

RNS Number : 6152K
Mountview Estates PLC
26 June 2014

For immediate release

Preliminary results for the year ended 31 March 2014

**MOUNTVIEW ESTATES P.L.C.
CHAIRMAN'S STATEMENT**

I am delighted to report both increased turnover and increased profits for the year ended 31 March 2014.

Profit before tax for the year was £35.4m (2013: £28.9m) representing an increase of £6.5m and growth of 22.5%. This performance reflects a very buoyant housing market in our core geographical area. These results are the second highest in the history of the Company and this must be considered an excellent achievement. Equally pleasing is the increase in shareholders' funds of 8.9% to £265.6m together with a reduction in borrowings of 16.5% to £78m.

These results have meant that we are able to recommend an increased final dividend of 150 pence per share in respect of the year ended 31 March 2014. This final dividend is payable on 18 August 2014 to shareholders on the Register of Members as at 18 July 2014. This will make a total dividend for the year ended 31 March 2014 of 200 pence per share (2013: 175 pence per share). The increased dividend is still more than three times covered by the earnings per share.

In the year, we have continued to purchase new trading stock. We have been able to invest £23.9m in new properties. The buoyant housing market has brought more players into our core market and this has resulted in greater competition for new purchases. However, we believe we have continued to buy wisely, investing in properties located in our key locations and where we see good value and potential profits.

Whilst it has never been a requirement to value the trading stock it has been a concern for some of the shareholders. The Board has decided to undertake the valuation of the trading stock and anticipate that the results will be published together with the Interim Report 2014.

The results are made with a stable, experienced and committed executive and management team and staff. We continue to develop managerial staff and this is an important part of business progression.

Duncan Sinclair has been with the Company for 43 years, during which he has occupied the positions of Company Secretary, Director, Executive Chairman and Chief Executive. The Company has grown and developed significantly since Duncan became Chief Executive in 1990. The search to find and establish Duncan's successor is on-going and now intensifying. This is an important phase in the Company's development.

I am pleased to announce that Mrs Mhairi Jarvis will join our board as an independent non-executive director with effect from 1 July 2014. Mhairi is a Chartered Surveyor, who brings to this role a wealth of experience in the UK residential property sector. She is a graduate of the University of Aberdeen in Land Economy and has worked for over 15 years in a variety of private practice and consulting roles with auction houses, agencies and asset managers.

On 23 June 2014, Mountview Estates P.L.C. was included in the FTSE All-Share Ex-Multinational Index for the first time.

This is my first statement as chairman since we made the decision to split the combined role of chairman and chief executive at last year's annual general meeting. I am grateful for the support of my fellow directors and wish to express my thanks to them.

John Fulton
26 June 2014

MOUNTVIEW ESTATES P.L.C.
FINANCIAL HIGHLIGHTS

	2014	2013	Increase
	£	£	%
Turnover (millions)	66.2	56.6	17.0
Gross Profit (millions)	38.6	33.7	14.5
Profit Before Tax (millions)	35.4	28.9	22.5
Profit Before Tax excluding investment properties revaluation (millions)	32.2	26.3	22.4
Equity Holders' Funds (millions)	265.6	244	8.9
Earnings per share (pence)	729.5	568	28.4
Net assets per share	68.1	62.6	8.8
Dividend per share (pence)	200	175	14.3

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 150 pence per share are as follows:

Ex-dividend date	16 July 2014
Record date	18 July 2014
Payment date	18 August 2014

MOUNTVIEW ESTATES P.L.C.**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2014**

	Year ended 31.03.2014 £'000	Year ended 31.03.2013 £'000
REVENUE	66,150	56,646
Cost of sales	(27,555)	(22,906)
GROSS PROFIT	38,595	33,740
Administrative Expenses	(4,256)	(3,759)
Gain on sale of investment properties	214	84
Operating profit before changes in fair value of investment properties	34,553	30,065
Increase in fair value of investment properties	3,185	2,602
PROFIT FROM OPERATION	37,738	32,667
Change in fair value of derivatives	0	563
Net Finance Costs	(2,344)	(4,302)
PROFIT BEFORE TAXATION	35,394	28,928
Taxation - current	(7,724)	(6,511)
Taxation - deferred	772	(272)
Taxation	(6,952)	(6,783)
PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS	28,442	22,145
Basic and diluted earnings per share (pence)	729.5p	568.0p

MOUNTVIEW ESTATES P.L.C.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2014

	As at 31.03.2014 £'000	As at 31.03.2013 £'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	2,116	2,337
Investment properties	29,396	27,852
	31,512	30,189
CURRENT ASSETS		
Inventories of trading properties	321,323	316,626
Trade and other receivables	1,578	1,198
Cash at Bank	1,217	900
	324,118	318,724
TOTAL ASSETS	355,630	348,913
EQUITY AND LIABILITIES		
Share Capital	195	195
Capital redemption reserve	55	55
Capital reserve	25	25
Other reserve	56	56
Retained earnings	265,260	243,641
	265,591	243,972
NON-CURRENT LIABILITIES		
Long-term borrowings	69,800	84,950
Deferred Tax	5,522	6,294
	75,322	91,244
CURRENT LIABILITIES		
Bank overdrafts and short-term loans	8,168	8,427
Trade and other payables	2,004	1,631
Current tax payable	4,545	3,639
	14,717	13,697
TOTAL LIABILITIES	90,039	104,941
TOTAL EQUITY AND LIABILITIES	355,630	348,913

MOUNTVIEW ESTATES P.L.C.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2014

	Share Capital £'000	Capital Reserve £'000	Capital Redemption Reserve £'000	Cash Flow Hedge Reserve £'000	Other Reserves £'000	Retained Earnings £'000	Total £'000
Changes in equity for year ended 31 March 2013							
Balance as at 1 April 2012	195	25	55	(1,040)	56	227,928	227,219
Reduction in hedge reserve				1,040			1,040
Profit for the year						22,145	22,145
Dividends						(6,432)	(6,432)
Balance as at 31 March 2013	195	25	55	0	56	243,641	243,972
Changes in equity for year ended 31 March 2014							
Balance as at 1 April 2013	195	25	55		56	243,641	243,972
Profit for the year						28,442	28,442
Dividends						(6,823)	(6,823)
Balance as at 31 March 2014	195	25	55		56	265,260	265,591

MOUNTVIEW ESTATES P.L.C.
GROUP CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2014

	Year ended 31.03.2014 £'000	Year ended 31.03.2013 £'000
Cash flow from operating activities		
Operating Profit	37,738	32,667
Adjustment for:		
Depreciation	138	163
Loss on disposal of property, plant & equipment	42	3
Gain on disposal of investment properties	(214)	(84)
(Increase) in fair value of investment properties	(3,185)	(2,602)
Cash flow from operations before changes in working capital	34,519	30,147
(Increase)/ in inventories	(4,697)	(15,554)
(Increase)/Decrease in receivables	(380)	173
Increase in payables	373	246
Cash generated from operations	29,815	15,012
Interest paid	(2,344)	(4,302)
Income taxes paid	(6,908)	(5,675)
Net cash inflow from operating activities	20,563	5,035
Investing activities		
Proceeds from disposal of investment properties	2,373	1,939
Capital expenditure on investment properties	(518)	(567)
Purchase of property, plant and equipment	(19)	(74)
Proceeds from disposal of property, plant and equipment	150	-
Net cash inflow from investing activities	1,986	1,298
Cash flow from financing activities		
Increase in borrowings	0	687
Repayment of borrowings	(15,305)	(5,050)
Equity dividend paid	(6,823)	(6,432)
Net cash (outflow) from financing activities	(22,128)	(10,795)
Net increase/(decrease) in cash and cash equivalents	421	(4,462)
Opening cash and cash equivalents	(6,565)	(2,103)
Cash and cash equivalents at the end of the year	(6,144)	(6,565)

Notes to the Preliminary Announcement

1. Financial Information

The financial information contained in this report does not constitute statutory accounts for the years ended 31 March 2014 or 31 March 2013 within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 March 2013 which were prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS") and which received an unqualified audit report and did not contain a statement under S498(2) or (3) of the Companies Act 2006, have been filed with the Registrar of Companies.

Financial statements for the year ended 31 March 2014 will be presented to the Members at the Annual General Meeting on 13 August 2014. The auditors have indicated that their report on these Financial Statements will be unqualified.

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 2014 AGM are expected to comply fully with IFRS.

The preliminary announcement has been prepared under the historical cost convention as modified by the revaluation of investment properties.

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This information is provided by RNS

The company news service from the London Stock Exchange

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