

## **ANNUAL FINANCIAL REPORT AND NOTICE OF AGM**

### **MOUNTVIEW ESTATES PLC**

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Mountview Estates PLC  
07 July 2023

**7 July 2023**

**Mountview Estates P.L.C.**

**Publication of 2023 Annual Report and Accounts**

**&**

**Notice of 2023 Annual General Meeting**

Mountview Estates P.L.C. (the "Company") announces that the Annual Report and Accounts for the year ended 31 March 2023 ("2023 ARA") together with the 2023 Notice of Annual General Meeting (the "2023 AGM") has been sent to shareholders and is available to download 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> in accordance with the Financial Conduct Authority's ("FCA") Listing Rule 9.6.1R.

#### **AGM arrangements**

The Company's 2023 AGM will be held at the offices of Norton Rose Fulbright LLP, 3 More London Riverside, London DE1 2AQ on Wednesday, 9 August 2023 at 11.00 am. Any specific measures in place for the 2023 AGM will be published prior to the meeting on the Company's website: [www.mountviewplc.co.uk](http://www.mountviewplc.co.uk).

#### **Voting**

The Board urges all shareholders to exercise their vote and submit their proxy as soon as possible. All shareholders are encouraged to appoint the chairman of the meeting as their proxy even if they intend to attend in person. This is to ensure their vote is counted even if they (or any other proxy appointed) are not able to attend in person on the day of the 2023 AGM. Results of voting will be published as soon as practicable following the conclusion of the meeting.

Engagement with shareholders is important to the Company and arrangements have been made so that shareholders can participate in the 2023 AGM by submitting questions or matters of concern in connection with the business of the 2023 AGM in advance. Any specific questions on the business of the 2023 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 28 July 2023 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 4 August 2023. The Notice of 2023 AGM explains the arrangements for submitting questions.

#### **Preliminary results announcement**

The Board announces that in the release of its preliminary unaudited results for the financial year ended 31 March 2023 on 15 June 2023 it was stated the profit before tax (in millions) had decreased by 6.3% when in fact the decrease was 6.0%. This has been corrected in the 2023 ARA.

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 Statement of Directors' Responsibilities, contained in the Appendix, is extracted from the 2023 Annual Report and Accounts and should be read in conjunction with the Company's preliminary results announcement of 15 June 2023 which can be viewed on the Company's website at [www.mountviewplc.co.uk](http://www.mountviewplc.co.uk).

The ESEF format of the 2023 ARA will be submitted to the FCA's National Storage Mechanism in due course and will be available in compliance with paragraph 4.1.14R and paragraph 6.3.5R of the FCA's Disclosure Guidance and Transparency Rules.

#### **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 3550

## **APPENDIX**

### **PRINCIPAL RISKS AND UNCERTAINTIES**

Making effective decisions to realise our strategic and operational aims is underpinned by our risk management processes that embrace monitoring of currently identified risks, scanning for emerging risks and then once identified assessing those risks and our response to them within our context and the challenges placed on us by the external environment. The Audit and Risk Committee maintains our risk matrix which classifies risks broadly between those for active and regular monitoring and those for reporting on by exception and reports on them to the Board (Risk Matrix). The Risk Matrix also includes risks where the impact would be high, but probability is deemed low and it is these risks in particular that we consider when assessing longer term resilience and viability. In particular in the recent years, and as described in our annual reports from 2020 to 2022, the risk management processes were tested by Covid-19. This year, following a Board discussion, we have taken the view that we can move Covid-19 risks from the active monitoring status to one of being ready to react in the event of a recurrence of a new strain of Covid or other pandemic. Accordingly in this annual report the notes describing our operational response to Covid-19, and many other references to Covid-19 have been removed - though remain accessible from our earlier annual reports.

Using our Risk Matrix we have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance or solvency. The following list of risks does not comprise all of the risks the Company or Group may face, and they are not presented in order of importance.

#### **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 excellently in a difficult market replacing this class of assets in the year ended 31 March 2023, with substantial purchasing again during the year. The 'Analysis of Acquisitions' is on page 8 of the 2023 ARA.

#### **2. MARKET**

#### *RISK*

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.

#### *MITIGATION*

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

### **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. The Group is conservatively geared and operates well within financial covenants. Financial Key Performance indicators are on page 10. Details of the Group's current facilities are set out in Note 18 on page 78 of the 2023 ARA.

### **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.

### **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 enables 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 9 and 10 of the Directors' Report in the 2023 ARA.

### **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.

### **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. Our Compliance Officer monitors our performance against existing regulations and tracks and prepares for new requirements as they are published.

### **8. CLIMATE**

#### *RISK*

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.

#### *MITIGATION*

The regular inspections noted above provide the Group with opportunities to identify properties that may be at risk which would be considered for more frequent inspections. Due diligence for purchases aims to identify

properties with higher than normal inherent risks for flooding or other water risks. We explain more fully on pages 17 to 25 of the 2023 ARA in our notes on TCFD how we approach and handle climate related risks.

#### **EMERGING RISK**

As well as monitoring the incidence of currently identified risks we also look for emerging trends in operations that could become active risks. In addition, we carry out horizon scanning through our network of stakeholders, notably our advisers, and also by reviewing published emerging risk reports. Where emergent risks arise and are concluded to be relevant to Mountview's business then when considering which risks, including climate risks, to include in our framework we use the TRAP (Terminate; Reduce; Accept; Pass on) model to guide our approach.

#### **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. 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. Where the likelihood

of a risk materialising becomes high and imminent, we factor accommodating the risk, into our operational plans to be activated once the impact is clear. This is the case with the Climate Transition risk related to tightening EPC requirements where our teams are monitoring progress of the legislation. Other risks are considered to be broadly unchanged from 2022 with moderate assessments for both probability of occurrence and impact. Other These principal risks were part of the Group's assessment of long term viability, details of which are set out in the viability statement on page 13 of the 2023 ARA.

#### **RELATED PARTY TRANSACTIONS**

*The following is extracted from the 2023 ARA*

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 £28,612 (2022: £27,762) 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 31 March 2023 the Group owed Mr D.M. Sinclair £8,616 (2022: £9,788) in relation to an informal loan.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

*The following statement is extracted from the 2023 ARA*

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors are required to prepare the Group financial statements in accordance with UK adopted international accounting standards and applicable UK law.

The Directors have elected to prepare the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP) including FRS 102 and applicable law.

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of their profit or loss for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- in respect of Group financial statements, state whether UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006, have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- in respect of the Company financial statements state whether applicable UK accounting standards in conformity with the requirements of the Companies Act 2006, have been followed, subject to any material departures disclosed and explained in those statements; 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 Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

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

Each of the Directors, (as set out on page 26 of the 2023 ARA) as at the date of this Report, confirms to the best of their knowledge that:

- The Financial Statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Group and the Company.
- The strategic report includes a fair review of the development and performance of the business and the position of the Group and the Company, together with a description of the principal risks and uncertainties that they face.
- 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 performance, business model and strategy.

~ ENDS ~

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