Extraordinary General Meeting your Board received authority to purchase the Company's own shares and, because your Board believe that it is in the shareholders' best interests that this option should be available, they will seek authority at this year's Annual General Meeting to buy a further 5% of the Company's Issued Share Capital. As the number of suitable properties available for purchase by your Company decreases and the prices at which they are available are greatly inflated your Board feel that the shareholders should have a genuine opportunity to sell their shares in the market. The Company's presence in the market as a purchaser of its own shares will enable shareholders to realise all or part of their shareholdings if they wish to do so. The smaller resources thus available can then be invested by your Company without the risks of venturing into unknown areas. As at the date of these Report and Accounts purchases by the Company of its own shares have reduced the Issued Share Capital by 171,500 shares.

THANKS TO DIRECTORS AND STAFF

The administration of a company such as ours continues to require hard and conscientious work and it gives me pleasure to thank my Co-Directors and our staff for their contributions to our continued success.

W.D.I. Sinclair

REPORT OF THE AUDITORS
TO THE MEMBERS OF MOUNTVIEW ESTATES PLC

We have audited the accounts on pages 6 to 13 in accordance with approved Auditing Standards.

In our opinion the accounts, which have been prepared under the historical cost convention, give a true and fair view of the state of affairs of the company and the group at 31 March 1988 and the profit of the company and the group for the year then ended and comply with the Companies Act 1985.

The accounts do not specify the manner in which the operations of the group have been financed or in which the financial resources have been used during the year as required by Statement of Standard Accounting Practice No. 10.

In our opinion, the above qualification is not material for the purpose of determining by reference to the financial statements whether the distribution proposed by the company is permitted under Section 270 of the Companies Act 1985.

BSG Valentine

22 South Audley Street

London

W1X 5DN

22 June 1988

BSG VALENTINE

Chartered Accountants

MOUNTVIEW ESTATES PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 1988

	Notes	£	1988 £	£	1987 £
TURNOVER	1 (c)		14,071,108		10,733,053
Cost of sales			3,484,188		3,379,463
GROSS PROFIT			10,586,920		7,353,590
Administrative expenses			123,537		145,374
OPERATING PROFIT	2		10,463,383		7,208,216
Interest payable	5		28,732		52,312
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			10,434,651		7,155,904
Tax on profit on ordinary activities	6		3,666,149		2,507,358
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	7		6,768,502		4,648,546
DIVIDENDS	8		410,673		293,791
			6,357,829		4,354,755
Transfer to reserve for property insurance	9		2,000		2,000
RETAINED PROFIT FOR THE FINANCIAL YEAR			6,355,829		4,352,755
Transfer from capital reserve			-		79,296
			6,355,829		4,432,051
RETAINED PROFIT AT 1 APRIL 1987			18,415,134		14,772,304
Less:					
Redemption premium on the purchase by the company of its own shares	11	671,524		784,047	
Transfer to capital redemption reserve	12	3,401		5,174	
			674,925		789,221
UNAPPROPRIATED PROFIT OF GROUP			24,096,038		18,415,134
AMOUNT RETAINED IN SUBSIDIARIES			5,560,503		4,595,747
* Earnings per share			138.8p		93.8p

* The basis of the calculation is the profit on ordinary activities after taxation divided by the average number of ordinary shares in issue during the year.

MOUNTVIEW ESTATES PLC

BALANCE SHEET AS AT 31 MARCH 1988

		Mountview Estates PLC		Group	
	Notes	1988 £	1987 £	1988 £	1987 £
FIXED ASSETS					
Tangible assets	17	20,248	25,275	20,248	25,275
Investments	14	33,640	33,640	-	-
		53,888	58,915	20,248	25,275
CURRENT ASSETS					
Stocks	1 (e)	25,629,433	21,304,405	26,301,972	22,061,056
Debtors	15	566,341	167,559	574,700	182,351
Cash at bank and in hand		1,017,266	10,379	1,490,113	15,912
		27,213,040	21,482,343	28,366,785	22,259,319
Deferred taxation asset	16	120,712	90,552	120,712	90,552
		27,333,752	21,572,895	28,487,497	22,349,871
CREDITORS: Amounts falling due within one year	17	3,513,479	2,884,405	3,980,042	3,588,396
NET CURRENT ASSETS		23,820,273	18,688,490	24,507,455	18,761,475
TOTAL ASSETS LESS CURRENT LIABILITIES		23,874,161	18,747,405	24,527,703	18,786,750
CREDITORS: Amounts falling due after more than one year	18	5,031,766	4,622,558	122,052	64,003
		18,842,395	14,124,847	24,405,651	18,722,747
CAPITAL AND RESERVES					
Called up share capital	19	241,425	244,826	241,425	244,826
Capital redemption reserve		8,575	5,174	8,575	5,174
Capital reserve		24,660	24,660	13,613	13,613
Reserve for property insurance	10	32,200	30,800	46,000	44,000
Profit and loss account		18,535,535	13,819,387	24,095,038	18,415,134
		18,842,395	14,124,847	24,405,651	18,722,747

Approved by the board on 22 June 1988

W D I Sinclair *W D I Sinclair*
 F P Sinclair *F P Sinclair* } Directors

MOUNTVIEW ESTATES PLC
 PROFIT AND LOSS ACCOUNT
 FOR THE YEAR ENDED 31 MARCH 1988

	Notes	£	1988	£	£	1987	£
TURNOVER	1 (c)		12,373,152			9,595,708	
Cost of sales			<u>3,275,708</u>			<u>3,175,632</u>	
GROSS PROFIT			9,097,444			6,420,076	
Administrative expenses			<u>121,514</u>			<u>188,960</u>	
OPERATING PROFIT	2		8,975,930			6,231,116	
Interest payable	5		<u>28,732</u>			<u>33,722</u>	
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			8,947,198			6,197,394	
Tax on profit on ordinary activities	6		<u>3,144,052</u>			<u>2,171,668</u>	
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	7		5,803,146			4,025,726	
Extraordinary income			<u>-</u>			<u>450</u>	
			5,803,146			4,026,176	
Dividends	8		<u>410,673</u>			<u>293,791</u>	
			5,392,473			3,732,385	
Transfer to reserve for property insurance	9		<u>1,400</u>			<u>1,400</u>	
RETAINED PROFIT FOR THE FINANCIAL YEAR			5,391,073			3,730,985	
RETAINED PROFIT AT 1 APRIL 1987			13,819,387			10,877,623	
Less:							
Redemption premium on the purchase by the company of its own shares	11	671,524			784,047		
Transfer to capital redemption reserve	12	<u>3,401</u>			<u>5,174</u>		
			674,925			789,221	
RETAINED PROFIT AT 31 MARCH 1988			<u><u>18,535,535</u></u>			<u><u>13,819,387</u></u>	

MOUNTVIEW ESTATES PLC

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES

(a) Basis of Accounting

The accounts have been prepared under the historical cost convention.

(b) Basis of Consolidation

The group accounts consolidate the accounts of Mountview Estates PLC and its subsidiaries made up to 31 March each year.

(c) Turnover

Turnover includes proceeds from sales of properties, rents from properties and other sundry items of revenue before charging expenses.

(d) Tangible Fixed Assets

Depreciation is provided at the following annual rates:

Motor cars	:	20% on reducing balance
Office furniture	:	5% on reducing balance

(e) Stocks

These comprise freehold and leasehold properties which are valued at the lower of cost and estimated net realisable value.

2 OPERATING PROFIT

	Parent		Group	
	1988	1987	1988	1987
	£	£	£	£
The operating profit is stated after charging:				
Depreciation of tangible fixed assets	5,027	6,282	5,027	6,282
Directors' remuneration	37,770	35,715	37,770	35,715
Auditors' remuneration	7,130	6,973	9,545	9,795
And after crediting net rental income	1,473,049	1,250,515	1,665,773	1,446,493

3 STAFF COSTS (including directors)

Wages and salaries	69,733	63,847	69,733	63,847
Social security costs	6,096	5,828	6,096	5,828
	<u>75,829</u>	<u>69,675</u>	<u>75,829</u>	<u>69,675</u>

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

Office and management	12	11	12	11
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MOUNTVIEW ESTATES PLC

NOTES TO THE ACCOUNTS (Continued)

4 DIRECTORS' EMOLUMENTS	Parent		Group	
	1988 £	1987 £	1988 £	1987 £
Chairman	5,090	5,090	5,090	5,090
Highest paid director	12,240	11,275	12,240	11,275
Directors whose total remuneration was in the bracket				
£ 5,001 - £10,000				
1 director (1987: 1)	8,200	8,075	8,200	8,075
£10,001 - £15,000				
1 director (1987: 1)	12,240	11,275	12,240	11,275
	<u>37,770</u>	<u>35,715</u>	<u>37,770</u>	<u>35,715</u>
	=====	=====	=====	=====
5 INTEREST PAYABLE				
Interest on bank overdrafts	28,732	33,722	28,732	52,312
	=====	=====	=====	=====
6 TAX ON PROFIT ON ORDINARY ACTIVITIES				
The tax charge based on the profits of the year is as follows:				
Corporation tax at 35%	3,131,425	2,171,668	3,652,220	2,507,358
Underprovision in previous years	12,627	-	13,929	-
	<u>3,144,052</u>	<u>2,171,668</u>	<u>3,666,149</u>	<u>2,507,358</u>
	=====	=====	=====	=====
7 PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1988 £	1987 £	
Dealt with in the accounts of the company		5,803,146	4,025,726	
Dealt with in the accounts of the subsidiaries		965,356	622,820	
		<u>6,768,502</u>	<u>4,648,546</u>	
		=====	=====	

MOUNTVIEW ESTATES PLC

NOTES TO THE ACCOUNTS (Continued)

8	DIVIDENDS	Parent		Group	
		1988 £	1987 £	1988 £	1987 £
	Dividends on ordinary shares				
	Interim paid 20% (1987: 20%)	48,536	48,965	48,536	48,965
	Final proposed 150% (1987: 100%)	362,137	244,826	362,137	244,826
		<u>410,673</u>	<u>293,791</u>	<u>410,673</u>	<u>293,791</u>

9 RESERVE FOR PROPERTY INSURANCE

Balance at 1 April 1987	30,800	29,400	44,000	42,000
Transfer to reserve	1,400	1,400	2,000	2,000
Balance at 31 March 1988	<u>32,200</u>	<u>30,800</u>	<u>46,000</u>	<u>44,000</u>

10 CAPITAL RESERVE

The balance of the capital reserve represents capital reserves in remaining group companies less consolidated goodwill.

11 PURCHASE OF COMPANY'S OWN SHARES

68,025 ordinary shares were purchased and cancelled in the year making a total of 171,500 to date.

12 TRANSFER TO CAPITAL REDEMPTION RESERVE

Nominal value of Company's own shares purchased.

MOUNTVIEW ESTATES PLC

NOTES TO THE ACCOUNTS (Continued)

13 TANGIBLE FIXED ASSETS

	Motor Vehicles £	Office Equipment £	Total £
All held by parent company			
Cost			
1 April 1987	35,309	642	35,951
Additions	-	-	-
Disposals	-	-	-
31 March 1988	35,309	642	35,951
Depreciation			
1 April 1987	10,220	456	10,676
Charge for the year	5,018	9	5,027
Disposals	-	-	-
31 March 1988	15,238	465	15,703
Written down values			
31 March 1988	20,071	177	20,248
31 March 1987	25,089	186	25,275

14 INVESTMENTS

This represents the cost of shares in the following wholly owned subsidiaries, both of which are incorporated and operate in England.

Share Capital

	Authorised 1988	Authorised 1987	Issued 1988	Issued 1987	Cost £
Hurstway Investment Co Limited					
Ordinary shares of £1 each	100	100	100	100	100
Seru Investments Limited					
Ordinary shares of £1 each	14,390	14,390	5,390	5,390	16,440
Deferred shares of £1 each	5,610	5,610	5,610	5,610	17,100
					33,640

MOUNTVIEW ESTATES PLC

NOTES TO THE ACCOUNTS (Continued)

15 DEBTORS	Parent		Group	
	1988 £	1987 £	1988 £	1987 £
Trade debtors	563,368	167,225	571,727	180,334
Other debtors	441	150	441	1,833
Prepayments and accrued income	2,532	184	2,532	184
	<u>566,341</u>	<u>167,559</u>	<u>574,700</u>	<u>182,351</u>
	=====	=====	=====	=====
16 DEFERRED TAXATION ASSET				
Advance Corporation Tax recoverable after more than one year	120,712	90,552	120,712	90,552
	<u>120,712</u>	<u>90,552</u>	<u>120,712</u>	<u>90,552</u>
	=====	=====	=====	=====
17 CREDITORS: Amounts falling due within one year				
Bank overdrafts (secured by a floating charge on various properties)	-	656,912	-	1,032,116
Trade creditors	40,367	42,574	41,292	43,248
Current corporation tax	2,788,817	1,750,928	3,251,563	2,074,689
Other taxes and social security costs	233,660	113,217	233,660	113,217
Proposed dividend	362,137	244,826	362,137	244,826
Other creditors	86,498	61,830	89,390	63,175
Accruals	2,000	14,118	2,000	17,125
	<u>3,513,479</u>	<u>2,884,405</u>	<u>3,980,042</u>	<u>3,588,396</u>
	=====	=====	=====	=====
18 CREDITORS: Amounts falling due after more than one year				
Amounts owed to subsidiaries	5,031,766	4,622,558	-	-
Corporation tax of a subsidiary	-	-	122,052	64,003
	<u>5,031,766</u>	<u>4,622,558</u>	<u>122,052</u>	<u>64,003</u>
	=====	=====	=====	=====
19 SHARE CAPITAL				
			1988	1987
Authorised:				
5,000,000 ordinary shares of 5p each			250,000	250,000
			<u>250,000</u>	<u>250,000</u>
Allotted, issued and fully paid				
4,828,500 ordinary shares of 5p each (1987: 4,896,525)			241,425	244,826
			<u>241,425</u>	<u>244,826</u>
			=====	=====
20 CONTINGENT LIABILITY				
The company has guaranteed a bank overdraft facility of a subsidiary to the extent of £600,000. No part of this facility is outstanding at the Balance Sheet date.				