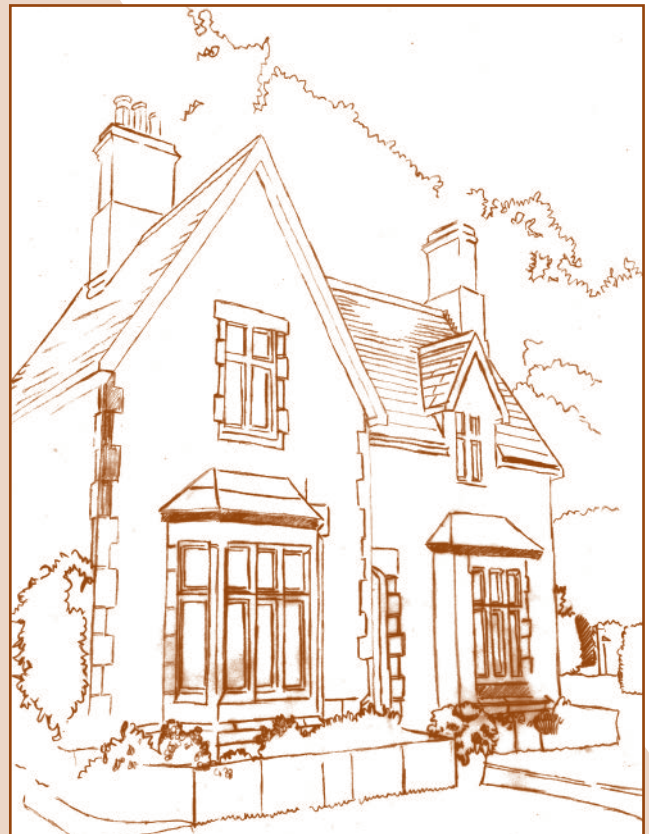
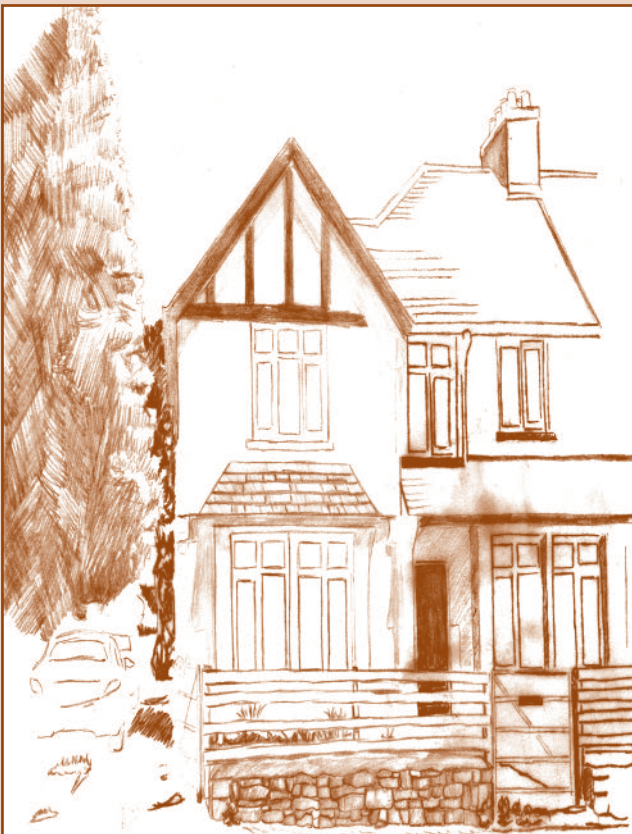
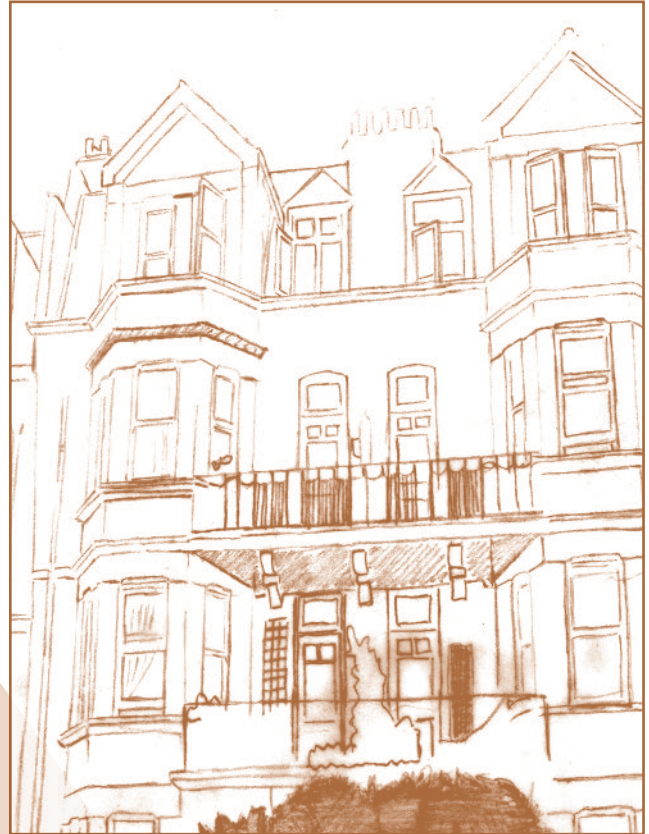


Mountview Estates P.L.C.

Half Year Report 2018



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 throughout the UK and sells such property when it becomes vacant.

Our Performance

TURNOVER

£30.2m

↓ 8.5%

(Half year ended
30.09.2017: £33.0m)

GROSS PROFIT

£18.6m

↓ 10.6%

(Half year ended
30.09.2017: £20.8m)

PROFIT BEFORE TAX

£15.9m

↓ 13.6%

(Half year ended
30.09.2017: £18.4m)

EARNINGS PER SHARE

329.9p

↓ 13.5%

(Half year ended
30.09.2017: 381.3p)

NET ASSETS PER SHARE

£92.2

↑ 3.5%

(Half year ended
30.09.2017: £89.1)

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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 200 pence per share are as follows:

Ex-dividend date	14 February 2019
Record date	15 February 2019
Payment date	25 March 2019

Chief Executive Officer's Statement

At the Annual General Meeting held on 8 August 2018 those shareholders deemed to be independent exercised their right to reject the re-appointment of Mr Anthony Solway and the election of Mr Anthony Powell as independent non-executive directors. At the General Meeting held in accordance with the UKLA Listing Rules on 19 November 2018, when all shareholders were entitled to vote, it was resolved to re-appoint Mr Anthony Solway and elect Mr Anthony Powell as directors of the Company. Thus the status quo is maintained.

TRADING

The uncertainty surrounding Brexit of which I wrote last year will continue until 29 March 2019 at the earliest. Whilst the Company conducts its business entirely within the borders of the United Kingdom, it cannot escape the overall effect of these uncertainties. During the six months ended 30 September 2018 fewer of our properties have come vacant and sales take longer to complete during uncertain times.

Consequently it is no surprise that the figures of Our Performance on the previous page are all down with the exception of a modest increase in net assets per share. We have continued to make good purchases during the six months ended 30 September 2018 and with low gearing the Company remains financially sound.

INTERIM DIVIDEND

The interim dividend is maintained at 200p per share in respect of the year ending 31 March 2019 and is payable on 25 March 2019 to shareholders on the Register of Members as at 15 February 2019.

OUTLOOK

With continuing good purchases and sound finances the Company is well placed to take advantage when the economy settles down and the Brexit uncertainties have been banished.



D.M. SINCLAIR

Chief Executive Officer
22 November 2018

Group Statement of Comprehensive Income (unaudited)

For the half year ended 30 September 2018

	Notes	Half year ended 30.09.2018 £000	Half year ended 30.09.2017 £000	Year ended 31.03.2018 £000
Revenue	2	30,166	33,027	70,272
Cost of sales	2	(11,592)	(12,257)	(26,915)
Gross profit		18,574	20,770	43,357
Administrative expenses		(2,112)	(2,141)	(5,507)
Gain on sale of investment properties		–	–	145
Operating profit before changes in fair value of investment properties		16,462	18,629	37,995
(Decrease) in fair value of investment properties		–	–	(376)
Profit from operations		16,462	18,629	37,619
Net finance costs		(566)	(270)	(714)
Profit before taxation		15,896	18,359	36,905
Taxation – current		(3,034)	(3,499)	(7,197)
Taxation – deferred		–	7	173
Taxation	3	(3,034)	(3,492)	(7,024)
Profit attributable to equity Shareholders		12,862	14,867	29,881
Basic and diluted earnings per share (pence)	4	329.9p	381.3p	766.4p

Group Statement of Financial Position (unaudited)

For the half year ended 30 September 2018

	Notes	Half year ended 30.09.2018 £000	Half year ended 30.09.2017 £000	Year ended 31.03.2018 £000
Assets				
Non-current assets				
Property, plant and equipment	6	1,741	1,803	1,771
Investment properties	7	27,825	28,741	27,825
		29,566	30,544	29,596
Current assets				
Inventories of trading properties	8	378,173	346,467	376,879
Trade and other receivables		1,726	4,119	1,859
Cash and cash equivalents		825	1,261	5,368
		380,724	351,847	384,106
Total assets		410,290	382,391	413,702
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		359,195	346,916	354,131
		359,526	347,247	354,462
Non-current liabilities				
Long-term borrowings		39,900	22,700	49,900
Deferred tax		4,696	4,862	4,696
		44,596	27,562	54,596
Current liabilities				
Bank overdrafts and loans		2,425	3,430	463
Trade and other payables		734	692	1,843
Current tax payable		3,009	3,460	2,338
		6,168	7,582	4,644
Total liabilities		50,764	35,144	59,240
Total equity and liabilities		410,290	382,391	413,702

Group Cash Flow Statement (unaudited)

For the half year ended 30 September 2018

	Half year ended 30.09.2018 £000	Half year ended 30.09.2017 £000	Year ended 31.03.2018 £000
Cash flows from operating activities			
Profit from operations	16,462	18,629	37,619
Adjustment for:			
Depreciation	30	32	66
(Gain) on sale of investment properties	–	–	(145)
Decrease in fair value of investment properties	–	–	376
Operating cash flows before movement in working capital	16,492	18,661	37,916
(Increase)/Decrease in inventories	(1,294)	913	(29,499)
Decrease/(Increase) in receivables	133	(2,506)	(246)
(Decrease) in payables	(1,109)	(1,259)	(108)
Cash generated from operations	14,222	15,809	8,063
Interest paid	(566)	(270)	(714)
Income taxes paid	(2,363)	(5,293)	(10,110)
Net cash inflow/(outflow) from operating activities	11,293	10,246	(2,761)
Investing activities			
Proceeds from disposal of investment properties	–	–	685
Purchase of property, plant and equipment	–	–	(4)
Net cash inflow from investing activities	–	–	681
Cash flows from financing activities			
(Repayment)/Increase in borrowings	(9,875)	(6,867)	20,483
Equity dividend paid	(7,798)	(3,899)	(11,698)
Net cash (outflow)/inflow from financing activities	(17,673)	(10,766)	8,785
Net (decrease)/increase in cash and cash equivalents	(6,380)	(520)	6,705
Opening cash and cash equivalents	5,368	(1,337)	(1,337)
Cash and cash equivalents at end of period	(1,012)	(1,857)	5,368

Consolidated Statement of Changes in Equity

For the half year ended 30 September 2018

	Half year ended 30.09.2018 £000	Half year ended 30.09.2017 £000	Year ended 31.03.2018 £000
Shareholders' funds as at the beginning of the period	354,462	336,279	336,279
Profit for the period	12,862	14,867	29,881
Dividends	(7,798)	(3,899)	(11,698)
Shareholders' funds as at the end of the period	359,526	347,247	354,462

Notes to the Half Year Report

For the half year ended 30 September 2018

1. ACCOUNTING POLICIES

1. (a) 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 International Accounting Standard 34 (IAS 34) "Interim Financial Reporting" as adopted by the European Union. The consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2018 which have been prepared in accordance with the 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 2018.

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.

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. Control is achieved where the Company has the power to govern the financial and operating policies of an investee enterprise so as to obtain benefits from its activities. The Group exercises control through voting rights.

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 between Group enterprises 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 2018 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 consolidated interim financial statements were approved by the Board of Directors on 19 November, 2018. 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 its 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 over the rental period.

Sales of properties are recognised on legal completion, as this is the date at which the substantial risks and rewards of ownership have been transferred.

Notes to the Half Year Report

For the half year ended 30 September 2018

2. ANALYSIS OF REVENUE AND COST OF SALES CONTINUED

	Notes	Half year ended 30.09.2018 £000	Half year ended 30.09.2017 £000	Year ended 31.03.2018 £000
Revenue				
Gross sales of properties	2(a) & 2(b)	20,656	23,953	51,840
Gross rental income		9,510	9,074	18,432
		30,166	33,027	70,272
Cost of sales				
Cost of properties sold		8,950	9,656	21,822
Property expenses		2,642	2,601	5,093
		11,592	12,257	26,915
Gross Profit				
Net income from sales of properties		11,706	14,297	30,018
Net rental income		6,868	6,473	13,339
		18,574	20,770	43,357

2. (a)

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

	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 2018	12,226	17,363
Properties purchased since 30 September 2014 and sold during the six months to 30 September 2018	–	3,293
Gross sales of properties		20,656

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 +	1	London
500,000 – 1 million	8	London & S.East
Below 500,000	64	London and other

3. INCOME TAX

	Half year ended 30.09.2018 £000	Half year ended 30.09.2017 £000	Year ended 31.03.2018 £000
Current tax:			
UK corporation tax 19%	3,034	3,499	7,197
Deferred tax:			
Current year	–	(7)	(173)
Taxation attributable to the Group	3,034	3,492	7,024

The tax rate of 19% was applicable for the half year ended 30 September 2017 and the full year ended 31 March 2018.

4. EARNINGS PER SHARE

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

	Half year ended 30.09.2018 £000	Half year ended 30.09.2017 £000	Year ended 31.03.2018 £000
Profit for the period (basic and fully diluted)	12,862	14,867	29,881
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	329.9p	381.3p	766.4p

The Company has no dilutive potential Ordinary Shares.

5. DIVIDENDS

	Half year ended 30.09.2018 £000	Half year ended 30.09.2017 £000	Year ended 31.03.2018 £000
Ordinary dividends paid			
Final dividend for the year ended 31 March 2018 at 200p per share	7,798	–	–
Interim dividend for the year ended 31 March 2018 at 200p per share	–	–	7,798
Final dividend for the year ended 31 March 2017 at 100p per share	–	3,899	–

The Board has proposed an interim dividend of 200p per share (2017: 200p). This interim dividend was announced post 30 September 2018 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 15 February 2019.

The total estimated interim dividend to be paid is £7.798 million.

Notes to the Half Year Report

For the half year ended 30 September 2018

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.

	Half year ended 30.09.2018 £000	Half year ended 30.09.2017 £000	Year ended 31.03.2018 £000
Fair value at 1 April	27,825	28,741	28,741
Disposals	–	–	(540)
(Decrease) in fair value during the year	–	–	(376)
At the end of the period	27,825	28,741	27,825

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

There were no disposals during the six months to 30 September 2018.

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

	Half year ended 30.09.2018		Half year ended 30.09.2017		Year ended 31.03.2018	
	No. of units	Costs £m	No. of units	Costs £m	No. of units	Costs £m
Regulated, ASTs, and other	25	8.24	11	5.95	88	43.08
Assured Tenancies	1	0.47	3	1.53	7	3.33
Life Tenancies	1	0.52	–	–	5	0.67
Ground Rents	–	–	1	–	1	0.01
Total Acquisitions	27	9.23	15	7.48	101	47.09
Grounds Rents created	5	0.01	10	0.02	18	0.04
Assured Tenancies created	5	–	5	–	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.

All of the acquisitions were in London and the South.

BY GEOGRAPHIC LOCATION

	Half year ended 30.09.2018	
	No. of units	Costs £m
London (North)	7	3.06
London (South)	4	1.84
Surrey, Sussex	6	1.57
Hertfordshire, Middlesex	10	2.76
Remainder of England and Wales	–	–
	27	9.23

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

For the half year ended 30 September 2018

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 £34,443 (six months ended 30 September 2017: £28,009) 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 £488,000 (six months ended 30 September 2017: £262,000). Interest was payable on the loan at the rate of 0.5%. Interest paid in the period on this loan amounted to £2,426 (six months ended 30 September 2017: 1,020).
 - (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 (six months ended 30 September 2017: £50,000). Interest was payable on the loan at the rate of 0.5%. Interest paid in the period on this loan amounted to £228 (six months ended 30 September 2017: £125).
 - (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.

13. STATEMENT OF DIRECTORS RESPONSIBILITIES

The Directors confirm that these consolidated interim financial statements have been prepared in accordance with IAS 34 as adopted by the European Union, and that the interim management report herein includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8.

The Directors of Mountview Estates PLC are listed in the Mountview Estates PLC Annual Report for 31 March 2018. A list of current Directors is maintained on the Mountview Estates PLC website www.mountviewplc.co.uk

14. PRINCIPLE RISKS AND UNCERTAINTIES

The principle risks and uncertainties we face are described in detail on pages 9 to 10 of our Annual Report and Accounts for the year ended 31 March, 2018. 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 and the impact of political/Brexit uncertainty.
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 which affect the Group's business activities and could lead to fines or penalties.
7. Operations and property management – Legal action against the Group for failure to meet its obligations under current legislation including health and safety, fire risk and gas safety.

Shareholders' Information

FINANCIAL CALENDAR 2019

Ex-dividend date	14 February
Record date	15 February
Payment date	25 March
Preliminary announcement of the results for the year	13 June
Annual Report and Accounts posted	5 July
Annual General Meeting	7 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 Shareholders should be addressed to the Company's Registrars:

Link Asset Services
The Registry
34 Beckenham Road
Beckenham
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