

Company Registration No. SC151792

MOUNTVIEW INVESTMENTS LIMITED

**Annual Report and unaudited Financial
Statements**

For the year ended 31 December 2018

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EDINBURGH**

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MOUNTVIEW INVESTMENTS LIMITED

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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MOUNTVIEW INVESTMENTS LIMITED

OFFICERS & PROFESSIONAL ADVISERS

DIRECTORS

Lisa Brebner
Stuart Pender
Robert Hamilton
Stuart Carnie

COMPANY SECRETARY

Robert Hamilton

REGISTERED OFFICE

32 Charlotte Square
Edinburgh
EH2 4ET

BANKERS

Bank of Scotland
The Mound
Edinburgh
EH1 1YZ

SOLICITORS

Dickson Minto W.S.
16 Charlotte Square
Edinburgh
EH2 4DF

MOUNTVIEW INVESTMENTS LIMITED

DIRECTORS' REPORT

The directors present their annual report and the unaudited financial statements of Mountview Investments Limited ("the company") for the year ended 31 December 2018. This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

PRINCIPAL ACTIVITY

The principal activity of the company is the provision of property management services.

MANAGEMENT OVERVIEW OF RESULTS

The results for the year are shown on page 4. The directors confirm no dividends were proposed or paid in the current year (2017: £nil) and that the profit for the year of £162,023 (2017: £264,734) has been transferred to reserves.

In accordance with section 415A of the Companies Act 2006, the directors have taken advantage of the exemption from including a business review in the directors' report.

GOING CONCERN

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for a period extending at least 12 months from the date of this report and in compliance with all conditions attaching to the terms of their bank facilities. The company itself is funded by share capital and the cash flow generated from its trading activities. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level and terms of its current banking facilities and cash generated from trading operations, thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

DIRECTORS

The directors of the company are listed on page 1, all of whom served throughout the year and up to the date of this report unless otherwise stated.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the annual report and the 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 have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland ('FRS 102').

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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 102 have been followed;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

MOUNTVIEW INVESTMENTS LIMITED

DIRECTORS' REPORT

DIRECTORS' RESPONSIBILITIES STATEMENT (continued)

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 the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board and signed on its behalf by:



Stuart Pender
Director
28 June 2019

MOUNTVIEW INVESTMENTS LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS

For the year ended 31 December 2018

		2018	2017
		£	£
Continuing operations	Note		
TURNOVER	3	2,336,871	2,318,791
Administrative expenses		<u>(2,305,142)</u>	<u>(2,162,873)</u>
OPERATING PROFIT	5	31,729	155,918
Interest receivable	6	132,056	120,885
Interest payable	7	<u>(5,867)</u>	<u>(13,478)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX		157,918	263,325
Tax on profit on ordinary activities	8	<u>4,105</u>	<u>1,409</u>
PROFIT FOR THE FINANCIAL YEAR		162,023	264,734
Retained profit at 1 January		<u>3,796,926</u>	<u>3,532,192</u>
RETAINED PROFIT AT 31 DECEMBER		<u>3,958,949</u>	<u>3,796,926</u>

The accompanying notes form an integral part of these financial statements.

MOUNTVIEW INVESTMENTS LIMITED

BALANCE SHEET

As at 31 December 2018

	Note	2018 £	2017 £
FIXED ASSETS			
Intangible assets	9	2,877,756	3,154,211
Tangible assets	10	57,094	133,616
Investments	11	107	107
		<u>2,934,957</u>	<u>3,287,934</u>
CURRENT ASSETS			
Debtors	12	2,246,056	2,050,958
Cash at bank and in hand		114,055	68,683
Restricted client funds	13	<u>1,376,799</u>	<u>1,248,025</u>
		3,736,910	3,367,666
CREDITORS: amounts falling due within one year	14	<u>(1,688,820)</u>	<u>(1,829,983)</u>
NET CURRENT ASSETS		2,048,090	1,537,683
TOTAL ASSETS LESS CURRENT LIABILITIES		4,983,047	4,825,617
CREDITORS: amounts falling due after more than one year	15	-	(488)
PROVISIONS FOR LIABILITIES	16	<u>1,902</u>	<u>(2,203)</u>
NET ASSETS		<u>4,984,949</u>	<u>4,822,926</u>
CAPITAL AND RESERVES			
Called up share capital	17	1,492	1,492
Share premium		1,024,508	1,024,508
Retained profit		<u>3,958,949</u>	<u>3,796,926</u>
SHAREHOLDERS' FUNDS		<u>4,984,949</u>	<u>4,822,926</u>

The accompanying notes form an integral part of these financial statements.

For the year ending 31 December 2018 the company was entitled to an audit exemption under section 479A of the Companies Act 2006 relating to subsidiary companies. No members have required the company to obtain an audit of its financial statements for the year in question in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of financial statements.

The financial statements have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime.

The financial statements of Mountview Investments Limited, company registration number SC151792, were approved and authorised for issue by the Board of Directors on 28 June 2019 and signed on its behalf by:


Stuart Pender
Director

MOUNTVIEW INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied in the current and preceding financial year, unless otherwise stated.

a) General information and basis of accounting

The company is a private company limited by shares and is incorporated in the United Kingdom. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the directors' report on page 2.

The financial statements are prepared in accordance with the provisions of FRS 102 Section 1A small entities, and the Companies Act 2006. There have been no material departures from the standard.

The company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, presentation of a cash flow statement, intra group transactions and remuneration of key personnel. Where required, equivalent disclosures are given in the group financial statements of Lomond Property Lettings Limited, these financial statements are available to the public and can be obtained as set out in note 21.

The company's financial statements are presented in Sterling which is the functional currency of the company.

b) Consolidated financial statements

The financial statements contain information about the company as an individual entity and do not contain consolidated financial information as a parent company of a group. The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as the company and its subsidiaries are included by full consolidation in the group financial statements of its parent, Lomond Property Lettings Limited.

c) Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for a period extending at least 12 months from the date of this report and in compliance with all conditions attaching to the terms of their bank facilities. The company itself is funded by share capital and the cash flow generated from its trading activities. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level and terms of its current banking facilities and cash generated from trading operations, thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

d) Turnover

Turnover, which arises in the United Kingdom, is attributable to the company's principal activities and is stated net of VAT and trade discounts. Revenue from property management contracts is recognised as income when the rent is due for payment by the tenant per the terms of the property management contract.

e) Employee benefits

Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits are recognised as an expense in the period in which the service is received.

Defined contribution pension schemes

The company makes contributions to defined contribution pension schemes for eligible employees. Contributions payable are charged to profit or loss in the period they are payable. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

MOUNTVIEW INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date and that are expected to apply to the reversal of the timing difference.

g) Intangible assets

Goodwill

Goodwill arising on the acquisition of businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is 20 years. Provision is made for any impairment.

h) Tangible assets

Tangible assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible assets at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:

Fixtures and fittings	25% straight line
Motor vehicles	25% straight line
Leasehold improvements	10% straight line

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of an age and in the condition expected at the end of its useful life.

i) Investments

Investments in group undertakings are held at cost less provision for impairment.

j) Impairment of fixed assets

At each balance sheet date fixed assets not carried at fair value are reviewed to determine whether there is any indication that the asset may be impaired. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

MOUNTVIEW INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Financial instruments

Basic financial instruments, including trade and other debtors, trade and other payables and cash and bank balances are initially recognised at transaction price and are subsequently measured at amortised cost using the effective interest method less any impairment.

l) Impairment of financial assets

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

m) Derecognition

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire or are settled, or substantially all the risks and reward of ownership of the asset are transferred to another party or control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the obligation is discharged, cancelled or expires.

n) Leases

Assets obtained under hire purchase contracts are capitalised as tangible fixed assets and depreciated over their estimated useful lives. The capital elements of future hire purchase obligations are recorded as liabilities, while interest elements are charged to the profit or loss over the period of the contracts to produce a periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged to profit or loss on a straight line basis over the lease term.

Incentives received to enter into an operating lease are credited to profit or loss, to reduce the lease expense, on a straight line basis over the period of the lease.

o) Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

p) Restricted client funds

Included within restricted client funds are deposits received on behalf of landlords from tenants under property management contracts. Such monies are held in separate client bank accounts and are restricted from the company's business cash. The deposits are then registered with the tenant deposit scheme, My Deposit Scotland. Once registered the monies are passed across to the deposit scheme and are not held on the company's balance sheet.

Also held within the restricted cash balances, in separate client bank accounts, are other monies received from tenants and landlords for rents paid by tenants and monies paid by landlords in advance of maintenance work being completed on their property. Once rents are due the funds held in such accounts are remitted to landlords in accordance with their chosen payment schedule.

MOUNTVIEW INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

2. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

In the application of the company's accounting policies the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The following are the critical judgements that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Amortisation rates

The directors review the useful economic life annually to determine if the rate used is appropriate.

Impairment

At each balance sheet date fixed assets not carried at fair value are reviewed to determine whether there is any indication that the asset may be impaired. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

No such indicators have been identified in the current or prior period. As these assets are amortised/depreciated (rather than having an indefinite useful life), there is no requirement to perform a full impairment review unless such indicators exist.

3. TURNOVER

	2018 £	2017 £
Management fees	<u>2,336,871</u>	<u>2,318,791</u>

4. EMPLOYEES AND DIRECTORS

The average number of persons (including directors) employed by the company during the year was:

	2018 No	2017 No
Administration	<u>50</u>	<u>48</u>

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	1,119,160	1,114,572
Social security costs	87,611	90,087
Pension costs	<u>24,626</u>	<u>18,889</u>
	<u>1,231,397</u>	<u>1,223,548</u>

The company makes contributions to defined contribution pension schemes for eligible employees. The pension charge represents contributions payable by the company to these schemes. Contributions of £4,244 were outstanding at 31 December 2018 (2017: £2,815).

MOUNTVIEW INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

5. OPERATING PROFIT

	2018 £	2017 £
Operating profit is arrived at after charging:		
(Gain)/loss on disposal of fixed asset	(3,459)	213
Operating lease rentals	185,592	172,873
Depreciation	75,343	34,426
Auditor's remuneration	9,384	10,884
Amortisation of intangible assets	188,955	184,916
Impairment of intangible assets	87,500	-
	<u> </u>	<u> </u>

6. INTEREST RECEIVABLE

	2018 £	2017 £
Intercompany interest	<u>132,056</u>	<u>120,885</u>

7. INTEREST PAYABLE

	2018 £	2017 £
Hire purchase interest	(3,129)	4,437
Intercompany interest	<u>8,996</u>	<u>9,041</u>
	<u>5,867</u>	<u>13,478</u>

8. TAXATION

The tax credit on the profit on ordinary activities for the year was as follows:

	2018 £	2017 £
<i>Current tax</i>		
UK corporation tax at 19% (2017: 19.25%)	<u>-</u>	<u>-</u>
Total current tax	<u>-</u>	<u>-</u>
<i>Deferred tax</i>		
Timing differences	(5,321)	(1,029)
Adjustments in respect of prior periods	1,216	-
Impact of change in tax rate	<u>-</u>	<u>(380)</u>
Total deferred tax	<u>(4,105)</u>	<u>(1,409)</u>
Total tax credit on profit for the year	<u>(4,105)</u>	<u>(1,409)</u>

MOUNTVIEW INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

8. TAXATION (continued)

The differences between the total current tax credit shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2018 £	2017 £
Profit on ordinary activities before tax	157,918	263,325
Tax on profit on ordinary activities at standard UK corporation tax rate of 19% (2017: 19.25%)	30,004	50,681
<i>Effects of:</i>		
Fixed asset differences	28,886	25,874
Expenses not deductible for tax purposes	1,286	554
Impact of change in tax rate	1,842	(244)
Group relief surrendered	(66,123)	(78,274)
Tax credit for the year	(4,105)	(1,409)

Finance Act (No.2) 2015 provided for a corporation tax rate of 19% from 1 April 2017, and Finance Act 2016 provided for a further reduction in the corporation tax rate to 17% from 1 April 2020. FRS 102 requires the company to measure deferred tax using the tax rates that are expected to apply to the reversal of the timing differences, and the company has applied a corporation tax rate of 17% when calculating its deferred tax assets and liabilities as at 31 December 2018.

9. INTANGIBLE ASSETS

Goodwill	Total £
Cost	
At 1 January 2018 and 31 December 2018	4,068,154
Amortisation	
At 1 January 2018	913,943
Charge for the year	188,955
Impairments	87,500
At 31 December 2018	1,190,398
Net book value	
At 31 December 2018	2,877,756
At 31 December 2017	3,154,211

The impairment of goodwill relates to the reduction in the original deferred consideration agreed for the purchase of Raeburn Christie Clark & Wallace.

MOUNTVIEW INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

10. TANGIBLE ASSETS

	Fixtures and fittings £	Motor vehicles £	Leasehold Improvements £	Total £
Cost				
At 1 January 2018	135,212	70,340	88,484	294,036
Additions	7,462	-	1,348	8,810
Disposals	(72,704)	(61,840)	-	(134,544)
At 31 December 2018	<u>69,970</u>	<u>8,500</u>	<u>89,832</u>	<u>168,302</u>
Depreciation				
At 1 January 2018	79,442	49,792	31,186	160,420
Charge for year	49,141	13,428	12,774	75,343
Depreciation on disposals	(69,835)	(54,720)	-	(124,555)
At 31 December 2018	<u>58,748</u>	<u>8,500</u>	<u>43,960</u>	<u>111,208</u>
Net book value				
At 31 December 2018	<u>11,222</u>	<u>-</u>	<u>45,872</u>	<u>57,094</u>
At 31 December 2017	<u>55,770</u>	<u>20,548</u>	<u>57,298</u>	<u>133,616</u>

The net book value of assets held under hire purchase contracts at 31 December 2017 was £Nil (2017: £8,311).

The directors do not consider the value of any of the tangible fixed assets to be impaired at 31 December 2018 or 31 December 2017.

MOUNTVIEW INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

11. INVESTMENTS

Investments in subsidiaries	Total £
Cost	
At 1 January and 31 December 2018	<u>2,475,885</u>
Accumulated impairment	
At 1 January and 31 December 2018	<u>2,475,778</u>
Net book value	
At 1 January and 31 December 2018	<u>107</u>

At 31 December 2018 the company had interests in the following subsidiaries:

Subsidiaries	Type of shares held	Proportion held (%)	Country of incorporation	Nature of business
Managed Space Limited*	Ordinary	100%	United Kingdom	Property maintenance
Mountview Property (Scotland) Limited*	Ordinary	100%	United Kingdom	Serviced accommodation
K.W.A.D Property Managers Limited*	Ordinary	100%	United Kingdom	Non-trading
Yvonne Moir Property Services Limited*	Ordinary	100%	United Kingdom	Non-trading
Bon Accord Leasing Limited*	Ordinary	100%	United Kingdom	Non-trading

* The registered address of the company is 32 Charlotte Square, Edinburgh, EH2 4ET.

12. DEBTORS

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	56,515	18,537
Amounts due from fellow group undertakings	2,117,333	1,860,635
Other debtors	8,303	4,113
Prepayments	63,905	167,673
	<u>2,246,056</u>	<u>2,050,958</u>

MOUNTVIEW INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

13. RESTRICTED CLIENT FUNDS

	2018 £	2017 £
Client funds		
Restricted client funds held at 31 December	1,376,799	1,248,025

Included within restricted client funds are deposits received on behalf of landlords from tenants under property management contracts. Such monies are held in separate client bank accounts and are restricted from the company's business cash. The deposits are then registered with the tenant deposit scheme, My Deposit Scotland. Once registered the monies are passed across to the deposit scheme and are not held on the company's balance sheet.

Also held within the restricted cash balances, in separate client bank accounts, are other monies received from tenants and landlords for rents paid by tenants and monies paid by landlords in advance of maintenance work being completed on their property. Once rents are due the funds held in such accounts are remitted to landlords in accordance with their chosen payment schedule.

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Hire purchase liability (note 18)	-	6,114
Trade creditors	33,133	50,674
Client account	1,376,799	1,248,025
Amounts due to fellow group undertakings	64,584	160,685
Other taxes and social security	84,495	84,734
Other creditors	-	4,135
Accruals and deferred income	79,809	138,116
Deferred consideration	50,000	137,500
	<u>1,688,820</u>	<u>1,829,983</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018 £	2017 £
Amounts falling due between one and five years:		
Hire purchase liability (note 18)	-	488

16. PROVISIONS FOR LIABILITIES

	Deferred tax £
At 1 January 2018	2,203
Released to the statement of income and retained earnings (note 8)	(4,105)
At 31 December 2018	<u>(1,902)</u>

MOUNTVIEW INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

16. PROVISIONS FOR LIABILITIES (continued)

Deferred tax

Deferred tax is provided as follows:

	2018 £	2017 £
Fixed asset timing differences	(1,569)	2,865
Short term timing differences – trading	(333)	(662)
	<u>(1,902)</u>	<u>2,203</u>
Deferred tax (assets)		
Recoverable within 12 months	<u>(1,902)</u>	<u>(662)</u>
Deferred tax liabilities		
Payable within 12 months	<u>-</u>	<u>2,865</u>

The company had no unrecognised deferred tax assets at 31 December 2018 (2017: £nil).

17. CALLED UP SHARE CAPITAL

	2018 £	2017 £
Called up allotted and fully paid		
134,261 Ordinary A shares of £0.01 each	1,343	1,343
14,917 Ordinary B shares of £0.01 each	149	149
	<u>1,492</u>	<u>1,492</u>

The income, capital and voting rights of ordinary A and ordinary B shares rank pair passu. The ordinary A and B shares have no right to fixed income.

18. FINANCIAL COMMITMENTS

The company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2018 £	2017 £
Payments due:		
Not later than one year	176,612	127,160
Later than one year and not later than five years	383,529	369,789
	<u>560,141</u>	<u>496,949</u>

MOUNTVIEW INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

18. FINANCIAL COMMITMENTS (continued)

The company had the following future minimum lease payments under non-cancellable hire purchase contracts for each of the following periods:

	2018 £	2017 £
Not later than one year	-	6,408
Later than one year and not later than five years	-	491
	<hr/>	<hr/>
Total gross payments	-	6,899
Less: finance charges	-	(297)
	<hr/>	<hr/>
Carrying amount of liability	-	6,602
	<hr/>	<hr/>

The hire purchase contracts related to motor vehicles. Hire purchase liabilities are secured by the related assets held under hire purchase contracts (see note 10).

19. CONTINGENT LIABILITIES

The company is a party to a cross guarantee arrangement with certain other group companies in respect of bank borrowings. Total bank borrowings of the group as at 31 December 2018 were £19,060,000 (2017: £12,350,000).

20. RELATED PARTY TRANSACTIONS

The company paid £4,670 to Acumen Accountants and Advisors Limited in the year for the provision of payroll services (2017: £3,435). Acumen Accountants and Advisors Limited is a company in which R Murray, a former director of Mountview Investments Limited, is also a director. At the year end £Nil was outstanding (2017: £781).

Other than the transaction disclosed above, the company's other related party transactions in the current and prior year were with other companies wholly owned within the group, from which the company is exempt from disclosing.

21. ULTIMATE PARENT COMPANY

The company's immediate parent undertaking is Lomond Property Lettings Limited, a company incorporated in the UK and registered in Scotland, and the ultimate controlling party is considered to be Lomond Capital Partnership LLP.

The results of the company are consolidated in the financial statements of Lomond Property Lettings Limited and Lomond Capital Partnership LLP which are the smallest and largest entities respectively consolidating the results of the company. Copies of the consolidated financial statements may be obtained from Companies House, 4th Floor, Edinburgh Quay, 139 Fountainbridge, Edinburgh, EH3 9FF.