

RNS Half-year/Interim Report

Unaudited Interim Results for 6m ended 30 Sep 2021

MOUNTVIEW ESTATES PLC

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Mountview Estates PLC
25 November 2021

Mountview Estates P.L.C.
Interim Results
25 November 2021

MOUNTVIEW ESTATES P.L.C.

("Mountview" or "the Group" or "the Company")

UNAUDITED INTERIM RESULTS FOR THE HALF YEAR ENDED 30 SEPTEMBER 2021

Mountview is pleased to announce its unaudited interim results for the six months ended 30 September 2021.

OUR PERFORMANCE

Turnover at £30.7 million up by 36.4% (2020 - £22.5m)

Gross profit at £18.0 million up by 12.5% (2020 - £16.0m)

Profit before tax at £15.6 million up by 15.5% (2020 - £13.5m)

Earnings per share at 290.3 pence up by 3.5% (2020 - 280.4p)

Net assets per share at £101.9 up by 3.8% (2020 - £98.2)

DIVIDEND INFORMATION

Mountview Estates P.L.C. advises its shareholders that, following the issue of the interim results, the relevant dates in respect of the exceptional interim dividend payment of 500p per share (which includes a special dividend of 275p per share) are as follows:

Ex-dividend date	17 February 2022
Record date	18 February 2022
Payment date	28 March 2022

CHIEF EXECUTIVE OFFICER'S STATEMENT

At the Annual General Meeting held on 11 August 2021 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 Listing Rules of the Financial Conduct Authority on 22 November 2021, 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

Brexit and Covid-19 have dominated the economic commentary this year and the Government have announced the impending tax increases by which they will seek to recover the vast sums of money which they made available to keep the country afloat. This Company is perhaps fortunate to be trading in a sector that has not been heavily affected by the problems that have beset others and our years of financial prudence have enabled us to continue to make good profits.

Our year ending 31 March 2021 finished with a flourish because all the auctioneers held extra sales in anticipation of the stamp duty holiday finishing at 31 March 2021.

This year may have started quietly but the stamp duty holiday was extended and phased out gently so that sales activity continues strongly.

The results to 30 September 2021 are heavily influenced by the need to provide for deferred taxation at 25%, the rate of Corporation Tax which is to be levied from 1 April 2023. I must emphasize that this taxation only becomes payable following the disposal of the assets concerned and thus the necessary funding will have been generated and this anticipated taxation has no effect on present cash flow.

I am happy to repeat again that we have not furloughed any staff or reduced staff numbers in any other way. The Company has generated strong cash flow and we are thus in a good position to shield ourselves from the difficult times that may lie ahead. I believe that this should include not only our shareholders but also our workforce whose hard work, loyalty and dedication makes all this possible.

EXCEPTIONAL INTERIM DIVIDEND

The interim dividend is at an exceptional rate of 500p per share in respect of the year ending 31 March 2022 and is payable on 28 March 2022 to shareholders on the Register of Members as at 18 February 2022. This represents an increased interim dividend of 225p per share and a special dividend of 275p per share. Please note that this will be made as one payment of 500p per share. The Board believes a special dividend to be warranted this year because of exceptional cash flow and this puts us in position to not only pay this special dividend and all our regular outgoings but also to be able to take advantage of any purchasing opportunities that may arise. It is not anticipated that this interim dividend will limit the final dividend payable in August 2022 in any way, but it would be prudent to presume that the interim dividend payable in March 2023 will be maintained at the new increased level of 225p per share.

OUTLOOK

Good purchases are vital to the future prosperity of the Company and our financial strength will enable us to compete when good opportunities occur. We have a long and successful history and we are all working hard for that to continue.

D.M. SINCLAIR

Chief Executive Officer

25 November 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) for the half year ended 30 September 2021

	Half year ended 30.09.2021 £000	Half year ended 30.09.2020 £000	Year ended 31.03.2021 £000
Revenue	30,711	22,450	65,730
Cost of Sales	(12,754)	(6,477)	(22,508)
Gross Profit	17,957	15,973	43,222
Administrative expenses	(2,205)	(2,168)	(5,865)
Gain on sale of investment properties	53	-	-
Operating profit before changes in fair value of investment properties	15,805	13,805	37,357
Increase in fair value of investment properties	-	-	1,452
Profit from operations	15,805	13,805	38,809
Net finance costs	(181)	(319)	(675)
Profit before taxation	15,624	13,486	38,134
Taxation - current	(3,062)	(2,555)	(6,966)
Taxation - deferred	(1,242)	-	(275)
Taxation	(4,304)	(2,555)	(7,241)
Profit attributable to equity shareholders and total comprehensive income	11,320	10,931	30,893
Basic and diluted earnings per share (pence)	290.3p	280.4p	792.3p

All items within the consolidated statement of comprehensive income relate to continuing operations.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
for the half year ended 30 September 2021

	Half year ended 30.09.2021 £000	Half year ended 30.09.2020 £000	Year ended 31.03.2021 £000
Assets			
Non-current assets			
Property, plant and equipment	1,576	1,638	1,606
Investment properties	25,007	24,122	25,574
	26,583	25,760	27,180
Current assets			
Inventories of trading properties	394,921	409,295	398,166
Trade and other receivables	1,298	1,825	1,417
Cash and cash equivalents	1,012	608	597
	397,231	411,728	400,180
Total assets	423,814	437,488	427,360
Equity and liabilities			
Capital and reserves attributable to equity holders of the Company			
Share capital	195	195	195
Capital redemption reserve	55	55	55
Capital reserve	25	25	25
Other reserves	56	56	56
Retained earnings	397,087	382,376	394,540
	397,418	382,707	394,871
Non-current liabilities			
Long-term borrowings	15,500	44,700	20,600
Deferred tax	5,593	4,076	4,351
	21,093	48,776	24,951
Current liabilities			
Bank overdrafts and other short term loans	1,497	3,011	1,280
Trade and other payables	1,032	528	2,142
Current tax payable	2,774	2,466	4,116
	5,303	6,005	7,538
Total liabilities	26,396	54,781	32,489
Total equity and liabilities	423,814	437,488	427,360

CONSOLIDATED CASHFLOW STATEMENT (UNAUDITED)
for the half year ended 30 September 2021

	Half year ended 30.09.2021 £000	Half year ended 30.09.2020 £000	Year ended 31.03.2021 £000
Cash flows from operating activities			
Profit from operations	15,805	13,805	35,809
Adjustment for:			
Depreciation	30	32	64
(Gain) on sale of investment properties	(53)	-	-
(Increase) in fair value of investment properties	-	-	(1,452)
Operating cash flows before movement in working capital	15,782	13,837	37,421

Decrease/(Increase) in inventories	3,245	(17,226)	(6,097)
Decrease in receivables	119	1,851	2,259
(Decrease) in payables	(1,110)	(4,302)	(2,688)
Cash generated from operations	18,036	(5,840)	30,895
Interest paid	(181)	(319)	(675)
Income taxes paid	(4,404)	(3,539)	(6,300)
Net cash Inflow/(Outflow)from operating activities	13,451	(9,698)	23,920
Investing activities			
Proceeds from disposal of investment properties	620	-	-
Net cash inflow from investing activities	620	-	-
Cash flows from financing activities			
(Repayment)/Increase of borrowings	(4,552)	13,381	(10,116)
Equity dividend paid	(8,773)	(7,798)	(15,596)
Net cash (Outflow)/Inflow from financing activities	(13,325)	5,583	(25,712)
Net Increase/(Decrease) in cash and cash equivalents	746	(4,115)	(1,792)
Opening cash and cash equivalents	266	2,058	2,058
Cash and cash equivalents at end of period	1,012	(2,057)	266

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
for the half year ended 30 September 2021

	Half year ended 30.09.2021 £000	Half year ended 30.09.2020 £000	Year ended 31.03.2021 £000
Shareholders' funds as at the beginning of the period	394,871	379,574	379,574
Profit for the period	11,320	10,931	30,893
Dividends	(8,773)	(7,798)	(15,596)
Shareholders' funds at the end of the period	397,418	382,707	394,871

Notes to the Half Year Report

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 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 2021 which have been prepared in accordance with 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 2021.

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.

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 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 intercompany transactions and 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.

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 2021 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 25 November 2021. 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.

Availability of the Half Year Report

Copies of this statement are being sent to Shareholders. Copies may be obtained from the Company's registered office or from the Company's website -www.mountviewplc.co.uk.

This announcement contains inside information as stipulated under the UK version of the Market Abuse Regulation No 596/2014 which is part of English Law by virtue of the European (Withdrawal) Act 2018, as amended. On publication of this announcement via a Regulatory Information Service, this information is considered to be in the public domain.

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