

Mountview Estates P.L.C.

Half Year Report 2024



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

Our Performance

TURNOVER

£37.4m

↓ 4.6%

(Half year ended
30.09.2023: £39.2m)

GROSS PROFIT

£23.1m

↓ 4.5%

(Half year ended
30.09.2023: £24.2m)

PROFIT BEFORE TAX

£18.1m

↓ 9.0%

(Half year ended
30.09.2023: £19.9m)

EARNINGS PER SHARE

347.9p

↓ 9.1%

(Half year ended
30.09.2023: 382.7p)

NET ASSETS PER SHARE

£103.2

↑ 1.7%

(Half year ended
30.09.2023: £101.5)

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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 250p per share are as follows:

Ex-dividend date	20 February 2025
Record date	21 February 2025
Payment date	31 March 2025

Chief Executive Officer's Statement

At the Annual General Meeting held on 14 August 2024 those shareholders deemed to be independent exercised their right to reject the re-election of Mr. Anthony Powell and Ms. Mhairi Archibald as independent non-Executive Directors. At the General Meeting held in accordance with the UK Listing Rules of the Financial Conduct Authority on 18 November 2024, when all shareholders were entitled to vote, it was resolved to re-elect Mr. Anthony Powell and Ms. Mhairi Archibald as Directors of the Company. Thus the status quo is maintained.

TRADING

The economic difficulties being suffered throughout the country have contributed to the Company's gross profit for the six months ended 30 September 2024 decreasing by 4.5% and profit before tax by 9.0%.

Although interest rates have been reduced slightly in recent months, they are still at levels last experienced over ten years ago and are a significant factor in our increased costs. Our purchasing activity, which is the future of the Company, has remained strong during these six months and we continue to be offered further opportunities. Our financial strength should enable us to take advantage of the best of these, but we will not compromise our financial prudence.

With a staff of less than thirty we are a tiny company but the increased taxation and the ever expanding regulatory and administrative burden imposed by various authorities is disproportionate to a company of this size. We will not abandon our financial prudence, but I am determined that we shall protect our staff from the worst economic misfortunes. Many of our staff have been loyal to the Company for many years and they deserve our loyalty.

INTERIM DIVIDEND

In March 2022 and March 2023, the Company paid an exceptional interim dividend totalling 500p per share, but it would not be possible to continue at this level without compromising the Company's financial prudence. At this time in 2022 I advised that it would be prudent to only anticipate an interim dividend payable in March 2024 at the increased basic rate of 250p per share.

The Company has continued to make good purchases and so an interim dividend of 250p per share is the prudent option and still represents a good return on your investment.

This dividend is payable on 31 March 2025 to shareholders on the Register of Members as at 21 February 2025.

OUTLOOK

We live in difficult times, but I believe that this Company will continue to prosper and can continue to care for its staff and its shareholders.



D.M. SINCLAIR

Chief Executive Officer
20 November 2024

Consolidated Statement of Comprehensive Income

For the half year ended 30 September 2024

	Notes	Unaudited Half year ended 30.09.2024 £000	Unaudited Half year ended 30.09.2023 £000	Audited Year ended 31.03.2024 £000
Revenue	2	37,416	39,236	79,472
Cost of sales	2	(14,352)	(15,007)	(31,023)
Gross profit		23,064	24,229	48,449
Administrative expenses		(2,767)	(2,718)	(7,006)
Gain on sale of investment properties		192	–	–
Operating profit before changes in fair value of investment properties		20,489	21,511	41,443
Increase in fair value of investment properties		–	–	153
Profit from operations		20,489	21,511	41,596
Net finance costs		(2,389)	(1,609)	(3,710)
Profit before taxation		18,100	19,902	37,886
Taxation – current		(4,809)	(4,982)	(9,429)
Taxation – deferred		272	–	(38)
Taxation total	3	(4,537)	(4,982)	(9,467)
Profit attributable to equity shareholders and total comprehensive income		13,563	14,920	28,419
Basic and diluted earnings per share (pence)	4	347.9p	382.7p	728.9p

Consolidated Statement of Financial Position

For the half year ended 30 September 2024

	Notes	Unaudited Half year ended 30.09.2024 £000	Unaudited Half year ended 30.09.2023 £000	Audited Year ended 31.03.2024 £000
Assets				
Non-current assets				
Property, plant and equipment	6	1,405	1,464	1,440
Investment properties	7	24,335	25,415	25,568
		25,740	26,879	27,008
Current assets				
Inventories of trading properties	8	459,624	442,231	446,398
Trade and other receivables		1,571	2,593	1,479
Cash and cash equivalents		929	1,908	739
		462,124	446,732	448,616
Total assets		487,864	473,611	475,624
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		402,142	395,550	399,301
		402,473	395,881	399,632
Non-current liabilities				
Long-term borrowings		77,300	66,200	66,500
Deferred tax		5,532	5,766	5,805
		82,832	71,966	72,305
Current liabilities				
Trade and other payables		842	841	2,303
Current tax payable		1,717	4,923	1,384
		2,559	5,764	3,687
Total liabilities		85,391	77,730	75,992
Total equity and liabilities		487,864	473,611	475,624

Consolidated Cash Flow Statement

For the half year ended 30 September 2024

	Notes	Unaudited Half year ended 30.09.2024 £000	Unaudited Half year ended 30.09.2023 £000	Audited Year ended 31.03.2024 £000
Cash flows from operating activities				
Profit from operations		20,489	21,511	41,596
Adjustment for:				
Depreciation		28	29	53
Gain on sale of investment properties		(192)	–	–
Increase in fair value of investment properties		–	–	(153)
Operating cash flows before movement in working capital		20,325	21,540	41,496
Increase in inventories		(13,226)	(19,489)	(23,656)
(Increase)/Decrease in receivables		(92)	4,063	5,177
(Decrease)/Increase in payables		(1,461)	(1,143)	319
Cash generated from operations		5,546	4,971	23,336
Interest paid		(2,389)	(1,609)	(3,710)
Income taxes paid		(4,470)	(1,923)	(9,908)
Net (Outflow)/Inflow from operating activities		(1,313)	1,439	9,718
Investing activities				
Proceeds from disposal of investment properties		1,425	–	–
Net cash Inflow from investing activities		1,425	–	–
Cash flow from financing activities				
Increase in borrowings		10,800	9,500	9,800
Equity dividend paid	5	(10,722)	(9,747)	(19,495)
Net cash Inflow/(Outflow) from financing activities		78	(247)	(9,695)
Net Increase in cash and cash equivalents		190	1,192	23
Opening cash and cash equivalents		739	716	716
Cash and cash equivalents at end of period	10	929	1,908	739

Consolidated Statement of Changes in Equity

For the half year ended 30 September 2024

	Notes	Unaudited Half year ended 30.09.2024 £000	Unaudited Half year ended 30.09.2023 £000	Audited Year ended 31.03.2024 £000
Shareholders' funds as at the beginning of the period		399,632	390,708	390,708
Profit for the period		13,563	14,920	28,419
Dividends	5	(10,722)	(9,747)	(19,495)
Shareholders' funds as at the end of the period		402,473	395,881	399,632

Notes to the Half Year Report

For the half year ended 30 September 2024

1. ACCOUNTING POLICIES

1. (a) BASIS OF PREPARATION

These condensed consolidated interim financial statements have been prepared in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority and in accordance with UK adopted International Accounting Standard 34 (IAS 34) "Interim Financial Reporting". The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2024 which have been prepared in accordance with UK adopted International Accounting Standards.

The accounting policies used are consistent with those contained in the Group's last Annual Report and Accounts for the year ended 31 March 2024.

The Directors have reviewed the current and projected financial position of the Group and are satisfied that the Group has adequate resources to cover all liabilities becoming payable for the foreseeable future. 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 made up to the reporting date.

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 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.

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 2024 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 2024. 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 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 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.

Notes to the Half Year Report *(Continued)*

For the half year ended 30 September 2024

2. ANALYSIS OF REVENUE AND COST OF SALES CONTINUED

	Notes	Unaudited Half year ended 30.09.2024 £000	Unaudited Half year ended 30.09.2023 £000	Audited Year ended 31.03.2024 £000
Revenue				
Gross sales of properties	2(a) & 2(b)	26,364	29,268	59,080
Gross rental income		11,052	9,968	20,392
		37,416	39,236	79,472
Cost of sales				
Cost of properties sold		11,276	11,957	24,680
Property expenses		3,076	3,050	6,343
		14,352	15,007	31,023
Gross Profit				
Net income from sales of properties		15,088	17,311	34,400
Net rental income		7,976	6,918	14,049
		23,064	24,229	48,449

2. (a)

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

	No of Units	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 2024	56	14,941	21,206
Properties purchased since 30 September 2014 and sold during the six months to 30 September 2024	17	–	5,158
Gross sales of properties	73	–	26,364

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 +	3	London
500,000 – 1 million	12	London and other
Below 500,000	58	London and other

3. INCOME TAX

	Unaudited Half year ended 30.09.2024 £000	Unaudited Half year ended 30.09.2023 £000	Audited Year ended 31.03.2024 £000
Current tax:			
UK corporation tax 25% (2023: 25%)	4,809	4,982	9,429
Deferred tax 25% (2023: 25%)	(272)	–	38
Taxation attributable to the Group	4,537	4,982	9,467

4. EARNINGS PER SHARE

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

	Unaudited Half year ended 30.09.2024 £000	Unaudited Half year ended 30.09.2023 £000	Audited Year ended 31.03.2024 £000
Profit for the period (basic and fully diluted)	13,563	14,920	28,419
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	347.9p	382.7p	728.9p

The Company has no dilutive potential Ordinary Shares.

5. DIVIDENDS

	Unaudited Half year ended 30.09.2024 £000	Unaudited Half year ended 30.09.2023 £000	Audited Year ended 31.03.2024 £000
Ordinary dividends paid			
Final dividend for the year ended 31 March 2024 at 275p per share	10,722	–	–
Interim dividend for the year ended 31 March 2024 at 250p per share	–	–	9,747
Final dividend for the year ended 31 March 2023 at 250p per share	–	9,747	9,747

The Board has proposed an interim dividend of 250p per share (2024: 250p). This interim dividend was announced post 30 September 2024 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 2025.

The total estimated interim dividend to be paid is £9.747 million.

Notes to the Half Year Report *(Continued)*

For the half year ended 30 September 2024

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.

	Unaudited Half year ended 30.09.2024 £000	Unaudited Half year ended 30.09.2023 £000	Audited Year ended 31.03.2024 £000
Fair value at 1 April	25,568	25,415	25,415
Disposals	(1,233)	–	–
Increase in fair value during the year	–	–	153
At the end of the period	24,335	25,415	25,568

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

During the six months to 30 September 2024 there were 2 disposals for £1,425,000 (30 September 2023: no disposals).

The difference between the sales price of £1,425,000 and the marked value of £1,233,000 resulted in a gain of £192,000. This is shown as a separate line item in the Consolidated Statement of Comprehensive Income for the half year ended 30 September 2024.

The investment properties represent less than 5.1% of the Group's portfolio.

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

	No. of units	Unaudited Half year ended 30.09.2024 Costs £m	No. of units	Unaudited Half year ended 30.09.2023 Costs £m	No. of units	Audited Year ended 31.03.2024 Costs £m
Regulated, ASTs, and other	52	18.16	68	22.80	105	34.94
Assured Tenancies	7	2.48	17	6.35	28	9.67
Life Tenancies	13	2.09	–	–	–	–
Leasehold Ground Rents	–	–	1	0.07	2	0.07
Total Acquisitions	72	22.73	86	29.22	135	44.68
Grounds Rents created	2	–	4	–	12	–
Assured Tenancies created	6	–	4	–	8	–

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.

BY GEOGRAPHIC LOCATION

	No. of units	Unaudited Half year ended 30.09.2024 Costs £m
London (North)	7	3.51
London (South)	10	4.30
Buckinghamshire, Essex, Middlesex, Oxfordshire	10	3.33
Dorset, Hampshire, Isle of Wight, Kent, Surrey, Sussex	30	9.14
Remainder of England and Wales	15	2.45

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 *(Continued)*

For the half year ended 30 September 2024

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 £10,772 (six months ended 30 September 2023: £9,428) were charged for these services.
(b) Transactions between the Group and its subsidiaries, which are related parties, have been eliminated on consolidation and have not been disclosed in this note.
(c) The only key management are the Directors.
(d) As at 30 September 2024 the Group owed Mr D.M. Sinclair £81,249 (six months ended 30 September 2023: £12,632) in relation to an informal loan.

13. STATEMENT OF DIRECTORS RESPONSIBILITIES

The Directors confirm that these condensed consolidated interim financial statements have been prepared in accordance with the UK adopted International Accounting Standard 34 (IAS 34), and that the interim management report herein includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R.

The Directors of Mountview Estates PLC are listed in the Mountview Estates PLC Annual Report for 31 March 2024. 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 10 to 13 of our Annual Report and Accounts for the year ended 31 March 2024. 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 – triggered by external events including for example the after effects of Brexit, the war in Ukraine and the cost of living crisis driven by rising inflation and interest rates.
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 that affect the Group's business activities and could lead to fines or penalties.
7. Operations and property maintenance – Legal action against the Group for failure to meet its obligations under current property management and safety legislation.
8. Climate – The impact on the Group of climate related matters. For example changing regulations or physical risks following changing weather patterns, including extreme weather events, that could lead to increased wear and tear or other property damage and transition risks, for example following Regulatory changes.

Shareholders' Information

FINANCIAL CALENDAR 2025

Ex-dividend date	20 February
Record date	21 February
Payment date	31 March
Preliminary announcement of the results for the year	19 June
Annual Report and Accounts posted	11 July
Annual General Meeting	13 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 shareholdings should be addressed to the Company's Registrars:

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