

RNS Number: 2943Q
Mountview Estates PLC
18 June 2020

MOUNTVIEW ESTATES P.L.C.

Preliminary Results for the year ended 31 March 2020

CHIEF EXECUTIVE OFFICER'S STATEMENT

When I wrote this statement last year I drew attention to the fact that the British People voted to leave the European Union on 23 June 2016 but every statement that I had written since then has been conscious of the uncertainties that continue pending the conclusion of our withdrawal.

Happily on 12 December 2019 Boris Johnson was elected with a big majority that enabled us to leave the European Union on 31 January 2020 but the details of the withdrawal will not be certain until 31 December 2020.

Now added to these uncertainties are the Covid-19 constraints the effects of which I will review later in this statement. The financial year under review ended on 31 March 2020 and the lockdown was not imposed until within ten days of that date. Given the time-lag on transactions in the property business it is fair to assume that any deal that was to conclude within those few days was already under contract before the constraints were imposed.

I believe that the trading results for the year ended 31 March 2020 were not influenced by the Covid-19 pandemic and that any influence or effects should be considered as post balance sheet events.

The headline figures in respect of our financial performance for the year ended 31 March 2020 are detailed under the heading "Financial Highlights" below. Whilst Revenue has dropped by a very modest amount all the other performance indicators have shown an upward trend. Gearing has fallen from 11.3% to 7.2% and thus we are in an even stronger position to make the purchases which are essential to the future of the Company. Indeed we have made some good purchases in our new financial year.

The final dividend is maintained at 200 pence per share and is payable on 17 August 2020 subject to approval at the Annual General Meeting on 12 August 2020. This will keep the total annual dividend at 400 pence per share which is slightly more generously covered 1.75 times than it was last year.

And now I inevitably turn to "Stay Home, Protect the N.H.S., Save Lives" or as expressed more recently "Stay Alert, Control the Virus, Save Lives".

Our colleague Andrew Williams is a doctor and it would be wrong not to express our admiration for his unstinting work on the front line. Well done and thank you, Andrew!

We have had to adapt to new ways of running the office and I think that we have done so quite effectively. Those of us who can work from home do so and the office is staffed on a rota basis so that we are able to maintain social distancing and still serve our customers appropriately. Over 80% of our rents are paid directly into the bank and regulated rents are set at a modest level. Provided tenants pay their rent they have absolute security of tenure and a significant number have help from social services.

Auctions are now all conducted remotely and the auctioneers are becoming more successful at replicating the ballroom atmosphere. So far this financial year we have been happy in the auction room both in terms of sale prices achieved and the prices at which we have been able to make purchases. Nobody can pretend that life is normal but our staff are coping very well.

We have not had to furlough any staff or reduce staff numbers in any other way and I remain confident that our years of financial prudence will enable us to continue to conduct the business successfully and to maintain our dividend payments. Whilst I thank my staff and colleagues for their hard work, loyalty and expertise in producing increased profits for the year ended 31 March 2020 I thank them also for the willingness and good humour with which they are adapting to the strange circumstances in which we are finding ourselves.

I look forward to writing this statement in more normal times next year.

Duncan Sinclair

18 June 2020

MOUNTVIEW ESTATES P.L.C.

FINANCIAL HIGHLIGHTS

	2020 £	2019 £	(Decrease)/Increase %
Revenue (millions)	64.9	65.4	(0.8)
Gross Profit (millions)	41.4	40.8	1.5
Profit Before Tax (millions)	34.9	34.6	0.9
Profit Before Tax excluding investment properties revaluation (millions)	35.9	34.3	4.7
Equity Holders' Funds (millions)	379.6	366.9	3.5
Earnings per share (pence)	725.7	718.3	1.0
Net assets per share (£)	97.4	94.1	3.5
Dividend per share (pence)	400	400	-

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 200 pence per share are as follows:

Ex-dividend date	9 July 2020
Record date	10 July 2020
Payment date	17 August 2020

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2020

	Year ended 31.03.2020 £'000	Year ended 31.03.2019 £'000
REVENUE	64,873	65,428
Cost of sales	(23,519)	(24,627)
GROSS PROFIT	41,354	40,801
Administrative expenses	(5,630)	(5,442)
Gain on sale of investment properties	1,174	-
Operating profit before changes in fair value of investment properties	36,898	35,359
(Decrease)/Increase in fair value of investment properties	(969)	287
PROFIT FROM OPERATIONS	35,929	35,646
Net finance costs	(988)	(1,079)
PROFIT BEFORE TAXATION	34,941	34,567
Taxation – current	(7,320)	(6,504)
Taxation – deferred	675	(55)
Taxation	(6,645)	(6,559)
PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS	28,296	28,008
Basic and diluted earnings per share (pence)	725.7p	718.3p

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 MARCH 2020

	As at 31.03.2020 £'000	As at 31.03.2019 £'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	1,670	1,710
Investment properties	24,122	28,112
	25,792	29,822
CURRENT ASSETS		
Inventories of trading properties	392,069	392,384
Trade and other receivables	3,676	1,915
Cash at bank	3,553	1,981
	399,298	396,280
TOTAL ASSETS	425,090	426,102
EQUITY AND LIABILITIES		
Share capital	195	195
Capital redemption reserve	55	55
Capital reserve	25	25
Other reserve	56	56
Retained earnings	379,243	366,543
	379,574	366,874
NON-CURRENT LIABILITIES		
Long-term borrowings	31,100	47,250
Deferred tax	4,076	4,751
	35,176	52,001
CURRENT LIABILITIES		
Bank overdrafts and short-term loans	2,060	1,250
Trade and other payables	4,830	2,812
Current tax payable	3,450	3,165
	10,340	7,227
TOTAL LIABILITIES	45,516	59,228
TOTAL EQUITY AND LIABILITIES	425,090	426,102

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020

	Share Capital £'000	Capital Reserve £'000	Capital Redemption Reserve £'000	Other Reserves £'000	Retained Earnings £'000	Total £'000
Balance as at 1 April 2018	195	25	55	56	354,131	354,462
Profit for the year					28,008	28,008
Dividends					(15,596)	(15,596)
Balance as at 31 March 2019	195	25	55	56	366,543	366,874

	Share Capital £'000	Capital Reserve £'000	Capital Redemption Reserve £'000	Other Reserves £'000	Retained Earnings £'000	Total £'000
Balance as at 1 April 2019	195	25	55	56	366,543	366,874
Profit for the year					28,296	28,296
Dividends					(15,596)	(15,596)
Balance as at 31 March 2020	195	25	55	56	379,243	379,574

GROUP CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2020

	Year ended 31.03.2020 £'000	Year Ended 31.03.2019 £'000
Cash flow from operating activities		
Operating profit	35,929	35,646
Adjustment for:		
Depreciation	64	61
(Gain) on disposal of investment properties	(1,174)	-
Decrease/(Increase) in fair value of investment properties	969	(287)
Cash flow from operations before changes in working capital	35,788	35,420
Decrease/(Increase) in inventories	315	(15,505)
(Increase) in receivables	(1,761)	(56)
Increase in payables	2,018	969
Cash generated from operations	36,360	20,828
Interest paid	(988)	(1,079)
Income taxes paid	(7,035)	(5,677)
Net cash inflow from operating activities	28,337	14,072
Investing activities		
Proceeds from disposal of investment properties	4,195	-
Purchase of property, plant and equipment	(24)	-
Net cash inflow from investing activities	4,171	-
Cash flow from financing activities		
(Repayment) of borrowings	(16,835)	(1,863)
Equity dividend paid	(15,596)	(15,596)
Net cash (outflow) from financing activities	(32,431)	(17,459)
Net Increase/(decrease) in cash and cash equivalents	77	(3,387)

Opening cash and cash equivalents	1,981	5,368
Cash and cash equivalents at the end of the year	2,058	1,981

2020 Annual General Meeting (AGM)

In light of ongoing restrictions imposed by the UK Government in response to the COVID-19 pandemic, which may continue to prohibit, amongst other things, non-essential travel and certain public gatherings, it is possible that the AGM will be a closed meeting with the minimum necessary quorum of two shareholders present in order to conduct the business of the meeting.

Shareholders will be updated closer to the AGM on whether or not attendance is permitted. Details of the AGM will be included in the Notice of AGM set out in the 2019/20 Annual Report and Accounts that will be sent to shareholders at a date to be announced in due course.

Notes to the Preliminary Announcement

1. Financial Information

The financial information presented within this document does not comprise the statutory accounts for the financial years ended 31 March 2020 and 31 March 2019, but represents extracts from them.

The statutory accounts for the financial year ended 31 March 2019 have been filed with the Registrar of Companies. The auditor reported on those accounts: their report was (i) unqualified, (ii) did not include references to any matters to which the auditor drew attention by way of emphasis without qualifying the reports and (iii) did not contain statements under section 498(2) or (3) of the Companies Act 2006.

The statutory accounts for the year ended 31 March 2020 are expected to be finalised and signed following approval by the Board of Directors and delivered to the Registrar of Companies following the Company's Annual General Meeting on 12 August 2020.

2. Basis of Preparation

The preliminary announcement has been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS") but does not contain sufficient information to comply fully with IFRS. The Financial Statements to be presented to Members at the 2020 AGM are expected to comply fully with IFRS.

~ Ends ~

This announcement contains information which, prior to its disclosure, was inside information for the purposes of the Market Abuse Regulation.

For further information on the Company, visit: www.mountviewplc.co.uk

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