

## 2020 Annual Report & Accounts & AGM Notice posted

### MOUNTVIEW ESTATES PLC

Released 14:10:58 10 July 2020

RNS Number : 7119S  
Mountview Estates PLC  
10 July 2020

#### Mountview Estates P.L.C.

#### Publication of 2020 Annual Report and Accounts

&

#### Notice of 2020 Annual General Meeting

Mountview Estates P.L.C. (the "Company") announces that the Annual Report and Accounts for the year ended 31 March 2020 together with the 2020 Notice of Annual General Meeting (the "2020 AGM") will be posted to shareholders today, 10 July 2020, and will be able to be downloaded from the Company's website [www.mountviewplc.co.uk](http://www.mountviewplc.co.uk).

Copies of these documents, together with the Form of Proxy for the Annual General Meeting, will be made available for inspection on the National Storage Mechanism at: <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

The Company's 2020 AGM will be held on Wednesday, 12 August 2020 at 11.30am.

#### AGM arrangements

As noted in the Notice of the 2020 AGM, new laws and guidance have been imposed by the UK government to restrict non-essential travel and public gatherings as well as guidance on social distancing in light of the COVID-19 pandemic. The new laws mean that this year's AGM will be held in a different format to previous years. The Board has reluctantly decided, in order to comply with these measures and to protect the health and safety of its shareholders and employees, the Company will arrange for the meeting to be held with the minimum attendance required and only to conduct the formal business of the meeting. No other person, including shareholders, will be permitted to attend the AGM and any person seeking to attend the meeting will be refused entry.

#### Voting

The Board urges all shareholders to exercise their vote and submit their proxy as soon as possible. Shareholders are strongly encouraged to appoint the chairman of the meeting as their proxy with instructions as to how to cast their vote on the resolutions proposed to ensure their vote is counted at the meeting. The 2020 Notice of AGM explains how shareholders can submit their proxy vote. Results of voting will be published as soon as practicable following the conclusion of the meeting.

Despite the exceptional circumstances, engagement with shareholders is important to the Company. Arrangements have been made so that shareholders can participate in the AGM by submitting questions or matters of concern in connection with the business of the 2020 AGM in advance. Any specific questions on the business of the 2020 AGM and on the resolutions can be submitted by email to [reception@mountviewplc.co.uk](mailto:reception@mountviewplc.co.uk) or by writing to the Company Secretary, Mountview House, 151 High Street, Southgate, London N14 6EW. The Board encourages questions to be submitted as soon as possible and no later than 31 July 2020 and the Board will provide responses to relevant questions by way of a written Q&A posted on the Company's website as soon as practicable in advance of the AGM, and no later than 8 August 2020. The 2020 Notice of AGM explains the arrangements for submitting questions.

In compliance with paragraph 6.3.5 of the Disclosure Guidance and Transparency Rules, the information in respect of Principal Risks, Related Party Transactions and the Directors' Responsibility Statement, contained in the Appendix, is extracted from the 2020 Annual Report and Accounts and should be read in conjunction with the Company's preliminary results announcement of 18 June 2020 which can be viewed on the Company's website at [www.mountviewplc.co.uk](http://www.mountviewplc.co.uk).

#### Enquiries:

For further information on the Company, visit: [www.mountviewplc.co.uk](http://www.mountviewplc.co.uk)  
SPARK Advisory Partners Limited (Financial Adviser) [www.sparkadvisorypartners.com](http://www.sparkadvisorypartners.com)

Mark Brady

020 3368 3551

#### Appendix

#### PRINCIPAL RISKS AND UNCERTAINTIES

## Risks posed by COVID-19

### REVIEW OF OPERATIONS

In the current climate, any discussion of risk must necessarily start by considering the impact that the Covid-19 virus has had and may have on the business. As a risk factor it has already had an impact on many aspects of Mountview's operations from general market sentiment through to the very particular impact that it has had on how we work on a day to day basis. Our operational response to the virus is described on page 14 of the 2020 Annual Report & Accounts. In this section we set out the impact that the virus may have on the principal risks considered in the Review of Operations.

There is one key difference from the other risks to the business because, with the virus, we are not looking at a possible future risk and how that might affect the business but rather looking at the impact that it already has had and could have in the future under various scenarios of seriousness and the Government's response. Each risk area, our standing mitigating actions and our comments on the impact of Covid-19 are shown below.

#### 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 2020, with good purchasing again during the year. The 'Analysis of Acquisitions' is contained in the Annual Report & Accounts.

##### COVID-19 Impact

The availability of regulated tenancies for purchase is broadly dependent on two factors - the supply of regulated tenancies as a whole and the propensity of the owners of those properties to sell. The first of these is likely to impact on the longevity of the market for regulated tenancies; the second to affect the numbers available at any one time.

Any condition that has a greater effect on the older members of society will have a disproportionate effect on regulated tenancies as opposed to other forms of tenancy. Covid-19 has just such an effect and is likely to reduce the total population of regulated tenancies more quickly than previously anticipated. The second factor - the propensity of owners to sell - is an unknowable component as it is dependent on many subjective personal factors. Thus, if all other things are equal, then the supply may be reduced in proportion to the reduced number of regulated tenancies in existence - but there should still be properties available in the short term, though in the longer term that supply may run out sooner than if COVID-19 had not appeared.

#### 2. MARKET

##### Risk

Weak macro-economic conditions - which in our 2019 Annual Report and Accounts was linked to the impact of political / Brexit uncertainty, and for the current year has been replaced with the uncertainty associated with the outcome of negotiations on the trade deal with the EU and Covid-19.

##### Mitigation

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

##### COVID-19 Impact

As noted above, the Group's exposure is weighted towards the stronger London and South East markets. Moreover, in the auctions that have taken place since the lockdown, sales prices for London based properties have held up.

#### 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 and renegotiated a £20 million five-year revolving loan facility with HSBC from November 2018. The Group is conservatively geared and operates well within financial covenants. Financial Key Performance indicators are on page 8. Details of the Group's current facilities are set out in Note 18 in the Annual Report & Accounts.

##### COVID-19 Impact

For this risk the impact of Covid-19 should be limited given that the earliest termination date for any facility is December 2022 - so, under current government projections some time beyond the expected lifetime of the COVID-19 pandemic.

#### 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.

##### COVID-19 Impact

In the short term we do not see any threat to being able to maintain dividends at their current levels. The current year's operations have again generated good profits for the Group, which support the payment of a dividend at these levels.

#### 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 11 and 12 of the Directors'

Report.

#### **COVID-19 Impact**

The impact of Covid-19 adds a further risk factor which is helping staff to remain healthy through the pandemic. Given the high levels of both skill and experience of the staff and the provisions made by the company to facilitate minimum disruption to our work practices we are meeting our operational objectives at a satisfactory level.

### **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.

#### **COVID-19 Impact**

None that we are aware of.

### **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.

To address the increasing regulatory workload, the Group recruited a Compliance Officer whose role is to monitor our performance against existing regulations and to track and prepare for new requirements as they are published.

#### **COVID-19 Impact**

In line with industry recommendations we have currently suspended non-essential visits until permissible under government Covid-19 guidelines. As noted in the Annual Report & Accounts in the note on of the operational impact of the virus, we have established a working protocol where maintenance and repair work is essential.

For work that remains necessary to carry out, the principal risk arising under this heading arises from staff shortages - both within our staff and within our contractor group who carry out the sub-contracted safety and other inspections and maintenance work. In relation to our own staff the point has been discussed in risk 5 above. In relation to sub-contractors we have a wide panel of sub-contractors that we could call on, and in addition contact details of other contractors who could carry out work for us. Accordingly, we are confident that any shortfall in staff at contractors could be covered either by re-scheduling work or through expanding the current contractor base.

### **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. While we recognise there may be a short term negative impact as a result of Covid-19, 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 2019 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 Note 8 of the Directors' Report in the Annual Report & Accounts.

### **RELATED PARTY TRANSACTIONS**

#### ***The following is extracted from the 2020 Annual Report & Accounts***

1. During the financial year 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 £33,100 (2019: £41,675) 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 £465,000 (2019: £1,100,015). Interest was payable on the loan at 0.5%. Interest paid in the year on this loan amounted to £3,260 (2019: £4,133).
- 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 £100,000 (2019: £150,000). Interest was payable on the loan at 0.5%. Interest paid in the year on this loan amounted to £310 (2019: £505).
- 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.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

#### ***The following statement is extracted from the 2020 Annual Report & Accounts***

The Directors are responsible for preparing the Annual Report, the Directors' Remuneration Report and the financial statements in accordance with applicable law and regulations.

The Directors are required by the Companies Act 2006 to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Group and the Company as at the end of the financial year, and of the profit or loss of the Group for the financial year. Under that law, the Directors are required to prepare the Group financial statements in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union ('EU') and have elected to prepare the Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (UK Accounting Standards and applicable law).

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether IFRS as adopted by the EU and applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Group and Parent Company financial statements respectively;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; 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 Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company. This will enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation. They also have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and the Company, and to prevent and detect fraud and other irregularities.

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

The Directors consider that 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 and the Company's performance, business model and priorities.

Each of the Directors, whose names and functions are set out on page 15 of the Annual Report & Accounts, confirms that, to the best of their knowledge:

- the financial statements, which have been prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the undertakings included in the consolidation taken as a whole; and
- the Strategic Report contained within this document includes a fair review of the development and performance of the business and the position of the Group and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that the Group faces.

~END~

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact [ms@lseg.com](mailto:ms@lseg.com) or visit [www.rns.com](http://www.rns.com).

END

ACSGZGMNFGNGGZM

---

**London Stock Exchange plc is not responsible for and does not check content on this Website. Website users are responsible for checking content. Any news item (including any prospectus) which is addressed solely to the persons and countries specified therein should not be relied upon other than by such persons and/or outside the specified countries. [Terms and conditions](#), including restrictions on use and distribution apply.**

---

© 2020 London Stock Exchange plc. All rights reserved.