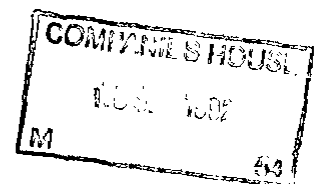


MOUNTVIEW ESTATES P.L.C.
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 1992

CONTENTS

Pages	
1	Directors and advisers
2	Chairman's statement
3 - 5	Directors' report
6	Auditors report
7	Consolidated profit and loss account
8	Balance sheet
9	Profit and loss account
10	Consolidated cash flow statement
11 - 16	Notes to the accounts
17	Detailed profit and loss account
18	Trading account



MOUNTVIEW ESTATES P.L.C.

DIRECTORS AND ADVISERS

Directors

D.M. Sincla [^], 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

Forbes & Son

102 Newgate Street London EC1A 7AP

Registrars and Transfer Office

Barclays Registrars

Bourne House 34 Beckenham Road Beckenham Kent BR3 4TU

Brokers

Brewin, Dolphin & Co. Limited

5 Giltspur Street London EC1A 9BD

MOUNTVIEW ESTATES P.L.C.

CHAIRMAN'S STATEMENT

The profits of £6,558,252 are very satisfactory in what have continued to be very difficult market conditions.

Unfortunately there are no signs of an early or strong recovery in the housing market but the Company has continued to take opportunities to buy good stock at what I am confident will prove to have been historically low prices.

Despite the fall in profits your Board recommend a final dividend of 10p per share increased from 9p last year. This final dividend is payable on 17 August 1992 and with the increased interim dividend of 8p per share paid on 30 March 1992 shows an uplift of 20% from the total of 15p per share paid last year. The dividends are still more than five times covered by the earnings per share of 95.8p and this is a very sound position from which to make further increases when profits resume an upward path.

The newly introduced cashflow statement shows a reduction in our borrowings of £1.8 million and this combined with lower base rates has led to a reduction in interest charges of more than £250,000. Nevertheless the necessary overdraft facilities are available and thus the Company is well placed to further augment its portfolio of properties when the right situations can be found.

My fellow Directors, our established staff and our new recruits have all played their part in helping the Company to progress. Although this progress has yet to manifest itself in increased profits I thank them all for their various contributions in these difficult times.

The London Stock Exchange is planning to introduce a paperless system of buying, selling and holding shares. This system using "electronic records" is known as TAURUS - Transfer and Automated Registration of Uncertificated Stock.

TAURUS should prove to be faster, more accurate, more secure and more reliable than the present system and is essential if the United Kingdom is to continue as the leading European financial centre. Whilst the Company's shares are unlikely to be traded in the TAURUS system until late in 1993 public companies are being encouraged to seek their shareholders' approval at this year's Annual General Meeting for the special resolution which is necessary before a company's shares can be converted into uncertificated form.

In order that this Company can be ready to take its place in the TAURUS system I recommend that you vote in favour of the Special Resolution as set out in the Notice of Meeting.

D.M. SINCLAIR
Chairman

MOUNTVIEW ESTATES P.L.C.

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their Fifty Fifth Annual Report to the Members together with the Statements of Accounts for the year ended 31 March 1992.

1. PROFITS

	1992		1991	
	£	£	£	£
The Net Profits of the Group for the year, after providing for taxation, amounted to		4,392,460		5,324,564
From this sum must be deducted the following dividends:				
Interim 8p per share (1991: 6p per share) already paid	366,966		275,224	
Final 10p per share (1991: 9p per share) recommended by the Directors	<u>458,707</u>		<u>412,836</u>	
		825,673		688,060
Leaving an undistributed profit for the year of		3,566,787		4,636,504
Deduct: Transfer to reserve for property insurance		2,000		2,000
		<u>3,564,787</u>		<u>4,634,504</u>
To this is added the balance brought forward from the previous year		37,458,155		32,823,651
Leaving an unappropriated Group Profit to carry forward of		<u>41,022,942</u>		<u>37,458,155</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 £76,515 consist wholly of motor vehicles and office 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 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.

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 79 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 76 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 1992	31 March 1991
Ordinary shares of 5p each		
D M Sinclair (including the holding by Mrs Pam Sinclair of 204,000)	489,315	489,315
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	606,460
K Langrish-Smith (including the holding by Mrs Elizabeth Langrish-Smith of 216,175)	217,175	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	268,254	5.85
Barclays Bank P.L.C. (non-beneficial)	140,400	3.06
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 BSG 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

17 June 1992

By Order of the Board

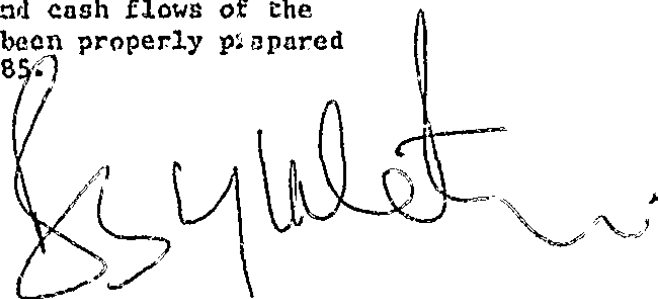
R J Langley

Secretary

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

We have audited the financial statements on pages 7 to 16 in accordance with Auditing Standards.

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 1992 and of the profit and cash flows 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
17 June 1992

BSG VALENTINE
Chartered Accountants
and Registered Auditor

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 1992

	Notes	£	1991 £
TURNOVER	1 (c)	13,705,177	14,147,725
Cost of sales		5,768,341	4,639,023
GROSS PROFIT		7,936,836	9,508,702
Interest receivable		2,492	2,530
		7,939,328	9,511,232
Administrative expenses		719,122	529,538
OPERATING PROFIT	2	7,220,206	8,981,694
Interest payable	5	661,954	912,813
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		6,558,252	8,068,881
Tax on profit on ordinary activities	6	2,165,792	2,744,317
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	7	4,392,460	5,324,564
DIVIDENDS	8	825,673	688,060
		3,566,787	4,636,504
Transfer to reserve for property insurance	9	2,000	2,000
RETAINED PROFIT FOR THE FINANCIAL YEAR		3,564,787	4,634,504
RETAINED PROFIT AT 1 APRIL 1991		37,458,155	32,823,651
UNAPPROPRIATED PROFIT OF GROUP		41,022,942	37,458,155
AMOUNTS RETAINED IN SUBSIDIARY UNDERTAKINGS		8,893,294	8,295,050
* Earnings per share		95.8p	116.1p

* 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 P.L.C.

BALANCE SHEET AS AT 31 MARCH 1992

		Mountview Estates PLC		Group	
	Notes	1992 £	1991 £	1992 £	1991 £
FIXED ASSETS					
Tangible assets	12	76,515	69,350	76,515	69,350
Investments	13	33,640	33,640	-	-
		<u>110,155</u>	<u>102,990</u>	<u>76,515</u>	<u>69,350</u>
CURRENT ASSETS					
Stocks	1(a)	48,356,462	46,487,442	50,711,730	49,345,882
Debtors	14	288,537	345,416	314,922	367,336
Cash at bank and in hand		226,694	44,474	229,882	47,586
		<u>48,871,693</u>	<u>46,873,342</u>	<u>51,256,534</u>	<u>49,760,804</u>
Deferred taxation asset	15	152,902	137,612	152,902	137,612
		<u>49,024,595</u>	<u>47,010,954</u>	<u>51,409,436</u>	<u>49,898,416</u>
CREDITORS: Amounts falling due within one year	16	6,994,493	9,845,544	10,145,396	12,193,998
NET CURRENT ASSETS		<u>42,030,102</u>	<u>37,165,410</u>	<u>41,264,040</u>	<u>37,704,418</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>42,140,257</u>	<u>37,268,400</u>	<u>41,340,555</u>	<u>37,773,768</u>
CREDITORS: Amounts falling due after more than one year	17	9,698,149	7,794,235	-	-
		<u>32,442,108</u>	<u>29,474,165</u>	<u>41,340,555</u>	<u>37,773,768</u>
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	37,800	36,400	54,000	52,000
Profit and loss account		<u>32,129,648</u>	<u>29,163,105</u>	<u>41,022,942</u>	<u>37,458,155</u>
		<u>32,442,108</u>	<u>29,474,165</u>	<u>41,340,555</u>	<u>37,773,768</u>

Approved by the Board on 17 June 1992

D M Sinclair

J. M. Sinclair

Directors

F P Sinclair

F P Sinclair

MOUNTVIEW ESTATES P.L.C.

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 1992

	Notes	1992 £	1991 £
TURNOVER	1 (c)	11,951,726	12,829,386
Cost of sales		<u>4,909,209</u>	<u>4,443,047</u>
GROSS PROFIT		7,042,517	8,386,339
Administrative expenses		<u>716,108</u>	<u>526,446</u>
OPERATING PROFIT	2	6,326,409	7,859,893
Interest payable	5	<u>661,954</u>	<u>912,813</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		5,664,455	6,947,080
Taxation	6	<u>1,870,839</u>	<u>2,362,905</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	7	3,793,616	4,584,175
DIVIDENDS	8	<u>825,673</u>	<u>688,060</u>
		2,967,943	3,896,115
Transfer to reserve for property insurance	9	<u>1,400</u>	<u>1,400</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR		66,543	3,894,715
RETAINED PROFIT AT 1 APRIL 1991		<u>29,163,105</u>	<u>25,268,390</u>
RETAINED PROFIT AT 31 MARCH 1992		<u>32,129,648</u>	<u>29,163,105</u>

MOUNTVIEW ESTATES P.L.C.
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 1992

	Notes	1992	1991
		£	£
OPERATING ACTIVITIES			
Cash inflow/(outflow) from operating activities	19	6,013,334	(1,375,118)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest paid	(623,954)		(837,842)
Dividends paid to shareholders	(779,803)		(619,255)
		<u>(1,403,757)</u>	<u>(1,457,097)</u>
TAXATION			
U.K. corporation tax paid (including advance corporation tax)		(2,772,427)	(3,246,638)
INVESTING ACTIVITIES			
Purchase of tangible fixed assets	(30,057)		(25,563)
Sale of tangible fixed assets	6,000		5,250
		<u>(24,057)</u>	<u>(20,313)</u>
NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING		<u>1,813,093</u>	<u>(6,099,166)</u>
FINANCING		<u>—</u>	<u>—</u>
INCREASE/(DECREASE) IN CASH AND 19 CASH EQUIVALENTS		<u>1,813,093</u>	<u>(6,099,166)</u>

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

(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	
	1992 £	1991 £	1992 £	1991 £
The operating profit is stated after charging:				
Depreciation of tangible fixed assets	16,270	14,531	16,270	14,531
Directors' remuneration	163,663	106,160	163,663	106,160
Auditors' remuneration	11,750	9,400	14,805	12,455
	=====	=====	=====	=====
And after crediting:				
Net rental income	2,727,649	2,185,823	2,946,346	2,387,423
Administrative charges to related companies	17,170	15,380	17,170	15,380
	=====	=====	=====	=====
3 STAFF COSTS (including directors)				
Wages and salaries	295,390	212,468	295,390	212,468
Social security costs	29,519	20,620	29,519	20,620
	=====	=====	=====	=====
	324,909	233,088	324,909	233,088
	=====	=====	=====	=====

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

Office and management	18	16	18	16
-----------------------	----	----	----	----

MOUNTVIEW ESTATES P.L.C.

NOTES TO THE ACCOUNTS (Continued)

4 DIRECTORS' EMOLUMENTS	Mountview Estates P.L.C.		Group	
	1992 £	1991 £	1992 £	1991 £
Chairman	81,832	55,947	81,832	55,947
Highest paid director	-	-	-	-
Directors whose total remuneration was in the range of				
£ 1 - £ 5,000				
No director (1991: 1)	-	3,500	-	3,500
£ 5,001 - £10,000				
1 director (1991: 1)	8,840	7,590	8,840	7,590
£10,001 - £15,000				
1 director (1991: 1)	12,050	11,700	12,050	11,700
£20,001 - £25,000				
1 director (1991: Nil)	21,757	-	21,757	-
£25,001 - £30,000				
No director (1991: 1)	-	27,423	-	27,423
£35,001 - £40,000				
1 director (1991: NIL)	39,184	-	39,184	-
	163,663	106,160	163,663	106,160
=====				
5 INTEREST PAYABLE				
Interest on bank overdrafts	661,954	912,813	661,954	912,813
=====				
6 TAX ON PROFIT ON ORDINARY ACTIVITIES				
The tax charge based on the profits of the year is as follows:				
Corporation tax at 33% (1991: 34%)	1,865,533	2,362,905	2,160,486	2,744,317
Underprovision in previous year	5,306	-	5,306	-
	1,870,839	2,362,905	2,165,792	2,744,317
=====				
7 PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	1992 £	1991 £		
Dealt with in the accounts of the Parent Company	3,793,616	4,584,175		
Dealt with in the accounts of the Subsidiary undertakings	598,844	740,389		
	4,392,460	5,324,564		
=====				

MOUNTVIEW ESTATES P.L.C.

NOTES TO THE ACCOUNTS (Continued)

8	DIVIDENDS	Mountview Estates P.L.C.		Group	
		1992 £	1991 £	1992 £	1991 £
	Dividends on ordinary shares				
	Interim paid 8p per share (1991: 6p per share)	366,966	275,224	366,966	275,224
	Final proposed 10p per share (1991: 9p per share)	458,707	412,836	458,707	412,836
		<u>825,673</u>	<u>688,060</u>	<u>825,673</u>	<u>688,060</u>

9 RESERVE FOR PROPERTY INSURANCE

Balance at 1 April 1991	36,400	35,000	52,000	50,000
Transfer to reserve	1,400	1,400	2,000	2,000
Balance at 31 March 1992	<u>37,800</u>	<u>36,400</u>	<u>54,000</u>	<u>52,000</u>

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.

NOTES TO THE ACCOUNTS (Continued)

12 TANGIBLE FIXED ASSETS

All held by Parent Comp. /	Motor Vehicles £	Office Equipment £	Total £
Cost			
1 April 1991	83,187	16,220	99,407
Additions	29,615	1,020	30,635
Disposals	(9,000)	-	(9,000)
31 March 1992	103,802	17,240	121,042
Depreciation			
1 April 1991	28,060	1,997	30,057
Charge for the year	15,508	732	16,270
Withdrawn following disposal	(1,800)	-	(1,800)
31 March 1992	41,768	2,759	44,527
Written down values			
31 March 1992	62,034	14,481	76,515
31 March 1991	55,127	14,223	69,350

13 INVESTMENTS

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

Share Capital

	Authorised		Issued		Cost
	1992	1991	1992	1991	£
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	
	1992 £	1991 £	1992 £	1991 £
Trade debtors	250,246	329,347	275,031	350,677
Other debtors	27,911	1,481	29,511	2,081
Prepayments and accrued income	10,380	14,578	10,380	14,578
	288,537	345,406	314,922	367,336

MOUNTVIEW ESTATES P.L.C.

NOTES TO THE ACCOUNTS (Continued)

15 DEFERRED TAXATION ASSET

	Mountview Estates P.L.C.		Group	
	1992 £	1991 £	1992 £	1991 £
Advance Corporation Tax recoverable after more than one year	152,902	137,612	152,902	137,612
	=====			

16 CREDITORS: Amounts falling due
within one year

Bank overdrafts	4,230,888	6,749,149	7,079,625	8,710,422
Trade creditors	56,007	92,554	59,713	94,915
Current corporation tax	1,605,281	2,156,356	1,900,234	2,537,768
Other taxes and social security costs	224,423	241,603	294,423	241,603
Proposed dividend	458,707	412,836	458,707	412,836
Other creditors	349,187	193,046	352,694	196,454
	6,994,493	9,845,544	10,145,396	12,193,998
	=====			

17 CREDITORS: Amounts falling due
after more than one year

Amounts owed to subsidiary undertakings	9,698,149	7,794,235	-	-
	=====			

18 SHARE CAPITAL

	1992 £	1991 £
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

1992
£1991
£RECONCILIATION OF TRADING PROFITS TO NET CASH INFLOW/(OUTFLOW)
FROM OPERATING ACTIVITIES

Operating profit	7,220,206	8,981,694
Depreciation	16,270	14,531
Loss on sale of fixed assets	1,199	240
(Increase) in stocks	(1,365,848)	(10,240,784)
Decrease/(Increase) in debtors	52,414	(107,735)
Increase/(Decrease) in creditors	89,093	(23,064)
Net cash inflow/(outflow) from operating activities	6,013,334	(1,375,118)

CHANGES IN CASH AND CASH EQUIVALENTS DURING YEAR

Balance at 1 April 1991	(8,662,836)	(2,563,670)
Net cash inflow/(outflow)	1,813,093	(6,099,166)
Balance at 31 March 1992	(6,849,743)	(8,662,836)

The balance at 31 March 1992 comprises the following:

Cash at bank	229,882	47,586
Overdrafts	(7,079,625)	(8,710,422)
	(6,849,743)	(8,662,836)

20 CONTINGENT LIABILITY

The Company has guaranteed a bank overdraft facility of a subsidiary undertaking to the extent of £3,000,000.