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MOUNTVIEW ESTATES PLC  
AND SUBSIDIARY COMPANIES

DIRECTORS REPORT  
AND ACCOUNTS

31 MARCH 1987

**Binder Hamlyn**   
CHARTERED ACCOUNTANTS

# Binder Hamlyn

CHARTERED ACCOUNTANTS

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 12<sup>th</sup> August 1987.

*James Sinclair* Director.

*J.M. Sinclair* Secretary.

MOUNTVIEW ESTATES PLC  
AND SUBSIDIARY COMPANIES

DIRECTORS REPORT  
AND ACCOUNTS

31 MARCH 1987



## REPORT OF THE DIRECTORS

The directors have pleasure in presenting their fiftieth annual report to the members together with the statements of accounts for the year ended 31 March 1987.

	1987	1986
1 The net profits of the group, after providing for taxation, amounted to	4,648,546	3,267,075
From this sum must be deducted the following dividends		
Interim 20% (1986: 20%) already paid	48,965	50,000
Final 100% (1986: 80%) which is recommended by the directors	<u>244,826</u>	<u>200,000</u>
	<u>293,791</u>	<u>250,000</u>
Leaving an undistributed profit for the year of	4,354,755	3,017,075
Deduct: the transfer to reserve for property insurance	<u>2,000</u>	<u>2,000</u>
	<u>4,352,755</u>	<u>3,015,075</u>
Add: transfer from capital reserve	<u>79,296</u>	<u>-</u>
	<u>4,432,051</u>	<u>3,015,075</u>
To this is added the balance brought forward from the previous year	14,772,304	11,757,229
Deduct:		
Redemption premium on the purchase by the company of its own shares	784,047	-
Transfer to capital redemption reserve	<u>5,174</u>	<u>-</u>
	<u>789,221</u>	<u>-</u>
Leaving an unappropriated group profit to carry forward of	<u>£18,415,134</u>	<u>£14,772,304</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 (all wholly owned)

Hurstway Investment Co Limited )  
Seru Investments Limited )

Property Dealing

Salisbury Mansions Limited was dissolved on 19 May 1986 and did not trade during the period from 1 April 1986.

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 £25,275 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, at the AGM and accordingly special notice has been received that his re-appointment will be proposed, notwithstanding that he is now 74 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 71 years of age.

In accordance with the Company's Articles of Association Mr D M Sinclair retires from the board by rotation at the AGM, and, being eligible, offers himself for re-appointment.

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 1987	1 April 1986
Ordinary shares of 5p each		
W D I Sinclair (including the holding by Mrs Doris Sinclair of 158,500 and by Kingaway Wallpaper Stores Ltd of 57,742)	373,242	371,742
F P Sinclair (including the holding by Mrs Daphne Sinclair of 522,093)	622,960	631,200
D M Sinclair (including the holding by Mrs Pam Sinclair of 4,000)	519,745	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 and have not changed 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.

Miss M A Sinclair	516,295	516,295
TR Property Investment Trust PLC	370,000	370,000
Mrs S M Sinkins	287,689	291,189

## 6 Directors' interests in contracts

There was no contract subsisting 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.

REPORT OF THE DIRECTORS  
continued

## 7 Purchase of own shares

During the year the company purchased 103,475 ordinary shares of 5p each for an aggregate consideration of £789,221 within the terms of the authority given by the special resolution passed at the Extraordinary General Meeting held on 13 August 1986. This represents 2.07% of the called-up share capital. As explained in the documents accompanying the notice of that meeting it is becoming increasingly difficult to find sufficient 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.

At 31 March 1987 the company had authority under the above resolution, which expires on 13 February 1988, to purchase a further 146,525 shares.

## 8 Income and corporation taxes act, 1970

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

## 9 Auditors

With effect from 9 April 1987, the Company's auditors Fletcher Head and Gilberts, merged their practice with that of Dearden Farrow, who have merged their practice with Binder Hamlyn with effect from 1 May 1987. Accordingly, at the Annual General Meeting, a resolution will be proposed to re-appoint Binder Hamlyn as auditors to the Company.

- 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.

By order of the board

D M Sinclair  
Secretary

17 June 1987

CHAIRMAN'S STATEMENT

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Trading results

It is with pleasure that I report another successful year. Group profits before tax for the year to 31 March 1987 are £7,155,904 as compared with £5,440,516 for the year to 31 March 1986. Allowing for taxation (with corporation tax at 35%) the resulting profits are £4,648,546 compared with £3,267,075 for 1986.

Dividend

Despite the decreased rate of tax payable these record profits give rise to a larger tax bill. Nevertheless your Board are happy to recommend an increased final dividend of 5p per share payable on 17 August 1987. This makes a total of 6p per share for the year compared with 5p last year.

The future

The number of properties remaining in the ownership of private landlords continues to decrease, and of the suitable properties that become available many do so at greatly inflated prices. Because of this your Board sought authority at last year's Extraordinary General Meeting to purchase the company's own shares. As at the date of these report and accounts this authority has been exercised in respect of 103,475 shares.

Thanks to directors and staff

Again it gives me pleasure to thank my co-directors and our staff for their contributions to our success which is only possible with their loyalty and hard work.

W D I Sinclair

**REPORT OF THE AUDITORS**  
to the members of Mountview Estates PLC

We have audited the accounts on pages 6 to 12 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 1987 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.

Binder Hamlyn  
Chartered Accountants

London

19 June 1987

## MOUNTVIEW ESTATES PLC

GROUP PROFIT AND LOSS ACCOUNT  
for the year ended 31 March 1987

	Notes	1987	1986
Turnover	1(c)	10,733,053	8,237,135
Cost of sales		<u>3,379,463</u>	<u>2,566,800</u>
Gross profit		7,353,590	5,670,335
Administrative expenses		<u>145,374</u>	<u>121,878</u>
Operating profit	2	7,208,216	5,548,457
Interest payable	5	<u>52,312</u>	<u>107,941</u>
Profit on ordinary activities before taxation		7,155,904	5,440,516
Tax on profit on ordinary activities	6	<u>2,507,358</u>	<u>2,173,441</u>
Profit on ordinary activities after taxation	7	4,648,546	3,267,075
Dividends	9	<u>293,791</u>	<u>250,000</u>
		4,354,755	3,017,075
Transfer to reserve for property insurance	10	<u>(2,000)</u>	<u>(2,000)</u>
Retained profit for the financial year		4,352,755	3,015,075
Transfer from capital reserve	11	<u>79,296</u>	<u>-</u>
		4,432,051	3,015,075
Retained profit at 1 April 1986		14,772,304	11,757,299
Less:			
Redemption premium on the purchase by the company of its own shares	12	(784,047)	-
Transfer to capital redemption reserve	13	<u>(5,174)</u>	<u>-</u>
		(789,221)	-
Unappropriated profit of group		<u>£18,415,134</u>	<u>£14,772,304</u>
Amount retained in subsidiaries		<u>£4,595,747</u>	<u>£3,894,681</u>
		93.8p	65.3p

\* Earnings per share

\* 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.



BALANCE SHEET  
31 March 1987

		Mountview Estates PLC		Group	
	Notes	1987	1986	1987	1986
<b>Fixed assets</b>					
Tangible assets	14	25,275	18,100	25,275	18,100
Investments	15	33,640	78,640	-	-
		<u>58,915</u>	<u>96,740</u>	<u>25,275</u>	<u>18,100</u>
<b>Current assets</b>					
Stocks	1(e)	21,304,405	17,045,055	22,061,056	17,916,949
Debtors	16	167,559	353,968	182,351	365,094
Cash at bank and in hand		10,379	31,776	15,912	37,775
		<u>21,482,343</u>	<u>17,430,799</u>	<u>22,259,319</u>	<u>18,319,818</u>
Prepayments and accrued income					
Deferred taxation asset	17	90,552	81,690	90,552	81,690
		<u>21,572,895</u>	<u>17,512,489</u>	<u>22,349,871</u>	<u>18,401,508</u>
Creditors: amounts falling due within one year	18	2,884,405	2,626,101	3,588,396	3,210,321
		<u>18,688,490</u>	<u>14,886,388</u>	<u>18,761,475</u>	<u>15,191,187</u>
<b>Net current assets</b>					
		<u>18,747,405</u>	<u>14,983,128</u>	<u>18,786,750</u>	<u>15,209,287</u>
Total assets less current liabilities					
Creditors: amounts falling due after more than one year	19	4,622,558	3,801,445	64,003	52,074
		<u>£14,124,847</u>	<u>£11,181,683</u>	<u>£18,722,747</u>	<u>£15,157,213</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	20	244,826	250,000	244,826	250,000
Capital reserve		24,660	24,660	13,613	92,909
Reserve for property insurance	10	30,800	29,400	44,000	42,000
Profit and loss account		13,819,387	10,877,623	18,415,134	14,772,304
Capital redemption reserve		5,174	-	5,174	-
		<u>£14,124,847</u>	<u>£11,181,683</u>	<u>£18,722,747</u>	<u>£15,157,213</u>

Approved by the board on 17 June 1987

W D I Sinclair

Directors

F P Sinclair



PROFIT AND LOSS ACCOUNT  
for the year ended 31 March 1987

	Notes	1987	1986
Turnover	1(c)	9,595,708	6,990,879
Cost of sales		<u>3,175,632</u>	<u>2,306,842</u>
Gross profit		6,420,076	4,684,037
Administrative expenses		<u>188,960</u>	<u>117,212</u>
Operating profit	2	6,231,116	4,566,825
Interest payable	5	<u>33,722</u>	<u>79,218</u>
Profit on ordinary activities before taxation		6,197,394	4,487,607
Taxation	6	<u>2,171,668</u>	<u>1,792,556</u>
Profit on ordinary activities after taxation	7	4,025,726	2,695,051
Extraordinary income	8	<u>450</u>	<u>-</u>
		4,026,176	2,695,051
Dividends	9	<u>293,791</u>	<u>250,000</u>
		3,732,385	2,445,051
Transfer to reserve for property insurance	10	<u>(1,400)</u>	<u>(1,400)</u>
Retained profit for the financial year		3,730,985	2,443,651
Retained profit at 1 April 1986		10,877,623	8,433,972
Less:			
Redemption premium on the purchase by the company of its own shares	12	(784,047)	-
Transfer to capital redemption reserve	13	<u>(5,174)</u>	-
		(789,221)	-
Retained profit at 31 April 1987		<u>£13,819,387</u>	<u>£10,877,623</u>

## 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.

	Parent		Group	
	1987	1986	1987	1986
<b>2 Operating profit</b>				
The operating profit is stated after charging				
Depreciation of tangible fixed assets	6,282	4,486	6,282	4,486
Directors' remuneration	35,715	34,173	35,715	34,173
Auditors' remuneration	6,973	6,641	9,795	9,372
And after crediting net rental income	1,250,515	1,287,937	1,446,493	1,443,637
<b>3 Staff costs (including directors)</b>				
Wages and salaries	63,847	61,384	63,847	61,384
Social security costs	5,828	4,210	5,828	4,210
	<u>£69,675</u>	<u>£65,594</u>	<u>£69,675</u>	<u>£65,594</u>
The average weekly number of employees during the year was as follows				
Office and management	11	11	11	11
<b>4 Directors' emoluments</b>				
Chairman	5,090	5,090	5,090	5,090
Highest paid director	11,275	10,529	11,275	10,529
Directors whose total remuneration was in the bracket				
£ 5,001 - £10,000 1 director (1986: 2)	8,075	18,554	8,075	18,554
£10,001 - £15,000 1 director (1986: Nil)	11,275	-	11,275	-
	<u>£35,715</u>	<u>£34,173</u>	<u>£35,715</u>	<u>£34,173</u>

NOTES TO THE ACCOUNTS  
continued

	Parent		Group	
	1987	1986	1987	1986
5 Interest payable				
Interest on bank overdrafts	<u>33,722</u>	<u>£79,218</u>	<u>52,312</u>	<u>£107,941</u>
6 Tax on profit on ordinary activities				
The tax charge based on the profits of the year is as follows				
Corporation tax at 35% (1986 : 40%)	<u>£2,171,668</u>	<u>£1,792,556</u>	<u>£2,507,358</u>	<u>£2,173,441</u>
7 Profit on ordinary activities after taxation			1987	1986
Dealt with in the accounts of the company			4,025,726	2,695,051
Dealt with in the accounts of subsidiaries			<u>622,820</u>	<u>572,024</u>
			<u>£4,648,546</u>	<u>£3,267,075</u>
8 Extraordinary income				
Surplus on dissolution of Salisbury Mansions Limited.				
9 Dividends				
Dividends on ordinary shares	48,965	50,000	48,965	50,000
Interim paid 20% (1986 : 20%)	<u>244,826</u>	<u>200,000</u>	<u>244,826</u>	<u>200,000</u>
Final proposed 100% (1986 : 80%)	<u>£293,791</u>	<u>£250,000</u>	<u>£293,791</u>	<u>£250,000</u>
10 Reserve for property insurance				
Balance at 1 April 1986	29,400	28,000	42,000	40,000
Transfer to reserve	<u>1,400</u>	<u>1,400</u>	<u>2,000</u>	<u>2,000</u>
Balance at 31 March 1987	<u>£30,800</u>	<u>£29,400</u>	<u>£44,000</u>	<u>£42,000</u>
11 Transfer from capital reserve				
The movement represents the capital reserves of a subsidiary released to consolidation on dissolution of the subsidiary.				
The balance of the capital reserve represents capital reserves in remaining group companies less consolidated goodwill.				
12 Purchase of company's own shares				
103,475 ordinary shares purchased and cancelled.				
13 Transfer to capital redemption reserve				
Nominal value of company's own shares purchased.				

NOTES TO THE ACCOUNTS  
continued

## 14 Tangible fixed assets

All held by parent company

	Motor Vehicles	Office Equipment	Total
Cost			
1 April 1986	31,265	642	31,907
Additions	21,917	-	21,917
Disposals	(17,873)	-	(17,873)
31 March 1987	<u>35,309</u>	<u>642</u>	<u>35,951</u>
Depreciation			
1 April 1986	13,361	446	13,807
Charge for the year	6,272	10	6,282
Disposals	(9,413)	-	(9,413)
31 March 1987	<u>10,220</u>	<u>456</u>	<u>10,676</u>
Written down values			
31 March 1987	<u>£25,089</u>	<u>£186</u>	<u>£25,275</u>
31 March 1986	<u>£17,904</u>	<u>£196</u>	<u>£18,100</u>

## 15 Investments

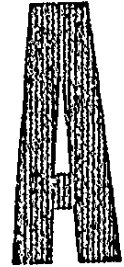
This represents the cost of shares in the following wholly owned subsidiaries, all of which are incorporated and operate in England

	Share Capital			
	Authorised		Issued	
	1987	1986	1987	1986
Hurstway Investment Co. Limited				
Ordinary shares of £1 each	100	100	100	100
Seru Investments Limited				
Ordinary shares of £1 each	14,390	14,390	5,390	5,390
Deferred shares of £1 each	5,610	5,610	5,610	5,610
Salisbury Mansions Limited (dissolved 19 May 1986)				
Ordinary shares of £1 each	-	100	-	3

NOTES TO THE ACCOUNTS  
continued

		Parent		Group
	1987	1986	1987	1986
16 Debtors				
Trade debtors	167,225	353,287	180,334	362,053
Other debtors	150	-	1,833	2,360
Prepayments	184	681	184	681
	<u>£167,559</u>	<u>£353,968</u>	<u>£182,351</u>	<u>£365,094</u>
17 Deferred taxation asset				
Advance Corporation Tax recoverable after more than one year	<u>£90,552</u>	<u>£81,690</u>	<u>£90,552</u>	<u>£81,690</u>
18 Creditors: amounts falling due within one year				
Bank overdrafts (secured by a floating charge on various properties)	656,912	495,467	1,032,116	703,196
Trade creditors	42,574	38,559	43,248	41,260
Current corporation tax	1,750,928	1,695,970	2,074,689	2,065,977
Other taxes and social security costs	113,217	105,920	113,217	105,920
Proposed dividend	244,826	200,000	244,826	200,000
Other creditors	61,830	86,238	63,175	87,565
Accruals	14,118	3,947	17,125	6,403
	<u>£2,884,405</u>	<u>£2,626,101</u>	<u>£3,588,396</u>	<u>£3,210,321</u>
19 Creditors: amounts falling due after more than one year				
Amounts owed to subsidiaries	4,622,558	3,801,445	-	-
Corporation tax of a subsidiary	-	-	64,003	52,074
20 Share capital			1987	1986
Authorised:				
5,000,000 ordinary shares of 5p each			250,000	250,000
Allotted, issued and fully paid			244,826	250,000
4,896,525 ordinary shares of 5p each				
21 Contingent liability				
The company has guaranteed the bank overdraft of a subsidiary to the extent of £600,000.				

FORM ML8



**BULK LIST OF SHAREHOLDERS OR MEMBERS**

A bulk list (over 10 pages) for the company named below has been lodged but does not appear on this Annual Return microfiche.

If you wish to search the list, please enquire at the Search Control Counter.

Company Number ..... 328020 .....

Company Name ..... MOUNT VIEW ESTATES  
PLC .....

Made-up date ..... 26 Feb .....