

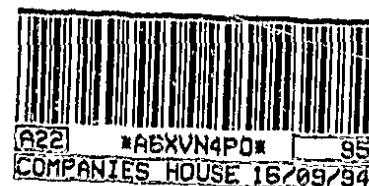
COMPANY NUMBER 328020

MOUNTVIEW ESTATES P.L.C.
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 1994

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MOUNTVIEW ESTATES P.L.C.

DIRECTORS AND ADVISERS

Directors

D.M. Sinclair, FCA

Joined the Company as company secretary in 1977, became a director in 1982 and succeeded his father as chairman in 1990.

W.D.I. Sinclair, FCCA

Founded the Company with his brother in 1937 and was chairman until 1990. He remains on the board as a non-executive director.

F.P. Sinclair

Co-founded the Company in 1937 and is still a full-time executive director.

K. Langrish-Smith

Joined the Company in 1974 and became a director in 1982.

C. Maunder Taylor, FRICS

Joined the Company as a non-executive director in 1990 and became a full-time executive director in 1992.

Secretary & Registered Office

K.J. Langley, FCA

16/20 High Road, Wood Green, London N22 6DB

Bankers

Midland Bank plc, 20 Eastcheap, London EC3M 1ED

Barclays Bank plc, 24/26 Minories, London EC3N 1BQ

Auditors

BSG Valentine

Chartered Accountants

22 South Audley Street, London W1Y 5DN

Solicitors

F. Bes & Son

8/10 Halfmoon Court, Bartholomew Close, London EC1A 7HE.

Ross & Craig

Swift House, 12a Upper Berkeley Street, London W1H 7PE.

Registrars and Transfer Office

Barclays Registrars

Bourne House, 34 Beckenham Road, Beckenham, Kent BR3 4TU

Brokers

Brewin Dolphin Bell Lawrie Ltd

5 Giltspur Street, London EC1A 9SD

MOUNTVIEW ESTATES P.L.C.
CHAIRMAN'S STATEMENT

I am happy to report that the reasonable expectation that the full year's results would match last year's, as expressed in the interim statement, has been exceeded to the extent that this year's profits of £7,239,715 are 6.5% higher than last year's. The Company has taken various opportunities to augment its portfolio of properties with the advantage of low interest rates. Whilst it is still difficult to acquire suitable properties the Company's overdrafts have arisen by more than £2.5 million during the year.

The opinions of the economic pundits and statistics on house prices vary in their portrayal of the strength of the recovery in the housing market in particular and the economy in general. I think that it is fair to say that the future remains uncertain. Whilst a general increase in house prices would boost the Company's profits, it is the rental income which has continued to underpin the Company's performance.

It is customary to take this opportunity to thank all my staff and colleagues for their hard work and these thanks are no less appropriate this year. Although the rental income may appear to advance most strongly, all parts of the business have gained in strength and everyone has played their part in this.

Your Board recommend a final dividend of 12p per share - the same as last year - which together with the increased interim dividend of 10p per share, gives a total for the year of 22p per share. The final dividend is payable on 15 August 1994. After making allowance for the adjustments in the rate of Advance Corporation Tax and the Tax Credit which attach to the net dividends paid by the Company, the gross dividends will have increased by more than 7% for the year. The total dividends of 22p are nearly five times covered by the earnings per share of 105.6p.

Cadbury Committee Recommendations

Firstly I would like to remind you of what I said in my statement last year. I stated that inter alia

"My contemporaries, Keith Langrish-Smith and Christopher Maunder Taylor, and I are aware that we must continue to husband the Company's resources keenly if we are to maintain its good reputation during the coming years. Should we be tempted towards any excesses we still have the two founding fathers of the company on the Board to check those excesses. The Sinclair family still own about 58% of the Company and my father and my uncle are not going to allow over fifty years of hard work to go to waste. By guarding their family's and their company's welfare in this way I believe that they are more effective than any non-executive directors that I might recruit".

I believe that these arrangements have continued to work very effectively during the year under review. However, if I do not want our auditors to issue a qualified report, I am obliged to report in respect of each of seventeen paragraphs as to our compliance or the reasons for our non-compliance. I do this because I do not wish anyone to have any doubts as to the financial stability of the Company or the integrity of the people running the Company.

- 1.1 The Board meets regularly, retains full and effective control over the Company and monitors the executive management.
- 1.2 There is no formal division of responsibilities but neither I nor any other member of the Board has unfettered powers of decision. This is an instance of where the continuing presence of the founding fathers ensures a balance of power.
- 1.3 The founding fathers are of sufficient calibre for their views to carry significant weight in the Board's decisions.

CHAIRMAN'S STATEMENT

- 1.4 In a company of this size the Board is the senior management and thus has the direction and control of the Company firmly in its hands.
- 1.5 There is no need for the formality of an agreed procedure but no Director would ever be prevented from taking independent professional advice in the furtherance of his duties if necessary, at the Company's expenses.
- 1.6 All Directors have access to the advice and services of the Company Secretary and the whole Board wish him to remain in office for many years.
- 2.1 I believe that the founding fathers are more effective than any non-executive Directors that I might recruit.
- 2.2 The founding fathers express their opinions without fear or favour. They insist on keeping their fees at a level which constitutes underpayment.
- 2.3 By reason of their age, the founding fathers are obliged to seek re-election each year.
- 2.4 The Board as a whole fully endorse the continuing presence of the founding fathers and do not need a formal process to achieve this.
- 3.1 As stated in the Report of the directors "Contracts of Service between the Directors of the Company and the Company or its subsidiary undertakings are determinable within one year without payment of compensation".
- 3.2 The Directors' Emoluments are disclosed in the Notes to the Accounts (note 4). There are no pension contributions, no stock options and no performance-related elements in their salaries.
- 3.3 The Board as a whole act as the remuneration committee for the whole Company.
- 4.1 I believe that the earlier part of my Chairman's Statement and the Report of the Directors read in conjunction with the Accounts and the Notes to the Accounts give a balanced and understandable assessment of the company's position.
- 4.2 Their report endorses my view that the Board has an objective and professional relationship with the auditors.
- 4.3 The Chairman and the Company Secretary are both members of the Institute of Chartered Accountants in England and Wales and are responsible for liaison with the auditors while Mr. W.D.I. Sinclair is a member of the Chartered Association of Certified Accountants and oversees the preparation and audit of the Accounts.
- 4.4 The Directors' statement explaining their responsibility for preparing the Accounts appears on page 7.

The remaining two recommendations, 4.5 and 4.6, dealing with the Company's system of internal control and its status as a going concern are subject to the guideline currently being drafted by the accounting profession.

I think that the length of the above explanations will have given you some idea of why I consider the recommendations of the Cadbury Committee to be burdensome. For a company whose full complement of staff is twenty-one, to augment its workforce by the numbers necessary to fulfil the Cadbury recommendations would involve the recruitment of a disproportionate number of non-productive staff which companies of this shape and size do not need and cannot afford.

D.M. SINCLAIR
Chairman

MOUNTVIEW ESTATES P.L.C.

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their Fifty Seventh Annual Report to the Members together with the Statements of Accounts for the year ended 31 March 1994.

1. PROFITS

	1994	1993
	£	£
The Net Profits of the Group for the year, after providing for taxation, amounted to	4,844,935	4,553,868
From this sum must be deducted the following dividends:		
Interim 10p per share (1993: 8p per share) already paid	458,708	366,966
Final 12p per share (1993: 12p per share) recommended by the Directors	550,449	550,449
	<u>1,009,157</u>	<u>917,415</u>
Leaving an undistributed profit for the year of	3,835,778	3,636,453
Deduct: Transfer to reserve for property insurance	-	2,000
	<u>3,835,778</u>	<u>3,634,453</u>
To this is added the balance brought forward from the previous year	44,657,395	41,022,942
Leaving an unappropriated Group Profit to carry forward of	<u>48,493,173</u>	<u>44,657,395</u>

2. ACTIVITIES

There has been no significant change in the principal activities of the Company and its Subsidiary undertakings and these activities are shown below:

Parent Company

Mountview Estates P.L.C.

Property Dealing

Subsidiary undertakings (both wholly owned)

Hurstway Investment Co Limited)
Seru Investments Limited)

Property Dealing

MOUNTVIEW ESTATES P.L.C.

REPORT OF THE DIRECTORS (Continued)

3. FIXED ASSETS

The fixed assets in the Consolidated Balance Sheet at the net book amount of £121,759 consist wholly of motor vehicles and office and computer equipment held by the Parent Company.

4. DIRECTORS

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

In accordance with the Company's Articles of Association, Mr D M Sinclair 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.

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. In view of his age he offers himself for re-election only as a Non-Executive Director. 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 81 years of age.

Similarly under Sections 379 and 293(5) of the Companies Act 1985, Mr F P 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 78 years of age.

Contracts of Service between the Directors of the Company and the Company or its subsidiary undertakings 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 1994	31 March 1993
	Ordinary shares of 5p each	
D M Sinclair (including the holding by Mrs Pam Sinclair of 205,000)	490,315	490,315
W D I Sinclair (including the holding by Mrs Doris Sinclair of 158,500 and by Kingsway Wallpaper Stores Ltd of 70,500)	386,000	386,000
F P Sinclair (including the holding by Mrs Daphne Sinclair of 524,093)	603,960	603,960
K Langrish-Smith (including the holding by Mrs Elizabeth Langrish-Smith of 214,666)	216,666	217,175
C Maunder Taylor	-	-

The above interests are all beneficial.

There have been no movements in the Directors' interests within one month of the Notice of Meeting.

MOUNTVIEW ESTATES P.L.C.

REPORT OF THE DIRECTORS (Continued)

6. SUBSTANTIAL INTERESTS IN SHARE CAPITAL

As at the date of this Report notices have been received of the following substantial interests in the capital of the Company:

	Ordinary Shares of 5p each	% of Issued Share Capital
Mrs M A Murphy	517,295	11.27
TR Property Investment Trust PLC	275,000	5.99
Mrs S M Simkins	268,763	5.86
Junction Nominees Ltd	177,000	3.86

7. 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.

8. INCOME AND CORPORATION TAXES ACT 1988

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

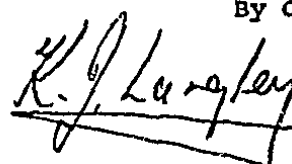
9. AUDITORS

Messrs BSC Valentine have indicated their willingness to continue in office, and a motion for their re-appointment will be proposed at the Annual General Meeting.

16/20 High Road
Wood Green
London N22 6DB

15 June 1994

By Order of the Board

 K J Langley
Secretary

MOUNTVIEW ESTATES P.L.C.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE PREPARATION OF FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and group and of the profit or loss for that period. In preparing those financial statements, the directors are required to:-


- . Select suitable accounting policies and then apply them consistently.
- . Make judgements and estimates that are reasonable and prudent.
- . Follow applicable accounting standards, subject to any material departures disclosed and explained in the financial statements.
- . Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

16/20 High Road
Wood Green
London N22 6DB

15 June 1994

By order of the Board


K J Langley
Secretary

AUDITORS REPORT TO THE MEMBERS OF

MOUNTVIEW ESTATES P.L.C.

We have audited the financial statements on pages 9 to 19 which have been prepared under the historical cost convention and the accounting policies set out on page 14.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 7 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit of those financial statements and to report our opinion to you.

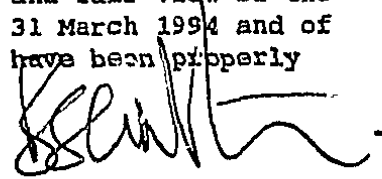
BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we consider necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group as at 31 March 1994 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



22 South Audley Street

London

W1Y 5DN

15 June 1994

BSG VALENTINE

Chartered Accountants

Registered Auditors

MOUNTVIEW ESTATES P.L.C.
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 1994

	Notes	£	1993 £
TURNOVER	1 (c)	14,410,633	13,430,175
Cost of sales		5,927,717	5,422,586
GROSS PROFIT		8,482,916	8,007,589
Interest receivable:		6,324	972
		8,489,240	8,008,561
Administrative expenses		690,257	603,342
OPERATING PROFIT	2	7,798,983	7,405,219
Interest payable	5	559,268	610,840
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		7,239,715	6,794,379
Tax on profit on ordinary activities	6	2,394,780	2,240,511
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	7	4,844,935	4,553,868
DIVIDENDS	8	1,009,157	917,415
		3,835,778	3,636,453
Transfer to reserve for property insurance	9	-	2,000
RETAINED PROFIT FOR THE FINANCIAL YEAR		3,835,778	3,634,453
RETAINED PROFIT AT 1 APRIL 1993		44,657,395	41,022,942
UNAPPROPRIATED PROFIT OF GROUP		48,493,173	44,657,395
AMOUNTS RETAINED IN SUBSIDIARY UNDERTAKINGS		10,040,472	9,513,644
* Earnings per share		105.6p	99.3p

* 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.

CONTINUING OPERATIONS

None of the group's activities were acquired or discontinued during the above two financial years.

TOTAL RECOGNISED GAINS AND LOSSES

The group has no recognised gains or losses other than the profit for the above two financial years.

NOTE OF HISTORICAL COST PROFITS AND LOSSES

There is no material difference between the recorded results shown above and those results calculated on an unmodified historical cost basis.

MOUNTVIEW ESTATES P.L.C.

BALANCE SHEET AS AT 31 MARCH 1994

		Mountview Estates P.L.C.		Group	
	Notes	1994 £	1993 £	1994 £	1993 £
FIXED ASSETS					
Tangible assets	12	121,759	122,888	121,759	122,888
Investments	13	33,640	33,640	-	-
		155,399	156,528	121,759	122,888
CURRENT ASSETS					
Stocks	1(e)	57,970,139	51,300,734	59,621,972	53,147,588
Debtors	14	329,556	241,525	330,934	243,088
Cash at bank and in hand		36,761	148,161	81,016	152,558
		58,336,456	51,690,420	60,033,922	53,543,234
Deferred taxation asset	15	137,612	159,808	137,612	159,808
		58,474,068	51,850,228	60,171,534	53,703,042
CREDITORS: Amounts falling due within one year	16	11,215,159	8,497,539	11,480,507	8,848,922
NET CURRENT ASSETS		47,258,909	43,352,689	48,691,027	44,854,120
TOTAL ASSETS LESS CURRENT LIABILITIES		47,414,308	43,509,217	48,812,786	44,977,008
CREDITORS: Amounts falling due after more than one year	17	8,647,747	8,051,606	-	-
		38,766,561	35,457,611	48,812,786	44,977,008
CAPITAL AND RESERVES					
Called up share capital	18	229,354	229,354	229,354	229,354
Capital redemption reserve	11	20,646	20,646	20,646	20,646
Capital reserve	10	24,660	24,660	13,613	13,613
Reserve for property insurance	9	39,200	39,200	56,000	56,000
Profit and loss account		38,452,701	35,143,751	48,493,173	44,657,395
		38,766,561	35,457,611	48,812,786	44,977,008

Approved by the Board on 15 June 1994

D M Sinclair *D M Sinclair*
F P Sinclair *F P Sinclair*
Directors

MOUNTVIEW ESTATES P.L.C.

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 1994

	Notes	1994 £	1993 £
TURNOVER	1 (c)	13,251,655	11,757,816
Cost of sales		5,564,330	4,680,095
GROSS PROFIT		7,697,325	7,077,721
Administrative expenses		686,080	599,293
OPERATING PROFIT	2	7,011,245	6,478,428
Interest payable	5	507,840	610,840
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		6,453,405	5,867,588
Taxation	6	2,135,298	1,934,670
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	7	4,318,107	3,932,918
DIVIDENDS	8	1,009,157	917,415
		3,308,950	3,015,503
Transfer to reserve for property insurance	9	-	1,400
RETAINED PROFIT FOR THE FINANCIAL YEAR		3,308,950	3,014,103
RETAINED PROFIT AT 1 APRIL 1993		35,143,751	32,129,648
RETAINED PROFIT AT 31 MARCH 1994		38,452,701	35,143,751

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the above two financial years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit for the above two financial years.

NOTE OF HISTORICAL COSTS PROFITS AND LOSSES

There is no material difference between the reported results shown above and those results calculated on an unmodified historical cost basis.

MOUNTVIEW ESTATES P.L.C.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 1994

	Notes	1994 £	1993 £
OPERATING ACTIVITIES			
Cash inflow from operating activities	19	1,318,191	4,642,403
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest paid	(549,323)	(626,399)	
Dividends paid to shareholders	(1,118,414)	(825,673)	
		<u>(1,667,737)</u>	<u>(1,452,072)</u>
TAXATION			
U.K. corporation tax paid (including advance corporation tax)		(2,243,090)	(1,888,575)
INVESTING ACTIVITIES			
Purchase of tangible fixed assets	(42,753)	(100,284)	
Sale of tangible fixed assets	16,158	27,250	
		<u>(26,595)</u>	<u>(73,034)</u>
NET CASH (OUTFLOW)/INFLOW BEFORE FINANCING		<u>(2,619,231)</u>	<u>1,228,722</u>
FINANCING			
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	20	<u>(2,619,231)</u>	<u>1,228,722</u>

MOUNTVIEW ESTATES P.L.C.
 RECONCILIATION OF MOVEMENTS IN
 SHAREHOLDERS' FUNDS
 FOR THE YEAR ENDED 31 MARCH 1994

	Mountview Estates P.L.C.		Group	
	1994 £	1993 £	1994 £	1993 £
Profit for the financial year	4,318,107	3,932,918	4,844,935	4,553,868
Dividends	(1,009,157)	(917,415)	(1,009,157)	(917,415)
Opening shareholders funds	35,457,611	32,442,108	44,977,008	41,340,555
Closing shareholders funds	38,766,561	35,457,611	48,812,786	44,977,008
	=====	=====	=====	=====

MOUNTVIEW ESTATES P.L.C.

NOTES TO THE ACCOUNTS

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) Basis of Consolidation

The Group accounts consolidate the accounts of Mountview Estates P.L.C. and its subsidiary undertakings 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 vehicles	20% on reducing balance
Office equipment	5% on reducing balance
Computer equipment	20% 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	Mountview Estates P.L.C.		Group	
	1994	1993	1994	1993
The operating profit is stated after charging:	£	£	£	£
Depreciation of tangible fixed assets	26,359	27,198	26,359	27,198
Auditors' remuneration	17,002	17,002	21,150	21,150
	=====	=====	=====	=====
And after crediting:				
Net rental income	3,540,176	2,861,866	3,774,938	3,042,117
Administrative charges to related companies	21,091	18,737	21,091	18,737
	=====	=====	=====	=====
3 STAFF COSTS (including directors)				
Wages and salaries	428,571	397,968	428,571	397,968
Social security costs	50,179	39,133	50,179	39,133
	=====	=====	=====	=====
	478,750	437,101	478,750	437,101
	=====	=====	=====	=====

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

office and management	21	20	21	20
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MOUNTVIEW ESTATES P.L.C.

NOTES TO THE ACCOUNTS (Continued)

4 DIRECTORS' EMOLUMENTS	Mountview Estates P.L.C.		Group	
	1994 £	1993 £	1994 £	1993 £
Chairman	95,248	94,370	95,248	94,370
Highest paid director	-	-	-	-
Directors whose total remuneration was in the range of				
£10,001 ~ £15,000				
2 directors (1993: 2)	23,080	22,230	23,080	22,230
£35,001 ~ £40,000				
1 director (1993: 1)	39,749	39,318	39,749	39,318
£50,001 ~ £55,000				
Nil (1993: 1)	-	50,335	-	50,335
£55,001 ~ £60,000				
1 director (1993: Nil)	57,005	-	57,005	-
	215,082	206,253	215,082	206,253

The company does not make any pension contributions, nor does it provide any share option schemes, for the directors. In addition, directors salaries do not include any performance related elements.

5 INTEREST PAYABLE

Interest on bank overdrafts	557,800	610,840	559,268	610,840
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6 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge based on the profits of the year is as follows:

Corporation tax at 33% (1993:33%)	2,131,554	1,926,601	2,391,036	2,232,442
Underprovision in previous year	3,744	8,069	3,744	8,069
	2,135,298	1,934,670	2,394,780	2,240,511

7 PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION

	1994 £	1993 £
Dealt with in the accounts of the Parent Company	4,318,107	3,932,918
Dealt with in the accounts of the Subsidiary undertakings	526,828	620,950
	4,844,935	4,553,868

MOUNTVIEW ESTATES P.L.C.

NOTES TO THE ACCOUNTS (Continued)

8	DIVIDENDS	Mountview Estates P.L.C.		Group	
		1994 £	1993 £	1994 £	1993 £
	Dividends on ordinary shares				
	Interim paid 10p per share (1993: 8p per share)	458,708	366,966	458,708	366,966
	Final proposed 12p per share (1993: 12p per share)	550,449	550,449	550,449	550,449
		1,009,157	917,415	1,009,157	917,415

9 RESERVE FOR PROPERTY INSURANCE

Balance at 1 April 1993	39,200	37,800	56,000	54,000
Transfer to reserve	-	1,400	-	2,000
Balance at 31 March 1994	39,200	39,200	56,000	56,000

10 CAPITAL RESERVE

The balance of the capital reserve represents capital reserves in the remaining Group Companies less consolidated goodwill.

11 CAPITAL REDEMPTION RESERVE

Represents the nominal value of the 412,925 Ordinary Shares of 5p each of the Company purchased for cancellation.

MOUNTVIEW ESTATES P.L.C.

NOTES TO THE ACCOUNTS (Continued)

12 TANGIBLE FIXED ASSETS	Motor Vehicles	Office Equipment	Computer Equipment	Total
All held by Parent Company	£	£	£	£
Cost				
1 April 1993	121,303	21,548	24,306	167,157
Additions	37,494	3,778	1,481	42,753
Disposals	(29,533)	-	-	(29,533)
31 March 1994	129,264	25,326	25,787	180,377
Depreciation				
1 April 1993	35,710	3,698	4,861	44,269
Charge for the year	21,093	1,081	4,185	26,359
Withdrawn following disposal	(12,010)	-	-	(12,010)
31 March 1994	44,793	4,779	9,046	58,618
Written down values				
31 March 1994	84,471	20,547	16,741	121,759
31 March 1993	85,593	17,850	19,445	122,888

13 INVESTMENTS

This represents the cost of shares in the following wholly owned subsidiary undertakings whose principal activities are property dealing and both of which are incorporated and operate in England.

The results of these Subsidiary undertakings are consolidated in the accounts of the Group.

Share Capital

	Authorised 1994	1993	Issued 1994	1993	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

14 DEBTORS	Mountview Estates P.L.C.		Group	
	1994	1993	1994	1993
	£	£	£	£
Trade debtors	194,519	178,156	194,519	178,378
Other debtors	44,949	39,173	46,327	40,514
Prepayments and accrued income	90,088	24,196	90,088	24,196
	329,556	241,525	330,934	243,088

MOUNTVIEW ESTATES P.L.C.

NOTES TO THE ACCOUNTS (Continued)

15 DEFERRED TAXATION ASSET

	Mountview Estates		Group	
	P.L.C.			
	1994	1993	1994	1993
	£	£	£	£
Advance Corporation Tax recoverable after more than one year	137,612	159,808	137,612	159,808
	=====	=====	=====	=====

16 CREDITORS: Amounts falling due within one year

Bank overdrafts	8,321,268	5,735,756	8,321,268	5,773,579
Trade creditors	101,008	33,749	101,008	33,767
Current corporation tax	1,838,573	1,651,376	2,098,055	1,957,217
Other taxes and social security costs	294,661	302,757	294,661	302,757
Proposed dividend	550,449	550,449	550,449	550,449
Other creditors	109,200	223,452	115,066	231,153
	-----	-----	-----	-----
	11,215,159	8,497,539	11,480,507	8,848,922
	=====	=====	=====	=====

17 CREDITORS: Amounts falling due after more than one year

Amounts owed to subsidiary undertakings	8,647,747	8,051,606	-	-
	=====	=====	=====	=====

18 SHARE CAPITAL

	1994	1993
	£	£
Authorised:		
5,000,000 ordinary shares of 5p each	250,000	250,000
	=====	=====
Allotted, issued and fully paid		
4,587,075 ordinary shares of 5p each	229,354	229,354
	=====	=====

MOUNTVIEW ESTATES P.L.C.

NOTES TO THE ACCOUNTS (continued)

19. CASHFLOW	1994 £	1993 £
RECONCILIATION OF OPERATING PROFITS TO NET CASH INFLOW FROM OPERATING ACTIVITIES		
Operating profit	7,798,983	7,405,219
Depreciation	26,359	27,198
Loss/(gains) on sale of fixed assets	1,365	(537)
(Increase) in stocks	(6,474,384)	(2,435,858)
(Increase)/decrease in debtors	(87,846)	71,834
Increase/(decrease) in creditors	53,714	(425,453)
	-----	-----
Net cash inflow from operating activities	1,318,191	4,642,403
	=====	=====

20. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING YEAR

Balance at 1 April 1993	(5,621,021)	(6,849,743)
Net cash (outflow)/inflow	(2,619,231)	1,228,722
	-----	-----
Balance at 31 March 1994	(8,240,252)	(5,621,021)
	=====	=====

The balance at 31 March 1994 comprises
the following:

Cash at bank	81,016	152,558
overdrafts	(8,321,268)	(5,773,579)
	-----	-----
	(8,240,252)	(5,621,021)
	=====	=====