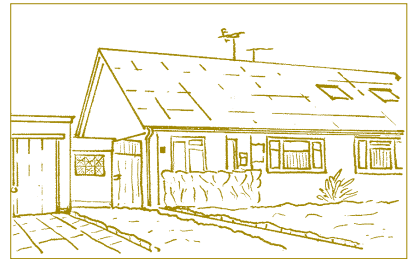


Mountview Estates P.L.C.



Half Year
Report

2013



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

£28.8m

Turnover (£m)

+11.2%

(Half year ended 30.09.2012 – £25.9m)

£15.9m

Gross profit (£m)

+3.2%

(Half year ended 30.09.2012 – £15.4m)

£13.2m

Profit before tax (£m)

+10.9%

(Half year ended 30.09.2012 – £11.9m)

275.5p

Earnings per share (pence)

+12.3%

(Half year ended 30.09.2012 – 245.4p)

£64.10

Net assets per share

+7.4%

(Half year ended 30.09.2012 – £59.71)

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 50p per share are as follows:

Ex-dividend date 19 February 2014

Record date 21 February 2014

Payment date 31 March 2014

C.E.O.'s Statement

D. M. Sinclair FCA

Turnover at £28.8 million up by 11.2%

Gross profit at £15.9 million up by 3.2%

Profit before tax at £13.2 million up by 10.9%

Earnings per share at 275.5 pence up by 12.3%

Net assets per share at £64.10 up by 7.4%

All these figures are highlighted on the previous page along with the comparatives for the first six months of the Company's previous financial year.

The interim dividend of 50 pence per share (2012: 50p) in respect of the year ended 31 March 2014 is payable on 31 March 2014 to shareholders on the Register of Members as at 21 February 2014. These half year figures clearly show steady progress but the Board will not consider any increase in the dividend until they have the results for the full year.

Purchases totalling over £20 million have been made during these six months. All the properties are located in London and the South East. Net assets have shown steady growth. Borrowings have risen during the six months but are lower than they were a year ago. Gearing has been kept at a modest level.

We have relied upon our long established modus operandi which is carried out by experienced management. Our conservative policies continue to produce reliable results and our recent recruits are proving their worth and establishing themselves as potential future senior management.

We are well equipped to take further purchasing opportunities and look to the future with confidence.



D.M. SINCLAIR

Chief Executive Officer

28 November 2013

Group Statement of Comprehensive Income (unaudited)

for the half year ended 30 September 2013

	Notes	Half year ended 30.09.2013 £000	Half year ended 30.09.2012 £000	Year ended 31.03.2013 £000
Revenue	2	28,825	25,901	56,646
Cost of sales	2	(12,931)	(10,530)	(22,906)
Gross profit		15,894	15,371	33,740
Administrative expenses		(1,721)	(1,488)	(3,759)
Gain/(Loss) on sale of investment properties	7	264	(11)	84
Operating profit before changes in fair value of investment properties		14,437	13,872	30,065
Increase in fair value of investment properties		–	–	2,602
Profit from operations		14,437	13,872	32,667
Change in fair value of derivatives		–	210	563
Net finance costs		(1,191)	(2,190)	(4,302)
Profit before taxation		13,246	11,892	28,928
Taxation – current		(3,312)	(2,804)	(6,511)
Taxation – deferred		807	482	(272)
Taxation	3	(2,505)	(2,322)	(6,783)
Profit attributable to equity Shareholders		10,741	9,570	22,145
Basic and diluted earnings per share (pence)	4	275.5p	245.4p	568.0p

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

Group Statement of Financial Position (unaudited)

for the half year ended 30 September 2013

	Notes	As at 30.09.2013 £000	As at 30.09.2012 £000	As at 31.03.2013 £000
Assets				
Non-current assets				
Property, plant and equipment	6	2,238	2,375	2,337
Investment properties	7	26,373	26,517	27,852
		28,611	28,892	30,189
Current assets				
Inventories of trading properties	8	328,034	316,431	316,626
Trade and other receivables		1,080	1,160	1,198
Cash and cash equivalents		1,147	1,691	900
		330,261	319,282	318,724
Total assets		358,872	348,174	348,913
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
Cash flow hedge reserve		–	(520)	–
Retained earnings		249,509	233,015	243,641
		249,840	232,826	243,972
Non-current liabilities				
Long-term borrowings		92,250	92,700	84,950
Deferred tax		5,487	5,541	6,294
		97,737	98,241	91,244
Current liabilities				
Bank overdrafts and loans		7,074	12,454	8,427
Trade and other payables		948	980	1,631
Current tax payable		3,273	2,801	3,639
Derivative financial instruments		–	872	–
		11,295	17,107	13,697
Total liabilities		109,032	115,348	104,941
Total equity and liabilities		358,872	348,174	348,913

Group Cash Flow Statement (unaudited)

for the half year ended 30 September 2013

	Half year ended 30.09.2013 £000	Half year ended 30.09.2012 £000	Year ended 31.03.2013 £000
Cash flows from operating activities			
Profit from operations	14,437	13,872	32,667
Adjustment for:			
Depreciation	52	86	163
Loss on disposal of property, plant and equipment	16	–	3
(Gain)/Loss on disposal of investment properties	(264)	11	(84)
(Increase) in fair value of investment properties	–	–	(2,602)
Operating cash flows before movement in working capital	14,241	13,969	30,147
(Increase) in inventories	(11,408)	(15,359)	(15,554)
Decrease in receivables	118	211	173
(Decrease)/Increase in payables	(683)	(405)	246
Cash generated from operations	2,268	(1,584)	15,012
Interest paid	(1,191)	(2,190)	(4,302)
Income taxes paid	(3,665)	(2,782)	(5,675)
Net cash (outflow) from operating activities	(2,588)	(6,556)	5,035
Investing activities			
Proceeds from disposal of investment properties	2,018	59	1,939
Capital expenditure on investment properties	(275)	(50)	(567)
Purchase of property, plant and equipment	–	(55)	(74)
Proceeds from disposal of property, plant and equipment	18	–	–
Net cash inflow/(outflow) from investing activities	1,761	(46)	1,298
Cash flows from financing activities			
Increase in borrowings	7,300	2,750	687
Repayment of borrowings	(587)	–	(5,050)
Equity dividend paid	(4,873)	(4,483)	(6,432)
Net cash inflow/(outflow) from financing activities	1,840	(1,733)	(10,795)
Net (decrease)/increase in cash and cash equivalents	1,013	(8,335)	(4,462)
Opening cash and cash equivalents	(6,565)	(2,103)	(2,103)
Cash and cash equivalents at end of period	(5,552)	(10,438)	(6,565)

Consolidated Statement of Changes in Equity

for the half year ended 30 September 2013

	Half year ended 30.09.2013 £000	Half year ended 30.09.2012 £000	Year ended 31.03.2013 £000
Shareholders' funds as at the beginning of the period	243,972	227,219	227,219
Reduction in reserve	–	520	1,040
Profit for the period	10,741	9,570	22,145
Dividends	(4,873)	(4,483)	(6,432)
Shareholders' funds at the end of the period	249,840	232,826	243,972

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 2013 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 2013 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.

	Half year ended 30.09.2013 £000	Half year ended 30.09.2012 £000	Year ended 31.03.2013 £000
Revenue			
Gross sales of properties	20,004	17,984	39,968
Gross rental income	8,821	7,917	16,678
	28,825	25,901	56,646
Cost of sales			
Cost of properties sold	10,271	6,948	16,156
Property expenses:			
Property repair and essential maintenance costs	1,744	2,557	4,544
Service charge expenses	523	667	1,435
Other operating expenses	393	358	771
Total property expenses	2,660	3,582	6,750
Total costs	12,931	10,530	22,906

Notes to the Half Year Report

continued

2. Analysis of revenue and cost of sales (continued)

	Half year ended 30.09.2013 £000	Half year ended 30.09.2012 £000	Year ended 31.03.2013 £000
Gross Profit			
Net income from sales of properties	9,733	11,036	23,812
Net rental income	6,161	4,335	9,928
	15,894	15,371	33,740

3. Income tax

	Half year ended 30.09.2013 £000	Half year ended 30.09.2012 £000	Year ended 31.03.2013 £000
Current tax:			
UK corporation tax 23%	3,312	2,804	6,511
Deferred tax:			
Current year 23%	(807)	(482)	272
Taxation attributable to the Group	2,505	2,322	6,783

The tax rate of 24% was applicable for the half year ended 30.09.2012 and the full year ended 31.03.2013.

4. Earnings per share

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

	Half year ended 30.09.2013 £000	Half year ended 30.09.2012 £000	Year ended 31.03.2013 £000
Profit for the period (basic and fully diluted)	10,741	9,570	22,145
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	275.5p	245.4p	568.0p

The Company has no dilutive potential Ordinary Shares.

5. Dividends

	Half year ended 30.09.2013 £000	Half year ended 30.09.2012 £000	Year ended 31.03.2013 £000
Ordinary dividends paid			
Final dividend for the year ended 25 March 2013 at 125p per share	4,873	–	–
Interim dividend for the year ended 25 March 2013 at 50p per share	–	–	1,949
Final dividend for the year ended 31 March 2012 at 115p per share	–	4,483	4,483

The Board have proposed an interim dividend of 50p per share (2012: 50p). This interim dividend was announced post 30 September 2013 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 21 February 2014.

The total estimated interim dividend to be paid is £1,949 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 motor vehicles, 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 30.09.2013 £000	Half year ended 30.09.2012 £000	Year ended 31.03.2013 £000
Fair value at 1 April	27,852	26,537	26,537
Additions:			
Subsequent expenditure	275	50	568
Disposals	(1,754)	(70)	(1,855)
Increase in fair value during the year	–	–	2,602
At the end of the period	26,373	26,517	27,852

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

During the six months, we disposed of two units for £2.018 million. The difference between the sales price £2.018 million and the market/fair value £1.754 million of £264,000 is shown in the Group Statement of Comprehensive Income.

Notes to the Half Year Report

continued

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

	Half year ended 30.09.2013		Half year ended 30.09.2012		Year ended 31.03.2013	
	No of units	Costs £m	No of units	Costs £m	No of units	Costs £m
Regulated Tenancies	137	19.58	176	20.80	200	27.10
Life Tenancies	1	0.16	1	0.13	2	0.22
Ground Rents	–	–	7	0.01	23	0.03
Assured Tenancies	5	0.73	–	–	11	1.46
	143	20.47	184	20.94	236	28.81

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.

During the period under review we had opportunities to acquire portfolios of properties as listed below:

	No of units	Costs £m
Buckinghamshire, Essex, Hertfordshire, Kent, London & Middlesex	70	9.75
Surrey & Middlesex	71	10.33
Sub total	141	20.08
Other	2	0.39
Total	143	20.47

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 2014

Dividend

• Ex dividend date	19 February
• Record date	21 February
• Payment date	31 March
Preliminary announcement of the results for the year	26 June
Annual Report and Accounts posted	18 July
Annual General Meeting	13 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 Registrars
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Woodsome Park
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