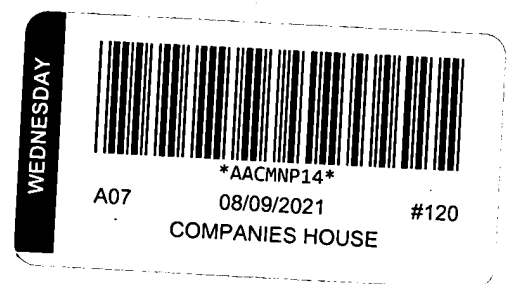


Co. NUMBER 00328020



Mountview Estates P.L.C.

Annual Report and Accounts 2021

About Us

Mountview Estates 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 in England and Wales and sells such property when it becomes vacant.

Our Performance

Revenue ↑1.2% £65.7m (2020: £64.9m)	Gross Profit ↑4.3% £43.2m (2020: £41.4m)	Profit before Tax ↑9.2% £38.1m (2020: £34.9m)	Profit before Tax <small>*excluding Investment Properties Revaluation</small> ↑2.2% £36.7m (2020: £35.9m)
Shareholders' Equity ↑4.0% £394.9m (2020: £379.6m)	Earnings per Share ↑9.2% 792.3p (2020: 725.7p)	Net Assets per Share ↑4.0% £101.3 (2020: £97.4)	Dividend per Share ↑6.3% 425p (2020: 400p)

STRATEGIC REPORT

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 225 pence per share are as follows:

Ex dividend date 8 July 2021

Record date 9 July 2021

Payment date 16 August 2021

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Chairman's Statement

Dear Shareholder,

INTRODUCTION

In this most unusual of times Mountview has delivered an improved result for the year. This is despite the effect of the lockdown restrictions in the first part of the year which meant that our interim results showed decreases across our main indicators. As we describe further in our note on our operational response to Covid-19, the half year shortfall was primarily due to backlogs of four to six weeks that built up in the sales chain and were commensurate with the half year fall in turnover. From this starting point we owe a huge debt of gratitude to all at Mountview, and in particular to the Executive Directors who guided our teams during this time, who worked to recoup much of that backlog, and in doing so overturn the first half shortfalls, in the second half year.

As we note on page 87, we are currently planning to be able to welcome our shareholders back to a more conventional AGM this year, though we remain mindful that circumstances can change quickly. Should this be necessary then we will make announcements through the usual channels.

OPERATIONAL PERFORMANCE

Throughout the pandemic we had two guiding principles – to protect the health and wellbeing of our staff and to serve our tenants and other stakeholders in as seamless a way as possible. While it has been a difficult year and many of us have suffered in so many ways there have also been some positives. Our teams have developed and mastered new ways of working and fulfilling their responsibilities which without the prompt of the pandemic, we may never have considered. We will probably adopt some of these innovations into normal practice once restrictions are lifted.

During this period, the Executives worked closely with their teams to ensure that changes introduced did not impinge on the quality of the work performed, and they reported back to the Board on successes and on the challenges they faced. Throughout the year, the Board supported them in their work.

As Duncan describes in more detail in his statement, we believe that it is the right thing to do to share the benefits of what has been a remarkable performance with the staff who helped deliver it and with our shareholders.

PEOPLE

As noted above, our teams have shown agility, adaptability and creativity during the year that not only helped navigate the pandemic, but will also lead to improvements in our operations going forward. On behalf of the Board I would like to thank everyone at Mountview for their dedication, skills and hard work that have allowed us to produce this solid set of results. Further information about employee engagement can be found in the Review of Operations and the Directors' Report.

THE COMING YEAR

In a recent ICAEW webinar on Business Resilience the presenters noted that the key characteristics found in resilient companies were leadership, resourcefulness and adaptive capacity. The response of the Mountview teams to the pandemic has demonstrated that these are qualities we possess and which we can build on. Taken together with our strong financial position and conservative gearing, then as we look ahead to 2021/22 and beyond, we believe that the business is well positioned to respond, however the markets evolve in the coming months and as the various support mechanisms unwind. The results from early auctions in the current year are promising and, thus, we are hopeful that we will be able to continue to acquire new stock to sustain the business going forward.



A. W. Powell
Non-Executive Chairman
6 July 2021

Chief Executive's Statement

Dear Shareholder,

I finished this statement last year by saying "I look forward to writing this statement in more normal times next year". It is now "next year" and whilst some of the post-Brexit problems have been solved and the wonderful vaccination programme is letting us live in less fear of Covid-19, nevertheless the escape and recovery from the Covid-19 constraints and the damage they did to the economy will be with us for some time.

We have not had to furlough any staff nor have we made anyone redundant and our only benefit from any government action has been the stamp duty holiday. As such we may be considered lucky and we are not in a business that has been closed down to protect us from the pandemic, but I believe that we have made our own luck at least in part. There has always been at least one accountant at the helm of this business and the years of financial prudence have ensured that we always operate within our means and we have been able to weather the bureaucratic delays caused by the pandemic.

All our performance indicators show an upward trend, in particular Profit before Tax and Earnings per Share show increases of 9.2%, and we feel able to recommend an increase of 12.5% in the Final Dividend from 200 pence to 225 pence per share subject to shareholder approval at the Annual General Meeting on 11 August 2021.

When Frank and Irving Sinclair started Mountview 84 years ago I am sure that one of their primary objectives was to enhance the lifestyle of their families. Nearly 75% of the shares in issue are still held by the Sinclair family in their various names and I am confident that they still benefit as the founding fathers intended. Similarly those who have become shareholders since we got our Stock Exchange listing in 1960 will have benefitted on an equal basis.

We are very happy that many of our staff have been with us for a long time. They have adapted well to the difficult circumstances of the last financial year and our good results are a testimony to their hard work.

Whilst we may applaud the government's efforts to provide the finance to help the country survive the Covid crisis we have been warned that this will have to be repaid. Our staff may be considered lucky to have continued in full-time employment but we are concerned that they should be protected from the effects of repaying what may be considered to be other people's debts.

In paying enhanced bonuses and giving basic pay rises above the national norm we have considered not only performance but also length of service and we have tried to give protection to the most vulnerable. Nevertheless it is vital that the whole workforce should benefit.

We made good purchases during the year ended 31 March 2021 and have continued to do so since, and I am confident that we will continue to source good opportunities. We only increase the dividend when we are confident of maintaining that increase and, indeed, I look forward to being able to announce a future increase in dividend.

The Final Dividend, if approved at the Annual General Meeting, will be payable on 16 August 2021 to shareholders on the register at 9 July 2021.



D.M. Sinclair
Chief Executive Officer
6 July 2021

Our purpose and how we operate

Mountview's core purpose is to acquire and maintain regulated tenancy residential property providing below market rent accommodation for our tenants until we get vacant possession when we sell such properties. In meeting this purpose, the Group has a long established strategy, business model and set of operating procedures. All these have been developed and refined by marrying the values of the founders and the knowledge and experience of our Executives and staff with the evolving environment that we operate in. The strategy and business model are reviewed annually and discussed with major shareholders, the majority of whom have confirmed their support for the Company to continue to operate unchanged.

Our key strengths that underpin our culture and support our continuing success are:

- Our team's experience and knowledge of their sector and the communities we operate in
- A long-term view, underpinned by family values
- A conservative approach to financing, and management of our cost base
- Investing responsibly to maintain our existing assets and acquire new assets
- Operating responsibly in the communities we serve

This purpose and our values have served us well during the Covid-19 pandemic, its lockdowns and periods of relaxation of restrictions. For example, as we describe more fully in our notes on Covid-19 (page 15) the needs of different stakeholder groups were often conflicting forcing a re-think of how we work. Our responses drew on:

- the long experience of our staff in both the Group and the markets aligned with
- creativity, as we adapted our work to the changed circumstance, followed by
- learning and continuous improvement as we implemented changed processes and
- communications with affected stakeholder groups so that they understood what was being done and why.

CORPORATE RESPONSIBILITY:

The Group recognises that it has a role that extends beyond the direct legal and financial obligations that follow from carrying out its day to day operations for example into wider societal and environmental (ESG) areas that are of concern to the UK as a whole and where collective action is needed to address current and emerging issues. We note below and elsewhere in this report examples of how we view these responsibilities and the steps we have taken to build them into our day to day activities:

GOVERNANCE:

The Board has responsibility for overseeing the adoption of ESG considerations into our decision making and our day to day operations. For example, when making investment decisions environmental considerations and community impact form a part of the due diligence process. Similar considerations apply to routine operational questions that are delegated to our teams – including, when needed, an escalation process to have proposed courses of action considered by the Executives or the Board. ESG matters identified or escalated, are reported by exception to the Board and considered during our discussion of risks facing the business.

STAKEHOLDERS AND SOCIAL AND COMMUNITY ISSUES:

We describe on page 13 our section 172 Statement, how and where we engage with our wider stakeholder group and our impact on local communities – for example through seeking local contractors where possible to aid proximity between suppliers and tenants and retain the economic benefits within the local community.

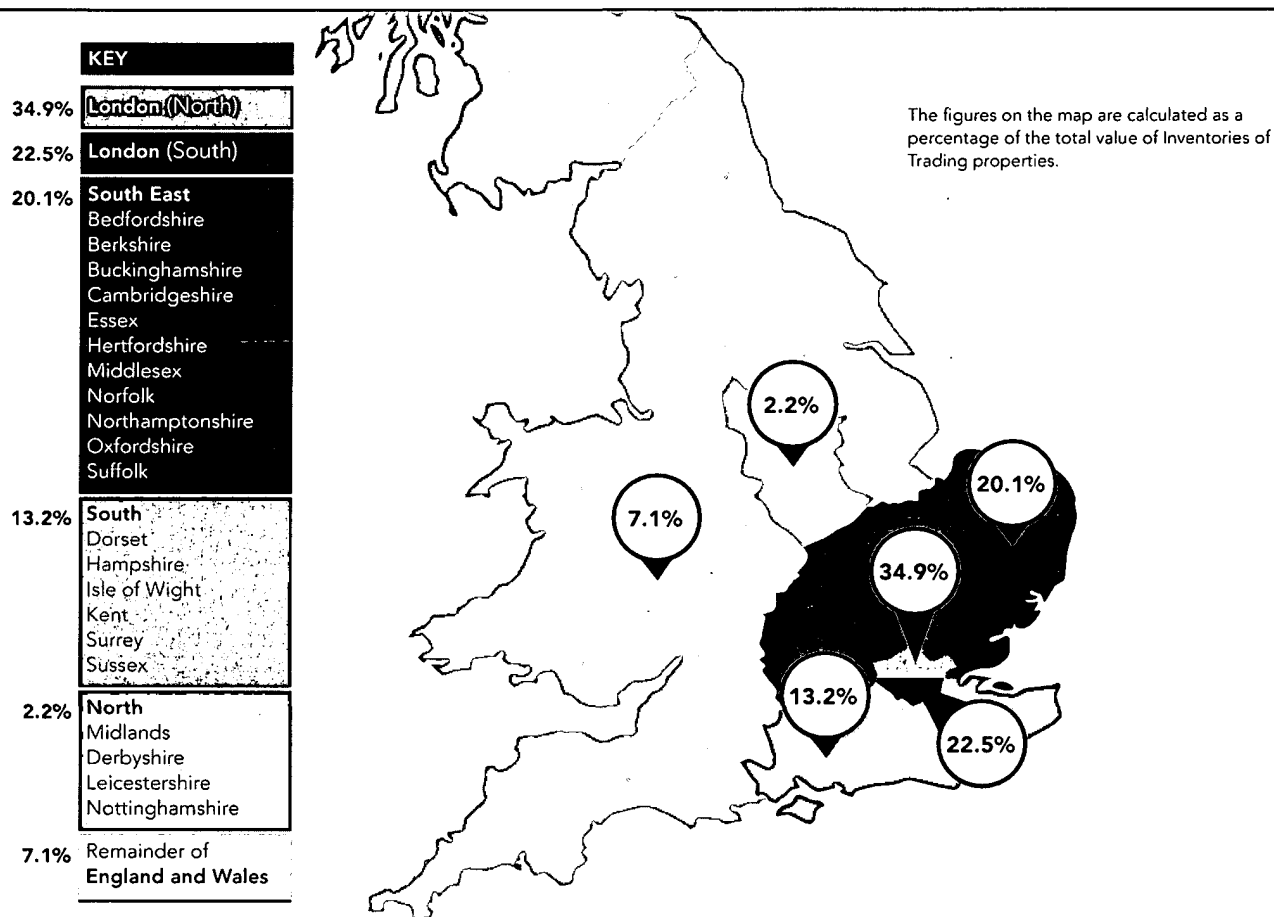
Our approach to employee engagement, training and diversity matters is set out in the Directors' Report on page 22.

Given the size of the Group and the nature of its business as a property trading company, the Group has developed informal approaches to social, human rights or community issues, that are based on our values and which are reflected in our staff manual and also our supplier code of conduct, but without being converted into formal umbrella policies.

THE ENVIRONMENT:

Similarly, for the environment, as explained more fully on page 22, we adopt practices aimed at reducing our environmental impact and thus contributing to addressing climate change. We use sustainable energy suppliers where possible and promote the use of eco products and recycling in our operations. However, as our total carbon footprint is minute in a UK context (see our Carbon report on pages 20 and 21) we have not converted these principles into a formal policy. We keep this under review, including during discussion of risk at Board meetings, and should we conclude that, from either internal or external sources, formal policies are warranted we would develop and adopt them.

Where we Operate



Review of Operations

The Group's strategy and business model is simple. We are a property trading company that buys tenanted properties at a discount to estimated 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 tenancy residential units
- Assured tenancy residential units
- Life tenancy residential units
- Freehold and leasehold ground rent units

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

Revenue

£65.7m

(2020: £64.9m)

Gross Profit

£43.2m

(2020: £41.4m)

Analysis of the Group Trading portfolio by type as at 31 March 2021

	No. of units	Cost £m
Regulated, Assured Shorthold tenancies, & Other	1,898	321.31
Assured tenancies	253	36.71
Life tenancies	227	32.68
Freehold & leasehold ground rents	1,162	7.47

Review of Operations *(Continued)*

Analysis of the Group Trading portfolio at the lower of cost and estimated net realisable value by geographical location as at 31 March 2021

	Regulated, Assured Shorthold tenancies, Assured tenancies & other £m	Life tenancies £m	Ground rents £m	Portfolio %
London (North)	132.13	0.55	6.30	34.90
London (South)	73.63	15.09	0.84	22.49
Bedfordshire, Berkshire, Buckinghamshire, Cambridgeshire, Essex, Hertfordshire, Middlesex, Norfolk, Northamptonshire, Oxfordshire, Suffolk	74.64	5.11	0.16	20.07
Dorset, Hampshire, Isle of Wight, Kent, Surrey, Sussex	47.05	5.60	0.07	13.24
Midlands, Derbyshire, Leicestershire, Nottinghamshire	8.17	0.52	0.10	2.21
Remainder of England and Wales	22.40	5.81	–	7.09

VACANT PROPERTIES

The number of properties which were vacant and their status at the end of the financial year are set out below.

	31.03.21	31.03.20
Exchanged and due for completion	13	21
Under offer	17	29
Marketed by private treaty	12	7
Marketed for rent	2	0
Scheduled for Auction	6	6
Not self contained/requiring remedial works	10	4
Legal and insurance issues	11	8
Properties to be inspected	2	0
	73	75

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 properties. The former, which are characterised by rental returns below market value, are becoming increasingly short in supply. Since the Housing Act 1988 no new regulated 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 the Group. We carry out regular checks to ensure that all properties are maintained in good condition.

During the financial year we achieved sales of £46.7 million (2020: £45.7 million), demonstrating the liquidity of the Portfolio. The average sales price achieved was £291,706 (2020: £274,000).

The sales figure of £46.7 million includes an amount of £975,000 for a lease extension on one property.

The Group's sales for financial years 2021 and 2020 are set out below

Sales	2021 £m	2020 £m
Gross sales of properties	46.67	45.65
Cost of properties sold	17.81	17.69

Sales price range – 2021	No of units	Sales price £m	Location
1 million +	1	1.5	London & South East
500,000 – 1 million	15	11.1	London & South East
below 500,000	144	34.1	London & others

Sales price range – 2020	No of units	Sales price £m	Location
1 million +	1	2.0	London & South East
500,000 – 1 million	15	10.7	London & South East
below 500,000	151	33.0	London & others

Further information is provided in Note 4 to the Consolidated Financial Statements on page 58.

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 becomes 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 predominantly sold by private treaty.

The Group's 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, in its current condition, were to be vacant at the date of the balance sheet.

ANALYSIS OF ACQUISITIONS

The Group's acquisitions for financial years 2021 and 2020 are set out below. The analysis does not include legal and commission expenses directly related to the acquisition of properties or any repairs of a capital nature.

Year ended 31 March 2021	No. of units	Cost £m
Regulated, ASTs, and other	68	21.16
Assured tenancies	4	0.24
Life tenancies	4	0.27
Leasehold ground rents	6	0.01
Ground rents created	16	–
Total	98	21.68

Not included in the above table:

Assured tenancies created	16
---------------------------	----

THE TABLE ABOVE INCLUDES THE FOLLOWING:

Portfolios	No. of units	Cost £m
Summer Portfolio	53	16.05

The portfolio comprised 53 regulated tenancies.

Year ended 31 March 2020	No. of units	Cost £m
Regulated, ASTs, and other	38	13.08
Assured tenancies	5	1.30
Life tenancies	2	0.24
Leasehold ground rents	5	0.80
Ground rents created	7	–
Total	57	15.42

Review of Operations *(Continued)*

Not included in the above table:

Assured tenancies created	13
---------------------------	----

THE TABLE ABOVE INCLUDES THE FOLLOWING:

Portfolios	No. of units	Cost £m
LONDON 20 Portfolio	6	1.77

The portfolio comprised 6 regulated tenancies.

	No. of units	Cost £m
Leyton Portfolio	10	4.00

The portfolio comprised 10 regulated tenancies.

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, after discussing proposals with the tenant, installing services and amenities that have been lacking in the past can both improve conditions for our tenants and lead to an 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 58.

SUMMARY PROSPECTS FOR THE GROUP

This time last year we were still getting to grips with the short and potential longer term impact that Covid-19 may have had on the business. In the event, after an initial slowing down of transaction flow as the various players in the sales chain adapted and reorganised to operate under lockdown, we have largely caught up our backlog of property sales. As can be seen above, we have also been able to take advantage of good purchasing opportunities – both for portfolios and for individual properties coming onto the market.

During 2020-21, the professional knowledge and skills of our compact team ensured that, as well as overseeing a healthy sales stream, we were able to purchase properties for a total of £21.68 million. In the process we have learned how to do this under lockdown conditions meaning that however the pandemic evolves we are confident of being able to sustain both our purchase and sales activities.

Thus, looking ahead we believe that we are well placed to continue rental and property sales activities and that we will identify similar purchase opportunities in the coming months. Our strength is based on a tight focus on our core business of regulated tenancies together with a prudent operational approach. We have kept gearing low.

Since the end of the financial year we have continued to sell and purchase properties through auctions 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 future.

INVESTMENT COMPANIES

The analysis of the investment portfolio as at 31 March 2021 is as follows:

	2021	2020
Louise Goodwin Limited	27 units	27 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.

Louise Goodwin Limited and A.L.G. Properties Limited 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.

We will continue to maintain our strategy for the investment portfolio, deriving rental income in the short to medium term and capital through sales during favourable market conditions. During the year there were no sales of investment properties (2020: 4 units for £4.195 million). We are prepared to refurbish the properties and sell them by private treaty to purchasers who actively seek homes in this area.

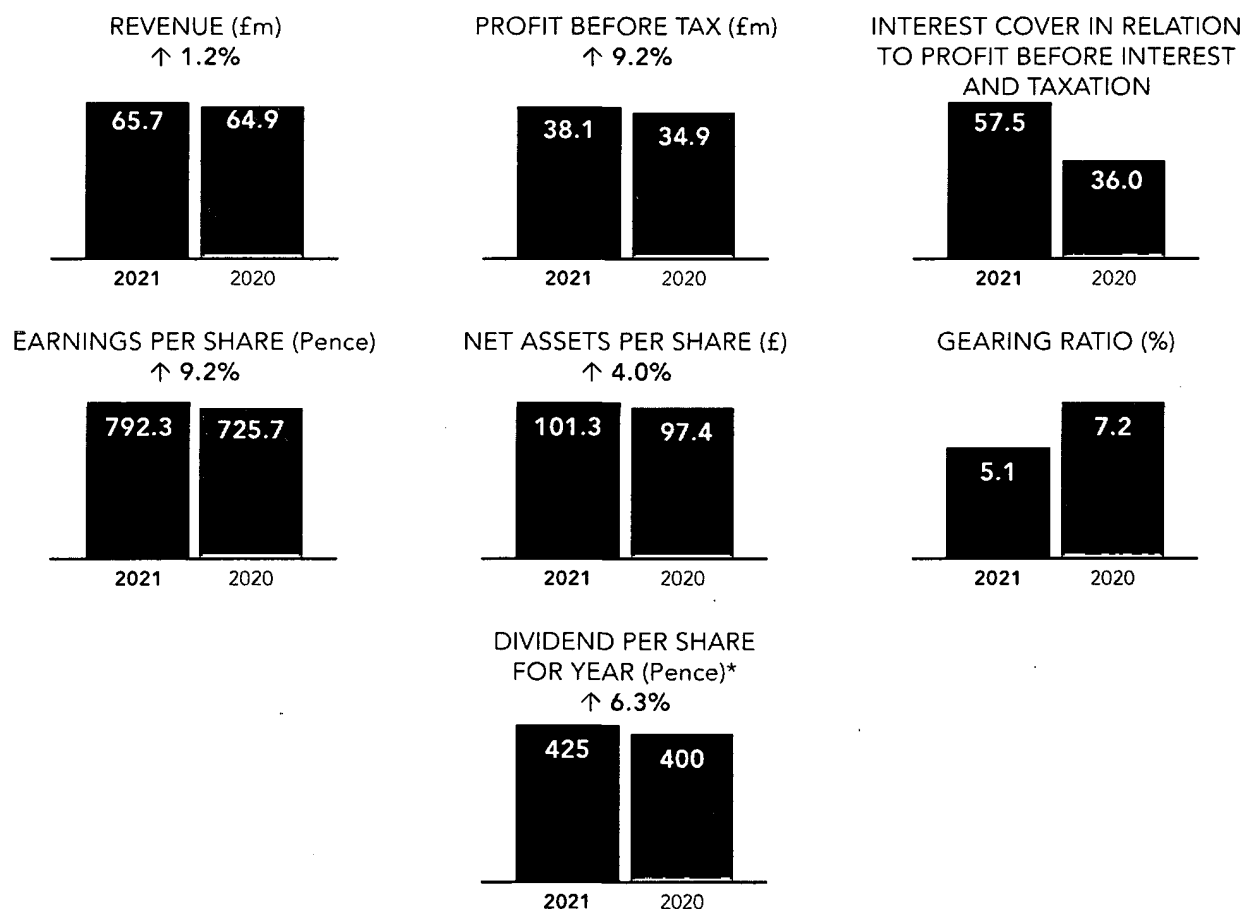
The valuation of the investment portfolio increased during the year by £1,452,000 (2020: decreased £969,000). The properties within the investment portfolio have been revalued externally for the purpose of these accounts. The value attributed to each individual property reflects the change in its condition where appropriate and any adjustment resulting from changes in market circumstances including the impact of Covid-19.

Details of the valuation of the investment portfolio are disclosed in Note 13 to the Consolidated Financial Statement on page 62.

REVIEW OF BUSINESS AND PRINCIPAL RISKS

Details of the Group's performance during the year and expected future developments are contained in the Chief Executive's and Chairman's Statements as well as this Strategic Report. The Group has the following Financial Key Performance Indicators:

FINANCIAL KEY PERFORMANCE INDICATORS



* Subject to the approval by shareholders of final dividend of 225 pence at the 2021 Annual General Meeting

Review of Operations *(Continued)*

NON FINANCIAL METRICS:

The Group's drivers of their main source of revenues and profit arising in the current year – sales on vacant possession – are beyond the control of the Group as they are in turn driven by factors that are outside the Group's control: the timing of vacant possession, the location and thus market price of properties disposed of, the original purchase date and price of the properties sold and the current market appetite for the properties that are sold.

Consequently, in view of this and the stable and long standing nature of the Group's business model and operating procedures, and the very close involvement of the Executive Directors in the day to day operations of the business, the Group has not developed and does not use non-financial indicators as the Executive Directors believe that they would not add to the Group's ability to manage the business day to day.

The Board do receive regular updates from the Executive Directors and also from the heads of department who report on salient matters arising in their areas of responsibility and on their programme of upcoming routine and project work. These reports do not contain standard recurring statistics focusing instead on immediate matters for consideration that vary meeting to meeting.

RISK REVIEW – PRINCIPAL RISKS AND UNCERTAINTIES RISKS POSED BY COVID-19

In our 2020 Annual Report we specifically considered risk by risk the possible impact that Covid-19 could have on the business. In the event, for the most part these risks did not materialise and while initially there were delays while other providers and professionals in our supply chains re-organised to work within the restrictions placed by the Government's response to the virus, once revised working process were established these delays were reduced. By the end of the year the revised working practices introduced by the Group and its suppliers meant that business activity was back up towards pre-pandemic levels of performance. The exception was in relation to risk 7 – Operations and Property Maintenance where some tenants were reluctant to allow contractors or inspectors into their homes due to their personal circumstances. We respected these wishes so only essential work was carried out by contractors who abided by our Covid 19-secure regime. Throughout we have remained in contact with affected tenants to identify when there may be changes that might permit non-essential works to be carried out and we are hopeful that with the advent of the vaccines that we will be able to catch up this backlog in the

coming year.

As a result for this year we have removed the specific references to Covid-19 from the commentary on the underlying risks. A fuller note of our approach to our work during the pandemic, including risk management, is contained in the separate note on Covid-19. This position will be kept under constant review.

1. TRADING STOCK – REGULATED TENANCIES

RISK

Reduced opportunity to replace asset sales of vacant properties due to the reducing number of regulated tenancies available for purchase.

MITIGATION

The Group has developed clear criteria that are applied when considering asset purchases. Using these, the Group has performed creditably in replacing this class of assets in the year ended 31 March 2021, with good purchasing again during the year. The 'Analysis of Acquisitions' is on page 7.

2. MARKET

RISK

Weak macro-economic conditions – for example arising from bedding in of the UK's trade deal with the EU or the longer term impact of Covid-19.

MITIGATION

The Group's exposure is weighted towards the stronger London and South East markets and this geographical area has over the long term consistently been an above-average performer.

3. FINANCIAL

RISK

Reduced availability of financing options resulting in inability to meet business plans.

MITIGATION

The Group monitors its bank accounts and loans closely to maintain sufficient capacity. We review our loan facilities regularly. The Group is conservatively geared and operates well within financial covenants. Financial Key Performance indicators are on page 9. Details of the Group's current facilities are set out in Note 18 on pages 64 and 65.

4. DIVIDENDS

RISK

The Group seeks to provide shareholders with good returns on their investment. This aim could be put at risk if the Group was unable to sustain the level of dividends for any reason.

MITIGATION

We carefully monitor our strategy and our results in order to identify any risk to dividend levels.

The Group maintains a strong balance sheet. With appropriate banking facilities, we are able to maintain our trading stock by taking advantage of purchasing opportunities when they occur.

5. PEOPLE

RISK

Capacity to maintain strategy is compromised due to inability to attract and retain suitably experienced employees.

MITIGATION

Mountview employs a relatively small workforce which accommodates personal interaction at all levels.

The Company has a stringent recruitment process to ensure we employ appropriately skilled staff. We carry out regular appraisals and offer employees opportunities for training and development courses. The Company has a good record of long-term service, a great number of our employees have worked for the group for over 10 years. Details of employees and diversity are set out in Notes 9 and 10 of the Directors' Report on page 22.

6. REGULATORY

RISK

Risk of not meeting new or changed regulatory requirements and obligations that affect the Group's business activities and could lead to fines or penalties.

MITIGATION

The Group engages in close working relationships with appropriate authorities and advisers to ensure it meets its obligations.

7. OPERATIONS AND PROPERTY MAINTENANCE

RISK

Legal action against the Group for failure to meet its obligations under property management and safety legislation.

MITIGATION

In addition to its own regular inspections, the Group engages professional external companies to undertake health and safety, gas and electrical checks, fire risk assessments, etc to ensure we meet our commitments as employers and landlords. Our staff receive regular training to ensure their skills are kept up to date.

Our Compliance Officer monitors our performance against existing regulations and tracks and prepares for new requirements as they are published.

8. CLIMATE

RISK

The impact on the Group of climate related matters. For example changing weather patterns, including extreme weather events, that could lead to increased wear and tear or other property damage.

MITIGATION

The regular inspections noted above provide the Group with opportunities to identify properties that may be at risk which would be considered for more frequent inspections. Due diligence for purchases aims to identify properties with higher than normal inherent risks for flooding or other water risks.

EMERGING RISK

As well as monitoring the incidence of currently identified risks we also look for emerging trends in operations that could become active risks. In addition, we carry out horizon scanning through our network of stakeholders, notably our advisers, and also by reviewing published emerging risk reports.

THE OVERALL RISK ENVIRONMENT

Given Mountview's business model and financial strength, while any risks materialising could well have a negative impact on short term performance, and lead to inconvenience, none are significant enough to threaten the continued existence of the Group. We are confident that we can meet our strategic and operational goals and in particular are in a strong position to take advantage of purchasing opportunities as they arise. Risks are considered to be broadly unchanged from 2020 with moderate assessments for both probability of occurrence and impact.

These principal risks were part of the Group's assessment of long term viability, details of which are set out in the viability statement on page 12.

Review of Operations *(Continued)*

VIABILITY STATEMENT

In accordance with the 2018 UK Corporate Governance Code (the Code) the Board has assessed the prospects of the Group over a longer period than the 12 months required by the 'Going Concern' provision. The Directors have assessed the viability of the Group over the three year period to 31 March 2024 and conducted this review taking account of the Group's current financial position, longer term strategy, principal risks and future prospects and plans.

A three year period is considered appropriate for the assessment as it corresponds with the Group's internal planning period and, in addition the term of the debt facilities supports an assessment over this period.

The strategy of the business is set at Group level and is reviewed throughout the year at Board meetings in the light of market conditions and investment opportunities. This strategy is based on a tight focus on our core business of regulated tenancies, together with a prudent approach to key financial ratios and funding requirements. The Board has developed a matrix of risks which it considers at each meeting. The principal operational risks faced by the Group and their mitigation are described on pages 10 and 11. The Group's Financial Risk Management Objectives and Policies are shown in Note 3 on pages 57 and 58 Notes to the Consolidated Financial Statements. The consolidated risk register is maintained by the Audit and Risk Committee as described in the Report of the Audit and Risk Committee on page 34.

In assessing viability, the Directors considered the principal risks (see pages 10 and 11) in severe but plausible scenarios up to and including double digit impacts on revenue streams, costs and interest, their potential impact and how to manage them. In the current year this again included scenarios reflecting different durations and impacts of Covid-19 and the related Government's restrictions.

On the basis of this and other matters considered and reviewed by the Board during the year, the Board confirms that it has reasonable expectations that the Group will be able to continue in operation and meet its liabilities as they fall due over the three year period used for the assessments. The Directors consider the following factors to be key to this assessment:

- The Group's properties are attractive to a broad constituency of buyers and can be marketed through different channels if needed
- The Group's rental income is sufficient to cover expenses in the event of market illiquidity
- The Group has strong reserves and low indebtedness, which would enable it to take profitable advantage of adverse market conditions
- The Group maintains contingency and succession planning covering the unexpected absence of key members of staff.

Given Mountview's strong financial position each of the Directors considers that the Group is well positioned to take advantage of both favourable and adverse market conditions. The Group also has adequate banking facilities in place over a spread of maturities which could be renegotiated, augmented or replaced if necessary within the required timescales.

SECTION 172 STATEMENT RELATIONS WITH SHAREHOLDERS AND OTHER STAKEHOLDERS

The Board recognises that effective engagement with our stakeholders is a key part of our operations and meeting our strategy. Following the increased profile given to stakeholder engagement associated with the 2018 Code, and in support of the matters set out in Section 172(1) of the Companies Act 2006 we have reviewed our stakeholder groups and for each major group codified how we engage with them. This work has created a clear framework for the Board to work with when taking material decisions as it provides a checklist to ensure we identify and consider those who could be affected. The listing below shows the different groups and outlines the nature of our engagement with them.

Intuitively the Board has for many years taken account of the various stakeholder groups when considering major decisions. The framework provides us with a tool to help ensure that in major decisions we do consider the relevant stakeholder groups, and has been used during the year, for example:

- Acquisition of properties when offered portfolios and considering which properties we make an offer on;
- Maintenance in deciding on the scope of works and the contractors to engage;
- Other financial decisions for example those related to remuneration of all staff, dividends and banking facilities needed; and
- Planning and agreeing the Group's response to the Covid-19 pandemic including the impact on staff, tenants and other stakeholder groups as described on pages 15 and 16.

The majority of decisions which involve stakeholders are operational in nature and are delegated down to the teams dealing with the individual stakeholder groups to ensure timely responses to questions or issues raised. As described elsewhere the Board gets regular updates from the heads of department both through the executives and in writing. In rare cases, for example if the needs of different stakeholder groups, including environmental considerations, are not aligned and time is not a critical factor, these decisions may be referred to the Executive Directors or the Board for consideration or endorsement of proposed action.

The Board keeps our stakeholder framework under regular review and updates as we identify new groups or changes to the nature, scope or extent of engagement with existing groups.

STAKEHOLDER GROUPS AND NATURE OF OUR ENGAGEMENT:

Engagement with all stakeholder groups has been modified since the start of the pandemic meaning that face to face contact has been rare, relying instead on technological means for remote contact to sustain the relationships at the necessary level. Our teams, and our customers and suppliers have adapted to this and developed working practices that have limited direct contact to cases where it is unavoidable. These new processes have become effective operationally and, we believe, effective in managing Covid-19 risks. Throughout, communications has been the watchword and have assisted in ensuring that stakeholder needs are properly understood and taken into account when making decisions. As noted in our commentary on Our purpose and how we operate on page 4 and also the section on our operational response to Covid-19 there were occasions where the needs of different groups conflicted and a decision was needed that would not fully satisfy all parties. In taking these decisions the overall safety of the groups affected has been the primary consideration in reaching our eventual course of action.

1. SHAREHOLDERS

- In addition to reporting formal financial results twice a year, the AGM presentation and discussion and regulatory announcements throughout the year, the Chairman and other members of the Board hold ad hoc meetings or calls on request with shareholders. This includes annual discussions with the major shareholders to gather their views on the company strategy and business model. Shareholders of all sizes contact us throughout the year by letter, phone or e-mail. We respond to questions on an individual basis or by regulatory announcements depending on the nature of questions asked. A summary of the matters covered in all contact with shareholders – which in 2020-21 has been primarily by phone or other electronic means – is given to the Board at the next available meeting after the discussion or contact.

2. EMPLOYEES

- Section 9 in the Directors' report explains the arrangements in place to enable the Company's staff to engage with the Board. Given the size of the Company's workforce, rather than adopting one of the methods of engagement in provision 5 of the Code, the Board reviewed and determined that the current arrangements are sufficient.

Review of Operations (Continued)

3. CONTRACTORS AND SUPPLIERS

- All contractors are subject to thorough review by our property management team when first appointed and periodically thereafter. All contractors must sign up to our Contractor Code of Conduct. Similarly, all consultants or advisers are subject to review by the Board before appointment. Major appointments – such as the Auditors are subject to a formal tender process and annual appointment. Regular contact between the part of the business that engages the contractor/supplier means that we are able to provide and receive feedback to improve the level of service going forward.

4. FUNDERS – BANKS

- The CFO holds regular meetings with our principal banks. At the time that facilities are renewed the CEO and CFO negotiate the new agreement.

5. CUSTOMERS – TENANTS AND BUYERS REGULATED TENANCIES

- These tenants form the bulk of our 'customers'. We engage with them periodically in relation to services in the properties, and when necessary to ensure our compliance with all obligations. As described in the section on our operational response to Covid-19 on page 15, contact with some of these tenants has been modified during the pandemic to reflect and respect their individual wishes and circumstances.

OTHER TENANCIES

- Day-to-day engagement with these tenants tends to be through the property management team in relation to maintenance or the renewals team when tenancies are up for renewal. As with the regulated tenants, our contact has been modified during the pandemic.

BUYERS AT VACANT POSSESSION

- These buyers tend to be one-off purchases so that we do not have on-going relationships with buyers. We maintain a close working relationship with the auction houses and estate agents through whom we sell properties.

6. CORPORATE REGULATORY BODIES

- This group includes the Financial Reporting Council (FRC), the Financial Conduct Authority (FCA) and others who are responsible for developments relevant to our listing and reporting to our shareholders and others. Their role includes changes in law, accounting and auditing standards and any other relevant matters. We regularly review issuers websites to remain informed on changes to regulation; similarly our various external advisers also alert us to developments that they believe should be brought to our attention. These reviews will be followed by ad hoc contact as and when needed for clarification. As described in the Audit and Risk Committee report, we also assist, when requested, in the periodic quality reviews carried out by the FRC and others.

7. OPERATIONAL REGULATORY BODIES

- These bodies include the Gas Safe Register, the Health and Safety Executive, The Environment Agency and others. For all, in addition to responding to periodic updates, we monitor their websites to remain current on changes to regulation for their application to Mountview, followed by ad hoc contact as and when needed for clarification. We have appointed an external consultant to provide Mountview with its own Health and Safety policy which our contractors agree to abide by. This is monitored by the external consultant.

8. LOCAL GOVERNMENT

- We liaise with various local Government bodies and review their websites on a need to know basis. Departments in local Government that we may contact on a property specific basis include Social Services & Environmental Health. We are currently using the Ministry of Housing, Communities & Local Government website in order to ensure compliance with Energy Performance Certificates. We also have regular contact with rent officers on matters concerning rent, property condition and maintenance and other matters that may arise on an ad hoc basis and periodic contact with local planning officers as and when works on properties, including trees with TPOs, need permission before work can start.

9. PROFESSIONAL ADVISERS

CORPORATE ADVISERS INCLUDING AUDITORS

- We have long standing relationships with the advisers noted on page 17. We work with them on a combination of retainer or ad hoc basis as they assist when matters relevant to their area of expertise arise – including input to the Annual Report and Accounts and related market communications. Our engagement with the auditors is set out in the Report of the Audit and Risk Committee on page 35.

In addition we work with a range of other external specialists as needed. For example in the current year this has included working with Allsops on the valuation of investment properties (see Note 13 on page 62), EcoAct in relation to our Carbon reporting (see Note 7 on pages 20 to 21) and Winckworth Sherwood LLP on employment matters.

OPERATIONAL ADVISERS

- These advisers include the legal advisers that we work with, notably on property transactions, and auctioneers and agents who form an essential part of the sales process when properties become vacant

10. LOCAL COMMUNITIES

- We engage early with local communities when maintenance work could affect them for example location of skips or disruption during works. Where possible when maintenance work is needed on our properties we employ well regarded locally based contractors who meet the criteria in our Contractor Code of Conduct.

OPERATIONAL RESPONSE TO COVID-19

The Covid-19 pandemic was declared shortly before the Company's 2020 financial year end – a situation that continues into the current financial year. Serving and assisting our tenants during these challenging times became our priority and, as described in last year's Annual Report, we took the steps outlined below to minimise disruption as far as was possible. We are pleased to note that once the modified working practices were embedded both within the Group and also with our counterparty stakeholders, that we have been able to establish an effective working environment that accommodates the additional safety measures recommended by the Government. Progress has not always been smooth and has led to additional demands on our teams as they adapted their ways of working to maintain service levels as close to normal as possible. This is particularly the case in relation to data intensive aspects of the business for example sales, purchases and rent reviews where our counterparties have a similarly reduced access to their normal systems.

PERSONNEL:

In compliance with the Government guidelines we supported our staff working from home. Steps taken to facilitate this while minimising the disruption to operations included:

- extending remote capability to permit staff to access all their usual business applications and files from their personal devices.
- enabling call forwarding to permit office calls from/to their personal mobile phones.
- providing training and guidance where required for using these services.

We identified those staff who were in the high risk groups. These staff were initially instructed to self-isolate for 12 weeks as required by the Government, and continue to follow the guidance for their group as it evolves.

Where it is essential to come to the office we introduced a strict staff rotation policy to ensure social distance rules are obeyed, increased the cleaning and hygiene regime, provided anti-bacterial and sanitisation products, face masks and safety gloves for staff use.

Review of Operations (Continued)

No staff have been furloughed, and we did not access or participate in any of the Government support schemes during the pandemic. Similarly no staff have been laid off or made redundant. In all cases we have adapted and found solutions that have enabled a high level of continued performance while respecting both personal and other stakeholder health concerns.

PROPERTY INSPECTION AND MAINTENANCE:

All contractors with whom we had worked over the previous 2 years were contacted to secure their compliance with our policy for adherence to Government guidelines on safe working. This policy includes wearing face masks, protective gloves, ensuring social distance and enhanced hygiene practices. Given the elderly profile of our tenants (a high risk category) together with others who for other reasons fell into the higher risk groups, compliance with this policy was especially important.

Thus, for these higher Covid-risk tenants, we placed their wishes to limit contact and thus risk of infection ahead of non-essential maintenance and even of seeking access for regulatory certification. Throughout communication was the key with stakeholder groups so that they understood what was being done and why. We have, therefore, deferred non urgent works while dealing with emergencies and essential remedial work in agreement with the tenant. Contractors are obliged to respect our tenants' wishes with regard to social distancing and self-isolation.

We also continued to undertake all obligatory inspections/ tests where access to the property was agreed in advance with the tenant. Where we were unable to obtain consent to carry out the inspections/tests the reasons why were documented to demonstrate that we have taken all reasonable steps to satisfy our obligations.

RENT:

We are working with tenants, on a case by case basis, to advise on the help and assistance available to them as a result of loss of income through Covid-19. We establish the facts in each case and, if necessary, agree a payment plan to safeguard their tenancy while ensuring we are compliant with Government guidelines.

AUDIT:

The planning for the 2020 year end audit was already underway when the lockdown restrictions were imposed. We revised arrangements so that the audit could be conducted remotely in compliance with Government, FRC and FCA guidelines. As a result we did not need to amend our timetable for the 2020 audit or for the production of the annual report. We have agreed a similar timetable for both the 2021 audit and production of the annual report.

ANNUAL GENERAL MEETING:

The arrangements for the 2020 AGM were modified in accordance with the flexibility permitted by the Corporate Insolvency and Governance Act 2020 and with Government guidelines in respect of Covid-19 so that the meeting was held as a closed meeting with the minimum shareholder attendance to be quorate and only to conduct the formal business of the meeting.

We are hopeful that we can welcome shareholders to the 2021 AGM. The requirements for holding AGMs for the current year are under regular review, particularly in relation to the incidence of new variants and their potential to spark a further wave of infection. Given these constraints the current plans for the 2021 AGM are detailed in section 21 of the Directors report on page 24 and in the Notice of Meeting on page 89.

Approved and agreed on behalf of the Board by:



D.M. Sinclair
Chief Executive Officer
6 July 2021

Directors and Advisers

as at the date of this Annual Report and Accounts

MR 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 roles of Chairman and CEO were split into separate roles in 2013. Fellow of the Institute of Chartered Accountants in England and Wales.

MRS M.M. BRAY FCCA (CFO)

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

MR A.W. POWELL FCA FIMC* (CHAIRMAN)

Joined the Company as Non-Executive Director on 1 April 2018, assumed the role of Acting Chairman on 31 March 2019, and was confirmed as Chairman on 19 November 2019. Mr Powell is a fellow of the Institute of Chartered Accountants in England and Wales and a fellow of the Institute of Management Consultants.

* Mr A.W. Powell was considered at the time of his appointment in 2018 to be independent for the purposes of the UK Corporate Governance Code.

MS M.L. ARCHIBALD MRICS* (CHAIR OF THE REMUNERATION COMMITTEE)

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 advisers, including Jones Lang Lasalle, and now acts as an adviser to clients in a range of property sectors, including residential and commercial property.

* Ms M.L. Archibald is considered to be independent for the purposes of the UK Corporate Governance Code.

DR A.R. WILLIAMS

Joined the Company as a Non-Executive Director on 1 December 2015. Dr Williams is a qualified member of the medical profession, and a member of the Sinclair concert party. He represents the interests of the family and private shareholders generally.

SECRETARY AND REGISTERED OFFICE

Mrs M.M. Bray FCCA
Mountview House,
151 High Street,
Southgate,
London N14 6EW

BANKERS

HSBC Bank Plc
1-3 Bishopsgate
London EC2N 3AQ

Barclays Bank PLC
One Churchill Place,
London E14 5HP

AUDITORS

BSG Valentine (UK) LLP
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

Link Group
Central Square,
29 Wellington Street,
Leeds LS1 4DL

BROKERS

Singer Capital Markets
One Bartholomew Lane,
London EC2N 2AX

FINANCIAL ADVISERS

SPARK Advisory Partners Limited
5 St John's Lane,
London EC1M 4BH

Directors' Report

The Directors (as listed on page 17) have pleasure in presenting to the Members their 84th Annual Report together with the Financial Statements for the year ended 31 March 2021. The Corporate Governance Statement on pages 26 to 30 forms part of this Directors' Report and is incorporated into the Directors' Report by reference. Additional information which is incorporated by reference into this Directors' Report, including information required in accordance with the Companies Act 2006 can be found as follows:

Disclosure	Location
Financial risk management objectives and policies	Notes to the financial statements, pages 57 and 58
Statement of Directors' responsibilities	page 25
Directors' interests in share capital	Remuneration Report, page 47
Compensation for loss of office arrangements.	Remuneration Report, page 42

For the purpose of LR 9.8.4R, the only information required to be disclosed can be found in the following locations:

Disclosure	Location
Agreements with controlling shareholder	Directors' Report, Note 19, page 24

All other sub-sections of LR 9.8.4R are not applicable.

1. RESULTS AND DIVIDENDS

The results for the year are set out in the Consolidated Statement of Comprehensive Income on page 48.

The Directors recommend the payment of a final dividend of 225 pence per share. The dividend will be paid on 16 August 2021, subject to approval at the Annual General Meeting (AGM) on 11 August 2021, to shareholders on the register at the close of business on 9 July 2021.

Our proposals for running the AGM this year, in the light of the evolving provisions for Covid-19 are outlined in section 21 below. Details of the AGM, including the notice of AGM, are set out on pages 87 to 93.

2. ACTIVITIES

The principal activities of the Company and its subsidiary undertakings are as follows:

PARENT COMPANY

Mountview Estates P.L.C.

Property Trading

Registered Office: Mountview House, 151 High Street, Southgate, London, N14 6EW
Registered in England 328020

SUBSIDIARY UNDERTAKINGS (WHOLLY OWNED)

Hurstway Investment Company Limited

Property Trading

Registered Office: Mountview House, 151 High Street, Southgate, London, N14 6EW
Registered in England 344034

Louise Goodwin Limited

Property Investment

Registered Office: Mountview House, 151 High Street, Southgate, London, N14 6EW
Registered in England 691455

A.L.G. Properties Limited

Property Investment

Registered Office: Mountview House, 151 High Street, Southgate, London, N14 6EW
Registered in England 508842

3. BOARD OF DIRECTORS

The names of the current Directors, along with their details, are set out on page 17 and are incorporated into this report by reference.

4. APPOINTMENT AND RETIREMENT OF DIRECTORS

The appointment and retirement of Directors is governed by the Company's Articles of Association, the Code, the Companies Act 2006 and related legislation. The Articles of Association 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 as 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 such Director holds office until the next AGM and may offer himself/herself for election
- 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, as a Director in his or her place in accordance with the Articles of Association.

In accordance with the Code all Directors will seek re-election at the 2021 AGM.

The Nomination Committee report on pages 31 and 32 describes the process currently used for identifying and appointing new Directors to the Board.

5. SHARE CAPITAL

The authorised share capital of the Company as at 31 March 2021 was £250,000 divided into 5,000,000 Ordinary Shares of 5p, of which 3,899,014 were in issue (2020: 3,899,014). As at 6 July 2021, there has been no change in the issued share capital.

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.

There are no restrictions concerning the transfer of shares in the Company, no special rights with regard to control attached to the shares, no agreements between holders of shares regarding transfer known to the Company and no agreement which the Company is party to that affects its control following a takeover bid.

Changes to the Company's Articles of Association must be approved by shareholders in accordance with the Articles of Association and legislation in force from time to time.

6. NOTIFIABLE INTERESTS IN SHARE CAPITAL

As at 6 July 2021, 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 Chapter 5 of Disclosure Guidance and Transparency Rules:

	Ordinary Shares of 5p each	% of Issued Share Capital
Mr Phillip Wheeler, Mr David Wright and Mr Alistair Sinclair, Trustees of the Frank and Daphne Sinclair Grandchildren Settlement*	393,193	10.08
Mrs M.A. Murphy** including:		
• BBTJ 402,000		
• ALFL Ltd 79,350	598,545	15.36
Mrs E. Langrish-Smith**	307,000	7.87
Mrs A. Williams**	130,250	3.34
Mrs S. Simkins**	148,220	3.80
Talisman Dynamic Master Fund Ltd*	221,937	5.69

* Denotes indirect holding.

** Denotes combined direct and indirect holding.

Directors' Report *(Continued)*

7. STREAMLINED ENERGY AND CARBON REPORTING DISCLOSURES

INTRODUCTION

The directors of Mountview Estates P.L.C are required to report its energy consumption and greenhouse gas (GHG) emissions as part of its Annual Report and Accounts, in accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, also known as Streamlined Energy and Carbon Reporting (SECR).

Mountview engaged EcoAct Ltd (EcoAct), formerly Carbon Clear Ltd, to calculate its energy consumption and carbon footprint for the reporting period of 1 April 2020 to 31 March 2021.

EcoAct's scope of work was to:

- Define the reporting boundary and collect the required data;
- Calculate Mountview's energy consumption and carbon footprint;
- Report the results.

EcoAct is a world-leading carbon management consultancy with a proven track record of helping organisations to measure, reduce and offset their carbon emissions.

EXECUTIVE SUMMARY

Total gross GHG emissions in the reporting period were 67.2 tCO₂e, which can be attributed as follows:

- Direct Emissions (Scope 1) 32.3 tCO₂e or 48% of the total
- Indirect Emissions (Scope 2) 23.3 tCO₂e or 34% of the total
- Indirect Other Emissions (Scope 3) 11.6 tCO₂e or 18% of the total.

The results are presented below:

Figure 1: Total Emissions Broken Down by Activity and Scope

Type of Emissions	Activity	tCO ₂ e	% of Total
Direct (Scope 1)	Natural Gas	17.7	26%
	Company Vehicles	14.6	22%
	Subtotal	32.3	48%
Indirect (Scope 2)	Electricity used in company hybrid vehicles	0.9	1%
	Electricity	22.4	33%
	Subtotal	23.3	34%
Indirect (Scope 3)	WTT (All Scopes)	11.6	18%
	Subtotal	11.6	18%
TOTAL (tCO₂e)		67.2	100%

1. Under the Mandatory Greenhouse Gas Regulation, a company is required to report its scope 1 and 2 emissions. It is not mandatory to report scope 3 emissions.
2. An operational control boundary was used to calculate Mountview's carbon footprint.

Figure 2: GHG Emissions (tCO₂e) by Activity (2020-21)

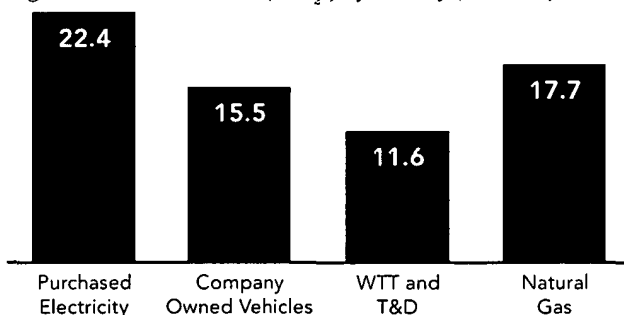


Figure 3: Emissions Intensity Metrics

Figure 3 shows a year-on year comparison of emissions intensities using revenue and number of FTEs as normalisation factors:

Intensity Metric	2020/21	2019/20	% Change
Total Emissions (tCO ₂ e)	67.2	80.9	-16.8%
Revenue (£'mil)	65.7	64.9	1.2%
Number of employees (staff and directors)	29	29	0.0%
tCO ₂ e per employee	2.3	2.8	-16.8%
tCO ₂ e per £'mil turnover	1.02	1.25	-17.9%

Total emissions normalised by the number of employees decreased by 16.8%, in line with the equivalent decrease in overall emissions, whereas total emissions per million £ of turnover, decreased by 17.9%.

YEAR-ON-YEAR ANALYSIS

Emissions produced by Mountview have decreased by 16.8% compared to last year from, 80.9 tCO₂e to 67.2 tCO₂e.

Scope 1 emissions have decreased by 26.6%, from 44.0 to 32.3 tCO₂e compared with the previous reporting year. This is due to:

- Emissions from company vehicles have decreased by 45.5%. This is mainly driven by a decrease in mileage due to the pandemic and a switch from diesel fleet to plug-in hybrid vehicles.

Scope 2 emissions have increased by 3.3% compared to the previous reporting year. This can be attributed to:

- A 9% decrease in the emission factor for UK grid electricity.
- The office electricity consumption (kWh) increased by 10%; the estimated electricity consumption in managed communal areas decreased by 1%. It should be noted that the electricity consumption of the office increased compared to the previous year, despite that c.50% of the employees were working from home due to the regulations related to the Covid-19 pandemic.
- The year-on-year increase of the office's electricity consumption may be linked to increased ventilation, in adherence to the governmental Covid-19 guidelines for air ventilation in the workplace. Increased mechanical ventilation has an effect on the electricity consumption of the building's ventilation systems, as observed by many office-based organisations in the past reporting year.
- A small percentage (3.7%) of Scope 2 emissions is attributed to the shift of company vehicles to plug-in hybrid vehicles that consume additional electricity.

Emissions from electricity accounts for 34.5% of Mountview's overall carbon footprint. In addition to its head office, Mountview are also responsible for electricity use in the communal areas of 24 managed blocks of flats. Emissions have been estimated for these flats using the following assumptions:

- The Company pays an average £37 electricity charge per managed flat towards communal areas.
- The Company covers communal area charges for 24 properties.
- The average electricity standard rate is 17.1p/kWh. This is based on the average price of electricity purchased by non-domestic consumers in the UK with "very small" properties, for the last 3 quarters of 2020.

REFERENCES

The following sources have been used for the completion of this document:

- 'UK Government GHG Conversion Factors for Company Reporting' for 2020, released by Department for Business, Energy and Industrial Strategy and Department for Environmental Food and Rural Affairs, as found in <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2020>.
- 'Prices of fuels purchased by non-domestic consumers in the UK', Table 3.4.2, March 2021, Department for Business, Energy & Industrial Strategy, as found in <https://www.gov.uk/government/statistical-data-sets/gas-and-electricity-prices-in-the-non-domestic-sector>.

Directors' Report *(Continued)*

8. SUSTAINABILITY AND CLIMATE CHANGE

As an asset owner and manager Mountview sits at the top of the investment chain and uses this position to influence those that we work with in relation to factors such as air pollution and energy uses. We do this in a number of ways including:

- Using local contractors wherever possible to reduce travel needed and also retain the economic and social benefits of work done within local communities
- Using sustainable source electricity suppliers
- On expiry of leases, replacing cars leased by the Group with hybrid models
- Converting lighting to 'eco-lamps' where possible
- We have obtained an Energy Performance Certificate (E.P.C.) for over 80% of properties in our portfolio and in so doing we have undertaken, where necessary, loft insulation, cavity wall insulation, provision for storage heaters and dual plate power meters

In conjunction with our external advisers, we continue to monitor developments in relation to Climate Change.

As noted in the Strategic Report, given the size of the Company and the current low impact on the environment as outlined above, the Company has informal rather than formal environmental policies. However this matter is kept under regular review including during consideration of risks as an agenda item at Board meetings and should the Board consider that due to external or internal developments that formulating formal policies would be beneficial then we would draft and adopt the relevant policies.

9. EMPLOYEES

Notwithstanding that the Group's strategy, business model and operations are long established with well developed underlying processes that reflect our business drivers, the performance of the business could not be sustained without a strong, skilled and knowledgeable workforce who enjoy their work at Mountview. This is manifested in one statistic in particular which is the average time in role of our staff – which currently stands at over 11 years. The Group has family roots and it is our belief that a similar feel remains today within what is a small and highly skilled workforce of 24 staff plus the Directors. This is an environment in which every member of staff meets and talks with one or both of the Executive Directors, if not on a daily basis then on a weekly basis. Covid-19 has meant that much of this contact has needed to be done remotely, building on the relationships and understanding built prior to the pandemic.

In view of the size of the Group and the regular contact with all staff, more formal means of employee engagement are not considered appropriate at this time. This matter will be kept under regular review.

This regular contact fosters an environment in which staff can air concerns. It is also the case that staff know that if there was any matter that they felt might be sensitive to raise within the operational side of the business that they can approach any of the Non-Executive Directors (NEDs) to discuss the matter.

In this regard the Group has policies on whistleblowing and related policies on bribery, gifts, conflicts of interest and related matters that are included in the staff manual, explained to new staff on joining and are reviewed annually for continued suitability by the Audit and Risk Committee who report to the Board on this matter.

It is a standing item on the Board agenda to receive a report on and consider any reporting made under these provisions; during 2020-21 no incidents were reported.

TRAINING:

The Group provides regular training related to the use of computer software and for the general professional development of the staff concerned. For example we provide appropriate training when there are developments in relevant legislation, regulation or practice.

We encourage all of our staff to continue their education and support staff following courses aimed at gaining professional qualifications.

10. DIVERSITY

Mountview is committed to employing and retaining a skilled workforce with a diversity of qualifications and talents from a variety of backgrounds. Given the infrequency of recruitment Mountview does not have a formal diversity policy, instead having regard to evolving best practice at the time of an appointment. The Company is committed to equal opportunities for all and that recruitment and selection be strictly on the basis of merit and ability.

As at 31 March 2021, the Group had one female Executive Director, Mrs Marie Bray, who has been on the Board since 2004, and one female Non-Executive Director, Ms Mhairi Archibald, who has been on the Board since July 2014. Female Board membership represented 40% of the Board.

The Group has seven Senior Managers (who are not Directors), three of whom are female.

Of the 24 employees and 5 directors in the Group, 11 are male and 18 are female.

11. SIGNIFICANT AGREEMENTS

Certain banking agreements to which the Group is a party (described in Note 18 to the Consolidated Financial Statements) alter or terminate upon a change of control of the Group following a takeover bid.

There are no other significant agreements to which the Group is a party that take effect, alter or terminate upon a change of control of the Group following a takeover bid.

There are no contractual or other agreements or arrangements in place between the Group and third parties which, in the opinion of the Directors, are essential to the business of the Group.

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 Group'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 and this has been in place throughout the financial year under review.

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. 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. Similarly there is a regular programme of electrical inspections. We are complying with fire and health and safety legislation. The Group satisfies its commitments in respect of any remedial work identified by these inspections.

15. 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 Operations on page 9.

The Group is historically profitable, has considerable liquidity and regularly reviews its long-term borrowing facilities with its lenders. 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 for the foreseeable future.

The Group's longer term Viability Statement is presented on page 12.

16. AUDITORS

Messrs BSG Valentine (UK) LLP have indicated their willingness to continue in office and a resolution for the reappointment of BSG Valentine (UK) LLP as Auditors for the ensuing year will be proposed at the AGM.

17. AUDITORS AND DISCLOSURE OF INFORMATION TO THE AUDITORS

So far as each Director is aware, there is no relevant audit information of which the Company's Auditors are unaware.

Each Director has taken the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

18. CONCERT PARTY

Mountview Estates PLC is a family controlled company. There is a concert party in existence whose net aggregate shareholdings amount to over 50% of the issued share capital of the Company.

Directors' Report (Continued)

19. RELATIONSHIP AGREEMENT

In accordance with the UK Financial Conduct Authority's Listing Rules (the 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 9.2.2AR.

Under the terms of the relationship agreement, the Principal Concert Party Shareholder, Mr D.M. Sinclair (a member of the Sinclair family concert party), has agreed to procure the compliance of other individual members of the Sinclair family concert party who are treated as controlling shareholders with independence obligations contained in the relationship agreement. The Sinclair family concert party, as controlling shareholders of the Company have a combined aggregate holding of over 50% of the Company's voting rights.

The Board confirms that, since the entry into the relationship agreement as at 6 July 2021, being the latest practicable date prior to the publication of this annual report and accounts:

- the Company has complied with the independence provisions included in the relationship agreement;
- so far as the Company is aware, the independence provisions included in the relationship agreement have been complied with by the Sinclair family concert party and their associates; and
- so far as the Company is aware, the procurement obligation included in the relationship agreement has been complied with by the Principal Concert Party Shareholder.

20. GENERAL MEETING

At the AGM held on 12 August 2020, the resolutions concerning the re-election of both Mr A.W. Powell and Ms M. L. Archibald as Directors of the Company did not receive support of a majority of the independent shareholders who voted, which is a requirement of the Listing Rules where the Company has a controlling shareholder, and therefore Mr Powell and Ms Archibald stood for re-election at a general meeting held on 23 November 2020 (General Meeting). Both Mr Powell and Ms Archibald were re-elected at the General Meeting. Between the 2020 AGM and the General Meeting certain Board members contacted a number of major shareholders. All shareholders (including the Sinclair family concert party members) were entitled to vote on the resolutions to re-elect Mr Powell and Ms Archibald at the General Meeting.

As reported through the regulatory announcement to the market, following the 2020 AGM and prior to the General Meeting, the Company identified as far as possible those shareholders who did not support the various resolutions and attempted to engage with them to seek their views. Some shareholders did not wish to engage. The Company remains committed to shareholder engagement and we will continue to offer to meet with shareholders to take into account their concerns and considerations in the future.

21. GENERAL MEETING – 2021 AND THE IMPACT OF COVID-19

Notice of the 2021 AGM of Mountview Estates P.L.C., to be held at Radisson Blu Edwardian Bloomsbury St. Hotel, 9-13 Bloomsbury Street, London, WC1B 3QD on Wednesday, 11 August 2021 at 11.30am, is set out on pages 87 to 93. At the time of publication of this report, the Board has been closely monitoring the situation with regard to Covid-19 and its potential impact on the AGM this year. As part of its monitoring, the Board has noted the gradual easing of public health restrictions in line with the Government's "COVID-19 Response – Spring 2021" roadmap (published in February 2021). It is expected that all remaining legal restrictions on social distancing will be lifted on 19 July 2021, delayed from 21 June 2021. Therefore the Board proposes to hold the 2021 AGM with shareholders permitted to attend in person. Given the uncertainty around whether shareholders will be able to attend the 2021 AGM, because of the potential for tighter restrictions due to a change in the situation with Covid-19, between the date of the notice of the 2021 AGM and the date of the 2021 AGM we encourage all shareholders to complete and return their proxy form appointing the Chairman of the meeting as their proxy. The arrangements for the 2021 AGM are set out on pages 87 to 93.

The Board considers that the resolutions set out in the notice of AGM are in the best interests of the Company and its shareholders as a whole and unanimously recommends shareholders vote in favour of them as the Directors intend to do in respect of their own beneficial shareholdings.

The Directors' report was approved by the Board on 6 July 2021 and is signed on its behalf by:



M.M. Bray
Company Secretary
6 July 2021

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report, the Directors' Remuneration Report and the Group and Company 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 are required to prepare the Group financial statements in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards (IFRSs) adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

The Directors have elected to prepare the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP) including FRS 102 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 Company and of their profit or loss 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 estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- in respect of Group Financial Statements, state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- in respect of the Company financial statements state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in those statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and 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 enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Each of the Directors, (as set out on page 17) as at the date of this Report, confirms to the best of their knowledge that:

- The financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Group and the Company.
- The strategic report includes a fair review of the development and performance of the business and the position of the Group and the Company, together with a description of the principal risks and uncertainties that they face.
- The annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's performance, business model and strategy.

By Order of the Board



M.M. Bray
Company Secretary
6 July 2021

Corporate Governance

Last year we described the steps we had taken for establishing and sustaining governance processes that reflected both the prevailing UK Corporate Governance Code (the Code) and the Group's circumstances and structure. Operating during the Covid-19 pandemic added an extra layer of complexity to meeting this challenge, but one that we believe we have been able to meet in a way that has strengthened our processes by testing them under 'stress' and also by opening up new ways of working that might otherwise not have been considered, for example different means of communicating with all stakeholder groups or scheduling of work. Our operational response to Covid-19 is set out on page 15 and throughout this period the Board has:

- operated as normal meeting remotely for meetings and informal discussion between meetings
- retained close oversight of our operations and the continuing suitability of our strategy
- monitored our existing and emerging risks updating our risk matrix as needed to ensure we have good risk management and controls in place

Throughout we believe that our purpose, culture and values have informed and supported the decisions that we have taken, supported by the commitment, experience and creativity of all at Mountview. In addition, effective engagement with our stakeholders, as described in our Section 172 statement on page 13 has underpinned our work during the year. In particular with physical meetings being precluded by Covid-19 our engagement with shareholders has been primarily by electronic means. Contact with them, and other stakeholders, is key to understanding their views and receiving their feedback. As a result a considerable amount of Board time has been taken up with reporting back on contact with shareholders and other stakeholders and discussing and responding to points that they have raised.

2018 UK CORPORATE GOVERNANCE CODE COMPLIANCE STATEMENT

In respect of the year ended 31 March 2021, the Company was subject to the UK Corporate Governance Code 2018 (the Code), a copy of which can be found at www.frc.org.uk/corporate/ukcgcode.cfm. The Board confirms that the Company applied the principles and complied with the provisions of the Code, except as disclosed in this section.

We remain committed to the benefits of a robust governance framework and believe that through our approach we are able to best safeguard the interests of, and deliver long term value to, our shareholders and other stakeholders. A key component of this approach is a strong focus on remaining up to date on current and emerging developments in our markets, legislation and regulation and the governance environment. This we achieve through

a combination of reading, contact with our advisers and directors attending updates, in the current year through webinars, and then sharing salient points raised with the rest of the Board for discussion during Board meetings. In addition, we have again worked closely with Prism Cosec our corporate governance consultants, and our other advisers to identify the best ways to build evolving practice into our approach. We are mindful that our structure, which has evolved through our history and is aligned with our culture and values, is not fully compliant with some of the measures in the Code.

Equally, we recognise the value of bringing different perspectives to bear on issues arising within the business in terms of both contribution to debate and risk management and mitigation. We manage this by involving our various advisers when matters relevant to their areas of expertise arise. In this way we are able to ensure that we get the necessary expert input when it is needed.

Taking account of the Code in the context of our size, with 24 employees plus Directors, our shareholdings and the nature of our operations where we have a focused, stable and enduring strategy, and stable workforce and suppliers, we have looked at each of the principles and provisions of the Code to consider the spirit behind them as well as the actual wording used. Given this context where the Board and the Executives in particular are much closer to the employees and operations than is the case for most quoted companies, we have, as envisaged by the Code, adopted alternative solutions to provisions where we believe this to be appropriate.

We are of the view that throughout we are operating within the spirit behind the principles of good corporate governance – in a manner that is appropriate to our business, our size and our economic footprint. In particular, as a small Board, we recognise that there are matters concerning the size and composition of the Board that fall into this category. The Board and also shareholders, when consulted, are at one with their view that new Board positions should be created only when there is a clear need and when the appointee will add capacity or skills that are needed by the business in order for it to continue to pursue its strategy.

Below we note the areas where we believe we comply with the spirit of the Code but do not currently adhere completely to the detailed requirements. These matters are kept under constant review as a whole by the Board. Should there be a material change in the Company's strategy, business model, structure or risk environment then these points would be re-visited and, after consulting with shareholders on proposals, we would make such changes as are appropriate given the changed circumstances.

INDEPENDENT NON-EXECUTIVE DIRECTORS (NEDS): (SECTION 2 PROVISION 11)

The number of independent NEDs (including the Chairman) is currently less than at least half the Board as required by the Code. This is a matter which the Board and the NEDs have reviewed in the context of the skills and experience needed either directly on the Board or indirectly through advisers and concluded that given the size of the Company and the stable nature of its strategy, business model and operations, the current composition, with two independent NEDs and three NEDs in total supported by external advisers, remains appropriate.

APPOINTMENT OF A SENIOR INDEPENDENT DIRECTOR (SID): (SECTION 2 PROVISIONS 12)

Currently other than the Chairman, the Company has one Independent NED and the Board has concluded that it is too small to merit the appointment of a SID. Should this change and the Board and shareholders consider that the needs of the business warrant widening the NED pool to a level that creates a clear SID role then we would appoint one.

COMPOSITION OF COMMITTEES IN GENERAL: (SECTION 3 PROVISION 17; SECTION 4 PROVISION 24 AND SECTION 5 PROVISION 32)

The Board is small and thus the composition of each of the Committees is limited by the available pool of Directors. As noted above, should it be concluded that appointing further Independent NEDs was appropriate and would bring value, then composition of Committees would be reviewed.

BOARD EVALUATION AND DIVERSITY: (SECTION 3 PROVISION 21 AND 23)

The Directors consider that the small size of the Group and the Board does not warrant a formal performance evaluation process. However, performance of the Directors is evaluated on an ongoing basis by the Board. In addition, there is no formal policy on diversity and inclusion, again because of the size of the Company, although the Company is committed to equal opportunities for all and that recruitment and selection be strictly on a the basis of merit and ability. Both these matters are continually kept under review.

ROLE CONCURRENCE – AUDIT COMMITTEE: (SECTION 4 PROVISION 24)

The Chairman of the Board is also the Chairman of the Audit and Risk Committee. The Board consists of 60% Accountants and the Board has determined that there is no need to appoint a further NED with financial experience. The Board, and separately the NEDs, have considered the Chairman's role on the Audit and Risk Committee and are firmly of the view that this combined role continues to be in the best interests of the Company for the time being and will review the situation on a regular basis.

INTERNAL AUDIT FUNCTION (SECTION 4 PRINCIPLE M AND PROVISIONS 25 AND 26)

At present the size of the business does not warrant a full time internal audit function. As discussed in the Report of the Audit and Risk Committee this is kept under constant review and options for cover are reviewed annually in the light of the size and complexity of the business.

REMUNERATION OF THE CHAIRMAN: (SECTION 5 PROVISION 33)

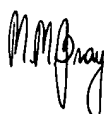
The remuneration of the Chairman is not set by the Remuneration Committee. Instead, in line with the principle of no one being involved in setting their own remuneration, the Chairman's remuneration, and that of the other NEDs is reviewed by the Executive Directors who make a recommendation to the Board as a whole for final approval, within the limits set by the Company's Articles.

IN THIS REPORT

In the following pages we describe our governance approach under the headings:

- Board leadership and Group Purpose (page 28)
- Division of Responsibilities (page 29)
- Composition, Succession and Evaluation – the report of the Nomination Committee (pages 31 and 32)
- Audit, Risk and Internal Control – the report of the Audit and Risk Committee (pages 33 to 36)
- Remuneration – the report of the Remuneration Committee (pages 37 to 47)

By Order of the Board



M.M. Bray
Company Secretary
6 July 2021

Corporate Governance *(Continued)*

BOARD LEADERSHIP AND GROUP PURPOSE

The role of the Board is to provide leadership to the Group, ensuring that the necessary financial and human resources are in place to enable the Group to meet its strategy and objectives. In addition, the Board ensures that there are appropriate financial and business systems and controls in place to safeguard shareholders' interests and maintain an appropriate and effective governance framework. In making decisions throughout the year, the Board is strongly aware of its responsibilities to the Company's shareholders as well as other stakeholders including managing possible conflicts of interest between different stakeholder groups.

SETTING OUR STRATEGY

Group strategy is proposed by the Executive Directors and that strategy is rigorously discussed, debated and agreed by the Board. The NEDs work with the Executive Directors to deliver on the agreed strategy. The Directors constantly seek feedback from any source or stakeholder on how well the current operations are working to meet the strategy as the working environment evolves. Information received is analysed for new and emerging risks and opportunities that may have implications for the strategy and operations, and the risks monitored.

UNDERSTANDING STAKEHOLDER NEEDS

The Board is mindful of its responsibilities towards all stakeholders and engagement with them as described elsewhere in this Annual Report, including:

- our purpose and wider responsibilities (page 4)
- engagement with our employees (page 13)
- engagement with stakeholder groups (pages 13 to 15)

Understanding and taking into account the short and long term interests of stakeholders when making decisions is central to how the Company operates, recognising that these interests will vary by issue and that trade-offs will often be needed as noted in our Section 172 statement (pages 13) and our operational response to Covid-19 (pages 15 and 16).

THE WORK OF THE BOARD

The Board meets formally at least four times a year, with ad hoc meetings to discuss particular transactions and events called as and when required. All Directors are expected to attend all meetings of the Board, and any committees they are members of, and devote sufficient time to the Company's affairs to fulfil their duties as Directors. During the year all Board and committee meetings were held by conference call due to the Covid-19 pandemic.

The Board operates in accordance with the Company's Articles of Association and there is a Schedule of Matters Reserved for Board Decision which includes approval of strategy, budgets, financial reports, public announcements, significant acquisitions of property, major capital expenditure, funding and dividend policy. In addition the Board reviews and approves matters related to the operation of the Board and its committees, and, where material, any new or significantly amended operational or staff policies. Routine operational questions are delegated to the relevant team. However, when needed, there is an escalation process to have a proposed course of action considered by the Executive Directors or the Board.

The Company Secretary sends out the agenda and supporting information to all members of the Board in advance of Board meetings. At each meeting the Executive Directors provide an operational update, noting any issues arising and upcoming sales or purchases in the pipeline. The Board receives, by rotation or exception, reports from the heads of department again noting any issues arising. The risk matrix, updated for any new information or emerging risks, is reviewed as are any potential conflicts of interest. Any meetings or other contact with shareholders or other key stakeholders are reported back and, where necessary, responses discussed and agreed. The information supplied to the Board and its committees is kept under review to ensure it is fit for purpose, and that it enables sound decision-making.

All Directors have access to independent professional advice at the expense of the Group and to the services of the Company Secretary who is responsible to the Board for ensuring the correct procedures are followed, as well as providing corporate governance updates and guidance.

The Directors consider that the small size of the Board does not warrant a formal performance evaluation process. However, performance of the Directors is evaluated on an ongoing basis by the Board. This is a matter continually under review.

Attendance at and number of Board and committee meetings is set out below:

Meetings	Mr A.W. Powell	Mr D.M. Sinclair ¹	Mrs M.M. Bray ¹	Ms M.L. Archibald	Dr A.R. Williams
Full Board	6	6	6	6	6
Audit and Risk Committee	5	4	4	5	5
Remuneration Committee	6	2	2	6	6
Nomination Committee	2	2	2	2	2

1. Mr D.M. Sinclair and Mrs M.M. Bray were invited to attend 4 Audit and Risk Committee Meetings and 2 Remuneration Committee Meetings

In accordance with the Code, all members of the Board offer themselves for re-election each year as described in the notice for the upcoming 2021 AGM and as set out in the Directors' Report on page 24 and in the Notice of Meeting on page 89.

DIVISION OF RESPONSIBILITIES

The Code requires that there should be a clear division of responsibilities between the roles of CEO and Chairman, both roles being separate and distinct. The Chairman is responsible for leading the Board and ensuring its effectiveness, including the Board's decision making process, building a constructive relationship between Executive and Non-Executive Directors, and, for fostering open debate with an appropriate balance of challenge and support. The CEO is responsible for leading the development and execution of long term strategies of the business and has specific responsibilities in relation to all matters to do with property purchase and sale.

THE EXECUTIVE DIRECTORS

Day-to-day management is delegated to the Executive Directors with focus on major transactions, business growth, strategy, cash management and control. There is regular communication with the NEDs in order to keep them informed about the Group's operations. This is done via a schedule of regular meetings throughout the year supplemented by ad hoc meetings as needed to address specific matters arising.

The Group has seven Senior Managers reporting to the Executive Directors. There are six core departments – Accounts, Property Management, Property Trading, Rent, IT and Administration – with staff reporting either to the Property Managers and/or directly to the Executive Directors.

THE NON-EXECUTIVE DIRECTORS

The role of the NEDs, as described in their letters of appointment, is to bring independent and objective judgement and scrutiny to all matters before the Board and its committees. During the appointment process steps are taken to confirm that they will have the time needed to meet their responsibilities to the Group.

Throughout the year the NEDs hold meetings periodically without the Executive Directors including meetings to discuss remuneration of the Executive Directors and to meet with the external Auditor to discuss the audit of the Annual Report and Accounts.

The Code requires (for smaller companies) there to be at least two independent NEDs. On appointment as Chairman Mr A.W. Powell was considered to be independent and Ms M.L. Archibald is deemed to be an independent NED. Dr A.R. Williams is a NED but he is not considered to be independent for the purposes of the Code.

At present the Board does not intend to appoint any Director to fulfil the role of SID, given the limited size of the Board, but may decide to do so in the future.

OUR GOVERNANCE FRAMEWORK

The Directors recognise their accountability as a Board to the shareholders for the effective stewardship of the Group and its strategy, operations, governance and control. In this the Board are supported by three sub-committees whose roles and current composition are:

Corporate Governance *(Continued)*

THE NOMINATION COMMITTEE

This Committee is responsible for reviewing the balance of experience, skills and knowledge on the Board, for succession planning and recommending any appointments to strengthen the Board's expertise and for managing any re-appointments as needed. Due to the small size of the Board all members of the Board are members of the Nomination Committee.

THE AUDIT AND RISK COMMITTEE

This Committee is responsible for monitoring Mountview's accounting policies and processes, audit arrangements and for reviewing the risk management framework. It is also responsible for the clarity and completeness of the Company's disclosure to shareholders. The Committee is comprised of all the NEDs.

THE REMUNERATION COMMITTEE

The Committee is comprised of all the NEDs and is responsible for both setting remuneration policy and for the implementation of that policy as regards the Executive Directors. NED remuneration is proposed by the Executive Directors and determined by the Board.

Further detail on the Terms of Reference of these Committees can be found on the Company's website (www.mountviewplc.co.uk). Reports of their activities follow later in this Annual Report and Accounts on pages 31 to 47.

RISK MANAGEMENT AND INTERNAL FINANCIAL CONTROL

The Board has overall responsibility for risk management and the Audit and Risk Committee is specifically charged with the governance of the risk management, internal control and audit processes. The Board has carried out a robust assessment of the principal risks, as well as considering emerging risks faced by the Group which are set out on pages 10 and 11 and more detail on the function of the Audit and Risk Committee is set out on pages 33 to 36.

Details of the Company's financial risk management objectives and policies are included in Note 3 to the Consolidated Financial Statements on pages 57 and 58.

An ongoing process for identifying, evaluating and managing the significant operational risks faced by the Group was in place throughout the period from 1 April 2020 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 the Group and meet the particular needs of the 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. As noted on page 35, 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, as well as emerging risks, faced by the Group. The principal risks and uncertainties faced by the Group are set out in the Review of Operations on pages 5 to 16 together with mitigating factors for each risk.

Management structure – The Board has overall responsibility for the Group and, as described on page 28, 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, the regular day to day contact between the Executive Directors and staff, and close Board supervision.

Monitoring – Internal financial control procedures are monitored and 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.

The Board is satisfied that the control procedures are adequate to provide accurate information and safeguard the assets of the Group.

Report of the Nomination Committee

MEETINGS

Committee Member	Meetings Attended	Meetings eligible to Attend
Mr D.M. Sinclair – Chair	2	2
Mrs M.M. Bray	2	2
Ms M.L. Archibald	2	2
Mr A.W. Powell	2	2
Dr A.R. Williams	2	2

All the Directors of the Company are members of the Nomination Committee.

Dear Shareholder,

I am pleased to present the Nomination Committee report which sets out its role and activities during the year.

HOW THE NOMINATION COMMITTEE OPERATES

The Board considers that given its size, it would be unnecessarily burdensome to establish a separate Nomination Committee that did not include the entire Board and believes that this enables all Directors to be kept fully informed of any issues that arise. The committee and the Board recognise that this means that only two of the five members are independent NEDs which is not in accordance with Provision 17 of the Code (see Corporate Governance Report page 26) but consider, that this is an appropriate and pragmatic alternative approach given the size of the Board.

The Nomination Committee met twice during the year ended 31 March 2021, supplemented by informal meetings and discussions. Only the members of the Nomination Committee have the right to attend meetings, but we may invite other Executives or advisers to attend all or part of any meeting as appropriate.

ROLE OF THE NOMINATION COMMITTEE

The main roles and responsibilities of the Committee are set out in its terms of reference, which are reviewed annually and are available on the Group's website. These responsibilities include assisting the Board in discharging its responsibilities relating to the composition and make-up of the Board and its Committees, succession planning, the endorsement of Directors for re-election at the AGM and, when needed, the appointment of additional Directors.

The Board believes in the benefit of having a broad range of skills and backgrounds and the need to have a balance of experience, independence, diversity - including gender, and knowledge of the Group and its Board of Directors. These matters are taken into account during recruitment but ultimately we look to appoint the best candidate for the role on the basis of their merit and ability taking into account the needs of the Group, including the skills needed to support delivery of the Group's strategic objectives and to ensure the effective functioning of the Board now and in the future.

Report of the Nomination Committee

(Continued)

PROCESS FOR BOARD APPOINTMENTS

PROCESS FOR BOARD APPOINTMENTS

No new appointments to the Board were made during 2020/21.

The Nomination Committee has a formal appointment process in place that embraces the principles described above and would be used should the need for a new appointment be identified. The key steps in the process are:

- The Nomination Committee considers the skills and experience that it believes are needed for the Group to function effectively, taking account of the skills of the existing Board members and those of external advisers that the Board needs to draw on from time to time.
- Where a particular skill set is believed to be in continuous demand then the Nomination Committee will evaluate the balance of the skills currently on the Board in order to identify a specification of the personal attributes, skills and capabilities and experience needed, including, but not limited to, the skill set that prompted this evaluation.
- Should it be appropriate to filling the vacancy to look for an external candidate, then an independent external search consultant will be appointed, the needs of the appointment and the recruitment process discussed and agreed.
- The process, including interviews and evaluation will be followed in conjunction with the external consultant.
- The conclusion of the process would be a recommendation to the Board.

DIVERSITY

As at 31 March 2021, the Group had one female Executive Director, Mrs Marie Bray, who has been on the Board since 2004, and one female Non-Executive Director, Ms Mhairi Archibald, who has been on the Board since July 2014. Female Board membership represented 40% of the Board. The Group has 7 Senior Managers (who are not Directors), 3 of whom are female. Of our 24 employees and 5 Directors, 11 are male and 18 are female.

Given the size of the Company and the Board and the infrequency of appointments, the Company has no formal policy on diversity or inclusion for either the Board or other members of staff, although the Board keeps this under review. The Company is committed to equal opportunities for all and recruitment and selection of new Directors is strictly on the basis of merit and ability.

ACTIVITIES OF THE COMMITTEE

The Nomination Committee, and related Board discussions, covered the following matters:

- the composition of the Board and the Board's committees
- the balance of skills, experience and knowledge required by the Board and its committees and the business as a whole
- the re-election of all the Directors at the AGM in 2021, taking into account their contribution and time commitments
- the review of the Group's approach to and provisions for succession planning, taking account of the length of service of each director, developing staff, diversity and gender balance and Board evaluation. These matters are discussed in the Directors' Report and the Corporate Governance Report.

As a result of their work, the Nomination Committee is satisfied that the Board has the necessary experience, knowledge and skills to lead the Group and deliver on its strategy.

BOARD AND COMMITTEE EVALUATION

The Directors consider that the small size of the Group and Board does not warrant a formal performance evaluation process. However, performance of the Directors is evaluated on an ongoing basis by the Board. This is a matter continually under review.



D.M. Sinclair

Chairman of the Nomination Committee

6 July 2021

Report of the Audit and Risk Committee

MEETINGS

Committee Member	Meetings Attended	Meetings eligible to Attend
Mr A.W. Powell - Chair	5	5
Ms M.L. Archibald	5	5
Dr A.R. Williams	5	5
Non Member		
Mr D.M. Sinclair ¹	4	4
Mrs M.M. Bray ¹	4	4

1. Mr D.M. Sinclair and Mrs M.M. Bray were invited to attend 4 Audit and Risk Committee meetings.

Dear Shareholder,

I am pleased to present the Audit and Risk Committee Report for the year ended 31 March 2021. The Board considers that I have recent and relevant financial experience as recommended under provision 24 of the Code as it applies to the Company for the financial year under review. In line with the Code, the Audit and Risk Committee (the Committee) as a whole is deemed to have competence relevant to the sector in which the Company operates.

The Committee plays a vital role in ensuring that the interests of the shareholders are protected and in assisting the Board in discharging its responsibilities by challenging the integrity of the financial statements, in reviewing the effectiveness of the internal controls systems within the Group and in considering the scope of the annual audit and the nature and extent of any permitted non-audit work that may be undertaken by the external auditor. The Group's response to Covid-19 is set out on page 15; the impact of Covid-19 on the work of the Committee and the external audit is described in this report where appropriate.

This report details the activities of the Committee that were undertaken during the year to 31 March 2021.

ROLE OF THE AUDIT AND RISK COMMITTEE

The Committee's principal roles and responsibilities, as set out in its terms of reference (which can be found on the Group's website at www.mountviewplc.co.uk), include:

- monitoring the integrity of the Group's financial statements;
- reviewing the tone and content of the Interim Report, the Annual Report and Accounts and any associated regulatory news announcements;
- reviewing the Group's internal financial controls and risk management systems;
- assessing the performance and independence of the external Auditor, including the application of our policy on non-audit services;
- selecting the external Auditor and making appropriate recommendations through the Board to permit shareholder consideration at the Annual General Meeting;
- assessing the effectiveness of the external audit process;
- acting as a conduit between the Board and the external Auditor;
- considering the need for an internal audit function;
- reviewing any incidents of whistleblowing occurring within the Group and ensuring adequate review and investigation; and
- reporting to the Board on how it has discharged its responsibilities.

Report of the Audit and Risk Committee

(Continued)

ACTIVITIES OF THE COMMITTEE

During the year the Committee met on five occasions, including meetings prior to the issue of the preliminary and interim results to review audit planning and conduct and then audit recommendations, where appropriate, and consider any significant issues arising from the audit and review process. At a meeting in March 2021 the Committee agreed the external audit terms of engagement and the Auditor's scope, proposed approach and fees for the annual audit for the financial year 1 April 2020 to 31 March 2021.

Outside of the formal meeting programme, as Committee chairman I stay in contact with key individuals involved in the Company's governance, including the Chief Executive Officer (CEO), the Chief Financial Officer (CFO), the external audit lead partner and other external advisers.

The Committee is satisfied that controls over accuracy and consistency of information presented in the Annual Report and Accounts are robust and has confirmed to the Board that it believes this Annual Report and Accounts are fair, balanced and understandable.

During the year, as part of the Financial Reporting Council's (FRC's) annual review of corporate reporting our 2020 annual report was selected for review. I am pleased to report that the FRC's review of our report did not require us to respond to any substantive questions or provide any additional information. The FRC did make a small number of minor recommendations which have been reviewed by the Committee and the Board and are reflected in this Annual Report where appropriate.

KEY AREAS FORMALLY DISCUSSED AND REVIEWED

Principal Responsibilities of the Committee	Key areas formally discussed and reviewed by the Committee during the year
REPORTING AND EXTERNAL AUDIT	
<ul style="list-style-type: none"> Monitoring the integrity of the Company's financial statements and all formal announcements relating to the Company's financial performance, reviewing financial reporting judgements contained within them Making recommendations to the Board regarding approval of the external Auditor's remuneration, terms of engagement, monitoring independence, objectivity and effectiveness 	<ul style="list-style-type: none"> Results, commentary and announcements Key accounting policy judgements, including valuations Impact of future financial reporting standards Going concern and long term viability with particular attention to Covid-19 External Auditor effectiveness External Auditor management letter, containing observations arising from the annual audit leading to recommendations for financial reporting improvement External Auditor's remuneration and audit tender frequency (last tendered in 2017)
VALUATIONS	
<ul style="list-style-type: none"> Monitoring and reviewing the valuation process for the investment properties Valuer competence and effectiveness 	<ul style="list-style-type: none"> Annual report on the effectiveness of the valuer which considers the quality of the valuation process and judgement Challenge the Executives in respect of both the independent external valuations and Directors' valuations across the entire property portfolio
RISK AND INTERNAL CONTROL	
<ul style="list-style-type: none"> Reviewing the principal risks and uncertainties as well as emerging risks, including those that could affect solvency or liquidity, future performance and its business model Reviewing the risk management disclosures on our approach to risk in the Annual Report and Accounts 	<ul style="list-style-type: none"> Maintenance of the Risk Register including identifying and then making a robust assessment of the principal risks facing the Group Horizon scanning for emerging risks Review of risk disclosures as part of review of accounts
OTHER	
<ul style="list-style-type: none"> Reviewing the Committee's Terms of Reference and monitoring its execution Considering the impact of Covid-19 on the system of internal controls Considering compliance with legal requirements, accounting standards, the Listing Rules and Disclosure Guidance and Transparency Rules. Reviewing the whistle-blowing policy and operation and related policies including the anti-bribery and gift policy Considering the need for an internal audit function Reviewing the effectiveness of internal controls 	<ul style="list-style-type: none"> Reviewed and confirmed the Terms of Reference; execution and effectiveness monitored through a progress table and externally sourced questionnaires. Reviewed the impact on controls of staff working from home, including IT controls over remote access. Reviewed processes for monitoring new relevant regulation, including discussion with external advisers Review of whistle-blowing arrangements as set out in the staff manual. Confirmation from the CFO that there have been none during the year Reviewed the need for an internal audit function Reviewed reports by the executive directors, senior managers, including IT, and the external auditors on the operation of controls

EXTERNAL AUDIT

Audit tenure: – Following best practice and in accordance with its Terms of Reference, the Committee annually reviews the audit requirements of the Company and suitability of the auditor. BSG Valentine (UK) LLP has been the Group's auditor since 2007 and was re-appointed following a formal tender process in 2017. Current UK regulations require rotation of the lead audit partner every five years, a formal tender of the audit every ten years and a change of auditor every twenty years. As in 2020 the 2021 Audit Report will be signed off by Gary Allen; this will be his second year as Senior Statutory Auditor.

Objectivity and independence: – These aspects are critical to the integrity of the Group's audit. Prior to the planning meeting the Committee reviewed the auditor's own policies and procedures concerning objectivity and independence, including reviewing their Transparency Report found on their website. We also confirmed that the auditor's evaluation and remuneration processes did not contain incentives for cross-selling.

Planning and contact: – Prior to the audit the Committee, together with the Executive Directors, met with the external auditor BSG Valentine to review their proposals for the audit and agreed their terms of engagement, their proposed approach and their fees for the audit. The Committee is confident that appropriate plans were put in place to carry out an effective and high quality audit. BSG Valentine re-confirmed to the Committee during the meeting that they maintained appropriate internal safeguards to ensure their independence and objectivity.

Effectiveness of the external audit process: – The Committee appraised BSG Valentine's performance and independence by ensuring there is a comprehensive engagement letter in place, assessing their audit plan, including the quality and consistency of their team and then assessing the quality of their reports. The Chairman was in contact with the audit team, during the audit to discuss progress and any issues arising from the audit. In addition, we received feedback from Mountview's finance team who noted that BSG Valentine were professional and constructive while maintaining their independence and robustness when carrying out their work.

At the conclusion of their work the Committee met with the external auditor without the Executive Directors present to discuss their audit findings, including recommendations for financial reporting improvement and their management letter containing observations arising from the annual audit. The discussion also covered the application of materiality and adjusted and unadjusted audit differences. No such differences were identified during the current or prior year's audit.

FRC AQR review: – During 2020, the Audit Quality Review (AQR) team of the FRC conducted a review of BSG Valentine's audit of the Group's Consolidated Financial Statements for the year ended March 31, 2019. In addition to the Committee receiving and reviewing the report the Chairman discussed the report with both the BSG Valentine team and the FRC Review team. The final AQR report included suggestions and recommendations in relation to documentation of audit work and conclusions, and some suggestions for modifications to audit testing. An action plan was agreed based on these suggestions and recommendations which were largely incorporated into the 2020 audit, and which BSG Valentine have confirmed have been adopted for the 2021 audit.

Re-appointment: – Based on their review the Committee believes BSG Valentine remains effective in its role and, BSG Valentine having indicated their willingness to be reappointed as the Group's external auditor, the Committee has recommended to the Board that they be appointed for another year. A resolution to this effect will be proposed at the AGM.

Non-audit services: – The Group's policy requires that all non-audit fee work that falls within the category of allowed services under the applicable Ethical Standards is reported to the Committee. The Committee can confirm that this policy was adhered to and that no such services were provided by BSG Valentine during the year. Accordingly the Committee has concluded that the auditor's objectivity and independence were safeguarded. The fees paid to BSG Valentine are shown in Note 6 to the Accounts.

INTERNAL AUDIT

The need for a dedicated internal audit function was reviewed by the Committee during the year and was not felt to be necessary given the size and relatively simple structure of the Group and its operations, the close day to day involvement of the Executive Directors and the internal control procedures in place. This is kept under regular review. The Committee has the power to commission assurance work from time to time as it sees fit.

Report of the Audit and Risk Committee

(Continued)

VIABILITY STATEMENT AND GOING CONCERN

The Committee provides advice to the Board on the form and basis underlying both the going concern and the longer-term viability statement, including the potential impact of the ongoing Covid-19 pandemic, and in particular the potential impact of variants. The Committee are satisfied that while the virus remains a relevant factor that, at the date of signing this report, a reverse scenario with the potential to seriously damage the validity of either statement is unlikely.

Thus, the Committee concluded that it remains appropriate for the financial statements to be prepared on a going concern basis and recommended the viability statement to the Board.

The Company's going concern statement can be found on page 23. The viability statement can be found on page 12.

SIGNIFICANT ISSUES CONSIDERED IN RELATION TO THE FINANCIAL STATEMENTS

Significant issues and accounting judgements are identified by the finance team and the external audit process and are considered and reviewed by the Committee. The significant issues considered by the Committee in respect of the year ended 31 March 2021 are set out in the table below:

Issues	How the issues were addressed
The impact of Covid-19	This pandemic affected all areas of Company activity during the year. The Committee, in conjunction with the other Directors, had input into the actions taken to mitigate the impact of the virus on the business (see page 15). Similarly the constraints needed to combat the virus affected the conduct of the audit, thus the Chairman had frequent contact with the audit partner to discuss the planning and progress of the audit. The Committee are satisfied that the arrangements put in place were appropriate to ensure a robust audit was carried out. Finally, as noted above, the Committee considered the impact of Covid-19 on the going concern and viability statements.
Valuation of investment property portfolio	The Committee discussed the valuation with the valuers independently of management. This provided the opportunity for the valuers to explain the process they follow to value the portfolio and for the Committee to challenge the key assumptions. On the basis of this discussion the Committee concluded that the valuations were independent and an appropriate basis for the year-end financial accounts.
Net realisable value of the trading property portfolio	The Committee's consideration of this aspect focused on the more recent purchases which have the greatest risk and included reviewing the processes used by the property team to assess values and hence consider the need for a provision. On the basis of these discussions the Committee was satisfied that the valuation was in line with the accounting policy for trading properties, thus there was no need for any provision.

The Committee also considered a number of other judgements made by management, none of which were material in the context of the Group's results or net assets.

KEY ISSUES FOR 2021/22

The Committee is always looking at ways to strengthen its support around governance to ensure that the Company's communications and processes are in line with good practice in this area. For 2021/22 this will continue to include monitoring evolving best practice under the Code and other regulations. In particular for 2021/22 this will include the changes in the Listing rules to accommodate reporting on the Task Force on Climate Related Financial Disclosures (TFCD) Recommendations and Recommended Disclosures and the progress of the ongoing BEIS consultation on Restoring trust in audit and corporate governance. In addition the Executive Directors have identified certain processes developed during the pandemic that can improve our working efficiency and/or service to tenants and other stakeholders in 'normal' times. As these processes are refined for adoption, they will be discussed to assess their impact, if any, on the control environment.



A.W. Powell
Chairman of the Audit and Risk Committee
6 July 2021

Remuneration Report

MEETINGS

Committee Member	Meetings Attended	Meetings eligible to Attend
Ms M.L. Archibald – Chair	6	6
Mr A.W. Powell	6	6
Dr A.R. Williams	6	6
Non Member		
Mr D.M. Sinclair ¹	2	2
Mrs M.M. Bray ¹	2	2

1. Mr D.M. Sinclair and Mrs M.M. Bray were invited to attend part of 2 Remuneration Committee meetings and were not present for discussion concerning the process of determining their awards or the amount of those awards.

Dear Shareholder,

On behalf of the Remuneration Committee and the Board, I am pleased to introduce our 2021 Remuneration Report for which we are seeking your support at our AGM on 11 August 2021.

ROLE OF THE REMUNERATION COMMITTEE

The goal of the Remuneration Committee is to independently formulate and apply remuneration bases that align the interests of our Executive Directors with those of our shareholders, and are fair and transparent in execution, as well as being in accordance with the approved remuneration policy.

The role of the Remuneration Committee is set out in our terms of reference which can be found on the Company's website at www.mountviewplc.co.uk. The Remuneration Committee has reviewed these terms of reference and confirmed that they remain appropriate.

ACTIVITIES OF THE COMMITTEE

The Remuneration Policy applying to this report was approved by a majority vote in favour of the policy at the AGM held on 12 August 2020 and effective at that date.

The main work of the Remuneration Committee in the current year has been the application of this policy in the determination of the Executive Directors' awards in the context of the unusual and challenging circumstances presented by the Covid-19 pandemic.

In considering the awards we were mindful of the impact that Covid-19 had on the Group and on the wider UK economy. It became increasingly apparent that many of the companies which have been regarded as within the peer group over the last few years are in real estate sub-sectors that are being severely impacted by Covid-19, reducing their comparability and usefulness. To this end the Remuneration Committee did take note of data from this group but we placed less weight on it than in prior years, applying our own discretion when reaching decisions.

The pandemic was declared very close to the Company's year-end in 2020. We have now experienced 12 months of the Covid-19 impact and we are pleased to note, as reported elsewhere in this Annual Report and Accounts, that through the last financial year the Group has been able to successfully continue to perform in the end delivering results ahead of those in previous years. Furthermore, the Company managed the staffing and running of the day to day function of Mountview Estates with no necessity for furlough or use of any other Government Covid-19 specific aid. We feel it is valid to adopt the award approach used last year whereby the Remuneration Committee did not believe that measures taken by others whose financial results have been significantly affected by the pandemic, including deferral of bonuses or salary, were appropriate.

As described elsewhere in this Annual Report and Accounts, the Group's performance in the first half of the year was adversely affected by the first lockdown leading to half year results that were down on the corresponding period of the previous year. However, in the second half of the year the Executives and the teams at Mountview have recovered these shortfalls and delivered an annual outturn that is above that of the previous year. To recognise the supreme effort put in by Mountview's teams in delivering this result, bonuses in the current year were increased by approximately a third of last year's bonuses (see table of Percentage change in remuneration of directors and employees on page 45) and in addition staff were awarded salary increases at approximately double the levels of previous years.

Remuneration Report (Continued)

In reviewing the bonus figures for the year, the Remuneration Committee has adopted the approach used in prior years of taking into account the financial metrics of the Group (primarily profit before tax), non-financial factors and, where relevant, peer group and market benchmarks and trends. Applying these principles to the year under review the bonus awards for the CEO and CFO were set at £497,000 and £345,000 respectively.

The Remuneration Committee has also agreed to an increase in Executive Director salaries in line with increases in prior years, and again lower than the increase for Mountview's staff.

REGULATORY CHANGES

In carrying out their work during the year, the Remuneration Committee's members have continued to have regard to the changing regulatory environment around remuneration. In our Remuneration Report in 2020 we commented on our recognition of the Code and legislation aimed at greater transparency and disclosure of remuneration practices. This has continued in the current year and on page 45 we include our first presentation of the table showing the percentage change in remuneration of Directors and employees.

We are grateful to our Executive Directors and their continuing efforts to deliver the best results to shareholders and other stakeholders in line with our strategy in markets that have been challenging amidst a year of uncertainty, requiring adaptability and resilience in response to the evolving Covid-19 pandemic. I am also thankful for the valuable contributions of my fellow Committee members throughout the year.



M.L. Archibald
Chairman, Remuneration Committee
6 July 2021

KEY PRINCIPLES OF REMUNERATION POLICY

The Company's Remuneration Policy is designed to attract, motivate and retain the right talent for our business in order that it can continue to deliver excellent returns for shareholders.

The Remuneration Committee believes that there should be a clear link between the Group's financial results and the short-term incentive element of the remuneration of Executive Directors. In order to achieve this, the Remuneration Policy provides for the Executive Directors' total remuneration to comprise the following elements: base salary, a short-term incentive award, pension and benefits. All elements that are considered annually by the Remuneration Committee notably in our review of base salary and the short-term incentive award. Base salary is reviewed with seniority, inflationary increases, personal performance, changes in responsibilities and the peer group in mind; whereas the short-term incentive award is reviewed and aligned to:

1. the Group's financial metrics (primarily profit before tax)
2. a Director's personal contribution; and
3. non-financial corporate goals to build for long term sustainable success, including management development, succession planning and the maintenance of a robust business infrastructure.

At the same time the Remuneration Committee takes account of the pay and conditions for our staff and reviews market comparators to ensure that reward is appropriate. The Remuneration Committee considers the relative performance of the Group's results in relation to its peers in determining where appropriate benchmarks should be set (i.e. upper quartile, median or lower quartile). The Remuneration Committee then takes these factors concerning historical and current performance and context into account when applying its judgement and discretion in the process for determining awards.

Given that the Executive Directors (particularly the CEO) have significant holdings of the Company's shares that were not acquired through a share based incentive scheme, the Remuneration Committee does not consider that a long-term incentive share scheme (LTI) or other similar share schemes are appropriate and that no post-employment holding period is required. Similarly, the Committee consider that in view of these factors and the experience and long service of the Executive Directors, malus and clawback provisions are not appropriate at this time. The role of an LTI, post-employment holding period and clawback provisions will be reviewed if other Executive appointments are made in the future.

The Executive Directors do not receive a pension, but the Remuneration Policy still provides for a pension contribution in the event that new appointments are made in the future.

Pension contributions are made on behalf of other employees working at the Company.

USE OF METRICS WHEN CONSIDERING THE STI;

As was noted under the heading 'Overview of the Review' in the 2020 ARA, the Remuneration Committee considered metrics that might be appropriate for the short-term incentive. As noted elsewhere in this Annual Report and Accounts, the Group's drivers of their main source of revenues and profit arising in the current year – sales on vacant possession – are beyond the control of the Group or the Executive Directors. This is because these are in turn driven by factors that are outside the Group's control: the timing of vacant possession, the location and thus market price of properties disposed of, the original purchase date of the properties sold and the appetite for the properties that are sold.

It is also the case that at a transaction level, the net proceeds are a function of the historic and current astuteness, judgement and experience brought to bear when purchasing properties, setting of reserve prices and the pricing of those sales being made by private treaty – all of which are ongoing activities firmly in the remit of the Executive Directors and their teams.

The Remuneration Committee considered that, while firmly of the view that there should be a clear link between the Group's financial results and the short term incentive element of the remuneration of the Executive Directors, metrics that attempted to link Executive performance with the current year's profits would be unreliable and, at best, be artificial and, at worst, be misleading and thus the Remuneration Committee concluded that the current approach continued to be appropriate.

Remuneration Report *(Continued)*

REMUNERATION POLICY

Set out below is the Remuneration Policy approved by shareholders at the Annual General Meeting held on 12 August 2020.

The tables below summarise the main elements of the remuneration packages of the Executive Directors, the key features of each element, their purpose and linkage to our strategy.

EXECUTIVE DIRECTORS

Component

BASE SALARY*

Purpose and link to strategy	To provide a competitive level of non-variable remuneration aligned to the Company's peer group and reflective of the seniority of the post, the experience of the Executive and the known and expected contribution to the Group's strategy.
Operation	Base salaries are reviewed each year with regard to the seniority of the individual, changes to responsibilities, performance, peer group developments and inflationary increases taking into account the Consumer Prices Index, published annual remuneration surveys and the average change in workforce salaries, excluding promotion, merit or similar components of workforce rises, if this is lower than the published inflation indices.
Opportunity	Base salaries are fixed for each financial year and effective from 1 April each year.
Performance metrics	None

PENSION*

Purpose and link to strategy	To attract and retain high quality Executives by providing income in retirement.
Operation	The Company would offer contributions to an approved defined contribution pension scheme.
Opportunity	Contributions would be made at the rate applied to workforce pensions and be based on base salary only. Contributions may be made at a higher rate through salary sacrifice.
Performance metrics	None

BENEFITS*

Purpose and link to strategy	To aid the recruitment and retention of high quality Executives.
Operation	The Company provides private medical insurance, sick pay and life assurance. Other non-pension benefits may be provided if the Remuneration Committee considers it appropriate.
Opportunity	The benefits are fixed in relation to the Executive's base salary. The Remuneration Committee reviews the appropriateness of these benefits. The value of benefits may vary from year to year depending on the cost to the Company from third-party providers.
Performance metrics	None

SHORT TERM INCENTIVE*

Purpose and link to strategy	Incentive award to be aligned with Group financial performance and reward personal contribution to results.
Operation	Awards are reviewed each year with regard to the individual's performance and their contribution to the Group's performance, financial results and peer group comparators.
Opportunity	Any award under this scheme will be set at a level that aligns the short-term incentive award with the Group's financial performance, while also reflecting non-financial contributions and remaining comparable with our peer group. The maximum percentage of base salary payable for an award under this scheme is 150%.
Performance metrics	The Remuneration Committee considers financial metrics (currently primarily profit before tax), other non-financial achievements and corresponding movements within the peer group over the course of the financial year under review.

* As noted above, the Committee concluded that clawback provisions were not appropriate at this time.

NON-EXECUTIVE DIRECTORS

The policy on Non-Executive Directors' fees is set out below:

Component

FEES

Purpose and link to strategy	Non-Executive Directors receive a fee to cover their time and expenses in attending Board, Committee and any other meetings that they are required to attend over the year. Non-Executive Directors may receive additional fees and expenses for attending meetings not otherwise in the ordinary course of their duties, or where additional effort is needed above that required by the terms of their appointment.
Operation	Fees are reviewed periodically by the Board with reference to the expected time commitment and market level for such services. Non-Executive Directors are not entitled to any other incentives or benefits beyond their fees and reimbursement for travel and related business expenses reasonably incurred in performing their duties.
Opportunity	The aggregate fees and any benefits of the Chairman and Non-Executive Directors will not exceed the limit from time to time prescribed within the Company's Articles of Association for such fees, currently £250,000 p.a. in aggregate. Any increases in fee levels made will be appropriately disclosed in the Annual Report.
Performance metrics	None

APPROACH TO RECRUITMENT REMUNERATION

When setting the remuneration package for a new Executive Director, the Remuneration Committee will apply the same principles and policy as set out above. Depending on individual circumstances, the Remuneration Committee will consider providing pension contributions and other long-term incentives appropriate to the individual and their responsibilities.

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 increasing experience and responsibilities, subject to good performance, where it is considered appropriate by the Remuneration Committee.

In relation to external appointments, the Remuneration Committee may structure a remuneration package that it considers appropriate to recognise awards or benefits that may or will be forfeited on resignation from a previous position, taking into account timing and valuation – and any other matters it considers relevant. The policy is that the maximum payment under any such arrangement (which may be in addition to the normal variable remuneration) should be no more than the Remuneration Committee considers is required to provide reasonable compensation to the incoming Executive Director.

In the 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 (including awards, incentives, benefits and contractual arrangements) in accordance with their terms to the extent that such pre-existing commitments are permitted by the Code.

Where any recruitment involves the agreed relocation of the individual, the Company may offer additional benefits and meet some or all associated costs for periods that would be agreed by the Remuneration Committee on a case by case basis.

Where an individual is appointed as a result of an acquisition, merger or other corporate event, the Company will honour any legacy terms and conditions to the extent that such legacy terms are permitted by the Code.

Non-Executive Directors appointments will be made based on a Non-Executive Director agreement. Non-Executive Directors' fees, including those of the Chairman, will be set at a competitive market level, reflecting the experience of the individual and the responsibility and time commitment of the role.

In all cases the Remuneration Committee will bear in mind the best interests of the Company.

Remuneration Report *(Continued)*

DETAILS OF DIRECTORS' SERVICE CONTRACTS

EXECUTIVE DIRECTORS

	Contract Date	Unexpired Term	Notice Period
Mr D.M. Sinclair	8 August 2002	No fixed term	12 months
Mrs M.M. Bray	1 April 2004	No fixed term	12 months

The Executive Directors' service contracts contain provisions relating to matters such as salary, salary continuance in the event of illness, holidays, life and medical insurance, etc. The Executive Directors' service contracts can be terminated on 12 months' notice by either party.

The Executive Directors are entitled to a compensation payment upon a change of control of the Company. Such compensation payment (subject to the deduction of income and other taxes 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. The Executive Directors' contracts make no other provision for termination payments other than for salary and benefits in lieu of notice.

Executive Directors are entitled to reasonable out of pocket expenses when on Company business.

NON-EXECUTIVE DIRECTORS

	Contract Date	Unexpired Term	Notice Period
Ms M.L. Archibald	1 July 2020	24 months	None
Dr A.R. Williams	1 December 2018	5 months	None
Mr A.W. Powell	1 April 2021	33 months	None

Non-Executive Directors are only entitled to accrued fees due to them at the date of termination of their appointment and, where appropriate, a payment in lieu of their contractual notice period.

OTHER MATTERS

The Remuneration Committee may make non-substantial amendments to the policy set out above.

In making its decisions, the Remuneration Committee shall take into account the conditions of the Group as a whole and proposals as regards the general staff.

Lastly, the Remuneration Committee considers the views of investor bodies and shareholders. The Company seeks an ongoing dialogue with shareholders on all matters of strategic importance – including remuneration.

POLICY REGARDING EXTERNAL APPOINTMENTS

Executive Directors are not actively encouraged to hold external directorships. Duncan Sinclair is a director of Sinclair Estates Ltd. and Ossian Investors Ltd, companies which hold property assets in run-off. He is also a Trustee of The Sinclair Charity and a Director of Sinclair Events Ltd.

Non-Executive Directors are appointed because of their skills and experience and it is accepted that they have other commitments beyond Mountview. The Chairman keeps the availability of Non-Executive Directors under review to ensure that they have the capacity to support the Company as required.

ILLUSTRATION OF POSSIBLE OUTCOME IN CEO AND CFO REMUNERATION £000s

		■ Base Salary	■ Fixed Benefits	□ Variable	Total
At expectation*	CEO	591 (52.4%)	25 (2.2%)	513 (45.4%)	1,129
	CFO	450 (55.8%)	357 (44.2%)		807
Minimum**	CEO	591 (96.0%)	25 (4.0%)		616
	CFO	450 (100%)			450
Maximum***	CEO	591 (39.3%)	25 (1.7%)	887 (59.0%)	1,503
	CFO	450 (40.0%)		675 (60.0%)	1,125

* As noted earlier in the remuneration report, formal targets are not used in determining the short-term incentive awards, with the award being based on year on year relative financial and non-financial performance and the Executive Director's personal contribution which includes a mix of objective and subjective measures. For the purposes of the 'At expectation' illustration we have assumed that the Short Term Incentive award would represent the same proportion of the base salary as in 2020/21.

** Minimum is based on fixed remuneration consisting of projected annual salary for 2021/22 with fixed benefits but assuming no Short-Term Incentive award.

*** Maximum is based on fixed remuneration consisting of projected annual salary for 2021/22 with fixed benefits with the maximum Short-Term Incentive award opportunity of 150% of base salary.

APPLICATION OF THE REMUNERATION POLICY

The Remuneration Committee starts its process by reviewing the market benchmarks for remuneration amongst the Group's peer group, with particular focus on any movements in salaries for the current year and recent Group performance. The Remuneration Committee would then determine the appropriate level of base salary for the Executive Directors with reference to these results, and as described above also considering relative performance against the peer group and other market metrics where relevant. As the peer group population is recognised as becoming less reliable, the Remuneration Committee has incorporated discretion to a greater degree in this financial year.

The Remuneration Committee sets the Executive Directors' Short-Term Incentive award at a level to reflect the Group's financial performance while remaining comparable with our peer group. The award is referenced to the financial metrics of the Group (primarily profit before tax) and also takes account of such other factors as the Remuneration Committee sees fit such as

- Any other non-financial factors to be considered;
- The total remuneration of other peer group companies and movement in market benchmarks.

Remuneration Report *(Continued)*

ANNUAL REMUNERATION REPORT (AUDITED INFORMATION)

DIRECTORS' TOTAL REMUNERATION SINGLE FIGURE TABLE

	Salary £000	Benefits in kind ¹ £000	Total Fixed Remuneration ² £000	Bonus ³ £000	Total £000
2021					
Executive					
D.M. Sinclair	573	25	598	497	1,095
M.M. Bray	435	–	435	345	780
Non-Executive					
A.W. Powell	99	–	99	–	99
M.L. Archibald	39	–	39	–	39
Dr A.R. Williams	39	–	39	–	39
	1,185	25	1,210	842	2,052

1. The Benefits in kind are as set out in the policy table.

2. The current Executive Directors do not receive a pension contribution thus the Total Fixed remuneration comprises salary and benefits.

3. The approach used for the bonus awards is described in the 'Activities of the Committee' note on pages 37 and 38. The Company does not operate a LTI scheme, and thus the bonus figures are the Total Variable Remuneration

	Salary ¹ £000	Benefits in kind ² £000	Total Fixed ³ Remuneration £000	Bonus ⁴ £000	Total £000
2020					
Executive					
D.M. Sinclair	555	25	580	447	1,027
M.M. Bray	421	–	421	308	729
Non-Executive					
A.W. Powell	99	–	99	–	99
M.L. Archibald	39	–	39	–	39
Dr A.R. Williams	39	–	39	–	39
	1,153	25	1,178	755	1,933

1. Commensurate with his role as Chairman Tony Powell's salary was increased to £99k p.a. from 1 April 2019.

2. The Benefits in kind are as set out in the policy table.

3. The current Executive Directors do not receive a pension contribution thus the Total Fixed remuneration comprises salary and benefits.

4. The approach used for the bonus awards is described in the 'Activities of the Committee' note on pages 37 and 38. The Company does not operate a LTI scheme, and thus the bonus figures are the Total Variable Remuneration.

UNAUDITED INFORMATION

CEO SINGLE FIGURE

		Bonus as % of maximum bonus *	CEO single figure of total remuneration £000
2021	D.M. Sinclair	57.82%	1,095
2020	D.M. Sinclair	53.69%	1,027
2019	D.M. Sinclair	52.96%	975
2018	D.M. Sinclair	56.70%	977
2017	D.M. Sinclair	68.67%	1,038
2016	D.M. Sinclair	88.18%	943
2015	D.M. Sinclair	55.56%	778
2014	D.M. Sinclair	53.33%	659
2013	D.M. Sinclair	53.33%	662
2012	D.M. Sinclair	38.79%	520

* Prior to 2017 the Remuneration Policy did not have a maximum for STI – so the bonus as a percentage of maximum is not formally computable. However, for the purposes of comparison we have computed these percentages for earlier years as if the post 2020 policy applied. The figures for Bonus as percentage of maximum bonus are different from those reported in 2020 as under the 2020 policy the maximum bonus award was changed from 250% to 150%. In addition, as noted on page 39 the Company does not operate a LTI scheme.

CFO SINGLE FIGURE

		Bonus as % of maximum bonus *	CFO single figure of total remuneration £000
2021	M.M. Bray	52.87%	780
2020	M.M. Bray	48.77%	729
2019	M.M. Bray	48.09%	692
2018	M.M. Bray	51.62%	692
2017	M.M. Bray	63.11%	730
2016	M.M. Bray	80.70%	661
2015	M.M. Bray	52.83%	546
2014	M.M. Bray	48.00%	473
2013	M.M. Bray	48.00%	473
2012	M.M. Bray	34.04%	373

* Prior to 2017 the remuneration policy did not have a maximum for STI – so the bonus as a percentage of maximum is not formally computable. However, for the purposes of comparison we have computed these percentages for earlier years as if the post 2020 policy applied. The figures for Bonus as percentage of maximum bonus are different from those reported in 2020 as under the 2020 policy the maximum bonus award was changed from 250% to 150%. In addition, as noted on page 39 the Company does not operate a LTI scheme.

PERCENTAGE CHANGE IN REMUNERATION OF DIRECTORS AND EMPLOYEES

The percentage change in remuneration between 2020 and 2021 for the Directors and for all employees, excluding the Directors, in the Group was:

	Base Salary	Taxable Benefits	Annual Bonus
Executive Directors			
D.M. Sinclair	3.24%	0.00%	11.19%
M.M. Bray	3.33%	N/A	12.01%
Non-Executive Directors			
A.W. Powell	0.00%	N/A	N/A
M.L. Archibald	0.00%	N/A	N/A
Dr A.R. Williams	0.00%	N/A	N/A
Employee population	4.02%	-1.98%*	32.75%

* The staff taxable benefits have reduced as, when the recent car leases ended, a change has been made from conventional cars to hybrid cars. This switch attracts a lower taxable benefit leading to a reduction in car benefits of 2.6% which is offset by a 0.6% increase in other staff benefits.

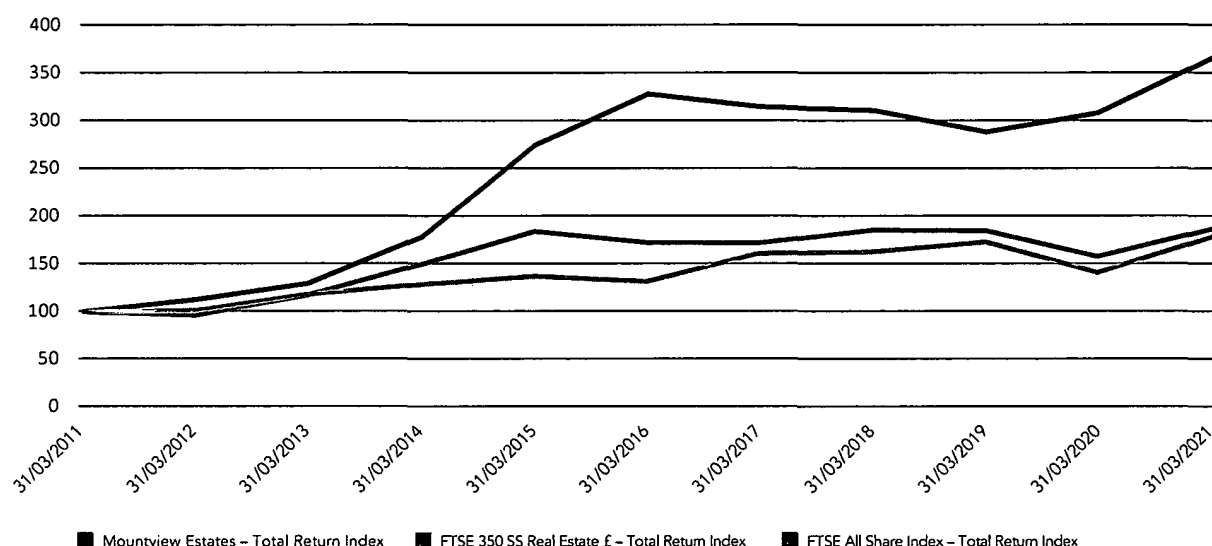
Remuneration Report *(Continued)*

PERFORMANCE GRAPH

The graph illustrates the Company's performance compared to a broad equity market index over the past ten years. As the Company is a constituent of the FTSE 350 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. compared to the value of £100 invested in the FTSE All-Share Index and the FTSE 350 Real Estate Index on 31 March each year.

10 YEAR TSR RETURN – ANNUAL CHART



RELATIVE IMPORTANCE OF SPEND ON PAY

The difference in actual expenditure between 2020/21 and 2019/20 on remuneration for all employees in comparison to profit after tax and distributions to shareholders by way of dividend is set out in the tabular graphs below:

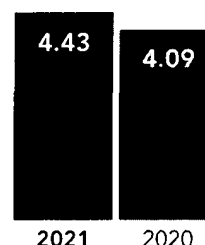
PROFIT AFTER TAX (£M)
↑ 2.59M



DIVIDEND (£M)
↔



TOTAL EMPLOYEE PAY
↑ 0.34M



STATEMENT OF IMPLEMENTATION OF REMUNERATION POLICY IN THE CURRENT FINANCIAL YEAR

Executive Directors:

With effect from 1 April 2021 the basic salary of CEO will be increased to £591k p.a. and the CFO to £450k p.a.

Non-Executive Directors:

The Board considered the fees payable to the Non-Executive Directors and approved increases from £99k to £102k for the Chairman and from £39k to £40k for other Non-Executive Directors representing a 3% increase year on year.

DETAILS OF THE REMUNERATION COMMITTEE

During 2020/2021 the Remuneration Committee comprised three Non-Executive Directors, two of whom were independent.

Details of the Non-Executive Directors who were members of the Remuneration Committee during the year are disclosed on page 17.

STATEMENT OF VOTING AT GENERAL MEETING

At the Annual General Meeting held on 12 August 2020 the Directors' Remuneration Report and the Directors' Remuneration Policy received the following votes based on proxy forms from shareholders.

Resolution	Number of shares	Voting for %	Number of shares	Voting against %	Total votes cast	Votes withheld
Annual report on Remuneration (2020 AGM)	2,130,838	69.43%	938,048	30.57%	3,068,886	0
Remuneration Policy (2020 AGM)	2,130,737	69.43%	938,149	30.57%	3,068,886	0

As reported in a regulatory announcement on February 12, 2021: Following the 2020 AGM in August and prior to the general meeting held on 23 November 2020, the Company identified as far as possible those shareholders who did not support the various resolutions and attempted to engage with them to seek their views. Some shareholders did not wish to engage. The Company remains committed to shareholder engagement and will continue to offer to meet with shareholders to take into account their concerns and considerations in the future.

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 2021	31 March 2020
Ordinary Shares of 5p each		
D.M. Sinclair including:		
• beneficial holding of Sinclair Estates Limited of 54,165. (Mr Sinclair is a Director of Sinclair Estates Limited.)		
• non-beneficial holding of The Sinclair Charity of 58,117 (Mr Sinclair is a trustee of The Sinclair Charity.)	596,500	596,500
M.M. Bray	12,302	12,302
ML. Archibald	100	–
Dr A.R. Williams	62,312	62,072

* As noted on page 39 the Company does not operate any LTI or similar share schemes.

All the above interests are beneficial unless otherwise stated. There were no other changes in shareholdings during the year and no changes between 31 March 2021 and the date of this report.



Ms. M.L. Archibald

Chairman of the Remuneration Committee

On behalf of the Board

6 July 2021

Consolidated Statement of Comprehensive Income

for the year ended 31 March 2021

	Notes	Year ended 31 March 2021 £000	Year ended 31 March 2020 £000
Revenue	4	65,730	64,873
Cost of sales	4	(22,508)	(23,519)
Gross profit		43,222	41,354
Administrative expenses		(5,865)	(5,630)
Gain on sale of investment properties	13	–	1,174
Operating profit before changes in fair value of investment properties		37,357	36,898
Increase/(Decrease) in fair value of investment properties	13	1,452	(969)
Profit from operations		38,809	35,929
Net finance costs	8	(675)	(988)
Profit before taxation		38,134	34,941
Taxation – current	9	(6,966)	(7,320)
Taxation – deferred	19	(275)	675
Taxation	9	(7,241)	(6,645)
Profit attributable to equity shareholders and total comprehensive income		30,893	28,296
Basic and diluted earnings per share (pence)	11	792.3p	725.7p

All the activities of the Group are classed as continuing.

The Notes on pages 52 to 68 are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

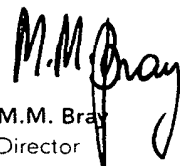
for the year ended 31 March 2021

	Notes	As at 31 March 2021 £000	As at 31 March 2020 £000
Assets			
Non-current assets			
Property, plant and equipment	12	1,606	1,670
Investment properties	13	25,574	24,122
		27,180	25,792
Current assets			
Inventories of trading properties	15	398,166	392,069
Trade and other receivables	16	1,417	3,676
Cash at bank	18	597	3,553
		400,180	399,298
Total assets		427,360	425,090
Equity and liabilities			
Capital and reserves attributable to equity holders of the Company			
Share capital	21	195	195
Capital reserve	22	25	25
Capital redemption reserve	22	55	55
Other reserves	22	56	56
Retained earnings	23	394,540	379,243
		394,871	379,574
Non-current liabilities			
Long-term borrowings	18	20,600	31,100
Deferred tax	19	4,351	4,076
		24,951	35,176
Current liabilities			
Bank overdrafts and short-term loans	18	1,280	2,060
Trade and other payables	17	2,142	4,830
Current tax payable		4,116	3,450
		7,538	10,340
Total liabilities		32,489	45,516
Total equity and liabilities		427,360	425,090

Approved by the Board on 6 July 2021.



D.M. Sinclair
Chief Executive



M.M. Bray
Director

Company no: 00328020

The Notes on pages 52 to 68 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

for the year ended 31 March 2021

Changes in equity for year ended		Share capital	Capital reserve	Capital redemption reserve	Other reserves	Retained earnings	Total
31 March 2020	Notes	£000	£000	£000	£000	£000	£000
Balance as at 1 April 2019		195	25	55	56	366,543	366,874
Profit for the year						28,296	28,296
Dividends	10					(15,596)	(15,596)
Balance at 31 March 2020	23	195	25	55	56	379,243	379,574
Changes in equity for year ended							
31 March 2021							
Balance as at 1 April 2020		195	25	55	55	379,243	379,574
Profit for the year						30,893	30,893
Dividends	10					(15,596)	(15,596)
Balance at 31 March 2021	23	195	25	55	56	394,540	394,871

The Notes on pages 52 to 68 are an integral part of these consolidated financial statements

Consolidated Cash Flow Statement

for the year ended 31 March 2021

	Notes	Year ended 31 March 2021 £000	Year ended 31 March 2020 £000
Cash flows from operating activities			
Profit from operations		38,809	35,929
Adjustment for:			
Depreciation	12	64	64
(Gain) on disposal of investment properties	13	–	(1,174)
(Increase)/Decrease in fair value of investment properties	13	(1,452)	969
Operating cash flows before movement in working capital		37,421	35,788
(Increase)/Decrease in inventories		(6,097)	315
Decrease/(Increase) in receivables	16	2,259	(1,761)
(Decrease)/Increase in payables	17	(2,688)	2,018
Cash generated from operations		30,895	36,360
Interest paid	8	(675)	(988)
Income tax		(6,300)	(7,035)
Net cash inflow from operating activities		23,920	28,337
Investing activities			
Proceeds from disposal of investment properties	13	–	4,195
Purchase of property, plant and equipment	12	–	(24)
Net cash inflow from investing activities		–	4,171
Cash flows from financing activities			
(Repayment) of borrowings		(10,116)	(16,835)
Equity dividend paid		(15,596)	(15,596)
Net cash (outflow) from financing activities		(25,712)	(32,431)
Net (Decrease)/Increase in cash and cash equivalents		(1,792)	77
Opening cash and cash equivalents		2,058	1,981
Cash and cash equivalents at end of year	18	266	2,058

The Notes on pages 52 to 68 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2021

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 6 July 2021.

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 financial statements were prepared under the historical cost convention, as modified by the revaluation of investment properties.

The Group financial statements were prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union ("IFRSs 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 74 to 81.

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(R) 'Critical Accounting Judgements and Key Areas of Estimation Uncertainty'.

(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.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

Control is recognised when the Group is exposed to, or has rights to, variable returns from its investment in the entity and has the ability to affect these returns through its power over the relevant activities of the entity.

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.

2. ACCOUNTING POLICIES CONTINUED

(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:

- Property Trading
- Property Investment

The segments are UK based. More details are given in Note 5 on page 59.

(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 using the tax rates and laws that have been enacted or substantively enacted by the reporting date 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 from sales of properties, rental income from properties held as trading stock, investment and other sundry items of revenue before charging expenses.

Rental income is recognised on a straight-line and accruals basis over the rental period.

Sales of properties are recognised on legal completion as in the Directors' opinion this is the point at which control passes to the buyer.

(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.

Notes to the Consolidated Financial Statements *(Continued)*

for the year ended 31 March 2021

2. ACCOUNTING POLICIES CONTINUED

(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 costs 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% per annum
Fixtures and fittings and office equipment	– 20% per annum
Computer equipment	– 25% per annum

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 the 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 the 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. The analysis of the Group revenue as at 31 March 2021 is on page 58.

2. ACCOUNTING POLICIES CONTINUED

(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, trade and other payables, and cash and cash equivalents are measured at amortised cost.

(N) BANK BORROWINGS

Loans are recorded at fair value at initial recognition and thereafter at amortised cost under the effective interest method.

(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) LEASING

Group as lessor

The Group's non-cancellable operating leases relate to regulated tenancies under which tenants have the right to remain in a property for the remainder of their lives. It is therefore not possible to estimate timing of future minimum payments in respect of these regulated tenancies, hence these are not separately disclosed in the financial statements.

Group as lessee

Rentals payable under leases for assets considered to be of low value are charged to the Consolidated Statement of Comprehensive Income on a straight-line basis over the term of the lease.

(Q) ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS

Standards, interpretation and amendments effective in the current financial year have not had a material impact on the Group financial statements.

Standards, interpretations and amendments issued but not yet effective are not expected to have a material impact on the Group financial statements.

(R) 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 £20 million (2020: £20 million) revolving loan facility with HSBC Bank. The termination date of this facility is November 2023.

The Group has a £60 million (2020: £60 million) revolving loan facility with Barclays Bank. The termination date of this facility is December 2022.

Notes to the Consolidated Financial Statements (Continued)

for the year ended 31 March 2021

2. ACCOUNTING POLICIES CONTINUED

2. Covenant compliance

The core facility has two covenants, Consolidated Gross Borrowings as a percentage of Consolidated Net Tangible Assets, and the ratio of Consolidated PBIT to Consolidated Gross Financing Costs. 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 – Global Standards 2020.

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. Given that by applying our buying criteria all stock is purchased at a discount to the value with vacant possession the Directors consider the risk of impairment to be low and accordingly the Group has no NRV provision.

Inventory expected to be settled in more than 12 months

The Board estimates that inventory of £18.2 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, both 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 the rental income.

The Group has two covenants covering Consolidated Gross Borrowings as a percentage of Consolidated Net Tangible Assets, and the ratio of Consolidated PBIT to Consolidated Gross Financing Costs. These covenants were complied with during the financial year.

(B) CREDIT RISK

Exposure to credit risk and interest risk arises in the 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.

(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 will reduce the gearing level and improve the liquidity. A summary table with the majority of financial liabilities is presented in Note 18.

Notes to the Consolidated Financial Statements (Continued)

for the year ended 31 March 2021

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES CONTINUED

(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.

	2021 £000	2020 £000
Total borrowings	21,880	33,160
Less cash	(597)	(3,553)
Net borrowings	21,283	29,607
Total equity	394,871	379,574
Net borrowings plus equity	416,154	409,181
Gearing ratio	5.1%	7.2%

4. ANALYSIS OF REVENUE AND COST OF SALES

All revenue arises in England and Wales.

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.

	2021 £000	2020 £000
Revenue		
Gross sales of properties	46,672	45,651
Gross rental income	19,058	19,222
	65,730	64,873
Cost of sales		
Cost of properties sold	17,807	17,686
Property expenses	4,701	5,833
	22,508	23,519
Gross profit		
Sales of properties	28,865	27,965
Net rental income	14,357	13,389
	43,222	41,354

Sales of properties included in the Market Valuation undertaken by Allsop LLP as at 30 September 2014. (See Note 15 on page 64.)

	Allsop Valuation £000	Sales Price £000
Value of the Properties included in the Market Valuation as at 30 September 2014 and sold during the year ended 31 March 2021	26,930	42,287
Properties purchased since 30 September 2014 and sold during the year ended 31 March 2021	–	4,385
Gross sales of properties	–	46,672

The Market Values were on the basis that properties would be sold subject to any then existing leases and tenancies.

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:

	Property trading £000	2021 Property investment £000	Group £000	Property trading £000	2020 Property investment £000	Group £000
Revenue	65,216	514	65,730	64,349	524	64,873
Operating profit before changes in fair value of investment properties	36,997	360	37,357	35,722	1,176	36,898
Finance costs	(675)	–	(675)	(988)	–	(988)
Profit after tax			30,893			28,296
Assets	401,526	25,834	427,360	400,822	24,268	425,090
Liabilities	28,087	4,402	32,489	41,190	4,326	45,516
Fixed assets						
Capital expenditure	–	–	–	24	–	24
Depreciation	60	4	64	60	4	64

Revenue of the property investment segment is derived entirely from rental income.

Head office costs have been allocated and included within the Group's two operating segments. The Group's two main business segments operate within England and Wales.

6. PROFIT FROM OPERATIONS

	2021 £000	2020 £000
The operating profit is stated after taking into account:		
Depreciation of tangible fixed assets	64	64
Gain on disposal of investment property	–	1,174
Auditors' remuneration		
– the audit of the Parent Company and Consolidated Financial Statements	50	40
– the audit of the Company's subsidiaries pursuant to legislation	15	15
Operating expenses for investment properties	11	95
And after crediting:		
– net rental income	14,357	13,389
– administrative charges to related companies (Note 24)	35	33

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

	2021	2020
Office and management	29	29

Notes to the Consolidated Financial Statements *(Continued)*

for the year ended 31 March 2021

7. STAFF COSTS (INCLUDING DIRECTORS)

	2021 £000	2020 £000
Wages and salaries	3,888	3,554
Social security costs	491	490
Pension costs	54	49
	4,433	4,093
Directors' remuneration		
Total Directors' remuneration including salary, bonuses and benefits in kind amounted to:	2,052	1,933

The details of Directors' remuneration are shown in the audited section of the Remuneration Report on page 44.

The Company contributes 3% of the total annual gross salaries and bonuses of each employee, excluding Directors, to a Stakeholder Pension Scheme.

8. FINANCE COSTS

	2021 £000	2020 £000
Interest on bank overdrafts and loans	675	988

9. INCOME TAX EXPENSE

	2021 £000	2020 £000
(a) Analysis of charge in the year		
Current tax: UK Corporation Tax 19% (2020: 19%)	6,966	7,320
Deferred tax: Current year 19% (2020: 19%)	275	(675)
Taxation attributable to the Company and its subsidiaries	7,241	6,645
(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	38,134	34,941
Profit on ordinary activities multiplied by rate of tax 19% (2020: 19%)	7,245	6,638
Expenses not deductible for tax	(3)	(2)
Depreciation in excess of capital allowances	(1)	(7)
Deferred tax	-	16
Taxation attributable to the Company and its subsidiaries	7,241	6,645

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

10. DIVIDENDS

On 12 August 2020, a dividend of 200p per share (2019: 200p per share) was paid to the shareholders. On 30 March 2021 a dividend of 200p per share (2020: 200p per share) was paid to the shareholders. This resulted in total dividends paid in the year of £15.6 million (2020: £15.6 million).

In respect of the current year, the Directors propose that a final dividend of 225p per share will be paid to the shareholders on 16 August 2021. 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 2021 is payable to all shareholders on the Register of Members on 9 July 2021. The total estimated final dividend to be paid is £8.8million.

11. EARNINGS PER SHARE

	2021 £000	2020 £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)	30,893	28,296
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	792.3p	725.7p

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 2020	2,671	41	24	2,736
Additions	–	–	–	–
Disposals	–	–	–	–
At 31 March 2021	2,671	41	24	2,736
Depreciation				
At 1 April 2020	1,019	41	6	1,066
Charge for the year	53	–	11	64
On disposals	–	–	–	–
At 31 March 2021	1,072	41	17	1,130
Net book value				
At 31 March 2020	1,652	–	18	1,670
At 31 March 2021	1,599	–	7	1,606

Property, plant and equipment are located within England and Wales.

	Freehold property £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost				
At 1 April 2019	2,671	41	–	2,712
Additions	–	–	24	24
Disposals	–	–	–	–
At 31 March 2020	2,671	41	24	2,736
Depreciation				
At 1 April 2019	966	36	–	1,002
Charge for the year	53	5	6	64
On disposals	–	–	–	–
At 31 March 2020	1,019	41	6	1,066
Net book value				
At 31 March 2019	1,705	5	–	1,710
At 31 March 2020	1,652	–	18	1,670

Property, plant and equipment are located within England and Wales.

Notes to the Consolidated Financial Statements *(Continued)*

for the year ended 31 March 2021

13. INVESTMENT PROPERTIES

	2021 £000	2020 £000
Fair value at 1 April 2020/(2019)	24,122	28,112
Subsequent expenditure	-	-
Disposals	-	(3,021)
Increase/(Decrease) in fair value during the year	1,452	(969)
At 31 March 2021/(2020)	25,574	24,122

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

During the financial year there were no property disposals (2020: £4.195 million). In 2020 the difference between the sales price of £4.195 million and the market fair value of £3.021 million, resulted in a gain of £1.174 million. This is shown as a separate line item in the Consolidated Statement of Comprehensive Income for the year ended 31 March 2020.

The investment properties represent less than 5% of the Group's portfolio.

LOUISE GOODWIN LIMITED AND A.L.G. PROPERTIES LIMITED

The companies' freehold properties were valued at 31 March 2021 by an external valuer Jeremy Mayhew-Sanders MRICS of Allsop LLP. The valuations are done in accordance with the requirements of the RICS Valuation-Global Standards 2020. These 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 derived using comparable recent market transactions on arm's length terms.

This time last year the Covid-19 virus outbreak was officially classified by the World Health Organisation as a worldwide pandemic. Economies across the World faced immense disruption in 2020 and been perforated by sustained periods of 'lockdown' and closure in an effort to contain the spread of the virus, efforts that continue to disrupt us returning to "normal life" as we start the second quarter of 2021.

The property market has remained open throughout the previous lockdowns, however the continued restrictions will likely create further uncertainty, particularly if the restrictions are extended beyond the roadmap outlined by the UK Government.

One year later, however, the UK Governments vaccination programme has exceeded its own targets, lockdown restrictions are being eased and there appears to be a feeling of cautious optimism. The UK property market has benefitted as uncertainty recedes. Agents operating in central London report an increase in the number of new instructions and a corresponding increase in the number of prospective buyers registering with them.

The Government's decision to extend the temporary Stamp Duty reductions may also be playing a role in explaining this surge of activity.

With demand at reasonable levels, values in central London are crudely back to pre- pandemic levels and, in some cases, increasing. The recent marketing of 65F Belsize Park Gardens, within the subject portfolio, is evidence of this. A number of prospective buyers put forward offers and the final agreed purchase price exceeded the agents guide price and expectations.

As a result the valuers raised the value across the portfolio by £1,452,000, to the levels they were prior to the pandemic which equates to an uplift of approximately 5%.

This is the fifth year in which Mr Mayhew-Sanders has valued the properties for accounts purposes but the tenth consecutive year in which Allsop LLP has undertaken the work. Allsop LLP has undertaken work for Mountview Estates P.L.C. for longer than 20 years including acquisitions, disposals and valuations.

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.

13. INVESTMENT PROPERTIES CONTINUED

The aggregate Market Value of the Group's interests in its investment portfolios was:

LOUISE GOODWIN LIMITED

- Freehold: £22,247,000 (Twenty two million, two hundred and forty seven thousand pounds).

A.L.G. PROPERTIES LIMITED

- Freehold: £3,327,000 (Three million, three hundred and twenty seven 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(R) "Critical accounting judgements and key areas of estimation uncertainty".

A revaluation increase of £1,452,000 has arisen on valuation of investment properties to Market Value as at 31 March 2021 (2020: decrease of £969,000). This is shown as a separate line item in the Consolidated Statement of Comprehensive Income.

The Directors are of the opinion that the Fair Value equates to the Market Value.

Investment properties are the only assets of the Group measured at fair value. They are categorised as Level 3 within the fair value hierarchy of IFRS13.

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 2020 2021 £000
Hurstway Investment Company Limited Registered Office: Mountview House, 151 High Street, Southgate, London, N14 6EW Registered in England 344034	Property Trading	1
Louise Goodwin Limited Registered Office: Mountview House, 151 High Street, Southgate, London, N14 6EW Registered in England 691455	Property Investment	15,351
A.L.G. Properties Limited Registered Office: Mountview House, 151 High Street, Southgate, London, N14 6EW Registered in England 508842	Property Investment	2,924
		18,276

Notes to the Consolidated Financial Statements *(Continued)*

for the year ended 31 March 2021

15. INVENTORIES OF TRADING PROPERTIES

	2021 £000	2020 £000
Residential properties	398,166	392,069

The Company's freehold and long leasehold interests in its portfolio of properties held as Trading Stock were valued on 30 September 2014 at £665,866,266 (Six hundred and sixty-five million, eight hundred and sixty-six thousand, two hundred and sixty-six pounds) by an External Valuer, Martin Angel FRICS of Allsop LLP. The Trading Stock is carried in the Accounts at the lower of cost and net realisable value and such is the discipline we exercise when purchasing a property that, when influenced by the effects of property price inflation over an extended period of years, the valuation showed a spectacular increase. The individual values were not finely accurate, even though we have no reason to doubt the overall total of the valuation. Thus the valuation is not a useful tool for running the business because we are always going to await vacant possession, and no perceived uplift in value can justify selling a tenanted property. The nature of our business and the rules and conventions under which we operate place no obligation upon us to value our trading stock at any given time and therefore the valuation has not been updated since.

16. TRADE AND OTHER RECEIVABLES

	2021 £000	2020 £000
Trade receivables	111	2,326
Prepayments and accrued income	1,306	1,350
	1,417	3,676

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

	2021 £000	2020 £000
Trade creditors	1,672	1,398
Other taxes and social security costs	284	251
Other creditors	186	3,181
	2,142	4,830

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

18. BANK OVERDRAFTS, LOANS AND CASH

	2021 £000	2020 £000
Bank overdrafts	331	1,495
Bank loans	20,600	31,100
Other loans	949	565
	21,880	33,160

CASH AND CASH EQUIVALENTS

	2021 £000	2020 £000
Bank overdrafts	(331)	(1,495)
Cash	597	3,553
Cash and cash equivalents as at 31 March	266	2,058

18. BANK OVERDRAFTS, LOANS AND CASH CONTINUED

Maturity profile of financial liabilities at 31 March 2021 was as follows:

	2021 £000	2020 £000
Amounts repayable:		
In one year or less	1,280	2,060
Between one and five years	20,600	31,100
	21,880	33,160
Less: amount due for settlement within 12 months (shown under current liabilities)	(1,280)	(2,060)
Amount due for settlement after 12 months	20,600	31,100

The average interest rates paid were as follows:

	2021 %	2020 %
Bank overdrafts	1.70	2.35
Bank loans	2.07	2.70
Other loans	0.50	0.50

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.

- The Group has a short-term borrowing facility of £10 million (2020: £10 million) with Barclays Bank. This is due for review in November 2021 and the rate of interest payable is:
 - 1.6% over base rate on overdraft
 - Headroom of this facility at 31 March 2021 amounted to £9.7 million (2020: £8.5 million).
- The Group has a £60 million long-term revolving loan facility with Barclays Bank with a termination date of December 2022. The rate of interest payable on the loan is 1.9% 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 2021 amounted to £57 million (2020: £45 million).
- The Group has a £20 million long-term revolving loan facility with HSBC Bank. The termination date for this facility is November 2023. The rate of interest payable on the loan is 2.1% above LIBOR. The loan includes a Negative Pledge. The loan is not repayable by instalments. As at 31 March 2021 headroom under this facility amounted to £2.4 million (2020: £3.90 million).
- Other loans consisted of loans from connected persons, and companies of which Mr D.M. Sinclair is a Director. The balance outstanding as at 31 March 2021 was £949,017 (2020: £565,000).
 - Interest payable on these loans was at 0.5%.

Notes to the Consolidated Financial Statements *(Continued)*

for the year ended 31 March 2021

19. DEFERRED TAX

ANALYSIS FOR FINANCIAL REPORTING PURPOSES

	2021 £000	2020 £000
Deferred tax liabilities	4,351	4,076
Net position at 31 March	4,351	4,076

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

	2021 £000	2020 £000
At 1 April	4,076	4,751
Debit /(Credit) to income for the year	275	(675)
At 31 March	4,351	4,076

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

REVALUATION OF PROPERTIES

	2021 £000	2020 £000
At 1 April	4,076	4,751
Debit/(Credit) to income for the year	275	(675)
At 31 March	4,351	4,076

20. FINANCIAL INSTRUMENTS

FAIR VALUE OF FINANCIAL ASSETS

The Group's financial assets at the year end, which are measured at amortised cost, consist of cash at bank and in hand of £0.60 million (2020: £3.55 million) and trade receivables.

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

The trade receivables amounted to £0.11 million (2020: £2.33 million).

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

FAIR VALUE OF BORROWINGS

	2021 £000	2020 £000
Short-term loans	1,280	2,060
Secured bank loans	20,600	31,100
	21,880	33,160

Interest charged in the Income Statement for the above borrowings amounted to £0.68 million (2020: £0.99 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 2021 it is estimated that a general increase of 1 point in interest rates would decrease the Group's profit before tax by approximately £218,800 (2020: £331,600).

20. FINANCIAL INSTRUMENTS CONTINUED

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.

	Less than 1 year £000	Between 1 and 5 years £000	Over 5 years £000	Total £000
At 31 March 2021				
Interest-bearing loans and borrowings	1,280	20,600	–	21,880
Trade and other payables	2,142	–	–	2,142

	Less than 1 year £000	Between 1 and 5 years £000	Over 5 years £000	Total £000
At 31 March 2020				
Interest-bearing loans and borrowings	2,060	31,100	–	33,160
Trade and other payables	4,830	–	–	4,830

The Group's financial liabilities are measured at amortised cost.

RECONCILIATION OF MATURITY ANALYSIS

	Less than 1 year £000	Between 1 and 5 years £000	Over 5 years £000	Total £000
At 31 March 2021				
Interest bearing loans and borrowings per accounts	1,280	20,600	–	21,880
Interest	442	697	–	1,139
Financial liability cash flows	1,722	21,297	–	23,019

	Less than 1 year £000	Between 1 and 5 years £000	Over 5 years £000	Total £000
At 31 March 2020				
Interest bearing loans and borrowings per accounts	2,060	31,100	–	33,160
Interest	347	2,050	–	2,397
Financial liability cash flows	2,085	33,497	–	35,582

21. CALLED UP SHARE CAPITAL

	2021 £000	2020 £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

Notes to the Consolidated Financial Statements *(Continued)*

for the year ended 31 March 2021

22. OTHER RESERVES

	2021 £000	2020 £000
Capital reserve	25	25
Capital redemption reserve	55	55
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 2021 stood at £56,000 (2020: £56,000).

23. RETAINED EARNINGS

	£000
Balance at 1 April 2020	379,243
Net profit for the year	30,893
Dividends paid	(15,596)
Balance at 31 March 2021	394,540

24. RELATED PARTY TRANSACTIONS

- During the financial year there were no key management personnel emoluments, other than remuneration.
- 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 £34,800 (2020: £33,100) were charged for these services.
 - Included within other loans repayable in less than one year and on demand was a loan from Sinclair Estates Limited. The balance outstanding at the balance sheet date was £537,444 (2020: £465,000). Interest was payable on the loan at 0.5%. Interest paid in the year on this loan amounted to £2,960 (2020: £3,260).
 - Included within other loans repayable in less than one year and on demand was a loan from Ossian Investors Limited. The balance outstanding at the balance sheet date was £411,573 (2020: £100,000). Interest was payable on the loan at 0.5%. Interest paid in the year on this loan amounted to £1,210 (2020: £310).
 - All of the above loans are unsecured.
 - Transactions between the Group and its subsidiaries, which are related parties, have been eliminated on consolidation and have not been disclosed in this note.
 - The only key management are the Directors.
 - As at 31 March 2021 the Group owed Mr D.M. Sinclair £51,244 (2020: £38,133) in relation to an informal loan.

25. LEASE COMMITMENTS

The future aggregate minimum lease payments payable by the Group under non-cancellable leases are as follows:

	2021 £000	2020 £000
Lease payments due:		
Not later than one year	61	42
Later than one year and not later than five years	63	33
	124	75

Independent Auditor's Report

to the members of Mountview Estates P.L.C. year ended 31 March 2021

OPINION

We have audited the Group Financial Statements of Mountview Estates P.L.C. for the year ended 31 March 2021 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

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 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and Article 4 of the IAS Regulation.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Group Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the Group Financial Statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the director's assessment of the Group's ability to continue to adopt the going concern basis of accounting included:

- reviewing the headroom between the Group's regular income and its fixed cost base;
- consideration of the liquidity of the Group's assets;
- reviewing post year end property sales;
- reviewing the Group's available bank facilities and compliance with covenants; and
- consideration of mitigating actions available to management should cash inflows be less than forecast.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the Group's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

OUR APPROACH TO THE AUDIT

Our audit involved obtaining an understanding of the Group and its environment, including its control environment, internal control systems and applicable laws and regulations. This formed the basis for our assessment of the risk of material misstatement at the Group level.

The Group reports its operating results and financial position along two business lines, being UK residential trading properties and investment properties. The Group comprises the Parent Company and three subsidiaries. We performed full

Independent Auditor's Report (Continued)

to the members of Mountview Estates P.L.C. year ended 31 March 2021

scope audits of each entity using levels of materiality applicable to each entity, which were lower than Group materiality. At the Group level we also tested the consolidation process. There were no significant changes to our audit approach.

During 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 reviewed the Group's internal controls and obtained our audit evidence largely through substantive procedures.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group Financial Statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the Group Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

- Revenue recognition – refer to page 53 for the Group's accounting policy in respect of revenue recognition.

Under International Standard on Auditing (ISA) (UK) 240 there is a presumption that there is a risk of fraud in revenue recognition. Revenue is also one of the Group's key performance indicators. We therefore identified revenue recognition as a significant risk. Revenue was audited in each component to specific performance materiality levels, which were lower than group performance materiality. We verified the occurrence of property sales by selecting an appropriate sample of those sales during the year and verifying to both completion statements and bank transactions. We reviewed other supporting documents to confirm the validity of each completion statement sampled. We also reconciled property stock movements and performed appropriate cut off procedures to ensure that sales were complete and recorded in the correct accounting period. We tested rental income for completeness by sampling from property stock, reviewing the underlying rental agreement and tracing to recorded rental income. Based on our audit testing we did not identify any material instances of revenue not being recognised in accordance with the Group's accounting policy.

- Carrying value of property inventory – refer to page 54 for the Group's accounting policy in respect of the value of property inventory

Property inventory is the Group's most significant asset and is carried at the lower of cost and net realisable value ("NRV"). NRV is based on vacant possession and is subject to change, largely based on movements in the property market. We therefore determined the valuation of inventory to be a significant risk. Property inventory was audited at component performance materiality levels, which were lower than group performance materiality. We reviewed sales of all properties sold during the year and for a suitable period after the year end to ensure that there was no evidence of properties being sold for less than cost that might indicate potential impairment. We reviewed property purchases during the year to confirm that, in accordance with the Group's operating model, these were purchased at a discount to market value with vacant possession. We also looked at movements in the UK House Price Index for property inventory locations to identify any indicator of potential impairment. We used this risk assessment to select an appropriate sample of individual properties for testing. For the selected sample we estimated market value with vacant possession based on publicly available price information and by discussing valuations with Group management. We then compared the result with the property cost as recorded in the Group's records. Based on our audit testing we found the carrying value of inventory to be acceptable.

- Valuation of investment properties – refer to page 54 for the Group's accounting policy in respect of the value of investment properties

Whilst we assessed the expected movement in the valuation of investment properties to be immaterial to the Group, we assessed the valuation of investment properties to be a significant risk as these are material to the Group balance sheet and are subject to judgement and estimation in arriving at fair value. Investment property valuation was audited at component performance materiality levels, which were lower than group performance materiality. The investment properties are valued annually by a suitably independent and qualified valuer as disclosed in note 13 to the financial statements. We reviewed the terms of engagement of the valuer, the valuation assumptions and the valuation workings. We also discussed the methodology used with the valuer and compared the revaluation with our expectation based on market data. Based on our audit testing we consider the valuation of investment property to be acceptable.

OUR APPLICATION OF MATERIALITY

We determined overall materiality for the Group to be £4.3 million, which is approximately 1% of gross assets. We concluded that determining materiality based on gross assets was consistent with industry peers and appropriately reflects the nature of the business.

We calculated performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality level for the financial statements as a whole. We determined performance materiality to be £3.6m, which was set at 83% of overall materiality. Performance materiality was determined based on our risk assessment and taking into account the overall control environment and the number and complexity of components in the group. Lower levels of performance materiality were set for each entity within the Group based on the risks assessed within each entity.

In addition, we applied a lower materiality of £1.7m to specific income statement items, being net trading profits on the sale of properties, rental income, rental expenses, administrative expenses and finance charges, and £172k for Directors' transactions. We believe misstatement of these specific income statement items and directors' transactions of a lesser amount than materiality for the financial statements as a whole could reasonably be expected to influence the Company's members' assessment of the financial performance of the Group.

We agreed with the Audit and Risk 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.

OTHER INFORMATION

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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 Financial Statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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 and the part of the directors' remuneration report to be audited 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.

Independent Auditor's Report (Continued)

to the members of Mountview Estates P.L.C. year ended 31 March 2021

CORPORATE GOVERNANCE STATEMENT

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Statement specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards the appropriateness of adopting the going concern basis accounting and any material uncertainties identified set out on page 23;
- Directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why they period is appropriate set out on page 12;
- Directors' statement on fair, balanced and understandable set out on page 25;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 30;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 30; and
- The section describing the work of the audit committee set out on page 34

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the Group Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of Group Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Group Financial Statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE GROUP FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Group Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Group Financial Statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

We identified and assessed the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations. Our procedures included enquiry of management and the Audit and Risk Committee, together with a review of supporting documentation such as board minutes and audit committee meeting minutes. We contacted the Group's legal advisers and reviewed legal expenses. We also performed analytical review procedures to identify any unusual relationships that may indicate a material misstatement, and additionally tested the appropriateness of journals to address the risk of fraud through management override of controls. We also performed appropriate testing in respect of the risk of fraud in revenue recognition as described above under key audit matters. Additionally, the risk of management bias in the valuation of property inventory and investment property, was covered by our testing on each of

these areas as described above under key audit matters. Relevant laws and regulations, together with potential fraud risks, were communicated to the audit engagement team at the planning stage to ensure they remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The risk of not detecting a material misstatement resulting from fraud or other irregularities is higher than for one resulting from error, as they may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control and may involve any area of law and regulation not just those directly affecting the financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

OTHER MATTERS WHICH WE ARE REQUIRED TO ADDRESS

Following the recommendation of the Audit and Risk Committee, we were appointed by the Directors on 23 March 2021. The period of total uninterrupted engagement is 15 years for the year ended 31 March 2021.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or to the Parent Company and we remain independent of the Group and the Parent Company in conducting our audit.

Our audit opinion is consistent with the additional report to the Audit and Risk Committee.

We have reported separately on the Parent Company Financial Statements of Mountview Estates P.L.C. for the year ended 31 March 2021. The opinion in that report is unmodified.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

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 opinions we have formed.

Gary Allen FCA (Senior Statutory Auditor)

For and on behalf of
BSG Valentine (UK) LLP
Chartered Accountants & Statutory Auditor
Lynton House
7 - 12 Tavistock Square
London
WC1H 9BQ
6 July 2021

BSG Valentine (UK) LLP

Company Balance Sheet under UK GAAP

for the year ended 31 March 2021

	Notes	31 March 2021 £000	31 March 2020 £000
Fixed assets			
Tangible assets	4	1,606	1,670
Investments	5	18,276	18,276
		19,882	19,946
Current assets			
Stocks	6	369,227	363,195
Debtors	7	1,209	3,570
Cash at bank and in hand		470	3,451
		370,906	370,216
Creditors: amounts falling due within one year	8	(24,617)	(25,664)
Net current assets		346,289	344,552
Total assets less current liabilities		366,171	364,498
Creditors: amounts falling due after more than one year	9	(20,600)	(31,100)
		345,571	333,398
Capital and reserves			
Called up share capital	10	195	195
Capital redemption reserve	11	55	55
Capital reserve	11	25	25
Other reserves	11	39	39
Profit and loss account	12	345,257	333,084
		345,571	333,398

The Company's profit for the year was £27.8m (2020: £26.0m)

Approved by the Board on 6 July 2021.

 
D.M. Sinclair **M.M. Bray**
 Chief Executive Director

Company no: 00328020

The Notes on pages 76 to 81 are an integral part of the Parent Company financial statements.

Company Statement of Changes in Equity under UK GAAP

for the year ended 31 March 2021

Changes in equity for year ended	Share capital	Capital reserve	Capital redemption reserve	Other reserves	Retained earnings	Total
31 March 2020	£000	£000	£000	£000	£000	£000
Balance as at 1 April 2019	195	25	55	39	322,676	322,990
Profit for the year					26,004	26,004
Dividends					(15,596)	(15,596)
Balance at 31 March 2020	195	25	55	39	333,084	333,398
Changes in equity for year ended						
31 March 2021						
Balance as at 1 April 2020	195	25	55	39	333,084	333,398
Profit for the year					27,769	27,769
Dividends					(15,596)	(15,596)
Balance at 31 March 2021	195	25	55	39	345,257	345,571

The Notes on pages 76 to 81 are an integral part of the Parent Company financial statements.

Notes to the Financial Statements under UK GAAP

for the year ended 31 March 2021

1. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

2. ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

The Company has taken advantage of the exemption in section 408 of the Companies Act from disclosing its individual profit and loss account.

As permitted by FRS 102 the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments and presentation of a cash flow statement and related party transactions with other wholly-owned members of the Group. Where required, equivalent disclosures are given in the Group accounts of Mountview Estates plc.

REVENUE RECOGNITION

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.

Rental income is recognised on a straight-line and accruals basis over the rental period.

Sales of properties are recognised on completion.

INCOME TAX

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

LEASING

Company as lessor

The Company's non-cancellable operating leases relate to regulated tenancies under which tenants have the right to remain in a property for the remainder of their lives. It is therefore not possible to estimate timing of future minimum payments in respect of these regulated tenancies, hence these are not separately disclosed in the financial statements.

Company as lessee

Rentals payable under operating leases are recognised as an expense on a straight-line basis over the term of the lease.

TANGIBLE ASSETS

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

2. ACCOUNTING POLICIES CONTINUED

DEPRECIATION

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset using the straight-line method as follows:

Freehold property	– 2% per annum
Fixtures and fittings	– 20% per annum
Computer equipment	– 25% per annum

INVESTMENTS

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

IMPAIRMENT OF FIXED ASSETS

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company has become a party to the contractual provisions of the instrument. Trade and other receivables, trade and other payables, loans and cash and cash equivalents are measured at amortised cost.

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 Company includes legal fees and commission charges incurred during acquisition together with improvement costs. Net realisable value is the net sale proceeds which the Company expects on sale of the property with vacant possession in its current condition.

PENSION COSTS

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

CRITICAL ACCOUNTING JUDGEMENTS AND KEY AREAS OF ESTIMATION UNCERTAINTY

Going concern

The Directors are required to make an assessment of the Company's ability to continue to trade as a going concern.

The two main considerations were as follows:

1. Refinancing of banking facilities

The Company has a £20 million (2020: £20 million) revolving loan facility with HSBC Bank with a termination date of November 2023.

The Company has a £60 million (2020: £60 million) revolving loan facility with Barclays Bank. The term termination date of this facility is December 2022.

Notes to the Financial Statements under UK GAAP *(Continued)*

for the year ended 31 March 2021

2. ACCOUNTING POLICIES CONTINUED

2. Covenant compliance

The core facility has two covenants, Consolidated Gross Borrowing as a percentage of Consolidated Net Tangible Assets, and the ratio of Consolidated PBIT to Gross Financing Costs. The Company has remained well within both of these covenants during the year.

On this basis, the Directors have a reasonable expectation that the Company has 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.

Carrying value of trading stock

The Company's residential trading stock is carried in the balance sheet at the lower of cost and net realisable value.

As the Company's business model is to sell trading stock on vacancy, net realisable value is the net sales proceeds which the Company expects on sale of a property with vacant possession. Given that all stock is purchased at a discount to the value with vacant possession the Directors consider the risk of impairment to be low.

Inventory expected to be settled in more than 12 months

The Board estimates that inventory of £18.2 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. STAFF COSTS (INCLUDING DIRECTORS)

	2021 £000	2020 £000
Wages and salaries	3,888	3,554
Social security costs	491	490
Pension costs	54	49
	4,433	4,093

DIRECTORS' REMUNERATION

	2021 £000	2020 £000
Total Directors' remuneration including salary and bonuses and benefits in kind amounted to:	2,052	1,933

The details of Directors' remuneration are shown in the audited section of the Remuneration Report on page 44.

The Company contributes 3% of the total annual gross salaries and bonuses of each employee, excluding Directors, to a Stakeholder Pension Scheme.

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

	2021	2020
Office and management	29	29

4. TANGIBLE ASSETS

	Freehold property £000	Computer equipment £000	Total £000
Cost			
At 1 April 2020	2,671	24	2,695
Additions	–	–	–
Disposals	–	–	–
At 31 March 2021	2,671	24	2,695
Depreciation			
At 1 April 2020	1,019	6	1,025
Charge for the year	53	11	64
On disposals	–	–	–
At 31 March 2021	1,072	17	1,089
Net book value			
At 31 March 2020	1,652	18	1,670
At 31 March 2021	1,599	7	1,606

All tangible assets of the Company are located within England and Wales.

5. INVESTMENTS

	Shares in Group undertakings £000
Cost	
At 1 April 2020 and 31 March 2021	18,276
Impairment	
At 1 April 2020 and 31 March 2021	–
Carrying amount	
At 31 March 2021	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 Registered Office: Mountview House, 151 High Street, Southgate, London, N14 6EW	England, UK No: 344034	Property Trading
Louise Goodwin Limited Registered Office: Mountview House, 151 High Street, Southgate, London, N14 6EW	England, UK No: 691455	Property Investment
A.L.G. Properties Limited Registered Office: Mountview House, 151 High Street, Southgate, London, N14 6EW	England, UK No: 508842	Property Investment

6. STOCKS

	2021 £000	2020 £000
Residential properties	369,227	363,195

7. DEBTORS: DUE WITHIN ONE YEAR

	2021 £000	2020 £000
Trade debtors	110	2,326
Prepayments and accrued income	1,099	1,244
	1,209	3,570

Notes to the Financial Statements under UK GAAP *(Continued)*

for the year ended 31 March 2021

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £000	2020 £000
Bank overdraft	331	1,495
Amounts owed to Group undertakings	17,306	15,902
Accruals and deferred income	1,626	1,357
Corporation Tax	3,935	2,913
Other taxes and social security costs	284	251
Other creditors	186	3,181
Other loans	949	565
	24,617	25,664

Other loans consist of loans from connected persons. Interest payable on these loans was at 0.5%.

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021 £000	2020 £000
Bank loans	20,600	31,100
	20,600	31,100

The Directors consider that the carrying amount of bank overdrafts and loans approximates their fair value.

The other principal features of the Company's borrowings are as follows.

- The Company has a short-term borrowing facility of £10 million (2020: £10 million) with Barclays Bank. This is due for review in November 2021 and the rate of interest payable is:
 - 1.6% over base rate on overdraft.
 Headroom of this facility at 31 March 2021 amounted to £9.7 million (2020: £8.5 million).
- The Company has a £60 million (2020: £60 million) long-term revolving loan facility with Barclays Bank with a termination date of December 2022. The rate of interest payable on the loan is 1.9% 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 2021 amounted to £57 million (2020: £45 million).
- The Company has a £20 million (2020: £20 million) long-term revolving loan facility with HSBC Bank. The termination date for this facility is November 2023. The rate of interest payable on the loan is 2.1% above LIBOR. The loan includes a Negative Pledge. The loan is not repayable by instalments. As at 31 March 2021 headroom under this facility amounted to £2.4 million (2020: £3.9 million).
- Other loans consisted of loans from connected persons, and companies of which Mr D.M. Sinclair is a Director. The balance outstanding as at 31 March 2021 was £949,017 (2020: £565,000). Interest payable on these loans was at 0.5%.

10. CALLED UP SHARE CAPITAL

	2021 £000	2020 £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

11. OTHER RESERVES

	2021 £000	2020 £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 Company 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 2021 stood at £39,000 (2020: £39,000).

12. RETAINED EARNINGS

	2021 £000	2020 £000
Balance at 1 April	333,084	322,676
Net profit for the year	27,769	26,004
Dividends paid	(15,596)	(15,596)
Balance at 31 March	345,257	333,084

13. RELATED PARTY TRANSACTIONS

During the financial year there were no key management personnel emoluments, other than remuneration.

- (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 £34,800 (2020: £33,100) were charged for these services.
- (b) Included within other loans repayable in less than one year and on demand was a loan from Sinclair Estates Limited. The balance outstanding at the balance sheet date was £537,444 (2020: £465,000). Interest was payable on the loan at 0.5%. Interest paid in the year on this loan amounted to £2,960 (2020: £3,260).
- (c) Included within other loans repayable in less than one year and on demand was a loan from Ossian Investors Limited. The balance outstanding at the balance sheet date was £411,573 (2020: £100,000). Interest was payable on the loan at 0.5%. Interest paid in the year on this loan amounted to £1,210 (2020: £310).
- (d) All of the above loans are unsecured.
- (e) Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and have not been disclosed in this note.
- (f) The only key management are the Directors.
- (g) As at 31 March 2021 the Company owed Mr D.M. Sinclair £51,244 (2020: £38,133) in relation to an informal loan.

14. LEASE COMMITMENTS

At 31 March 2021 the Company had aggregate annual commitments under non-cancellable operating leases as follows.

	2021 £000	2020 £000
Operating lease payments due:		
Not later than one year	61	42
Later than one year and not later than five years	63	33
	124	75

Independent Auditor's Report

to the members of Mountview Estates P.L.C. year ended 31 March 2021

OPINION

We have audited the Parent Company Financial Statements of Mountview Estates P.L.C. for the year ended 31 March 2021 which comprises the Company Balance Sheet, Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the Parent Company Financial Statements:

- give a true and fair view of the state of the Parent Company's affairs as at 31 March 2021;
- 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.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Parent Company financial statements section of our report. We are independent of the Parent Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the director's assessment of the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- reviewing the headroom between the Parent Company's regular income and its fixed cost base;
- consideration of the liquidity of the Parent Company's assets;
- reviewing post year end property sales;
- reviewing the Parent Company's available bank facilities and compliance with covenants; and
- consideration of mitigating actions available to management should cash inflows be less than forecast.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the Parent Company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

OUR APPROACH TO THE AUDIT

Our audit involved obtaining an understanding of the Parent Company and its environment, including its control environment, internal control systems and applicable laws and regulations. This formed the basis for our assessment of the risk of material misstatement. We performed a full scope audit of the Parent Company. There were no significant changes in our audit approach.

During 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 reviewed the Parent Company's internal controls and obtained our audit evidence largely through substantive procedures.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Parent Financial Statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the Parent Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters relating to both the Parent Company and the Group were revenue recognition and valuation of trading properties. An explanation of these matters and how these were addressed during our audit can be found in our audit report on the Group Financial Statements on page 70.

We identified one key audit matter that related solely to the Parent Company, which was the recoverability of investments in subsidiaries. Investments in subsidiaries are stated at cost as described in the Parent Company's accounting policies on page 77. The cost of investment should be supported by the underlying value of the subsidiaries. We tested this by a review of the subsidiaries' year-end financial statements. We used their net assets as an approximation of recoverable value and compared these to the cost of investment in the Parent Company. Based on our audit testing we are satisfied with the recoverability of investments in subsidiaries.

OUR APPLICATION OF MATERIALITY

We determined overall materiality for the Parent Company to be £3.9 million, which is approximately 1% of gross assets. We concluded that determining materiality based on gross assets was consistent with industry peers and appropriately reflects the nature of the business.

We calculated performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality level for the financial statements as a whole. We determined performance materiality to be £2.2m, which was set at 55% of overall materiality. Performance materiality was determined based on our risk assessment, taking into account the level that we deemed appropriate for testing individual transactions and balances, and reflecting the fact that the Parent Company is the most significant component of the Group.

In addition, we applied a lower materiality of £1.7m to specific income statement items, being net trading profits, rental income, rental expenses, administrative expenses and finance charges, and £172k for directors' transactions. We believe misstatement of these specific income statement items and directors' transactions of a lesser amount than materiality for the financial statements as a whole could reasonably be expected to influence the company's members' assessment of the financial performance of the Parent Company.

We agreed with the Audit and Risk 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.

OTHER INFORMATION

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report (Continued)

to the members of Mountview Estates P.L.C. year ended 31 March 2021

OPINIONS ON OTHER MATTERS 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.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the Parent Company Financial Statements are prepared is consistent with the Financial Statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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 and the part of the directors' remuneration report to be audited 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.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' Responsibilities Statement, 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, and for such internal control as the Directors determine is necessary to enable the preparation of Parent Company Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Parent Company Financial Statements, the Directors are responsible for assessing the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Parent Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE PARENT COMPANY FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Parent Company Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Parent Company Financial Statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

We identified and assessed the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations. Our procedures included enquiry of management and the Audit and Risk Committee, together with a review of supporting documentation such as board minutes and audit committee meeting minutes. We contacted the Company's legal advisers and reviewed legal expenses. We also performed analytical review procedures to identify any unusual relationships that may indicate a material misstatement, and additionally tested the appropriateness of journals to address the risk of fraud through management override of controls. We also performed appropriate testing in respect of the risk of fraud in revenue recognition, and in respect of the risk of management bias in the valuation of property inventory, as described in the Group audit report under key audit matters on page 70. Relevant laws and regulations, together with potential fraud risks, were communicated to the audit engagement team at the planning stage to ensure they remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The risk of not detecting a material misstatement resulting from fraud or other irregularities is higher than for one resulting from error, as they may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control and may involve any area of law and regulation not just those directly affecting the financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

OTHER MATTERS WHICH WE ARE REQUIRED TO ADDRESS

Following the recommendation of the Audit and Risk Committee, we were appointed by the Directors on 23 March 2021. The period of total uninterrupted engagement is 15 years for the year ended 31 March 2021.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Parent Company and its controlled undertakings and we remain independent of the Parent Company and its controlled undertakings in conducting our audit.

Our audit opinion is consistent with the additional report to the Audit and Risk Committee.

We have reported separately on the Group Financial Statements of Mountview Estates P.L.C. for the year ended 31 March 2021. That report includes details of the group key audit matters. The opinion in that report is unmodified.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

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 opinions we have formed.

Gary Allen FCA (Senior Statutory Auditor)

BSG Valentine (UK) LLP

For and on behalf of
BSG Valentine (UK) LLP
Chartered Accountants & Statutory Auditor
Lynton House
7 - 12 Tavistock Square
London
WC1H 9BQ

6 July 2021

Table of Comparative Figures *(unaudited)*

for the year ended 31 March 2021

	IFRS 2015 £000	IFRS 2016 £000	IFRS 2017 £000	IFRS 2018 £000	IFRS 2019 £000	IFRS 2020 £000	As at 31 March 2021 IFRS 2021 £000
Revenue	71,331	79,765	78,232	70,272	65,428	64,873	65,730
Profit before taxation	39,976	48,388	44,986	36,905	34,567	34,941	38,134
Taxation	8,159	9,676	8,761	7,024	6,559	6,645	7,241
Profit after taxation	31,817	38,712	36,225	29,881	28,008	28,296	30,893
Earnings per share	816.0p	992.9p	929.1p	766.4p	718.3p	725.7p	792.3p
Rate of dividend	275p	300p	300p	400p	400p	400p	425p
Cover	2.98	3.31	3.17	1.92	1.75	1.81	1.86
Cost of dividend	10,722	11,698	11,698	15,596	15,596	15,596	16,571*
Total remuneration (including Directors)	3,020	3,631	3,747	3,743	3,928	4,093	4,433
Executive Directors' remuneration	1,324	1,604	1,768	1,669	1,667	1,756	1,875
Total remuneration (including Directors) as a percentage of dividend	28.17%	31.04%	32.03%	24.00%	25.19%	26.24%	26.76%
Cost of Executive Directors' remuneration as a percentage of total remuneration	43.84%	44.18%	47.18%	44.59%	42.44%	42.90%	42.30%
Cost of Executive Directors' remuneration as a percentage of dividend	12.35%	13.71%	15.11%	10.70%	10.69%	11.26%	11.32%
Executive Directors' remuneration as a percentage of profit before taxation	3.31%	3.31%	3.93%	4.52%	4.82%	5.03%	4.92%

* The £16.6 million dividend in relation to 2021 is made up of the interim dividend of £7.80 million and the final dividend of £8.8 million, which will be paid on 16 August 2021, subject to approval at the AGM on 11 August 2021.

Notice of Meeting

IMPORTANT INFORMATION ON FORMAT OF THE ANNUAL GENERAL MEETING

We are keen to welcome shareholders in person to our 2021 Annual General Meeting (2021 AGM), particularly given the constraints we faced in 2020 due to the Covid-19 pandemic. In accordance with the Government's roadmap to ease Covid-19 restrictions currently it is expected that all remaining legal restrictions on social distancing will be lifted on 19 July 2021, delayed from 21 June 2021 as announced on 14 June 2021. The Government's roadmap out of lockdown anticipates the potential for the resumption of public gatherings indoors by the date of the 2021 AGM. We are therefore proposing to hold our 2021 AGM at Radisson Blu Edwardian Bloomsbury St. Hotel, 9-13 Bloomsbury Street, London, WC1B 3QD and to welcome shareholders in person provided we are able within the health and safety constraints of, and rules and policy of, the venue.

The health and wellbeing of our shareholders, employees, Directors, and advisers remains the Board's primary concern. It is essential to remain vigilant notwithstanding the ongoing UK vaccination programme, particularly given the spread of new variants of the coronavirus in the UK and other parts of the world. Therefore shareholders (or your proxy or corporate representative) should consider whether it is appropriate to attend the 2021 AGM in person. For any shareholder who does seek to attend in person strict health and safety measures will be enforced.

However, we are continuing to monitor the impact of Covid-19 including the latest Government guidance and rules, given the constantly evolving nature of the situation which may change between the date of this Notice of the 2021 AGM and the date of the 2021 AGM with no guarantee that the guidance will remain the same by the date of the 2021 AGM. We, therefore, want to ensure that we are able to adapt these arrangements efficiently to respond to changes in circumstances. On this basis, should the situation change such that we consider that it is no longer possible for shareholders to attend the meeting we will hold a meeting with a minimum number of shareholders present as required to form a quorum in accordance with the Company's Articles of Association and only to conduct the formal business of the meeting (facilitated by the Company). We will notify shareholders of the change by providing information on the Company's website and via a regulatory announcement.

All resolutions for consideration at the 2021 AGM will be voted on a poll, rather than a show of hands, and all valid proxy votes cast will count towards the poll votes. The results will be announced via a regulatory announcement and will be posted on the Company's website as soon as practicable after the 2021 AGM.

ATTENDANCE AT THE MEETING

Shareholders intending to attend the 2021 AGM, should this be possible, are asked to pre-register their attendance in advance as soon as practicable, and in any event by 11.30am on 9 August 2021, by emailing reception@mountviewplc.co.uk with their name, contact details and Investor Code or Corporate Representative letter. For the safety of others, in line with Government guidance and rules, shareholders should not attend the 2021 AGM in person if they are experiencing any of the symptoms connected with Covid-19 or are otherwise required to isolate or quarantine. Shareholders will be asked to provide contact details or scan the NHS app on arrival at the venue for the 2021 AGM and face masks must be worn at all times, unless exempt. In addition shareholders may be required to make certain confirmations as a condition of entry to the 2021 AGM including that they (or members of their household) have not recently displayed symptoms of Covid-19 and/or have not been told to self-isolate by NHS Test and Trace, the NHS Covid-19 App or otherwise. Shareholders' guests will not be permitted to attend the meeting other than carers accompanying a shareholder, although it is strongly recommended that anyone with health concerns does not attend in person. No refreshments will be offered before or after the meeting. These arrangements, including pre-registration, apply to all persons wishing to attend the 2021 AGM in person, including proxies and corporate representatives of shareholders.

Shareholders should continue to monitor the Company's website www.mountviewplc.co.uk as well as regulatory announcements for any important updates in relation to the 2021 AGM. Shareholders who have pre-registered their attendance by emailing reception@mountviewplc.co.uk will be kept informed of any changes directly.

Shareholders are encouraged to vote in advance by appointing a proxy, regardless of whether or not they intend to attend the 2021 AGM in person, see the details below for appointing a proxy.

Notice of Meeting (Continued)

APPOINTING A PROXY

Shareholders can vote ahead of the 2021 AGM by appointing a proxy to vote on the resolutions set out in the Notice of 2021 AGM (see page 89) as soon as possible and in any event by 11.30am on 9 August 2021. All shareholders are strongly encouraged to appoint the Chairman of the meeting as their proxy even if they intend to attend the 2021 AGM in person. This is to ensure that your vote is counted even if you (or any other proxy you might otherwise appoint) are not able to attend in person on the day of the 2021 AGM. Shareholders can vote ahead of the 2021 AGM, either by completing and returning a Proxy Form or by appointing a proxy electronically via our registrar's website by visiting www.signalshares.com. Shareholders will need their Investor Code which is located on their share certificate or on a recent dividend confirmation. Full instructions are given on the website.

The completion and submission of a form of proxy will not prevent you from attending and voting in person at the 2021 AGM, subject to prevailing Government guidance and to the restrictions set out in the Notice of 2021 AGM and as notified by the Company website.

ENGAGEMENT

As well as shareholder participation at the 2021 AGM, engagement with our shareholders is important to the Company and the Directors. The Directors recognise the importance of the 2021 AGM to shareholders and are keen that shareholders are able to engage with the business of the meeting. Shareholders should submit any questions on the business of the meeting in advance by sending them by email to reception@mountviewplc.oc.uk or writing to the Company Secretary, Mountview House, 151 High Street, Southgate, London N14 6EW. The Company will respond as appropriate in advance of the 2021 AGM.

To enable shareholders to have time to consider the responses to questions ahead of the voting deadline on 9 August 2021, please submit questions as soon as possible and in any event no later than 31 July 2021. Responses to relevant questions submitted by 31 July 2021 will be provided, by way of a written Q&A, grouped into themes, posted on the Company's website as soon as practicable in advance of the 2021 AGM, and no later than 7 August 2021. Some, but not all, questions may receive individual responses. For questions received after 31 July 2021, the Directors will endeavour to provide answers as soon as practicable but responses may be provided after 7 August 2021. The Directors anticipate the Q&A will be grouped into themes, and where there is overlap in submitted questions on similar or related themes one response will be provided covering the specific issue. Responses will not be provided to questions which do not relate to the business of the meeting or that the Directors determine require the disclosure of confidential or commercially sensitive information or are already answered on the website or are already addressed elsewhere including in the annual report and accounts. The Company reserves the right to answer questions only from shareholders or those otherwise legally permitted to raise questions at the Company's 2021 AGM. Shareholders who pre-register to attend the 2021 AGM in person will be able to ask questions at the meeting, subject to Government restrictions on attending the meeting.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 84th 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 Radisson Blu Edwardian Bloomsbury St. Hotel, 9-13 Bloomsbury Street, London, WC1B 3QD on 11 August 2021 at 11.30am for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as ordinary resolutions:

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 2021.
2. To declare a final dividend of 225 pence per share payable on 16 August 2021 to shareholders on the register at 9 July 2021.
3. To re-elect Mrs M.M. Bray as a Director of the Company.
4. To re-elect Mr D.M. Sinclair as a Director of the Company.
5. To re-elect Ms M.L. Archibald as a Director of the Company, provided that resolution 11 is passed.
6. To re-elect Mr A.W. Powell as a Director of the Company, provided that resolution 12 is passed.
7. To re-elect Dr A.R. Williams as a Director of the Company.
8. To approve the Directors' Remuneration Report (other than the part containing the Directors' Remuneration Policy) in the Annual Report and Accounts for the year ended 31 March 2021.
9. To elect Messrs BSG Valentine as auditors of the Company to hold office from the conclusion of this meeting to the conclusion of the next general meeting at which the Company's annual report and accounts are laid before the meeting.
10. To authorise the Directors to determine the Auditors' remuneration for the ensuing year.

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

11. To re-elect Ms M.L. Archibald as a Director of the Company, provided that resolution 5 is passed.
12. To re-elect Mr A.W. Powell as a Director of the Company, provided that resolution 6 is passed.

By Order of the Board

M.M. Bray
Company Secretary

Mountview House
151 High Street
Southgate
London N14 6EW

6 July 2021

Notice of Meeting *(Continued)*

IMPORTANT NOTE PLEASE READ

In contrast with previous years, excluding 2020, when conventional AGMs have been held and all shareholders were able to attend in person at the meeting, along with the Directors, other shareholders and advisers, this year for the reasons explained on page 87 we are once again in 2021 having to adapt the format of the 2021 AGM due to Covid-19 constraints and Government guidance. There has been a delay to the Government's roadmap for the lifting of all remaining legal restrictions in respect of social contact, now expected to be lifted on 19 July 2021. We continue to monitor the impact of Covid-19 including the latest Government guidelines and rules.

To protect the health and safety of shareholders and colleagues, please note the following measures will be put in place this year:

- Attendance at the 2021 AGM will be restricted to shareholders only and no guests of shareholders will be permitted to attend on this occasion, other than carers accompanying shareholders.
- To enable us to comply with the prevailing Government guidance and social distancing measures, shareholders wishing to attend the meeting in person must notify us no later than 11.30am on Monday 9 August 2021 by email at reception@mountviewplc.co.uk. Shareholders who have not pre-registered will not be permitted entry to the meeting.
- Upon arrival at the venue for the 2021 AGM, any shareholders pre-registered to attend the meeting will be required to provide their contact details or scan the NHS app. In addition shareholders may be required to confirm that they do not have any Covid-19 symptoms and are not required to self-isolate in accordance with Government guidance.
- Refreshments will not be available either before or after the 2021 AGM.
- Shareholders attending the 2021 AGM will be required to follow Government guidance on wearing of face masks (unless exempt).
- If shareholders are unable to attend the 2021 AGM in person, they are strongly encouraged to submit their votes by proxy.
- In the present circumstances, shareholders are strongly encouraged to vote in advance of the 2021 AGM by submitting a form of proxy electronically or by post as soon as possible. These must be received by no later than 11.30am on Monday 9 August 2021. Shareholders who wish to appoint a proxy are encouraged to appoint the Chairman of the meeting as their proxy.

Please, therefore read the notes below carefully to learn about the altered processes and in case of questions contact Link Group in connection with the voting processes, or Mountview for any other matters. Their contact details are noted below.

Shareholders should check the Company's website to ensure they have the most up to date information regarding the 2021 AGM. We would like to thank all shareholders in advance for their co-operation and understanding.

Voting questions: For questions on the voting process either by hard copy or via the registrar's website please contact the Link Group, by calling them on 0371 664 0300 or, if calling from overseas, on +44 (0) 371 664 0391. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. We are open between 09:00 - 17:30, Monday to Friday excluding public holidays in England and Wales. You can also contact the registrar by email at enquiries@linkgroup.co.uk.

For all other matters please contact Mountview Estates P.L.C. on +44 (0)20 8920 5777 or by e-mail at reception@mountviewplc.co.uk.

NOTES:

1. Members wishing to attend the meeting, should this be possible, are asked to register their attendance as soon as practicable by emailing reception@mountviewplc.co.uk with their name, contact details and Investor Code or Corporate Representative letter. Rules around capacity at the venue and changes in the Government's health and safety requirements may mean members cannot ultimately attend the meeting.
2. Given the uncertainty around whether members will be able to attend the meeting, whether because the capacity at the venue does not allow for safety reasons related to Covid-19 restrictions or due to a change in the situation with Covid-19, we recommend that all Members appoint the Chairman of the meeting as proxy. This will ensure that your vote is counted even if attendance at the meeting is restricted or you or any other proxy you might appoint are unable to attend in person.
3. 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 Link Group (PSX1), Central Square, 29 Wellington Street, Leeds, LS1 4DL.
4. A Form of Proxy is enclosed with this Notice and should be completed in accordance with the instructions contained therein. 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, Link Group (PSX1), Central Square, 29 Wellington Street, Leeds, LS1 4DL, by 11.30am on 9 August 2021 or in the case of any adjournment of the meeting, not later than 48 hours before the time of such adjourned meeting. Amended instructions must also be received by the Company's Registrars by the deadline for receipt of Forms of Proxy.
5. You may also submit your voting instructions electronically via our registrar's website. Please go to www.signalshares.com and enter Mountview Estates P.L.C. If you have not already registered for Signal Shares you will need to enter your Investor Code which can be found on your share certificate. Once registered you will be able to vote immediately by selecting 'Proxy Voting' from the menu. In order to be a valid proxy appointment, the member's electronic message confirming the details of the appointment completed in accordance with those instructions must be transmitted so as to be received no later than 11.30am on 9 August 2021. The proxy appointment will not be accepted if found to contain a computer virus.
6. 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 11.30am on 9 August 2021 or in the case of any adjournment of the meeting, not later than 48 hours before the time of such adjourned meeting. 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 (as amended). In any case your proxy instruction must be received by the Company's Registrars, Link Group (PSX1), Central Square, 29 Wellington Street, Leeds, LS1 4DL by 11.30am on 9 August 2021 or not later than 48 hours before the time of any adjourned meeting.
7. 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 3 and 4 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 Members 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.

Notice of Meeting (Continued)

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.

8. 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 close of business on 9 August 2021 (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.
9. 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.
10. 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 Guidance 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 Guidance and Transparency Rules, need not make a separate notification to the Company and the Financial Conduct Authority.
11. 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, 6 July 2021, 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.
12. 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 Auditors' 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 Auditors 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.

13. 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 of the Company or the good order of the meeting that the question be answered.

Members can also send to the Company any questions in relation to the business of the meeting in advance by email to reception@mountviewplc.co.uk or by writing to the Company Secretary, Mountview House, 151 High Street, Southgate, London N14 6EW. Please submit questions as soon as possible and in any event no later than 31 July 2021. Responses to relevant questions submitted by 31 July 2021 will be provided, by way of a written Q&A, grouped into themes, posted on the Company's website as soon as practicable in advance of the meeting, and no later than 7 August 2021. Some, but not all, questions may receive individual responses. For questions received after 31 July 2021, the Directors will endeavour to provide answers as soon as practicable but responses may be provided after 7 August 2021. Responses will not be provided to questions which do not relate to the business of the meeting or that the Directors determine require disclosure of confidential or commercially sensitive information or are already answered on the website or are already addressed elsewhere including in the annual report and accounts. The Company reserves the right to answer questions only from Members or those legally permitted to raise questions at the meeting.

14. 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.
15. As at, 6 July 2021, 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, 6 July 2021, are 3,899,014.
16. 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 and at the place of meeting from 15 minutes before the meeting until it ends.

Given the current circumstances should a shareholder wish to inspect any of these documents in advance of the meeting after the Notice has been sent please submit a request to the Company Secretary at reception@mountviewplc.co.uk.

17. Explanatory note for resolutions 5, 6, 11 and 12.

Changes to the Financial Conduct Authority's Listing Rules (LR) 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 rules, the election or re-election of any Director whom the Company has determined to be independent under the UK Corporate Governance 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 each in relation to the re-election of the Non-Executive Director, Ms. M.L. Archibald and the re-election of the Non-Executive Director, Mr. A.W. Powell, 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 Directors between 90 and 120 days from the date of the original vote. This further resolution in respect of each Non-Executive Director 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.

Shareholder Information

FINANCIAL CALENDAR 2021

Final dividend record date	9 July
Annual Report posted to Shareholders	9 July
Annual General Meeting	11 August
Final dividend payment	16 August
Interim results	25 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:

Link Group
Central Square
29 Wellington Street
Leeds
LS1 4DL



Mountview Estates P.L.C.

Mountview House, 151 High Street, Southgate, London N14 6EW

Tel: +44 (0) 20 8920 5777 Fax: +44 (0) 20 8882 9981

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