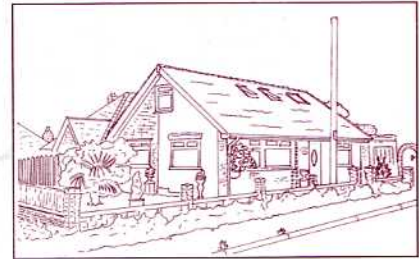

MOUNTVIEW ESTATES P.L.C.

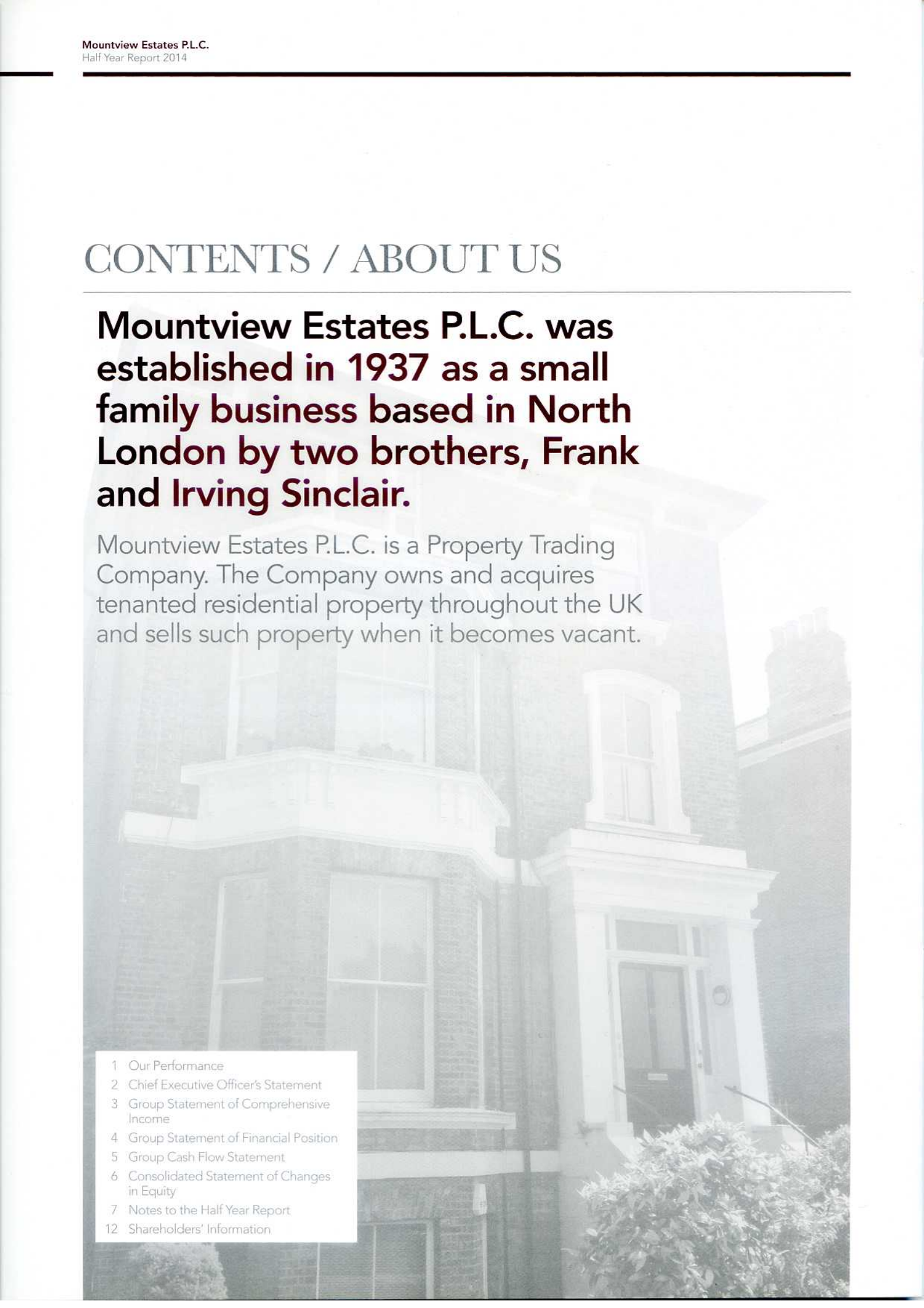
Half Year Report 2014



CONTENTS / 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.

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OUR PERFORMANCE

£36.9m

Turnover

+28.1%

(Half year ended 30.09.2013 – £28.8m)

428.0p

Earnings per share

+55.4%

(Half year ended 30.09.2013 – 275.5p)

£24.1m

Gross profit

+51.6%

(Half year ended 30.09.2013 – £15.9m)

£71.0

Net assets per share

+10.8%

(Half year ended 30.09.2013 – £64.10)

£20.8m

Profit before tax

+57.6%

(Half year ended 30.09.2013 – £13.2m)

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 100p per share are as follows:

Ex-dividend date	19 February 2015
Record date	20 February 2015
Payment date	30 March 2015

CHIEF EXECUTIVE OFFICER'S STATEMENT

D.M. Sinclair FCA

We are delighted to report an excellent start to the year, with turnover, profit before taxation and net asset value all ahead of the same period last year.

TRADING STOCK VALUATION

As we announced in the Chairman's Statement, which accompanied our Report and Accounts for the year ended 31 March 2014, the Company commissioned a full independent valuation of its trading stock by Allsop. This valuation has been completed and, as at 30 September 2014, the trading stock has been valued at nearly £666 million. This is more than double the current book value of £318 million which, in accordance with our Accounting Policies, is stated at the lower of cost and net realisable value. This is a testimony to the sound policies which have seen the Company grow steadily over an extended period of years. The Accounting Policy of the Company will not change, but details of the valuation will be included as a note to the Report and Accounts.

INTERIM DIVIDEND

As a result of the Company's continuing strong trading performance, the Board has decided to pay an increased interim dividend. This interim dividend of 100p per share, compared to 50p last year, is payable in respect of the year ending 31 March 2015 on 30 March 2015, to shareholders on the Register of Members as at 20 February 2015.

CURRENT TRADING

The Company continues to make good purchases when the opportunities occur and the Board is confident of further augmenting the portfolio in the coming months. The Company remains financially stable and maintains gearing at a modest level and trading remains in line with the Board's expectations.

OUTLOOK

The outlook for the Company is good, but there are general economic reservations which must be expressed, which are beyond our control. The Board believes that the Company's low gearing puts it in good position to weather any economic consequences that may arise. Indeed, historically, the Company has done well in difficult times.



D.M. Sinclair
Chief Executive Officer

27 November 2014

GROUP STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

for the half year ended 30 September 2014

	Notes	Half year ended 30 September 2014 £000	Half year ended 30 September 2013 £000	Year ended 31 March 2014 £000
Revenue	2	36,900	28,825	66,150
Cost of sales	2	(12,794)	(12,931)	(27,555)
Gross profit		24,106	15,894	38,595
Administrative expenses		(2,361)	(1,721)	(4,256)
Gain on sale of investment properties		–	264	214
Operating profit before changes in fair value of investment properties		21,745	14,437	34,553
Increase in fair value of investment properties		–	–	3,185
Profit from operations		21,745	14,437	37,738
Net finance costs		(959)	(1,191)	(2,344)
Profit before taxation		20,786	13,246	35,394
Taxation – current		(4,364)	(3,312)	(7,724)
Taxation – deferred		266	807	772
Taxation	3	(4,098)	(2,505)	(6,952)
Profit attributable to equity Shareholders		16,688	10,741	28,442
Basic and diluted earnings per share (pence)	4	428.0p	275.5p	729.5p

GROUP STATEMENT OF FINANCIAL POSITION (UNAUDITED)

for the half year ended 30 September 2014

	Notes	As at 30 September 2014 £000	As at 30 September 2013 £000	As at 31 March 2014 £000
Assets				
Non-current assets				
Property, plant and equipment	6	2,058	2,238	2,116
Investment properties	7	29,342	26,373	29,396
		31,400	28,611	31,512
Current assets				
Inventories of trading properties	8	317,651	328,034	321,323
Trade and other receivables		1,580	1,080	1,578
Cash and cash equivalents		467	1,147	1,217
		319,698	330,261	324,118
Total assets		351,098	358,872	355,630
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		276,100	249,509	265,260
		276,431	249,840	265,591
Non-current liabilities				
Long-term borrowings		62,000	92,250	69,800
Deferred tax		5,255	5,487	5,522
		67,255	97,737	75,322
Current liabilities				
Bank overdrafts and loans		1,744	7,074	8,168
Trade and other payables		1,342	948	2,004
Current tax payable		4,326	3,273	4,545
		7,412	11,295	14,717
Total liabilities		74,667	109,032	90,039
Total equity and liabilities		351,098	358,872	355,630

GROUP CASH FLOW STATEMENT (UNAUDITED)

for the half year ended 30 September 2014

	Half year ended 30 September 2014 £000	Half year ended 30 September 2013 £000	Year ended 31 March 2014 £000
Cash flows from operating activities			
Profit from operations	21,745	14,437	37,738
Adjustment for:			
Depreciation	66	52	138
Loss on disposal of property, plant and equipment	–	16	42
(Gain) on disposal of investment properties	–	(264)	(214)
(Increase) in fair value of investment properties	–	–	(3,185)
Operating cash flows before movement in working capital	21,811	14,241	34,519
Decrease/(Increase) in inventories	3,672	(11,408)	(4,697)
(Increase)/Decrease in receivables	(2)	118	(380)
(Decrease)/Increase in payables	(662)	(683)	373
Cash generated from operations	24,819	2,268	29,815
Interest paid	(959)	(1,191)	(2,344)
Income taxes paid	(4,584)	(3,665)	(6,908)
Net cash inflow/(outflow) from operating activities	19,276	(2,588)	20,563
Investing activities			
Proceeds from disposal of investment properties	54	2,018	2,373
Capital expenditure on investment properties	–	(275)	(518)
Purchase of property, plant and equipment	(8)	–	(19)
Proceeds from disposal of property, plant and equipment	–	18	150
Net cash inflow from investing activities	46	1,761	1,986
Cash flows from financing activities			
Increase in borrowings	–	7,300	–
Repayment of borrowings	(7,764)	(587)	(15,305)
Equity dividend paid	(5,848)	(4,873)	(6,823)
Net cash (outflow)/inflow from financing activities	(13,612)	1,840	(22,128)
Net increase in cash and cash equivalents	5,710	1,013	421
Opening cash and cash equivalents	(6,144)	(6,565)	(6,565)
Cash and cash equivalents at end of period	(434)	(5,552)	(6,144)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half year ended 30 September 2014

	Half year ended 30 September 2014 £000	Half year ended 30 September 2013 £000	Year ended 31 March 2014 £000
Shareholders' funds as at the beginning of the period	265,591	243,972	243,972
Profit for the period	16,688	10,741	28,442
Dividends	(5,848)	(4,873)	(6,823)
Shareholders' funds at the end of the period	276,431	249,840	265,591

NOTES TO THE HALF YEAR REPORT

1. (a) BASIS OF PREPARATION

These condensed interim financial statements are unaudited and do not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. This condensed consolidated interim financial information has 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 interim condensed financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2014 which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

The Group's published financial statements for the year ended 31 March 2014 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.

(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 exercise 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 inter company transactions and balances between Group enterprises are eliminated on consolidation within the consolidated accounts. Consistent accounting policies have been used across the Group.

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

continued

2. ANALYSIS OF REVENUE AND COST OF SALES CONTINUED

	Half year ended 30 September 2014 £000	Half year ended 30 September 2013 £000	Year ended 31 March 2014 £000
Revenue			
Gross sales of properties	28,021	20,004	48,364
Gross rental income	8,879	8,821	17,786
	36,900	28,825	66,150
Cost of sales			
Cost of properties sold	9,641	10,271	21,870
Property expenses	3,153	2,660	5,685
	12,794	12,931	27,555
Gross Profit			
Net income from sales of properties	18,380	9,733	26,494
Net rental income	5,726	6,161	12,101
	24,106	15,894	38,595

3. INCOME TAX

	Half year ended 30 September 2014 £000	Half year ended 30 September 2013 £000	Year ended 31 March 2014 £000
Current tax:			
UK corporation tax 21%	4,364	3,312	7,724
Deferred tax:			
Current year	(266)	(807)	(772)
Taxation attributable to the Group	4,098	2,505	6,952

The tax rate of 23% was applicable for the half year ended 30 September 2013 and the full year ended 31 March 2014.

4. EARNINGS PER SHARE

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

	Half year ended 30 September 2014 £000	Half year ended 30 September 2013 £000	Year ended 31 March 2014 £000
Profit for the period (basic and fully diluted)	16,688	10,741	28,442
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	428.0p	275.5p	729.5p

The Company has no dilutive potential Ordinary Shares.

5. DIVIDENDS

	Half year ended 30 September 2014 £000	Half year ended 30 September 2013 £000	Year ended 31 March 2014 £000
Ordinary dividends paid			
Final dividend for the year ended 31 March 2014 at 150p per share	5,848	–	–
Interim dividend for the year ended 31 March 2014 at 50p per share	–	–	1,949
Final dividend for the year ended 31 March 2013 at 125p per share	–	4,873	4,873

The Board have proposed an interim dividend of 100p per share (2013: 50p). This interim dividend was announced post 30 September 2014 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 20 February 2015.

The total estimated interim dividend to be paid is £3.89 million.

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.

NOTES TO THE HALF YEAR REPORT

continued

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 September 2014 £000	Half year ended 30 September 2013 £000	Year ended 31 March 2014 £000
Fair value at 1 April	29,396	27,852	27,852
Additions:			
Subsequent expenditure	–	275	518
Disposals	(54)	(1,754)	(2,159)
Increase in fair value during the year	–	–	3,185
At the end of the period	29,342	26,373	29,396

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

During the six months, we disposed of one Freehold for £54,000.

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.

The Company's freehold and long leasehold interests in its portfolio of properties which are held as Trading Stock were valued on 30 September 2014 by an External Valuer, Martin Angel FRICS of Allsop LLP. The valuations are in accordance with the requirements of the RICS Valuation – Professional Standards – Global and UK Edition, 2014.

The Market Values are on the basis that the properties would be sold subject to any existing leases and tenancies. The valuer's opinion of Market Value was primarily derived using comparable recent market transactions on arm's-length terms.

Allsop confirm that the aggregate Market Value of the Company's interest in its trading properties was

Freehold	£473,759,504
Long leasehold	£192,106,762
Total	£665,866,266 (Six hundred and sixty-five million, eight hundred and sixty-six thousand, two hundred and sixty-six pounds)

In relation to Allsop LLP's preceding financial year, the proportion of the total fees payable by Mountview Estates P.L.C. to the total fee income of Allsop LLP was less than 5% which is regarded by the RICS as negligible.

9. ANALYSIS OF ACQUISITIONS

	Half year ended 30 September 2014 £000		Half year ended 30 September 2013 £000		Year ended 31 March 2014 £000	
	No of units	Costs £m	No of units	Costs £m	No of units	Costs £m
Regulated Tenancies	15	3.07	137	19.58	152	23.01
Life Tenancies	1	0.09	1	0.16	1	0.16
Ground Rents (or created)	–	–	–	–	22	0.03
Assured Tenancies	5	1.21	5	0.73	5	0.73
	21	4.37	143	20.47	180	23.93

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.

The majority of the acquisitions were in London and the South.

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.

SHAREHOLDERS' INFORMATION

FINANCIAL CALENDAR 2015

Ex-dividend date	19 February
Record date	20 February
Payment date	30 March
Preliminary announcement of the results for the year	25 June
Annual Report and Accounts posted	24 July
Annual General Meeting	19 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:

Capita Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

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