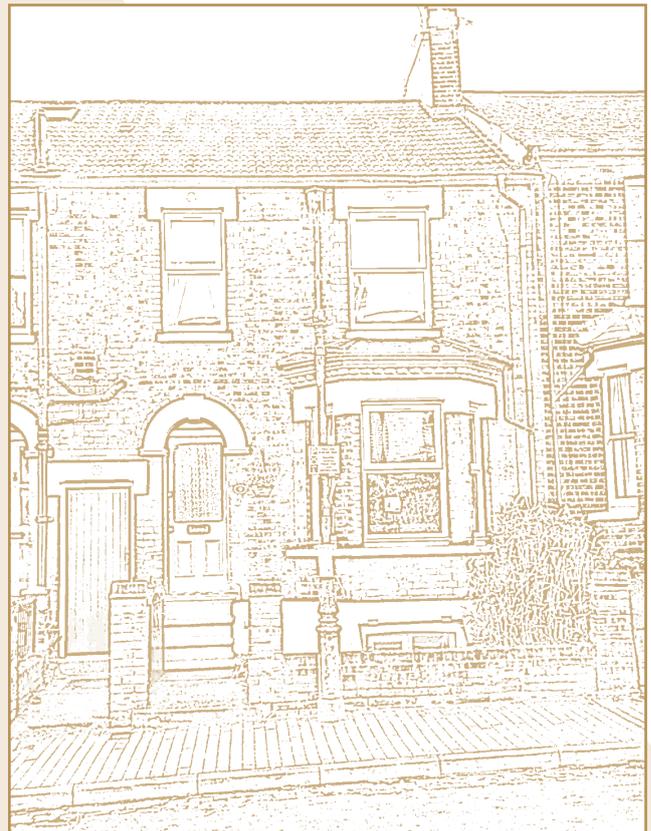
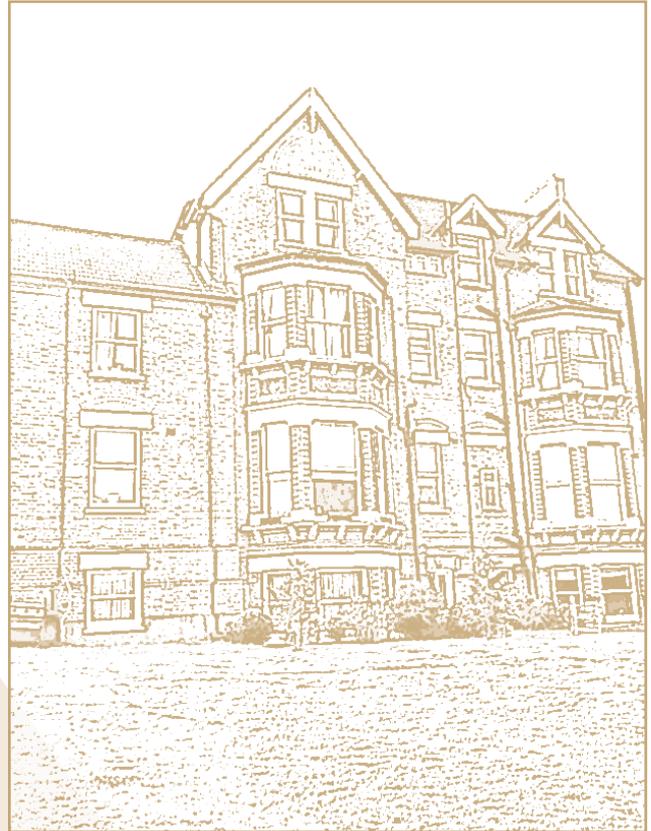


Mountview Estates P.L.C.

Half Year Report 2019



About Us

Mountview Estates P.L.C. 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 throughout the UK and sells such property when it becomes vacant.

Our Performance

TURNOVER

£29.9m

↓ 1%

(Half year ended
30.09.2018: £30.2m)

GROSS PROFIT

£19.1m

↑ 2.7%

(Half year ended
30.09.2018: £18.6m)

PROFIT BEFORE TAX

£17.4m

↑ 9.4%

(Half year ended
30.09.2018: £15.9m)

EARNINGS PER SHARE

361.1p

↑ 9.5%

(Half year ended
30.09.2018: 329.9p)

NET ASSETS PER SHARE

£95.7

↑ 3.8%

(Half year ended
30.09.2018: £92.2)

CONTENTS

- 1 Our Performance
- 2 Chief Executive Officer's Statement
- 3 Group Statement of Comprehensive Income
- 4 Group Statement of Financial Position
- 5 Group Cash Flow Statement
- 6 Consolidated Statement of Changes in Equity
- 7 Notes to the Half Year Report
- 13 Shareholders' Information

Mountview Estates P.L.C. advises its Shareholders that, following the issue of the interim results, the relevant dates in respect of the interim dividend payment of 200 pence per share are as follows:

Ex-dividend date	20 February 2020
Record date	21 February 2020
Payment date	30 March 2020

Chief Executive Officer's Statement

At the Annual General Meeting held on 7 August 2019 those shareholders deemed to be independent exercised their right to reject the re-appointments of Mr Anthony Powell and Mrs Mhairi Jarvis as independent non-executive directors. At the General Meeting held in accordance with the Listing Rules of the Financial Conduct Authority on 18 November 2019, when all shareholders were entitled to vote, it was resolved to re-appoint Mr Anthony Powell and Mrs Mhairi Jarvis as directors of the Company. Thus the status quo is maintained.

TRADING

The uncertainty surrounding Brexit continues and whilst the Company is perhaps less vulnerable than most businesses to the economics of the rest of Europe, we all need the stability of an economy with a long term strategy.

Happily the figures of Our Performance on the previous page all show increases and we continue to make good purchases. The Company has low gearing and remains financially sound.

INTERIM DIVIDEND

The interim dividend is maintained at 200p per share in respect of the year ending 31 March 2020 and is payable on 30 March 2020 to shareholders on the Register of Members as at 21 February 2020.

OUTLOOK

With continuing good purchases and sound financial planning the Company is well placed to take advantage when the country's economic strategy can be planned with greater certainty.



D.M. SINCLAIR
Chief Executive Officer
21 November 2019

Group Statement of Comprehensive Income (unaudited)

For the half year ended 30 September 2019

	Notes	Half year ended 30.09.2019 £000	Half year ended 30.09.2018 £000	Year ended 31.03.2019 £000
Revenue	2	29,921	30,166	65,428
Cost of sales	2	(10,821)	(11,592)	(24,627)
Gross profit		19,100	18,574	40,801
Administrative expenses		(2,247)	(2,112)	(5,442)
Gain on sale of investment properties	7	1,174	–	–
Operating profit before changes in fair value of investment properties		18,027	16,462	35,359
Increase in fair value of investment properties		–	–	287
Profit from operations		18,027	16,462	35,646
Net finance costs		(590)	(566)	(1,079)
Profit before taxation		17,437	15,896	34,567
Taxation – current		(3,854)	(3,034)	(6,504)
Taxation – deferred		495	–	(55)
Taxation	3	(3,359)	(3,034)	(6,559)
Profit attributable to equity Shareholders		14,078	12,862	28,008
Basic and diluted earnings per share (pence)	4	361.1p	329.9p	718.3p

Group Statement of Financial Position (unaudited)

For the half year ended 30 September 2019

	Notes	Half year ended 30.09.2019 £000	Half year ended 30.09.2018 £000	Year ended 31.03.2019 £000
Assets				
Non-current assets				
Property, plant and equipment	6	1,700	1,741	1,710
Investment properties	7	25,091	27,825	28,112
		26,791	29,566	29,822
Current assets				
Inventories of trading properties	8	392,454	378,173	392,384
Trade and other receivables		2,032	1,726	1,915
Cash and cash equivalents		639	825	1,981
		395,125	380,724	396,280
Total assets		421,916	410,290	426,102
Equity and liabilities				
Capital and reserves attributable to equity holders of the Company				
Share capital		195	195	195
Capital reserve		25	25	25
Capital redemption reserve		55	55	55
Other reserves		56	56	56
Retained earnings		372,823	359,195	366,543
		373,154	359,526	366,874
Non-current liabilities				
Long-term borrowings		38,700	39,900	47,250
Deferred tax		4,256	4,696	4,751
		42,956	44,596	52,001
Current liabilities				
Bank overdrafts and other short term loans		1,255	2,425	1,250
Trade and other payables		783	734	2,812
Current tax payable		3,768	3,009	3,165
		5,806	6,168	7,227
Total liabilities		48,762	50,764	59,228
Total equity and liabilities		421,916	410,290	426,102

Group Cash Flow Statement (unaudited)

For the half year ended 30 September 2019

	Notes	Half year ended 30.09.2019 £000	Half year ended 30.09.2018 £000	Year ended 31.03.2019 £000
Cash flows from operating activities				
Profit from operations		18,027	16,462	35,646
Adjustment for:				
Depreciation		38	30	61
(Gain) on sale of investment properties	7	(1,174)	–	–
(Increase) in fair value of investment properties		–	–	(287)
Operating cash flows before movement in working capital		16,891	16,492	35,420
(Increase) in inventories		(70)	(1,294)	(15,505)
(Increase)/Decrease in receivable		(117)	133	(56)
(Decrease)/Increase in payables		(2,029)	(1,109)	969
Cash generated from operations		14,675	14,222	20,828
Interest paid		(590)	(566)	(1,079)
Income taxes paid		(3,251)	(2,363)	(5,677)
Net cash inflow from operating activities		10,834	11,293	14,072
Investing activities				
Proceeds from disposal of investment properties		4,195	–	–
Purchase of property, plant and equipment		(28)	–	–
Net cash inflow from investing activities		4,167	–	–
Cash flows from financing activities				
(Repayment) of borrowings		(8,545)	(9,875)	(1,863)
Equity dividend paid	5	(7,798)	(7,798)	(15,596)
Net cash (outflow) from financing activities		(16,343)	(17,673)	(17,459)
Net (decrease) in cash and cash equivalents		(1,342)	(6,380)	(3,387)
Opening cash and cash equivalents		1,981	5,368	5,368
Cash and cash equivalents at end of period	10	639	(1,012)	1,981

6

Consolidated Statement of Changes in Equity

For the half year ended 30 September 2019

		Half year ended 30.09.2019 £000	Half year ended 30.09.2018 £000	Year ended 31.03.2019 £000
Shareholders' funds as at the beginning of the period		366,874	354,462	354,462
Profit for the period		14,078	12,862	28,008
Dividends	5	(7,798)	(7,798)	(15,596)
Shareholders' funds as at the end of the period		373,154	359,526	366,874

Notes to the Half Year Report

For the half year ended 30 September 2019

1. ACCOUNTING POLICIES

1. (a) BASIS OF PREPARATION

These condensed consolidated interim financial statements have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and International Accounting Standard 34 (IAS 34) "Interim Financial Reporting" as adopted by the European Union. The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2019 which have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union.

The accounting policies used are consistent with those contained in the Group's last Annual Report and Accounts for the year ended 31 March 2019.

The Directors have reviewed the current and projected financial position of the Group and are satisfied that the Group has adequate resources to cover current liabilities. Therefore, the Directors continue to adopt the going concern basis in preparing the half year report.

1. (b) BASIS OF CONSOLIDATION

The Group's financial statements incorporate the results of Mountview Estates P.L.C. and all of its subsidiary undertakings. Control is achieved where the Company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities. The Group exercises control through voting rights.

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 intercompany transactions and balances between Group enterprises are eliminated on consolidation within the consolidated accounts. Consistent accounting policies have been used across the Group.

1. (c) STATUS OF THE INTERIM FINANCIAL INFORMATION

These condensed consolidated interim financial statements are unaudited and do not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The Group's published financial statements for the year ended 31 March 2019 have been reported on by the Group's auditors and filed with the Registrar of Companies. The report of the auditors was unqualified and did not contain any statement under Section 498 of the Companies Act 2006.

The condensed consolidated interim financial statements were approved by the Board of Directors on 20 November, 2019. The preparation of the interim financial information requires management to make assumptions and estimates about future events which are uncertain, the actual outcome of which may result in a materially different outcome from that anticipated.

2. ANALYSIS OF REVENUE AND COST OF SALES

Revenue comprises proceeds of sales of its trading properties, rental income and other sundry items of revenue before charging expenses.

Legal fees and agents' commission costs directly involved with the sales of properties are included in the cost of sales.

Rental income is recognised over the rental period.

Sales of properties are recognised on legal completion, as this is the date at which the substantial risks and rewards of ownership have been transferred.

Notes to the Half Year Report

For the half year ended 30 September 2018

2. ANALYSIS OF REVENUE AND COST OF SALES CONTINUED

	Notes	Half year ended 30.09.2019 £000	Half year ended 30.09.2018 £000	Year ended 31.03.2019 £000
Revenue				
Gross sales of properties	2(a) & 2(b)	20,199	20,656	46,430
Gross rental income		9,722	9,510	18,998
		29,921	30,166	65,428
Cost of sales				
Cost of properties sold		7,928	8,950	18,973
Property expenses		2,893	2,642	5,654
		10,821	11,592	24,627
Gross Profit				
Net income from sales of properties		12,271	11,706	27,457
Net rental income		6,829	6,868	13,344
		19,100	18,574	40,801

2. (a)

Sales of properties included in the Market Valuation undertaken by Allsop LLP as at 30 September 2014:

	Allsop Valuation £000	Sales Price £000
Value of the Properties included in the Market Valuation as at 30 September 2014 and sold during the six months to 30 September 2019	12,166	17,361
Properties purchased since 30 September 2014 and sold during the six months to 30 September 2019	–	2,838
Gross sales of properties		20,199

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

2. (b)

During the half year the Group has sold the following number of units:

Sale price (£)	No. of units	Location
1 million +	–	–
500,000 – 1 million	7	London
Below 500,000	68	London and other

3. INCOME TAX

	Half year ended 30.09.2019 £000	Half year ended 30.09.2018 £000	Year ended 31.03.2019 £000
Current tax:			
UK corporation tax 19%	3,854	3,034	6,504
Deferred tax:			
Current year	(495)	–	55
Taxation attributable to the Group	3,359	3,034	6,559

The tax rate of 19% was applicable for the half year ended 30 September 2019 and the full year ended 31 March 2019.

4. EARNINGS PER SHARE

The calculations of earnings per share are based on the following profits and number of shares:

	Half year ended 30.09.2019 £000	Half year ended 30.09.2018 £000	Year ended 31.03.2019 £000
Profit for the period (basic and fully diluted)	14,078	12,862	28,008
Weighted average number of Ordinary Shares for basic and fully diluted earnings per share	3,899,014	3,899,014	3,899,014
Basic and diluted earnings per share	361.1p	329.9p	718.3p

The Company has no dilutive potential Ordinary Shares.

5. DIVIDENDS

	Half year ended 30.09.2019 £000	Half year ended 30.09.2018 £000	Year ended 31.03.2019 £000
Ordinary dividends paid			
Final dividend for the year ended 31 March 2019 at 200p per share	7,798	–	–
Interim dividend for the year ended 31 March 2019 at 200p per share	–	–	7,798
Final dividend for the year ended 31 March 2018 at 200p per share	–	7,798	–

The Board has proposed an interim dividend of 200p per share (2018: 200p). This interim dividend was announced post 30 September 2019 and under IFRS no provision is made for dividends declared after the balance sheet date. The interim dividend is payable to all Shareholders on the Register of Members on 21 February 2020.

The total estimated interim dividend to be paid is £7.798 million.

Notes to the Half Year Report

For the half year ended 30 September 2018

6. PROPERTY, PLANT AND EQUIPMENT

The Group occupies a freehold property, and its value is measured at cost less accumulated depreciation.

Plant and equipment comprise computers, fixtures and fittings and office equipment. These assets are stated at cost less accumulated depreciation.

7. INVESTMENT PROPERTIES

Investment properties are included in the balance sheet at their fair value. Additions to investment properties are costs of a capital nature.

	Half year ended 30.09.2019 £000	Half year ended 30.09.2018 £000	Year ended 31.03.2019 £000
Fair value at 1 April	28,112	27,825	27,825
Disposals	(3,021)	–	–
Increase in fair value during the year	–	–	287
At the end of the period	25,091	27,825	28,112

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

During the six months to 30 September 2019 we disposed of 4 units for £4.195 million. 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, and this is shown in the Consolidated Income Statement as a separate item.

8. INVENTORIES OF TRADING PROPERTIES

Trading properties are held for sale and are shown at the lower of cost and net realisable value.

Net realisable value is the estimated selling price less estimated costs of completion if the property were to be vacant at the date of the balance sheet.

9. ANALYSIS OF ACQUISITIONS

BY TYPE OF TENANCY

	Half year ended 30.09.2019		Half year ended 30.09.2018		Year ended 31.03.2019	
	No. of units	Costs £m	No. of units	Costs £m	No. of units	Costs £m
Regulated, ASTs, and other	23	6.97	25	8.24	79	25.21
Assured Tenancies	–	–	1	0.47	8	1.68
Life Tenancies	1	0.12	1	0.52	2	0.71
Leasehold Ground Rents	–	–	–	–	2	3.74
Total Acquisitions	24	7.09	27	9.23	91	31.34
Grounds Rents created	4	–	5	0.01	14	0.03
Assured Tenancies created	4	–	5	–	9	–

The above analysis does not include legal and commission expense directly related to the acquisition of properties.

Properties are treated as acquired or sold on the date of completion.

All of the acquisitions were in London and the South.

BY GEOGRAPHIC LOCATION

	Half year ended 30.09.2019	
	No. of units	Costs £m
London (North)	10	3.32
London (South)	6	1.88
Surrey, Sussex	5	1.24
Hertfordshire, Middlesex	3	0.65
Remainder of England and Wales	–	–
	24	7.09

10. CASH AND CASH EQUIVALENTS

These comprise cash balances and other short-term highly liquid investments with original maturities of three months or less.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

11. FINANCIAL INSTRUMENTS

Bank loans and overdrafts are included as financial liabilities on the Group balance sheet at the amounts drawn on the particular facilities.

Interest payable on those facilities is charged to income in the period to which it relates.

Notes to the Half Year Report

For the half year ended 30 September 2018

12. RELATED PARTY TRANSACTIONS

1. During the period there were no key management personnel emoluments, other than remuneration.
2. (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 £25,945 (six months ended 30 September 2018: £34,443) 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 £681,000 (six months ended 30 September 2018: £488,000). Interest was payable on the loan at the rate of 0.5%. Interest paid in the period on this loan amounted to £1,786 (six months ended 30 September 2018: £2,426).
 - (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 £50,000 (six months ended 30 September 2018: £100,000). Interest was payable on the loan at the rate of 0.5%. Interest paid in the period on this loan amounted to £166 (six months ended 30 September 2018: £228).
 - (d) All of the above loans are unsecured.
 - (e) Transactions between the Group 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.

13. STATEMENT OF DIRECTORS RESPONSIBILITIES

The Directors confirm that these consolidated interim financial statements have been prepared in accordance with IAS 34 as adopted by the European Union, and that the interim management report herein includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8.

The Directors of Mountview Estates PLC are listed in the Mountview Estates PLC Annual Report for 31 March 2019. A list of current Directors is maintained on the Mountview Estates PLC website www.mountviewplc.co.uk

14. PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties we face are described in detail on pages 9 to 10 of our Annual Report and Accounts for the year ended 31 March 2019. The Board considers that those risks and uncertainties were unchanged during the period. These risks and uncertainties are described in the Annual Report and Accounts and are summarized below.

1. Trading stock – regulated tenancies – reduced opportunity to replace asset sales of vacant properties due to the reducing number of regulated tenancies available for purchase.
2. Market – Weak macro-economic conditions and the impact of political/Brexit uncertainty.
3. Financial – Reduced availability of financing options resulting in inability to meet business plans.
4. Dividends – 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.
5. People – Capacity to maintain strategy is compromised due to inability to attract and retain suitably experienced employees.
6. Regulatory – Risk of not meeting new or changed regulatory requirements and obligations which affect the Group's business activities and could lead to fines or penalties.
7. Operations and property management – Legal action against the Group for failure to meet its obligations under current legislation including health and safety, fire risk and gas safety.

Shareholders' Information

FINANCIAL CALENDAR 2020

Ex-dividend date	20 February
Record date	21 February
Payment date	30 March
Preliminary announcement of the results for the year	18 June
Annual Report and Accounts posted	10 July
Annual General Meeting	12 August

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 the Shareholders should be addressed to the Company's Registrars:

Link Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

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

www.mountviewplc.co.uk