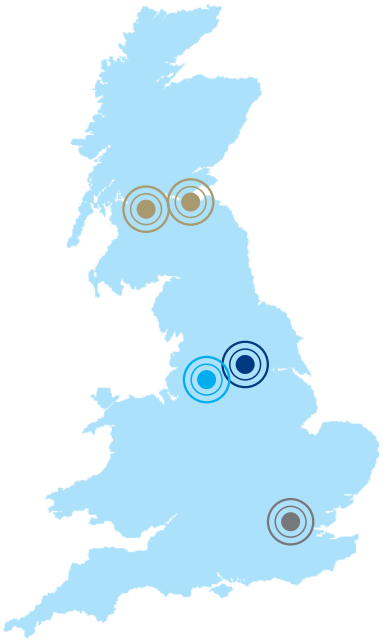
Town Centre Securities PLC

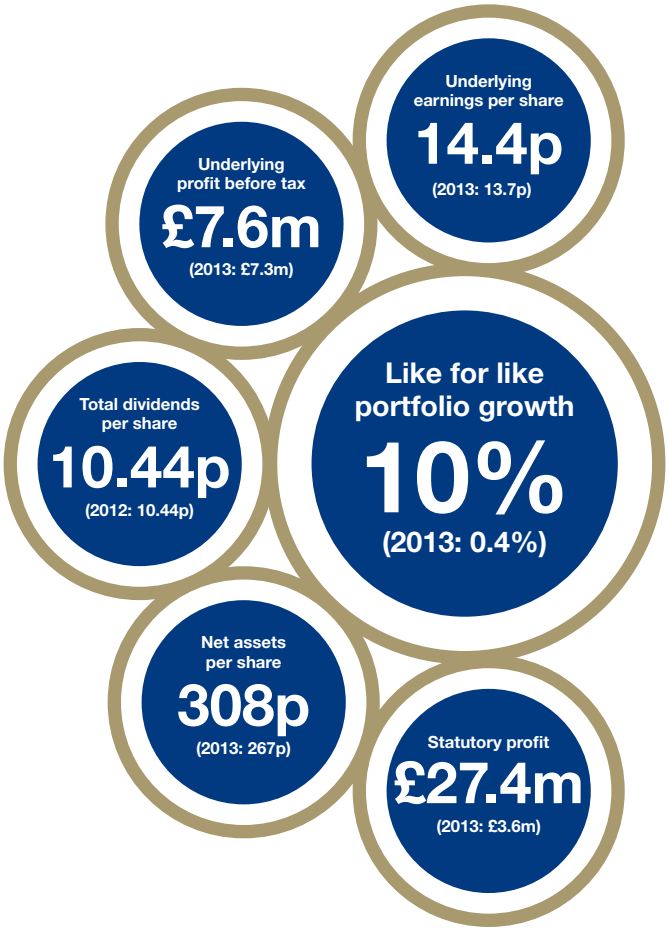
Annual Report
and Accounts 2014

Financial highlights

Town Centre Securities PLC has been trading since 1959 producing exceptional returns for investors through property investment and development and car park investment and operation. We manage our assets intensively, producing secure and growing income and maximising cash returns to shareholders.

Our long term performance is built on active management of our investments - our property team have completed 184 transactions this year alone.





Contents

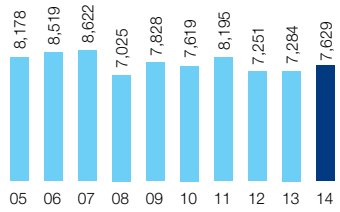
Overview	
Financial highlights	IFC
Ten year record	01
Chairman and Chief Executive's statement	02-05
Property review	06-07
Merrion Centre	08-09
Property portfolio	10-15
Car Parks	16-17
The Board	18
Senior Management Team	19
Valuers' reports	20-21
Strategic report - additional disclosures	22
Corporate governance	23-25
Directors' remuneration report	26-29
Directors' report	30-31
Consolidated Accounts	**32-54**
Company Accounts	**55-64**
Notice of Annual General Meeting	65-68
Investor information	IBC

The Statutory Profit is a mandatory disclosure which the Directors consider could be misleading. The Statutory Profit includes £19.8m of valuation surplus which is unrealised and is not available for dividends.

Ten year record

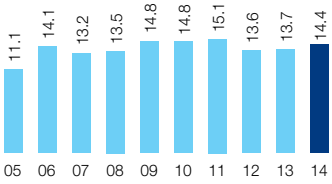
Underlying profit before tax (£'000)

£7.6m



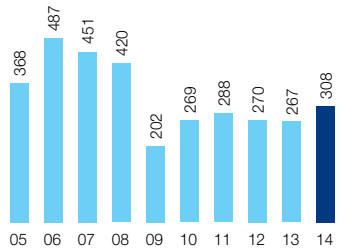
Underlying earnings per share (p)

14.4p



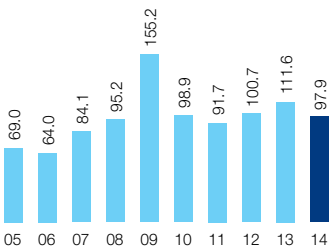
Net assets per share (p)

308p



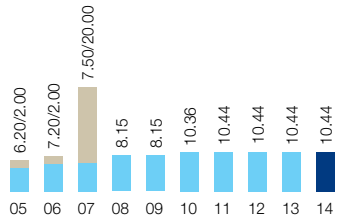
Gearing (%)

97.9%



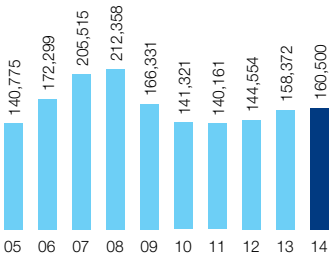
Dividends per share (p)

10.44p



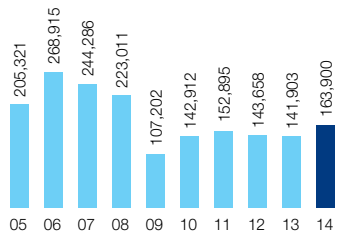
Borrowings (£'000)

£160.5m



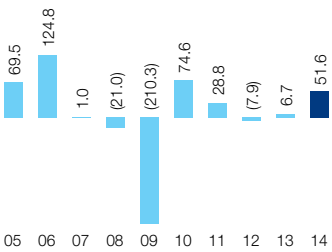
Net assets (£'000)

£163.9m



Basic earnings per share (p)

51.6p



Merrion Centre, Leeds

Byres Road, Glasgow

Thorntons Buildings, Headrow, Leeds

Chairman and Chief Executive's statement

Strategic Report

> "Intensive management of our assets has once again generated an excellent return."
>
> **Edward Ziff**
> Chairman and Chief Executive

I have now worked in Town Centre for 33 years and this is my eleventh year as Chairman. Throughout that time our strategy has been clear and consistent – to produce exceptional cash returns for shareholders.

Comparison of Property Portfolio to IPD	TCS Total Return %	IPD Total Return %
All properties	16.8	17.6
Retail Warehousing	15.6	12.6
Shopping Centres	23.6	12.3
Offices rest of UK	11.2	16.9
Retail High Street	12.7	12.4

Portfolio Performance Like for Like	Value m	Proportion of Portfolio %	Valuation Movement %
Retail and Leisure	73.8	24.5	5.9
Merrion Centre (excl offices)	98.0	32.6	23.3
Office	63.6	21.1	5.2
Car Parking	11.4	3.8	-3.0
Out of Town Retail	45.9	15.2	2.2
Residential	8.3	2.8	8.2
Total Portfolio	**301.0**	**100.0**	**9.9**

We are extremely proud of our achievements – an investment of £1,000 in 1969 would now be worth £562,700. Against a sector average of £297,900 this is the 3rd best out of 12 comparable property companies. We are also proud of our Dividend record; we have never reduced the Dividend in our 55 years of trading. You can see the last 50 years graphically depicted in the background of these two pages.

These returns have been achieved through a combination of intensive management of our assets along with a conservative management style. We have extensively churned the portfolio in recent years to ensure that our funds are invested where there is likely to be growth. Our property management team have completed 184 transactions in the year in the process of maximising returns from the portfolio.

Portfolio performance

The like for like increase in value of our investment portfolio this year has been 10% which reflects an initial yield of 6.4% (2013: 7.2%) and a reversionary yield of 7.4% (2013: 7.5%). The total return from the portfolio at 16.8% is in line with the all properties IPD index at 17.6%.

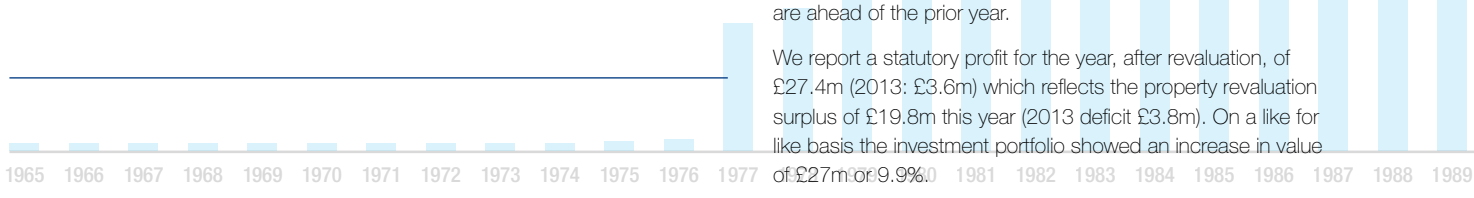
The strongest performing property was the Merrion Centre with an overall 16.3% increase in capital value and growth of over £1m pa in both passing rent and ERV, reflecting the benefit of the capital expenditure during the year. Overall the ERV has grown by 15% (£3m) to £22.7m.

After including acquisitions and developments the portfolio at the year end stood at £325.2m (2013: £301.0m). The current occupancy rate is 97.5%.

Results

Our underlying profit before tax and exceptional items of £7.6m (2013: £7.3m) (excluding property revaluation) is ahead of expectations. Both the property and the car park businesses are ahead of the prior year.

We report a statutory profit for the year, after revaluation, of £27.4m (2013: £3.6m) which reflects the property revaluation surplus of £19.8m this year (2013 deficit £3.8m). On a like for like basis the investment portfolio showed an increase in value of £27m or 9.9%.



Underlying earnings per share were 14.4p (2013: 13.7p). Basic earnings per share (including the property revaluation surplus) were 51.6p (2013: 6.7p).

Net assets at 30 June 2014 were £163.9m, representing 308 pence per share (2013: £141.9m, 267 pence per share). Triple net asset value was £170.4m, representing 320 pence per share (2013: £156.1m, 285 pence per share) the change reflecting principally the valuation gains this year.

Dividend

The Board is recommending a final dividend of 7.34 pence per share, which, together with the interim dividend of 3.1 pence per share, provides an unchanged total dividend of 10.44 pence per share. The final dividend will be paid on 6 January 2015 to shareholders on the register on 5 December 2014.

Funding

Net debt at 30 June 2014 amounted to £160.5m (2013: £158.4m). This comprised £105.8m of 5.375% First Mortgage Debenture Stock 2031 and £54.4m of revolving credit facilities and overdrafts. Gearing stands at 97.9% (2013: 112%) and borrowings represent 49.4% of property values (2013: 52.6%).

Following the completion of a £10m extension of our facility with RBS to fund the Milngavie development, the company retains revolving credit facilities of £100m (expiring 2015/16) and an overdraft facility of £5m. Our interest cover was 2.01 times (2013: 1.95 times).

Property Portfolio

Merrion Centre

This has been a special year for the Merrion Centre which celebrated its 50th anniversary in May and is very much at the heart of our portfolio being by far our largest asset. We continue to see good returns on our refurbishment and investment programme with our Arena Quarter retail, leisure and car park project (the New Front) opposite the new First Direct Arena nearing completion with further expenditure of £6.5m this year bringing the total to £9.4m.

We leased a further four units, renewed the lease on MFA Bowl and as a result, 76% of the rental income is now secured on an average weighted unexpired term of 13.6 years.

Interest in the remaining units is strong with the adjoining new Leeds Arena building upon an excellent first year hosting a diverse range of international concerts (from artists including: Prince, Bruce Springsteen, Andrea Bocelli, Rod Stewart and Elton John) family shows (Cirque du Soleil, Strictly Come Dancing, Ant and Dec) to national conferences for Teach First and sports events including BBC's Sports Personality of the Year and the launch of the Grand Depart to the Tour de France. The additional £7.6m refurbishment of the multi-storey car park began in February and is scheduled to complete in December this year.

I am also delighted to announce that we have agreed a significant lease renewal with Morrisons. This will result in an expansion and refurbishment of their store from 49,400 sq ft to 59,250 sq ft and will add approximately £500,000 pa to rental income. The transaction relocates Peacocks and 3 Store within the Centre significantly improving the overall retail offering.

We continue to work with Leeds City Council on Merrion House; the deal we have agreed will lead to the construction of 50,000 sq ft of new office space together with a complete refurbishment of the existing offices creating 170,000 sq ft of purpose designed space for their occupation. Upon completion the Council will take a new 25 year lease and become a co-owner. The valuation of TCS' share of the asset will significantly increase as well as adding £250,000 pa to rental income. Construction is scheduled to commence in 2015 for occupation in 2017.

We have other schemes coming through at Merrion and we continue to manage the income intensively. During the year in addition to the New Front, we completed 22 new leases and other transactions taking the non-car park income from £7.156m to £7.491m maintaining an average occupancy level of over 98%.

There are now:

- Over 130 leases and licences with an average weighted unexpired term of 11.4 years
- 10 tenants including Leeds City Council that produce 62% of total income with an average weighted unexpired term of 14.6 years

Scotland

We regard ourselves as one of the few quoted property companies with specialist knowledge actively investing in provincial property in the North of England and Scotland. In these markets local know-how is crucial to delivering above average returns.

We have £65m of investment property in Scotland, principally in Glasgow and Edinburgh During the last 12 months we have disposed of approximately 20% of the portfolio at prices in excess of book value.

The remaining portfolio is prime and very well let so we remain confident that its quality will ensure long term performance.

Merrion Centre, Leeds

1990 1991 1992 1993 1994 1995 1996 1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014

Chairman and Chief Executive's statement continued

Strategic Report

In addition we have progressed our development in Milngavie near Glasgow of a 36,500 sq ft foodstore let to Waitrose with construction due for completion in late spring 2015. This will add over £12m to our current Scottish portfolio.

Residential Development

We obtained planning consent for our residential scheme at Apperley Bridge near Leeds. Demolition and site preparation is now nearing completion and we will report further progress in due course.

Whitehall Riverside

We have detailed planning consent for a 128 bedroom hotel and outline consent for 600,000 sq ft of mixed use development including 3 eight storey office buildings and a 500 space multi-storey car park. Tenant demand is growing as there is little or no grade A space with 25,000 sq ft floor plates available in Leeds. We are pursuing a number of preliminary discussions as we continue to maximise our development gain.

Property Sales

We have sold 5 properties in Scotland this year for a total of £8.9m which is around £250,000 in excess of book value. We also exchanged a contract for the sale of 6/7 Park Row Leeds for £7.5m during the year with completion in July. There was an imminent lease expiry which would have necessitated a significant refurbishment and as a result of the sale we have seen a total return of nearly 20% during our 2 year period of ownership.

These sales were at a blended yield of 8% so they will impact on income in future years; we believe that they had stagnated in value and income terms so the funds will be better utilised elsewhere.

Property acquisitions

We have added a property in Holloway Road, London to our portfolio of suburban shops let to excellent covenants and, immediately after the year end we completed the purchase of a retail/office investment in Duke Street, London W1 for £3.1m.

Car Parking

Car parking revenue has increased by 6% to £5.1m and profit is up to £2.6m. Performance has been strong at Whitehall Road, Leeds (due to contraction of supply) and Manchester (due to increased business contracts). As expected, revenue has decreased at Merrion due to the refurbishment works although the disruption has been minimised through intensive management. We are scheduled to complete the works in December this year and we will be aggressively marketing what will be one of the best car parks in Leeds.

We are re-branding the business this year as CitiPark. We made our first acquisition of a 600 space multi-storey car park in Ilford. We acquired a long leasehold interest for £2.5m and we are currently upgrading it and installing a new parking management system. We will then be able to control the operations from our 24/7 control room in Leeds to minimise local overheads and maximise customer service. We have a number of further deals in the pipeline and expect the portfolio to expand significantly over the next year.

We will also be upgrading systems at the Manchester car park this year after which all of our branches will have state of the art technological systems. This will be our model for our future expansion.

Waitrose at Milngavie, Glasgow

Outlook

As we emerge from the problems of recent years we are seeing some extraordinary figures emanating from London and the South East. While we have seen growth in the regions it has been and remains patchy.

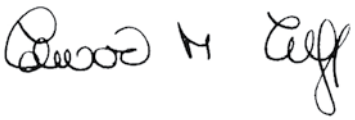
In this environment it is extremely important to keep focused on hands on intensive management, to be selective in acquisitions and to sell assets which do not fit this strategy.

We expect to see continued growth from the Merrion Centre as we progress its regeneration and we are optimistic about our Scottish portfolio once the disruption from the referendum settles down. Manchester as a city remains active and we hope to make further progress this year. We have also started investing selectively in London, particularly in suburban shops.

We expect to see good performance from all these sectors this year along with the expansion of the car park business; and we look forward to continuing to provide shareholders with above average cash returns.

As ever, I would like to thank our loyal and dedicated staff for their commitment to Town Centre Securities PLC. They remain focused on maintaining and creating value on behalf of our shareholders.

I would also like to thank Chris Kelly, who left the Group on 12 April this year. During his 4 years as Finance Director he contributed consistently as a valued member of the Board and we wish him well in the future.



Edward M Ziff
Chairman and Chief Executive
10th October 2014

See also page 22 for further strategic report disclosures.

The future

We continue to deliver above average cash returns to shareholders.

Continuing intensive constant hands on property management with further expansion into car parking and an increased investment in London.

Property sales and reinvestment

Since 1997, we have bought and sold over £650m of properties, effectively turning over the whole portfolio twice.

The recession has shown us that property can reach a plateau in respect of value and income in a low growth economy. It is critical that such properties are sold and the capital re-invested in situations where growth can be achieved.

Intensive management

We have consistently generated returns from investments in unfashionable locations which our peers have ignored.

Shandwick Place, Edinburgh is typical of this. These properties have needed constant management and that is what we have delivered. Our biggest single asset is the Merrion Centre in Leeds which has produced total returns of 136% over the last ten years. Throughout the recession we have worked constantly to minimise empty space by keeping close to our tenants. With the recent developments on the New Front and Merrion House we will further drive forward returns, and there is more to come with future projects.

Cash returns to shareholders

Since 1997, we have returned £91m to shareholders in dividends and £86m through the share buyback programme.

We treasure our private shareholders: after all the majority ownership of the business is the Ziff family so we understand how shareholders think. Through our constant growing dividends and through the share buyback programme we have delivered outstanding cash returns over the long term.

Conservative funding

We are conservatively funded – the majority of our borrowings are long term fixed interest. Our loan to value is conservative at 49.4% and we have over £17m of headroom as protection for the future.

Car parking

We have always believed that car parking can generate above average returns.

Property review

Portfolio performance

> **"The results of the property valuation reflect the increases in income which have been achieved through intensive asset management along with investment."**
>
> **Richard Lewis**
> Property Director

Geographical split by location including acquisitions	£m	% by value
Leeds City Region	195.7	62.0
Greater Manchester	46.5	14.7
Glasgow and Edinburgh	65.3	20.7
London	8.1	2.6
Total Portfolio	**315.6**	**100.0**

Buchanan Street, Glasgow

The noteable change to this year's ERV reflects a number of significant deals in the Merrion Centre along with the out of town retail and supermarket development pipeline.

The valuation performance has also benefited from a tightening of yields particularly in retail, warehousing and food stores.

Income Analysis	Passing rent £m	Proportion of portfolio %	ERV £m	Initial Yield %	Reversionary Yield %
Retail and Leisure	4.5	23.0	5.2	5.8	6.6
Merrion Centre (excl offices)	7.8	40.0	8.4	7.5	8.1
Office	4.3	22.0	4.4	6.4	6.5
Out of Town Retail	2.5	12.9	4.3	5.2	8.9
Residential	0.4	2.1	0.4	4.8	4.9
Let Portfolio	**19.5**	**100.0**	**22.7**	**6.4**	**7.4**

Top ten tenants by passing rent

+£1m

- Leeds City Council

£500k to £1m

- Wm Morrison
- Waitrose
- Homebase
- Matalan
- Lloyds Banking Group

£250k to £500k

- Stepchange
- Dune Group Ltd
- Aldi
- Pure Gym

Merrion Centre . . .

The late Arnold Ziff saw the powerful combination of mixing shopping during the day with entertainment and attractions in the evening as an opportunity to change the face of retailing forever.

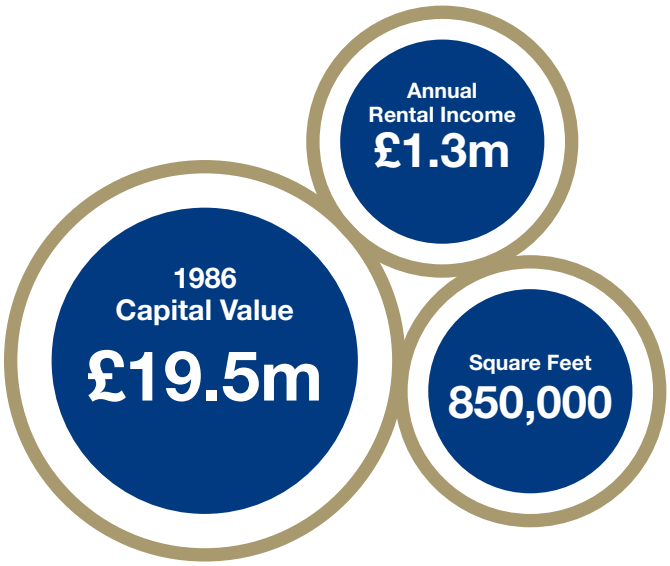
The Merrion Centre in Leeds was formally opened on the 26th May 1964. This represented a pioneering development. Combining shops with leisure activities in a vehicle free environment, the pedestrian precincts and multi-storey car park were very much firsts for England which led to the Yorkshire Evening Post declaring that The Merrion Centre 'emulated what every successful large town and city wanted to build'.

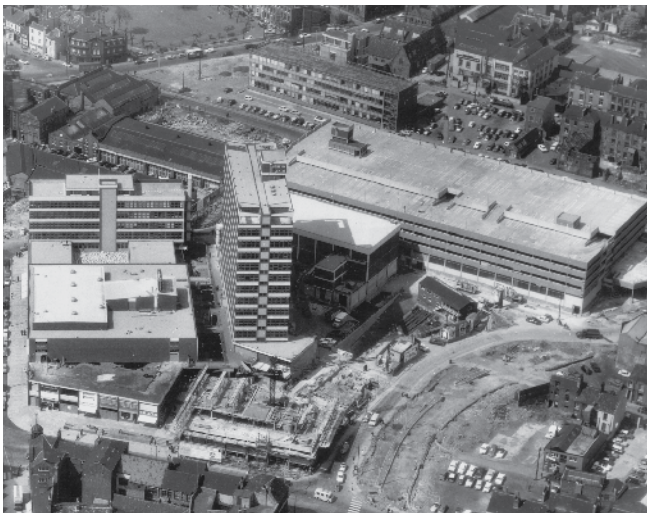
Fifty years later, the newest development in Leeds, with its combination of shops, restaurants, bars and cinema, is hailed as a major success for the city.

How thinking has moved on!

Back in 1964 you could: drive into Leeds and park under cover at the only multi-storey car park; shop at household names such as Woolworths, Tesco and Greenwoods; have a snack at Hagenbachs or a meal at the Skanda Grill; go ten pin bowling in the largest single level centre in Europe; see 'From Russia with Love' at the Rank Cinema; dance the night away at the Mecca Ballroom to the Beatles' 'Love Me Do' and even stay a night at The Merrion Hotel.

In fact just about one of the only things you couldn't do in The Merrion Centre in 1964 was get married, which is a shame as you never know, in the year Elizabeth Taylor married Richard Burton, Peter Sellers married Britt Ekland and Sonny married Cher, they may well have come to The Merrion Centre to take their vows and experience a piece of the future.




Under construction

Official opening

Wade Lane

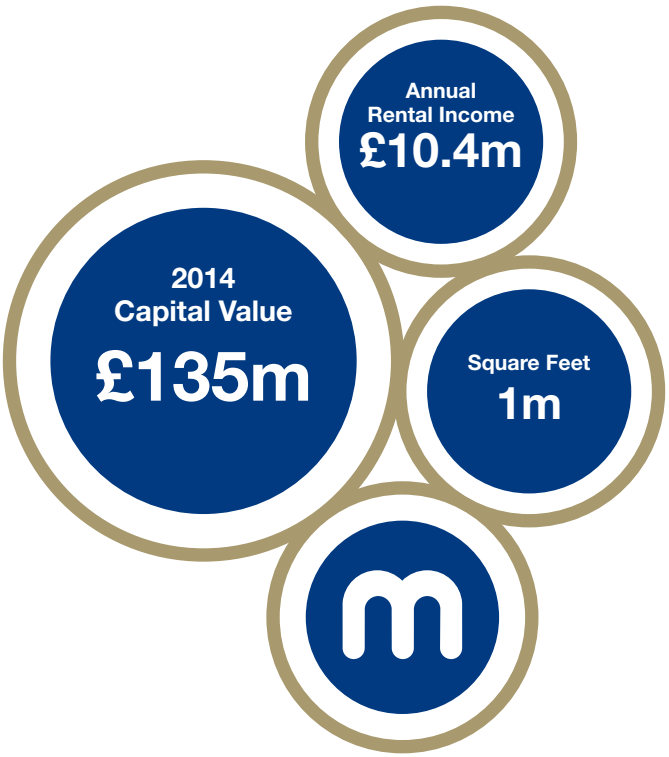
50 years on

By the end of 2017 we will have completed a five year, £50m refurbishment and reconfiguration of the Merrion Centre bringing the facilities it offers back to some of the best in Leeds as well as demonstrating our commitment to sustainable development.

Throughout this period of development occupancy levels of around 98% have been maintained despite extending the leisure offer along Merrion Way, known as the New Front and carrying out strengthening works and a complete make-over of the 1,000 space multi-storey car park. The innovative use of carbon fibre and detailed analysis of phasing procedures has meant that throughout this process the majority of the car park has always remained in use. Upon completion, prior to Christmas trading, it will offer some of the best facilities available with larger bays, electronic signage, web and mobile booking and payment and electric car power points.

The Merrion Centre is still at the heart of Town Centre Securities and in its 51st year we are delighted that a number of key occupiers such as Leeds City Council and Morrisons have committed themselves to the long term future of the Centre, a real testament to the fact that it has continued to move with the times.

How the Merrion Centre has moved on!



Town Centre House refurbished 2009

New Merrion House to commence 2015

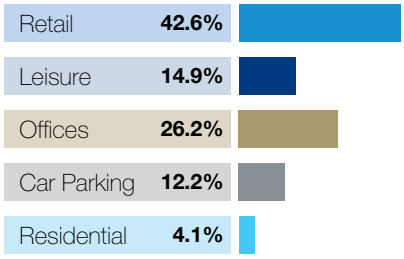
Property portfolio

Leeds

At the heart of Leeds City Region and Yorkshire's unofficial capital, the city of Leeds this year hosted the Grand Depart of the 2014 Tour de France. It was estimated that this event alone brought in around £100m additional revenue as well as increasing the profile of the region.

Building upon the success of the new Trinity retail scheme and the Victoria Gate development with the arrival of John Lewis by 2016, Leeds will re-establish itself as a top four retail destination. The new commercial sector seems to be establishing itself in the West End with a number of high profile solicitors and accountants seeking representation to meet their expansion plans and the enterprise zone has resulted in the start of speculative industrial and warehouse development.

Valuation by Sector

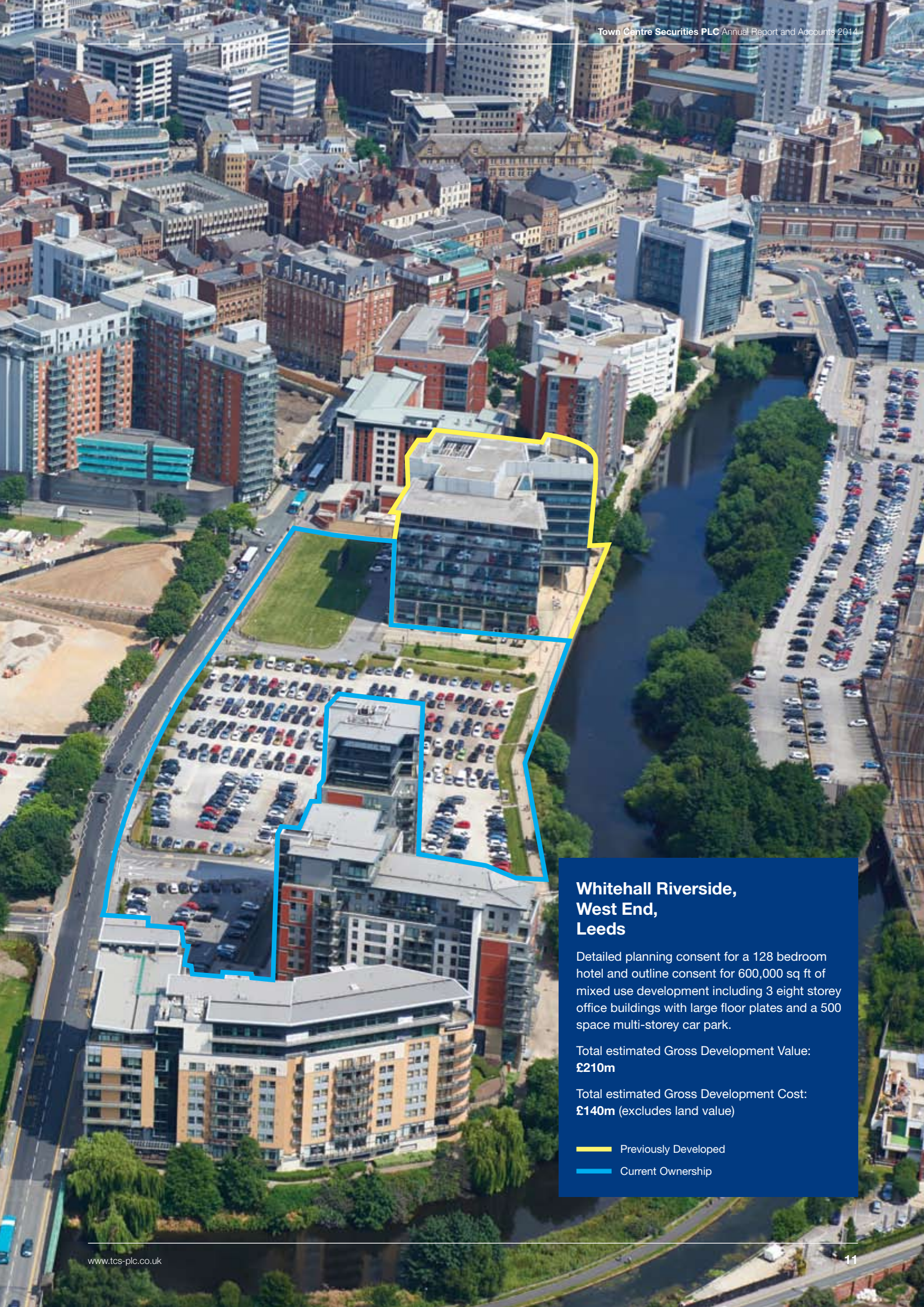


Albion Street

The property comprises a highly attractive retail/leisure investment adjacent to the new Trinity Centre. Fully occupied we have agreed an early surrender of one of the units to facilitate a Sainsbury's Local. Upper floors offer potential for conversion to city centre apartments.

Coronation House, 68-82 Vicar Lane

Located across the road from the highly successful Victoria Quarter and standing at the entrance to the new Victoria Gate shopping scheme due for completion in 2016, the property offers 30,000 sq ft of Retail arranged on the lower ground, ground and 3 upper floors and is occupied by fashion house, Flannels and High and Mighty together with 17 studio apartments all let on ASTs.



Whitehall Riverside, West End, Leeds

Detailed planning consent for a 128 bedroom hotel and outline consent for 600,000 sq ft of mixed use development including 3 eight storey office buildings with large floor plates and a 500 space multi-storey car park.

Total estimated Gross Development Value: **£210m**

Total estimated Gross Development Cost: **£140m** (excludes land value)

Previously Developed

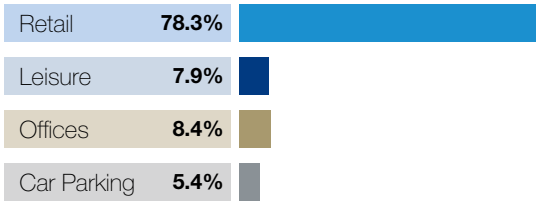
Current Ownership

Property portfolio

Manchester

Manchester has established itself as a truly international city known throughout China and the Middle East, both of which have announced substantial regeneration investments in Manchester this year. In tandem, Manchester is making a name for itself as a science and innovation centre particularly around the "wonder material" graphine with a government backed £60m second research centre. Officially named European City of Science, the city will hold the next biennial EuroScience convention in 2016.

Valuation by Sector



Urban Exchange retail and leisure

Tariff Street redevelopment site

Canal Basin

Tariff Street MSCP

Piccadilly Basin, Manchester

In addition to the development and investments created over the last 10 years we retain over 5 acres of developable land. A new masterplan is under discussion with Manchester Council in response to an ever changing environment with substantial demand for residential apartments and commercial space. Piccadilly Station is also to be expanded to accommodate HS2.

Previously Developed

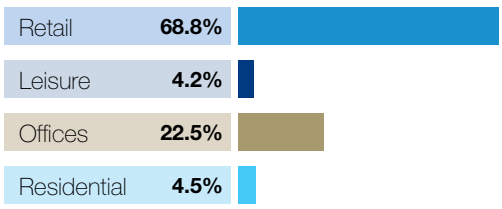
Current Ownership

Property portfolio

Glasgow

The hosting of a very successful Commonwealth games has this year helped to bring an enormous interest into the city and this has been followed up by the announcement of a City Deal between the UK government and the city region setting up a £1.13 billion Infrastructure Fund to improve transport and regenerate/develop sites.

Valuation by Sector



Empire House

Situated on Sauchiehall Street, the property comprises 7 retail units with four floors of offices in total amounting to 70,000 sq ft. Retail tenants include Starbucks, The Body Shop, Halifax Bank and The Card Factory.

363-381 Byres Road

Waitrose supermarket located in the prime residential West End area of Glasgow comprising 32,000 sq ft with roof top car parking.

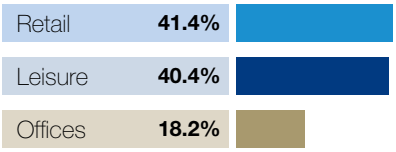
Edinburgh

As the capital of Scotland, Edinburgh will benefit from the promised devolved powers as it recovers from the uncertainty caused by the referendum.

1-87 (not inclusive) Shandwick Place

This is an attractive piece of real estate on the southern side of an improving retail and leisure part of the city. Now that the tram works are completed, the property will benefit from being situated in the new West End and from an improving environment.

Valuation by Sector



Car Parks

Profits are up 6% this year and we have made our first acquisition.

Merrion Multi-storey Car Park, Leeds forms part of the shopping centre. It serves commuters and shoppers in this busy city centre location. We commenced a £7.6m enhancement refurbishment programme in February this year which will complete in December in time for the Christmas trade producing one of the best parking locations in the city centre. Performance is marginally down this year because of the construction works although the disruption has been minimized by intensive management.

Piccadilly Basin, Manchester is a development site close to Piccadilly Station which is to be the location of the HS2 terminal. There are 621 surface spaces and a 232 space MSCP on the site. Performance has improved this year through intensive selling of commuter contract permits and we expect further improvements this year as we will upgrade the operations with the new management system. The medium term development plans for the site include a new MSCP.

Whitehall Road, Leeds is a development site providing surface parking for over 500 cars. The site is intended for development but the scheme will include a new 500 space MSCP. Turnover is up this year principally because of a reduction in the number of spaces available in Leeds city centre. The immediate development plans for the site include an office building (anywhere between 70,000 and 200,000 sq ft); when that commences we will build the new 500 space MSCP as part of that development phase.

Clarence Dock, Leeds is a MSCP in the Clarence Dock scheme on the South side of Leeds. Performance has been flat this year but there are signs that the area is improving; a new developer has taken control of the scheme and there have been some significant new occupiers moving into nearby locations.

CGI of Whitehall Road, Leeds

Acquisition of Clements Road, Ilford

We completed the acquisition in June this year of this 600 space long leasehold MSCP for £2.5m. The operation is well situated on a key route close to the train and underground station, and we believe the location will significantly improve when the new Crossrail station opens in 2018. There are opportunities to grow the income and we are currently refurbishing and fitting a new management system.

Cloud based management technology

We now have a locally-hosted, cloud based management system in all branches other than Manchester where we will upgrade this year, and we are installing the system in our new acquisition in Ilford. Our central control room will be fully operational this year where we will be able to deal with all day to day problems remotely. This will allow us to reduce staff levels, but critically the staff who are on site will be visible and helping to improve the customer experience. This will be the model for future acquisitions.

CitiPark branding

When the Merrion Centre refurbishment is complete we will launch our new branding of CitiPark. All our branches will have a consistent brand and it will apply to surface and multi-storey operations. The re-brand will help give a clear modern identity and will emphasise the message that the business is at the forefront of technology and customer service. We are confident that the re-brand will increase our customer base.

CitiPark

Town Centre Car Parks Review

	Spaces	2014 Turnover £'000	2013 Turnover £'000
Merrion Centre, Leeds	960	1,795	1,841
Whitehall Road, Leeds	510	747	613
Piccadilly Basin, Manchester	853	1,210	1,173
Clarence Dock, Leeds	1,650	1,229	1,237
Other including Ilford		120	64
	3,793	**5,101**	**4,928**
Group car parking profit		**2,636**	**2,513**

The Board

Executive Directors

Edward Ziff (54)
Chairman and Chief Executive
Nominations Committee

Edward Ziff joined the Company in 1981 before being appointed to the Board in 1985, becoming Managing Director in 1993, Chief Executive in 2001 and Chairman in 2004. Edward is a life-long supporter of Leeds the city and plays an active role in the community. He is president of the Leeds Jewish Welfare Board, a governor of the Grammar School at Leeds and sits on the board of directors for the Leeds Apprenticeship Training Agency. In 2013 he was awarded an Honorary Doctorate of Business Administration by Leeds Metropolitan University. Edward was recently appointed as a Trustee of the Leeds Teaching Hospital Charitable Foundation and took over as its Chair on 1 August.

Richard Lewis FRICS (59)
Property Director

Richard Lewis joined the Company in April 2000 and was appointed to the Board in February 2001. In 2008 Richard became responsible for all property activities as Property Director. He is Chairman of the LionHeart benevolent fund, a member of the Leeds Property Forum Steering Group and also a Board member of CityCo, a company which strives to make Manchester city centre a better place to work, visit and live.

Duncan Syers ACA (58)
Finance Director

Duncan Syers joined TCS on 12 April as the Company's Finance Director and Company Secretary. Duncan was previously Finance Director of Town Centre Securities from 1993 until 2001. During that time he was also Chief Executive of the Company's car parking operation which expanded significantly through acquisition in the late 1990's.

Non-executive Directors

John Nettleton FRICS ACIArb (66)
Remuneration Committee, Nominations Committee and Audit Committee

John Nettleton was appointed to the Board in July 2004. A chartered surveyor and arbitrator specialising in retail property and development, he was senior partner of Donaldsons Chartered Surveyors from 1997 until his retirement in June 2004. He is the Senior Non-executive Director.

Michael Ziff Hon DUniv (Brad) (61)
Nominations Committee

Dr Michael Ziff was appointed a Director in July 2004. He is a director of W Barratt & Co Ltd. He is chairman of Maccabi Foundation and Maccabi GB, and president of UK Israel Business. Michael is also a trustee and director of the Hepworth Wakefield, and the National Youth Association.

Howard Stanton FCCA (71)
Remuneration Committee and Audit Committee

Howard Stanton was appointed to the Board in April 2009. He is a Certified Accountant with extensive knowledge of the property sector. He is a business, property and financial consultant.

Senior Management Team

The Senior Management Team formally meet 10 times a year along with the Executive Directors and deal with all property management activities. The team has completed 184 transactions this year as part of the asset management process.

David Donkin MRICS
Associate Director, Estates

Ben Ziff
Managing Director, Town Centre Car Parks and TCS Energy

Helen Green MRICS
Associate Director, Estates

Colin Steele MRICS
Caledonia Management Limited

Matthew Barlow
IT Manager

Donna Cater
Property Accounts Manager

Charity Involvement

Charity Involvement

We continue to demonstrate both corporate and individual staff commitment to our local community. Charitable donations and sponsorship by the company amounted to £108,000 (2013: £91,000). We have four nominated charities, Leeds Jewish Welfare Board, Lion Heart, The Prince's Regeneration Trust and Variety, the Children's Charity. Each of our Executive Directors has given time and personal commitment to one of our nominated charities, holding leadership positions.

It is an important element of our culture to provide support to the less well off in our community and we are delighted that it is well received by those who benefit from our actions. Members of staff have given their time during the year to train for and participate in events such as the Great North Swim, the Great North Run, Great Yorkshire Bike Ride and the Yorkshire Three Peaks Walk as well as rowing across Windermere and participating in The Crypt Factor.

Valuers' reports

The Directors
Town Centre Securities PLC
Town Centre House
The Merrion Centre
Leeds
LS2 8LY

30 June 2014

Dear Sirs

Town Centre Securities PLC – Property Portfolio Valuation – 30 June 2014

In accordance with your written instructions we have inspected and valued the various freehold and leasehold properties held by Town Centre Securities PLC and its various subsidiary companies, for accounts purposes as at 30 June 2014.

We confirm that these valuations have been prepared in accordance with the RICS Valuation – Professional Standards, January 2014, published by the Royal Institution of Chartered Surveyors in our capacity of external valuers on the basis of Market Value. No allowances have been made for expenses of realisation or for taxation that might arise in the event of a disposal, deemed or otherwise. All rental and capital values stated are exclusive of Value Added Tax. Each property has been considered as if free and clear of all mortgages or other charges which may have been secured thereon. The interests have been valued subject to and with the benefit of any lettings which have been disclosed.

Having regard to the foregoing we are of the opinion that the aggregate Market Value of the freehold and leasehold interests owned by the Group and valued by Jones Lang LaSalle, as at 30 June 2014, subject to and with the benefit of the tenancies currently subsisting, is:

Freehold	£97,180,000
Long leasehold	£11,850,000
Total	**£109,030,000**

In accordance with our standard practice, we confirm that our valuations have been prepared for Town Centre Securities PLC and for the purpose to which this certificate refers. No responsibility is accepted to any third party in respect of the information or advice contained herein, except in circumstances where our prior written approval has been granted

Yours faithfully

Simon Cullimore MRICS
Director
For and on behalf of Jones Lang LaSalle Limited

CBRE

The Directors
Town Centre Securities PLC
Town Centre House
The Merrion Centre
Leeds
LS2 8LY

20 August 2014

Dear Sirs

Town Centre Securities PLC – 30 June 2014 valuations

In accordance with your written instructions we have inspected and valued The Merrion Centre, Leeds; Homebase, Main Street, Milngavie; 363–381 Byres Road and 9–19 Grosvenor Lane, Glasgow; Phases 1 and 2, Central Retail Park, Rochdale; 6/7 Park Row, Leeds; and 106A Kilburn High Road, London, held by Town Centre Securities PLC and its various subsidiary companies, for accounts purposes as at 30 June 2014.

The valuations have been prepared in accordance with the RICS Valuation – Professional Standards (2014) ("the Red Book") and should be read in conjunction with our Valuation Report as at 30 June 2014 on behalf of Town Centre Securities PLC. The valuations have been prepared in our capacity as external valuers, on the basis of Fair Value. No allowance has been made for expenses of realisation or for taxation that might arise in the event of a disposal, deemed or otherwise and the capital value stated is exclusive of Value Added Tax. The properties have been considered as if free and clear of all mortgages or other charges which may have been secured thereon. The properties have been valued subject to and with the benefit of any lettings which have been disclosed.

Having regard to the foregoing we are of the opinion that the Fair Value of the freehold interests in the above properties owned by the Group, as at 30 June 2014, subject to and with the benefit of the tenancies currently subsisting, is:

£188,250,000 (one hundred and eighty-eight million, two hundred and fifty thousand pounds)

In accordance with our standard practice, we confirm that our valuations have been prepared for Town Centre Securities PLC and for the purpose to which this certificate refers. No responsibility is accepted to any third party in respect of the information or advice contained herein, except in circumstances where our prior written approval has been granted.

Yours faithfully

Michael Brodtman FRICS
RICS approved valuer
Executive Director

Max Field MRICS
RICS approved valuer
Associate Director

Strategic report - additional disclosures

Risk Management

Risk management is an integral part of our daily activities and is fundamental to the Investment Property business.

Shareholder returns are generated by our property portfolio whose ownership is under the control of the Group. The portfolio is in diverse locations and sectors and the income is derived from a well-spread tenancy base. Rents are receivable under long term leases so, other than in tenant failures, income is assured. As such, the Directors consider the business environment to be low risk.

The first line of defence in our risk management process is an active property management system:

- We hold regular meetings of our property management teams and every property is considered and reviewed regularly. Action is taken wherever possible to maximise return and mitigate risk
- That action includes selling properties which are at risk of falling value and purchasing property which have potential for growth in value

The Board meet regularly and review the activities of the property management team. All significant investment and property management decisions are approved by the Board.

At our twice yearly audit meetings we review and consider an updated risk register which includes mitigation in respect of all significant risks facing the business.

The risk register includes those significant risks which are the same for all property investment companies such as a major economic downturn, withdrawal of bank facilities and widespread tenant failure. These risks would be associated with a financial crisis in the UK. The mitigation activities for these risks are that we continue to run the business properly, to manage the portfolio and to deal sensibly with our banking partners. As the Group has survived the recent recession without reducing the dividend we have concluded that our mitigation activities are proving effective.

Human Rights

We have a relatively small team in our Head Office and we pride ourselves on our treatment of our staff. However, we do not see a role for the company in affecting wider human rights.

Emissions

The occupancy rate of our properties is 98% and therefore our tenants effectively control the emissions from our properties. We occupy a small part of the Merrion Centre for our own use and our emissions are not significant.

Key Performance Indicators (KPI's)

The principal KPI's used by the Directors to measure progress are the figures set out in the Strategic Report i.e. Underlying Profit, EPS and Net Assets per share. The Directors constantly compare the Group's performance in these KPI's with other comparable companies.

Health & Safety

We are committed to achieving a safe and secure working environment both in our own office locations and in respect of our properties, particularly those where we maintain an on-site management function such as the Merrion Centre. We have an established Group health and safety policy which is approved at Board level annually and we review health and safety issues and incidents at every Board meeting.

Our operational teams have clear health and safety objectives and review procedures regularly taking action where necessary.

Richard Lewis is the Board member with this responsibility and he is supported by specialist external advisers.

The Environment

As we have previously reported we have solar photovoltaic schemes at Clarence Dock car park and at Urban Exchange Retail Park in Manchester and these continue to generate electricity both for our property usage and for the grid.

Energy usage from our properties is principally the responsibility of our tenants, but where we fulfil an on-site management function we encourage regular energy saving initiatives as well as monitoring water usage. We also sort our waste to maximise recycling.

We comply fully with legislation in our properties wherever it is appropriate regarding energy performance.

Sponsorship

We have provided sponsorship this year to West of Scotland Rugby Club. The club has benefitted from our financial support and provide wide ranging support to players from mini rugby to First XV.

Corporate governance

Dear Shareholder

The Board takes its responsibility for ensuring strong governance very seriously. Our Executive and Non-executive Directors bring a diverse range of knowledge and experience to our Board. In this governance report we seek to be transparent about how we operate. We welcome an open dialogue with shareholders and encourage communication with them.

E M Ziff
Chairman and Chief Executive

This report is prepared in accordance with the UK Corporate Governance Code (the Code). The Board is collectively responsible for the success of the Group and is committed to a high standard of governance. The Group has complied throughout the year with the provisions set out in the Code, except where noted below. This statement, together with the Directors' Remuneration Report set out on pages 26 to 29, describes how the relevant principles of governance are applied to the Company.

Board of Directors

Details of the Board of Directors are given on page 18 of this report. At the end of the year the Board comprised three Non-executive Directors and three Executive Directors, including the Chief Executive whose role is combined with that of Chairman. M A Ziff and J A Nettleton have been Non-executive Directors for a period in excess of six years. They continue to make a significant contribution to the work of the Board.

The Code asks the Board to identify each Non-executive Director it considers to be independent. Of the three Non-executive Directors on the Board, it considers only H T Stanton to be fully independent.

The Board does not believe that M A Ziff can be deemed to be independent under the Code, due to his significant shareholding and close family ties. J A Nettleton was appointed more than 6 years ago and therefore is not regarded under the Code as independent. However, the Board believes that M A Ziff and J A Nettleton bring considerable business experience and make valuable contributions to the work of the Board.

The Senior Non-executive Director is J A Nettleton who, throughout the period under review, chaired the Remuneration and Nominations Committees.

Neither H T Stanton nor J A Nettleton:

- has been an employee of the Group within the last five years;
- has, or has had within the last three years, a material business relationship with the Group either directly or as a partner, shareholder, director or senior employee of a body that has such a relationship with the Group;
- has received or receives additional remuneration from the Group, apart from a Director's fee, participates in the Company's share option schemes or a performance-related pay scheme, or is a member of the Company's pension arrangements;
- has close family ties with any of the Group's advisors, Directors or senior employees; or
- represents a significant shareholder.

The full Board met eight times in the year and annually reviews the strategic direction of the Group. The record of Directors' attendance at Board meetings is set out overleaf.

The Board manages overall control of the Group's affairs by the schedule of matters reserved for its decision. These include the approval of Financial Statements, business plans, all major acquisitions and disposals, risk management strategy and treasury decisions.

The Board has established a Review Forum, which comprises Executive Directors and senior managers and met ten times during the year. The Board has delegated responsibility to the Review Forum for assisting the Executive Directors on measures relating to the Board's strategies and policies, operational management and the implementation of the systems of internal control, within agreed parameters.

There is an agreed procedure for Directors to take independent professional advice at the Company's expense, if necessary, in the performance of their duties. This is in addition to the access which every Director has to the Company Secretary. The Group maintains liability insurance on behalf of Directors and Officers of the Company.

On appointment, the Directors take part in an induction programme whereby they receive information about the Group's operations, the role of the Board, the Group's corporate governance policies and the latest financial information about the Group. Training and briefings are available to all Directors on appointment and subsequent training is also undertaken as appropriate.

The Chairman and Chief Executive meets with the Non-executive Directors at least once a year without the other Executive Directors present to discuss the performance of the Board. The Non-executive Directors, chaired by the Senior Non-executive Director, meet without the Chairman and Chief Executive at least annually to appraise the Chairman and Chief Executive's performance.

Performance evaluation of the Board

The effectiveness of the Board, its committees and Directors was reviewed during the year. Given the size of the Board and nature of the business the Directors performed a self-evaluation.

The evaluation of the Board and its committees, which did not highlight any areas of concern, considered:

- the Directors' understanding of the roles and responsibilities of the Board and of its committees;
- the Board's understanding of the Group's activities and the appropriateness of its strategic plan;
- whether Board meetings effectively monitor and evaluate progress towards strategic goals;
- Board composition and the involvement of each Director in the business of the Group;
- the overall effectiveness of the Board in the provision of the necessary experience required to direct the business efficiently; and
- the effectiveness of the Board committees in performing their roles.

Corporate governance continued

The evaluation of the performance of individual Directors was undertaken by the Chairman and Chief Executive and the performance of the Chairman and Chief Executive was evaluated by the Non-executive Directors led by the Senior Non-executive Director, taking into account the views of the Executive Directors.

The terms of reference for the standing Committees of the Board (Audit Committee, Remuneration Committee and Nominations Committee) and the terms and conditions of appointment of Non-executive Directors are available on application to the Company Secretary at the Company's registered office.

Attendance at Board meetings

	Number of meetings	Number attended
E M Ziff	8	8
R A Lewis	8	8
C J Kelly	5	5
D S Syers	3	3
J A Nettleton	8	8
M A Ziff	8	6
H T Stanton	8	7

Attendance at Audit Committee meetings

	Number of meetings	Number attended
H T Stanton	2	2
J A Nettleton	2	2

Remuneration Committee

Details of the Remuneration Committee are given in the Directors' Remuneration Report on page 26.

Nominations Committee

The Nominations Committee comprises J A Nettleton (Chairman), E M Ziff and M A Ziff and is responsible for the selection and approval of candidates for appointment to the Board. One meeting was held during the year to approve the appointment of Duncan Syers to the Board.

Audit Committee

The Audit Committee comprises H T Stanton, a qualified accountant, and J A Nettleton. The Audit Committee meets twice a year and considers the following issues:

- the final and interim financial statements and matters raised by management and the external auditors
- the effectiveness of the Group's system of internal controls and risk management
- the risk register
- the full and half year valuations
- the external auditor, their effectiveness, objectivity and independence and the terms of enagagement and scope of the audit

The Committee reached the following conclusion:

- the 2014 Annual Report is fair, balanced and reasonable and provides shareholders with the necessary information to assess TCS's performance
- the conclusions on risk management are set out on page 22
- the Committee reviewed the methodology and outcomes of the valuations based on reports prepared by the valuers along with a commentary by the Property Director. The Main Board also considered this report which set out the process which included discussions between management and the external valuers and also a meeting with the Auditors. The Committee is confident that the valuations were properly conducted as described in the Financial Statements. The independence qualifications and objectivity of the valuers were also monitored by the Committee.
- the scope of the forthcoming year's audit was discussed in advance by the Audit Committee and the Committee reached a positive conclusion on the effectiveness of the audit process. Audit fees were reviewed by the Audit Committee and then referred to the Board for approval. Rotation of audit partners' responsibilities within PwC is required by their profession's ethical standards and is actively encouraged.
- assignments awarded to PwC have been, and are subject to, controls by management that have been agreed by the Audit Committee so that audit independence is not compromised. A summary of the auditor's remuneration for non-audit services is provided in Note 5 to the Consolidated Accounts.

These controls have provided the Audit Committee with adequate confidence in the independence of PwC in its reporting on the audit of the Group.

Internal control

Provision C.2.1 of the Code requires that the Directors review, at least annually, the effectiveness of the Company's risk management and internal control systems and should report to shareholders that they have done so. The Board of Directors is responsible for ensuring that adequate internal controls are in place to safeguard the assets and interests of the Group and considerable importance is placed on maintaining a strong control environment. However, any such control system can only give reasonable and not absolute assurance against material misstatement or loss.

The processes and procedures for identifying and managing the risks faced by the Group have been operating fully throughout the year and up to the date of this report. No significant failings or weaknesses were identified during the year under review. The Group's policies and procedures have been reviewed to ensure compliance with the Bribery Act 2010 which came into force on 1 July 2011. The key control procedures, which the Directors have established with a view to providing effective internal control, are as follows:

- a bi-annual review (in accordance with Turnbull guidance) by the Board and the Review Forum of all significant business risks, which also identifies procedures to manage and mitigate such risks;
- a clearly defined organisational structure with appropriate levels of authority and segregation of duties;
- a comprehensive system of financial reporting to the Board and Senior Executives based upon an annual budget in line with strategic objectives. Performance is monitored and relevant action is taken throughout the year through reporting of variances from budget and updated profit forecasts;
- active participation by the Board in treasury management matters. Cash flow projections are prepared monthly on a rolling two year basis; and
- capital expenditure and disposal proposals are appraised and monitored by the Review Forum on a project by project basis Significant acquisitions, capital expenditure and disposals are ratified by the Board.

The Group does not have an internal audit function because, given the size of the Group, it is not considered necessary. The need for an internal audit function is considered by the Audit Committee annually.

Relations with Shareholders

The Board is committed to maintaining good communications with shareholders. The Chairman and Chief Executive, Property Director and Finance Director maintain a dialogue with institutional shareholders and analysts immediately after the announcement of the half year and full year results. Their views are reported to the Board as appropriate. The Company also encourages communications with private shareholders throughout the year and welcomes their participation at shareholder meetings.

The principal communication with private shareholders is through the Annual Report and Accounts, the Half Year Report and the Annual General Meeting (AGM). The Notice of AGM and any related papers are communicated to shareholders at least 20 working days before the meeting to give shareholders sufficient time to consider the business of the meeting. All Directors attend the AGM and shareholders are given the opportunity to ask questions of the Board and meet all the Directors informally after the meeting. Separate resolutions are proposed for each item of business and the proxy votes for, against and withheld are announced. An announcement confirming resolutions passed at the AGM is made through the London Stock Exchange immediately after the meeting. The Senior Non-executive Director is available to shareholders at all times if they have concerns they wish to raise.

The Group has a comprehensive website on which up to date information is available to all shareholders and potential investors (www.tcs-plc.co.uk).

Statement of compliance with the Code

The Board of Directors has complied with the Code throughout the year except for the following matters:

- E M Ziff combines the roles of Chairman and Chief Executive. Code Provision A.2.1 requires that a justification for the combination of roles is required. As Chairman and Chief Executive, E M Ziff is responsible for the Board and the Group's business. In view of the current size and complexity of the Group the Directors believe that the benefits of splitting the roles would be outweighed by the cost;
- Code Provision A.3.1 requires that the Chairman is determined independent under the Code at the date of appointment. E M Ziff was previously Chief Executive and therefore was not independent at the date of appointment;
- under the Articles it is not currently a requirement for the Chairman and Chief Executive and the Executive Directors to retire by rotation as recommended by Code Provision B.7.1. The Chairman and Chief Executive and the Executive Directors voluntarily offer themselves for retirement by rotation Details of the re-elections are given in the Notice of AGM;
- in view of the size of the Board the Nominations Committee does not have Independent Non-executive Directors as a majority of its members as recommended by Code Provision B.2.1; and
- the Chairman and Chief Executive has a service contract with a notice period greater than one year, such being the recommended limit in Code Provision D.1.5.

Statement of Directors responsibilities

The Directors are responsible for preparing the Annual Report, the Directors' Remuneration 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 prepared the Group Financial Statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, and the Parent Company Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 the Company and of the profit or loss of the Group 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 accounting estimates that are reasonable and prudent;
- state whether IFRS as adopted by the European Union and applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Group and Parent Company Financial Statements respectively; and
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that 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 the Group and enable them to ensure that the Financial Statements and the Directors' Remuneration Report comply with the Companies Act 2006 and, as regards the Group Financial Statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

The Directors' responsibility statement for the year ended 30 June 2014 is set out below.

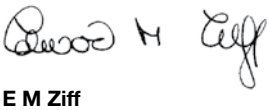
By order of the Board

D S Syers
Company Secretary
10 October 2014

Directors' responsibility statement

Each of the Directors, whose names and functions are listed on page 18 confirm that, to the best of their knowledge:

- the Group financial statements, which have been prepared in accordance with IFRS as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and loss of the Group; and
- the Chairman and Chief Executive's Statement (Strategic Report), and the Property Review includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.



E M Ziff
Chairman and Chief Executive

D S Syers
Finance Director
10 October 2014

Directors' remuneration report

Town Centre Securities PLC only operates one Annual Bonus Plan which rewards and incentivises the executive directors to achieve their goals.

Whilst the performance and rewards of most quoted property companies and REITS are studied for comparable data, the Remuneration Committee uses its discretion to assess the Annual Bonus, if any. It is involved with setting the objectives of the Executive Directors and is therefore able to judge the achievements by them.

The Remuneration Committee made the Annual Bonus awards this year (2013/2014) because the overall achievements are valuable to the company and long lasting.

The Executive Board has demonstrated in recent years that it is fully aligned in terms of shareholders' interests as the company has been affected by the recession:

- There have been no salary increases for two years
- There were no bonuses last year
- Awards under the Long Term Incentive Plan have been suspended
- All final salary related pension commitments have been closed out and E M Ziff does not receive any pension contributions

It remains, however critical to the Group's future success that the Executive Board are properly rewarded and motivated to continue to produce superior shareholder returns.

The aim of the Company's remuneration policy is to remunerate the directors fairly for their performance. As a property company the market performance is directly linked to valuation movements and consequently it is company policy that Directors are not rewarded for market driven changes in the value of the investment portfolio or the share price. It is our view that our approach to remuneration is pragmatic and reflects the aspiration of all shareholders.

During 2013/14 the Group has seen performance at all levels significantly in excess of accepted market indices and the directors have made significant progress in moving towards strategic goals set in their annual objectives.

The Directors received no increase in salary for the year to 30 September 2014 but salary increases have been approved for next year. Discretionary Annual Bonuses for E M Ziff and R A Lewis as set out in the report below have been agreed for significant achievements.

John A Nettleton.

JA Nettleton
Chairman of the Remuneration Committee
10 October 2014

Remuneration Committee

The remuneration committee consists of Non-executive directors, with J A Nettleton (Chairman) and H T Stanton serving on the committee throughout the year. The committee met once during the year. The Chairman and Chief Executive provided input to the committee with regard to the discretionary bonus of the directors. No external advice was sought on remuneration matters during the course of the year.

Policy report

The Remuneration Committee implements the Company's policy, which is to provide remuneration packages with fixed and variable elements that fairly reward the Executive Directors for their contribution to the business. It seeks to ensure that the packages are sufficiently competitive to attract, retain and motivate the Directors to manage the Group successfully, without making excessive payments. The policy seeks to achieve the Group's strategic and financial objectives by aligning the interests of the directors and shareholders.

Fixed remuneration

The fixed element of Directors' remuneration comprises Base Salary, Benefits and Pension (see over for the pension). This element seeks to ensure that the company attracts and retains appropriately talented individuals and provides a framework for them to save for retirement. The committee considers the overall balance between the elements. Salaries are determined with regard to individual and company performance and to market rates and comparable roles at comparable companies. Benefits principally comprise company cars or a salary alternative, permanent health and medical insurance premiums and the Chairman and Chief Executive has the use of a flat in London, which is also used for company meetings. The value of the benefits or salary alternative is not pensionable. R A Lewis receives an extra salary payment in lieu of his contractual pension entitlement (this is paid as salary because of the Lifetime Allowance cap) and the Company makes payments to a defined contribution scheme for D S Syers of 10% of salary. In 2010 the company made significant payments to the pension funds of E M Ziff and R A Lewis which enabled the liability of the company to pay final salary pensions to be commuted. As a result E M Ziff does not receive pension contributions and R A Lewis is entitled to a fixed annual payment until 2015. These pension arrangements give no exposure to underfunding whatsoever.

Variable remuneration

The Company operates an Annual Bonus Plan under which awards are discretionary and the committee considers the performance of each individual Director and of the Company in assessing the level of payments under the plan. In particular profit and growth in shareholder value

(measured by the increase in net asset value per share and dividends paid as well as any increase in share values) were carefully considered by the Remuneration Committee in awarding the bonus reported when such increases were the result of directors' input. The maximum award is up to 60% of salary (although this level has never been awarded and bonuses in recent years have been low). This bonus is not pensionable. It is company policy to reward exceptional growth or performance.

The Company has an executive share option scheme (2007 Approved Scheme). However, the Company has not issued any options to directors under the scheme. The directors participate annually in the Share Incentive Plan (All Employee Incentive Plan), which was approved by shareholders in December 2003. The current investment limit is £1,500 per annum with a Share Matching Element equal to 100% of the investment made subject to forfeiture should the individual cease to be employed during the first three years of the plan.

For the year 2013/2014, the Remuneration Committee took into account all achievements and objectives.

Service agreements and external appointments

The Chairman and Chief Executive has a service contract that is subject to not less than 2 years notice. R A Lewis and D S Syers have service contracts with one year and 3 months notice respectively. Their contracts provide for retirement at 60 and 65 respectively. The company can discharge any obligation in relation to the unexpired portion of their notice period or any notice required to be given under their service contracts by making a payment in lieu thereof.

Directors are permitted to accept Non-executive appointments by prior arrangement and provided there is no conflict with the company. If the company terminates the contract without giving notice and/or makes a payment in lieu of any damages to which the executive may be entitled the payment is to be calculated in accordance with common law principles, including those relating to mitigation of loss and accelerated receipt.

Non-executive Director Remuneration

The Non-executive directors do not have service contracts. They are appointed for an initial three year period and this may be renewed on expiry of that period. The Non-executive directors are not entitled to participate in bonus, or share based payment schemes and any other benefits.

Remuneration of other employees

Remuneration of other employees is set at a level to attract, motivate and retain talented individuals. This may include a company car or car allowance as appropriate. Remuneration levels are recommended by the executive directors and noted by the Remuneration Committee.

Employees are eligible to participate in the Group bonus scheme and the SIP scheme. The company makes pension contributions for eligible employees to SIPPs at rates which vary depending on seniority. The company has instituted auto-enrolment with effect from 1 July 2014.

Consideration of shareholder views

The company receives comments on its remuneration from shareholders. These comments are reviewed by the Remuneration Committee who consider the comments particularly with a view to overall levels of remuneration.

Performance Graph

The following graph shows the Company's TSR performance compared to the Datastream UK Real Estate Index, measured in the same way over the ten years ended 30 June 2014. This index has been chosen because the Directors consider it the most appropriate comparison.

Total Shareholder Return (TSR) comprises the total of dividends paid and the increase in net assets per share

Directors' remuneration report continued

Implementation report - audited disclosures

A summary of the emoluments paid to each Director is shown in the table below:

Directors' remuneration

	Salaries and fees		Bonuses		Taxable Benefits		SIP Shares		Pension Contributions		Total	
	2014 £000	2013 £000	**2014 £000**	2013 £000	**2014 £000**	2013 £000	**2014 £000**	2013 £000	**2014 £000**	2013 £000	**2014 £000**	2013 £000
Executive Chairman and Chief Executive												
E M Ziff	**538**	538	**-**	-	**65**	64	**2**	2	**-**	-	**605**	604
Executive Directors												
R A Lewis	**291**	291	**-**	-	**20**	23	**2**	2	**43**	43	**356**	359
C J Kelly	**145**	185	**-**	-	**12**	11	**-**	-	**20**	24	**177**	220
D S Syers	**38**	-	**-**	-	**4**	-	**-**	-	**4**	-	**46**	-
	1,012	1,014	**-**	-	**101**	98	**4**	4	**67**	67	**1,184**	1,183
Non-executive Directors												
J A Nettleton	**47**	47	**-**	-	**-**	-	**-**	-	**-**	-	**47**	47
M A Ziff	**47**	47	**-**	-	**-**	-	**-**	-	**-**	-	**47**	47
H T Stanton	**47**	47	**-**	-	**-**	-	**-**	-	**-**	-	**47**	47
	141	141	**-**	-	**-**	-	**-**	-	**-**	-	**141**	141
	1,153	1,155	**-**	-	**101**	98	**4**	4	**67**	67	**1,325**	1,324

Footnotes:

The Directors' service contracts were entered into as follows; E M Ziff 22 May 1985, R A Lewis 7 September 2010 and D S Syers 12 April 2014.

In May 2014 E M Ziff and R A Lewis accepted an invitation to participate in the SIP by each agreeing to purchase shares to the value of £1,500, paid between June 2014 and November 2014. They will be eligible to receive "matching" shares on a one for one basis. The number of shares will be determined at the end of November 2014. For illustration, based on the share price as at 30 June 2014, this would equate to each Director receiving 652 partnership shares and 652 matching shares. In November 2013 each of the directors received 931 partnership shares and 931 matching shares in respect of the 2013 Share Incentive Plan. The total number of partnership and matching SIP shares beneficially held at 30 June 2014 is shown below.

The increase in the salary of CEO was 0% compared to an overall increase of 11% in other staff salary costs. The remuneration of the CEO for the last 5 years is 2010 - £1.5m, 2011 - £0.67m, 2012 - £0.67m, 2013 - £0.60m, 2014 - £0.60m.

Share Incentive Plan

	2014 Number of shares	2013 Number of shares
E M Ziff	**11,364**	9,502
R A Lewis	**11,364**	9,502
C J Kelly	**-**	3,636
D S Syers	**-**	-

Directors' interests in shares

Details of the interests of the Directors and their connected parties in the ordinary share capital of the Company are set out opposite.

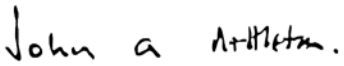
There have been no movements in Directors' shareholdings between 1 July 2014 and 10 October 2014 other than, on 16 July 2014 M A Ziff transferred £40,000 shares to his children.

The non-beneficial interest disclosures include 1,887,094 ordinary shares over which a power of attorney has been granted by M E Ziff jointly to E M Ziff and M A Ziff for personal estate management reasons and 6,170,391 ordinary shares over which a power of attorney has been granted by A L Manning to E M Ziff for personal estate management reasons. Non-beneficial holdings include shares held in trust and under powers of attorney.

E M Ziff, R A Lewis and D S Syers are directors of TCS Trustees Limited, Trustee for the shares that are required for the All Employee Share Incentive Plan. At 30 June 2014, TCS Trustees Limited held 148,962 ordinary shares (2013: 183,345) on behalf of all participants including those share awards of Executive Directors shown on page 28.

In addition M A Ziff has granted security over 400,000 ordinary shares.

This report was approved by the board on 10 October 2014 and signed on its behalf by



J A Nettleton
Chairman of the Remuneration Committee

Directors' interests in shares

		30 June 2014 Number of shares	30 June 2013 Number of shares
E M Ziff	Beneficial	**5,853,920**	5,852,358
	Non-beneficial	**19,499,576**	19,564,107
R A Lewis	Beneficial	**330,399**	320,837
C J Kelly	Beneficial	**2,599**	13,636
D S Syers	Beneficial	**-**	-
J A Nettleton	Beneficial	**36,000**	36,000
M A Ziff	Beneficial	**3,347,373**	3,353,156
	Non-beneficial	**13,320,796**	13,430,782
H T Stanton	Beneficial	**5,000**	5,000

Other unaudited disclosures

	30 June 2014 £000	30 June 2013 £000
Total employee remuneration	**3,086**	2,817
Total dividends paid	**5,876**	5,550

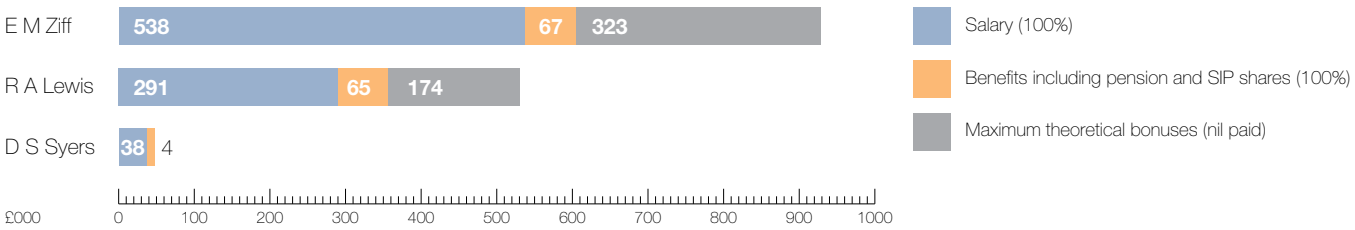
Gender and Diversity

The Board's policy is to treat all employees equally whatever their gender or ethnicity. The total of the 92 Group employees comprises 30 women and 62 men and the Board is wholly male.

Voting at Annual General Meeting

At the Annual General Meeting on 19 November 2013 the prior years' remuneration report was approved unanimously.

Board Remuneration including theoretical maximum bonuses



Footnote: All of the salaries and benefits shown above have been paid in the year; no bonuses were paid.

Directors' report

The Directors have pleasure in presenting the Annual Report and Accounts for the year ended 30 June 2014.

A Strategic Report on the Group and its results for the year is contained within pages 2 to 5, which should be read in conjunction with this report.

Principal activities
The principal activities of the Group during the financial year remained those of property investment, development and trading and the provision of car parking.

Results for the year and dividends
The results are set out in the Consolidated Income Statement on page 35.

An interim dividend of 3.10p per share was paid on 28 June 2014 as a PID. The Directors now recommend the payment of a final dividend of 7.34p per share comprising a PID of 5.02p per share and an ordinary dividend of 2.32p per share. The proposed final dividend will be paid on 6 January 2015 to ordinary shareholders on the register at the close of business on 5 December 2014.

Business review
A Strategic Report within pages 2 to 5, which is incorporated in this report by reference, provides detailed information relating to the Group. This includes the strategy, operation and development of the business, the basis on which the Group generates or preserves value over the longer term, its future prospects and the results and financial position for the year ended 30 June 2014.

Non-current assets
Details of movements in non-current assets are set out in Note 12 to the Consolidated Accounts.

Investment properties are held at fair value and were revalued by Jones Lang LaSalle and CB Richard Ellis, as at 30 June 2014, on the basis of open market value, or were revalued by the Directors. The key assumptions are set out in Note 12 to the Consolidated Accounts. In arriving at the valuation, each property has been valued individually.

Share capital
There were no changes in the Company's issued share capital during the year are set out in Note 22 to the Consolidated Accounts.

Purchase of own shares
The Company did not purchase any of its own shares during the year.

At the forthcoming Annual General Meeting (AGM) the Company will be seeking to renew its authority to purchase up to 14.99% of the ordinary shares in issue, assuming the remaining authority is fully utilised. Authority was previously granted to acquire 7,968,976 ordinary shares at the AGM in November 2013 and remains unutilized. Shares will only be purchased if the Board believes it can take advantage of stock market conditions to enhance returns for the remaining shareholders.

Derivatives and other financial instruments
The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, bank loans and debenture stock. The Group seeks to minimise the risk of fluctuating interest rates by using long-term fixed debt to match its property ownerships and commitments, or by using interest rate swaps and caps to protect floating rate borrowings.

Supplier payment policy
It is the Company and Group's policy to agree payment terms with suppliers when entering into each transaction or series of transactions, to ensure that suppliers are made aware of these terms and abide by them. Creditor days at the end of the year for the Group were 30 days (2013: 18 days) and for the Company were nil days (2013: nil days).

Donations
Charitable donations during the year amounted to £108,000 (2013: £91,000). Details of charities supported by the Group are set out on page 19. The Group made no political contributions in either year.

Taxation
The Company is not a close company.

Substantial shareholdings
Substantial interests (other than Directors) in the share capital of the Company are set out in the table on page 29.

Directors and Directors' interests
The Directors of the Company and their biographical details are shown on page 18. All of the Directors served for the whole of the year except for C J Kelly and D S Syers. None of the Directors has any contracts of significance with the Company. Details of the Executive Directors' service contracts are given in the Remuneration Report on page 28.

Beneficial and non-beneficial interests of the Directors in the shares in the Company as at 30 June 2014 are disclosed in the Remuneration Report on pages 28 and 29. Details of the interests of the Directors in share options and awards of shares can be found within the same report.

In accordance with the Company's Articles of Association D S Syers, R A Lewis and E M Ziff will retire by rotation at the Company's AGM on 18 November 2014 and, being eligible, offer themselves for re-election.

Directors' indemnity insurance
In accordance with the Company's Articles of Association, the Company has provided to all the Directors an indemnity (to the extent permitted by the Companies Act 2006) in respect of liabilities incurred as a result of their office and the Company has taken out an insurance policy in respect of those liabilities. Neither the indemnity nor insurance provides cover in the event that the Director is proven to have acted dishonestly or fraudulently.

Annual General Meeting
A Notice of Meeting can be found on pages 65 to 68 explaining the business to be considered at the AGM on 18 November 2014. This will include renewal of the Company's authority to purchase, in the market, its own shares and allot shares for cash other than on a pre-emptive basis to existing shareholders.

Disclosure of information to the auditors

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Going concern

After consideration of future trading activities and making appropriate enquiries, including a review of forecasts, budgets and banking facilities, the Directors are satisfied that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the Financial Statements.

Independent auditor

The auditors, PricewaterhouseCoopers LLP (PwC), have indicated their willingness to continue in office, and a resolution that they be re-appointed will be proposed at the AGM.

Substantial shareholding

Excluding those of the Directors, the Company had been notified of the following substantial interests in its share capital at 10 October 2014.

	Number of shares	% of issued capital
A L Manning	6,170,391	11.61
HSBC Global Custody Nominee (UK) Limited	2,567,980	4.83
M E Ziff	1,887,094	3.55

By order of the Board

D S Syers
Company Secretary
10 October 2014

Independent auditors' report to the members of Town Centre Securities PLC

Report on the group financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the group's affairs as at 30 June 2014 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and Article 4 of the IAS Regulation.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The group financial statements (the "financial statements"), which are prepared by Town Centre Securities PLC, comprise:

- the Consolidated balance sheet as at 30 June 2014;
- the Consolidated income statement and Consolidated statement of comprehensive income for the year then ended;
- the Consolidated cash flow statement for the year then ended;
- the Consolidated statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report and Accounts (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Overview of our audit approach

Materiality

We set certain thresholds for materiality. These helped us to determine the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the group financial statements as a whole to be £341,000. This represents approximately 5% of profit before tax, excluding property revaluation movements. We believe that profit before tax, adjusted for property revaluation movements is the most appropriate benchmark for our audit as it provides us with a consistent year on year basis for determining materiality by eliminating the non-recurring disproportionate impact of these items.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £17,000 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Overview of the scope of the audit

The group financial statements are a consolidation of 17 reporting units, comprising the group's operating businesses and centralised functions made up of two reportable segments, property rental and car park operations.

The scope of our audit included the financial information of the reporting units to obtain sufficient appropriate audit evidence as a basis for our opinion on the group financial statements as a whole. All of the audit work was conducted by the group engagement team.

Areas of particular audit focus

In preparing the financial statements, the directors made a number of subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We primarily focused our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements. In our audit, we tested and examined information, using sampling and other auditing techniques, to the extent we considered necessary to provide a reasonable basis for us to draw conclusions. We obtained audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

We considered the following areas to be those that required particular focus in the current year. This is not a complete list of all risks or areas of focus identified by our audit. We discussed these areas of focus with the Audit Committee. Their report on those matters that they considered to be significant issues in relation to the financial statements is set out on page 24.

Area of focus	How the scope of our audit addressed the area of focus
Investment property revaluations The valuation of property is inherently subjective due to, among other factors, the individual nature of each property, its location and the expected future rental revenues for that particular property. Valuations have been provided by CBRE and Jones Lang LaSalle in the majority of cases.	We assessed whether the properties held by the Group were valued on a consistant basis and using appropriate methods. We performed testing over data provided by the Group to the external valuers, including lease data. We also met with the external valuers, CBRE and Jones Lang LaSalle to understand and challenge their assumptions and conclusions, utilising our valuation experience.
Fraud in revenue recognition ISAs (UK & Ireland) presume there is a risk of fraud in revenue recognition. Because of this we focused on the timing of the recognition of rental income and revenue from the disposal of properties and its presentation in the income statement as well as gains on the valuation of investment and development property.	We performed substantive procedures to test revenue transactions throughout the year and around the period end. We tested the reconciliations between the property revenue system used by the Group and its financial ledgers. We tested the timing of revenue recognition, taking into account contractual obligations, and in particular considered how the Group recorded revenue based on sales of investment and trading properties. The scope of work on the valuation of investment and development property is described above.
Risk of management override of internal controls ISAs (UK & Ireland) require that we consider this.	We assessed the overall control environment of the Group, including the arrangements for staff to "whistle-blow" inappropriate actions, and interviewed senior management. We examined the significant accounting estimates and judgements relevant to the financial statements for evidence of bias by the directors that may represent a risk of material misstatement due to fraud. We also tested journal entries by applying a risk based approach.

Going Concern

Under the Listing Rules we are required to review the Directors' statement, set out on page 31, in relation to going concern. We have nothing to report having performed our review.

As noted in the directors' statement, the directors have concluded that it is appropriate to prepare the financial statements using the going concern basis of accounting. The going concern basis presumes that the group has adequate resources to remain in operation, and that the directors intend it to do so, for at least one year from the date the financial statements were signed. As part of our audit we have concluded that the directors' use of the going concern basis is appropriate.

However, because not all future events or conditions can be predicted, these statements are not a guarantee as to the group's ability to continue as a going concern.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the information given in the Corporate Governance Statement set out on pages 23 to 25 with respect to internal control and risk management systems and about share capital structures is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion, we have not received all the information and explanations we require for our audit. We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of Town Centre Securities PLC continued

Corporate governance statement

Under the Companies Act 2006 we are required to report to you if, in our opinion, a corporate governance statement has not been prepared by the parent company. We have no exceptions to report arising from this responsibility.

Under the Listing Rules we are required to review the part of the corporate governance statement relating to the parent company's compliance with nine provisions of the UK Corporate Governance Code ("the Code"). We have nothing to report having performed our review.

On page 24 of the Annual Report, as required by the Code Provision C.1.1, the directors state that they consider the Annual Report taken as a whole to be fair, balanced and understandable and provides the information necessary for members to assess the group's performance, business model and strategy. On page 99, as required by C.3.8 of the Code, the Audit Committee has set out the significant issues that it considered in relation to the financial statements, and how they were addressed. Under ISAs (UK & Ireland) we are required to report to you if, in our opinion:

- the statement given by the directors is materially inconsistent with our knowledge of the group acquired in the course of performing our audit; or
- the section of the Annual Report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.

We have no exceptions to report arising from this responsibility.

Other information in the Annual Report

Under ISAs (UK & Ireland) we are required to report to you if, in our opinion, information in the Annual Report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the group acquired in the course of performing our audit; or
- is otherwise misleading.

We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' responsibilities set out on page 25, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other matter

We have reported separately on the parent company financial statements of Town Centre Securities PLC for the year ended 30 June 2014 and on the information in the Directors' Remuneration Report that is described as having been audited.

Steve Denison (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds
10 October 2014

Consolidated income statement

for the year ended 30 June 2014

	Notes	**2014 £000**	2013 £000
Gross revenue	3	**22,633**	22,427
Property expenses	3	**(3,679)**	(3,879)
Net revenue		**18,954**	18,548
Administrative expenses	4	**(4,679)**	(4,183)
Other income	7	**852**	734
Valuation movement on investment properties	12	**19,805**	(3,806)
Operating profit		**34,932**	11,293
Finance costs	8	**(7,585)**	(7,676)
Share of post tax profits from joint ventures	13	**87**	(54)
Profit before taxation		**27,434**	3,563
Taxation	9	**-**	(5)
Profit for the year attributable to owners of the Parent		**27,434**	3,558
Earnings per ordinary share of 25p each			
Basic	11	**51.6p**	6.7p
Diluted	11	**51.6p**	6.7p
Underlying (non-GAAP measures)	11	**14.4p**	13.7p
Dividends per ordinary share			
Paid during the year	10	**10.44p**	10.44p
Proposed	10	**7.34p**	7.34p

Consolidated statement of comprehensive income

for the year ended 30 June 2014

	2014 £000	2013 £000
Profit for the year	**27,434**	3,558
Other comprehensive income		
Items that may be subsequently reclassified to profit or loss		
Revaluation losses on cash flow hedges	**298**	237
Ravaluation gains on other investments	**112**	20
Total comprehensive income for the year	**27,844**	3,815

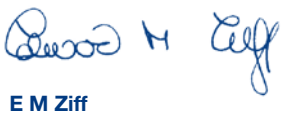
All recognised income for the year is attributable to owners of the Parent. The Notes on pages 39 to 54 are an integral part of these Group financial statements.

Consolidated balance sheet

as at 30 June 2014

	Notes	2014 £000	2013 £000
Non-current assets			
Investment properties	12	**317,697**	301,038
Fixtures, equipment and motor vehicles	12	**1,112**	904
Investments in joint ventures	13	**1,748**	1,661
Unamortised tenant lease incentives		**3,788**	3,705
Total non-current assets		**324,345**	307,308
Current assets			
Non current assets held for sale		**7,500**	-
Investments	14	**1,734**	1,766
Trade and other receivables	15	**4,705**	4,190
Total current assets		**13,939**	5,956
Total assets		**338,284**	313,264
Current liabilities			
Trade and other payables	16	**(13,908)**	(12,691)
Financial liabilities – borrowings	17	**(1,845)**	(3,688)
Derivative financial instruments		**-**	(298)
Total current liabilities		**(15,753)**	(16,677)
Net current liabilities		**(1,814)**	(10,721)
Non-current liabilities			
Financial liabilities – borrowings	17	**(158,660)**	(154,684)
Total non-current liabilities		**(158,660)**	(154,684)
Total liabilities		**(174,413)**	(171,361)
Net assets		**163,871**	141,903
Equity attributable to the owners of the Parent			
Called up share capital	22	**13,290**	13,290
Share premium account		**200**	200
Other reserves		**559**	261
Retained earnings		**149,822**	128,152
Total equity		**163,871**	141,903
Net assets per share		**308p**	267p

The financial statements on pages 35 to 54 were approved by the Board of Directors on 10 October 2014 and signed on its behalf by:



E M Ziff
Chairman and Chief Executive

D S Syers
Finance Director

Consolidated statement of changes in equity

as at 30 June 2014

	Share capital £000	Share premium account £000	Hedging reserve[1] £000	Capital redemption reserve[1] £000	Retained earnings £000	Total equity £000
Balance at 1 July 2012	13,290	200	535	559	130,144	143,658
Profit for the year	-	-	-	-	3,558	3,558
Other comprehensive income:						
– Revaluation losses on cash flow hedge	-	-	237	-	-	237
– Revaluation gains on other investments	-	-	-	-	20	20
Total comprehensive income for the year ended 30 June 2013	-	-	237	-	3,578	3,815
Other adjustments						
Final dividend relating to the year ended 30 June 2013 paid in January 2014	-	-	-	-	(3,902)	(3,902)
Interim dividend relating to the year ended 30 June 2014 paid in June 2014	-	-	-	-	(1,648)	(1,648)
	-	-	-	-	(5,570)	(5,570)
Balance at 30 June 2013	13,290	200	(298)	559	128,152	141,903
Balance at 1 July 2013	13,290	200	(298)	559	128,152	141,903
Profit for the year	-	-	-	-	27,434	27,434
Other comprehensive income:						
– Revaluation losses on cash flow hedge	-	-	298	-	-	298
– Revaluation gains on other investments	-	-	-	-	112	112
Total comprehensive income for the year ended 30 June 2014	-	-	298	-	27,546	27,844
Other adjustments						
Final dividend relating to the year ended 30 June 2013 paid in January 2014	-	-	-	-	(3,902)	(3,902)
Interim dividend relating to the year ended 30 June 2014 paid in June 2014	-	-		-	(1,974)	(1,974)
	-	-	-	-	(5,876)	(5,876)
Balance at 30 June 2014	**13,290**	**200**	-	**559**	**149,822**	**163,871**

[1]Other reserves on the balance sheet consist of hedging reserve and capital redemption reserve in the table above.

Consolidated cash flow statement

for the year ended 30 June 2014

	Notes	2014 £000	2014 £000	2013 £000	2013 £000
Cash flows from operating activities					
Cash generated from operations	23	**15,990**		14,977	
Interest paid		**(7,823)**		(7,861)	
Tax paid		**-**		(5)	
Net cash generated from operating activities			**8,167**		7,111
Cash flows from investing activities					
Purchases and refurbishment of investment properties		**(12,977)**		(12,406)	
Acquisition of shares in Apperley Bridge Limited		**-**		(1,370)	
Settlement of Apperley Bridge Limited obligations		**-**		(1,000)	
Purchases of plant and equipment		**(490)**		(389)	
Proceeds from sale of investment properties		**8,802**		2,496	
Proceeds from sales of listed investments		**241**		101	
Net cash used in investing activities			**(4,424)**		(12,568)
Cash flows from financing activities					
Proceeds from other non-current borrowings		**676**		8,900	
Dividends paid to shareholders		**(5,876)**		(4,787)	
Net cash (used in)/generated from financing activities			**(5,200)**		4,113
Net decrease in cash and cash equivalents			**(1,457)**		(1,344)
Cash and cash equivalents at 1 July			**(388)**		956
Cash and cash equivalents at 30 June			**(1,845)**		(388)

The Cash Flow Statement should be read in conjunction with Note 23.

Notes to the consolidated accounts

1. Accounting policies

The principal accounting policies adopted in the preparation of these Consolidated Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Town Centre Securities PLC (the Company) is a public limited company domiciled in the United Kingdom. Its shares are listed on the London Stock Exchange. The Consolidated Financial Statements of the Company for the year ended 30 June 2014 comprise the Company and its subsidiaries (together referred to as the Group). The address of its registered office is Town Centre House, The Merrion Centre, Leeds LS2 8LY.

Basis of preparation

Statement of compliance

The Consolidated Financial Statements of Town Centre Securities PLC have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, IFRIC Interpretations and the Companies Act 2006.

Income and cash flow statements

The Group presents its Income Statement by nature of expense. The Group reports cash flows from operating activities using the indirect method. The acquisitions of investment properties are disclosed as cash flows from investing activities because this most appropriately reflects the Group's business activities. Cash flows from investing and financing activities are determined using the direct method.

Preparation of the Consolidated Financial Statements

The Consolidated Financial Statements have been prepared under the historical cost convention as modified by the revaluation of investment property.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Consolidated Financial Statements, are disclosed in Note 2.

Changes in accounting policy and disclosure

a) Standards, amendments to published standards and interpretations effective for the period ended 30 June 2014

There are no IFRSs or IFRIC interpretations that are effective for the first time for the period ended 30 June 2014 that have had a material effect on the Group.

b) New Standards, amendments to published standards and interpretations issued but not effective for the period ended 30 June 2014 and not early adopted

There are no IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material effect on the Group.

Going concern

The Directors have reviewed the cash flow forecasts of the Group and the underlying assumptions on which they are based. The Group Accounts include details of bank and debenture facilities and of investment properties at open market value. The Group uses external valuers to determine the value of properties and these values are used in the assessment of loan to value covenants, compliance with which is reviewed on a regular basis.

The Group's business activities, together with the factors likely to affect its future development, are set out in the Chairman and Chief Executive's Statement. In addition the Directors considered the Accounting Polices note which includes the Company's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities and its exposure to credit and liquidity risk.

The Board considers that it has adequate financial resources (as set out in Note 17), tenants with appropriate leases and covenants, and properties of sufficient quality to enable it to conclude that it is well placed to manage its business risks in the current economic climate. The Directors have therefore concluded that the Company has adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis of accounting in preparing the Annual financial statements.

Consolidation

a) Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the Income Statement.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Notes to the consolidated accounts continued

1. Accounting policies continued
Consolidation continued

(b) Joint ventures
A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control.

Investments in jointly controlled entities are accounted for using the equity method of accounting and are initially recognised at cost.

The Group's share of its jointly controlled entities' post-acquisition profits or losses is recognised in the Income Statement. Investments in joint ventures are carried in the balance sheet at cost as adjusted by post-acquisition changes in the Group's share of net assets of the jointly controlled entity less any impairment in the value of the investment.

Unrealised gains on transactions between the Group and its jointly controlled entities are eliminated to the extent of the Group's interest in the joint venture. Accounting policies of joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

Segment reporting
A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

A geographical segment is engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments.

The Group operates in two business segments comprising property investment and development, and car park operations. The Group's operations are performed wholly in the United Kingdom.

The chief operating decision-maker has been identified as the Board. The Board reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

Property, plant and equipment
a) Investment properties
Investment property comprises freehold land and buildings and long-leasehold buildings. This comprises mainly retail units, offices and operational car parks, and is measured initially at cost, including related transaction costs. These are held as investments to earn rental income and for capital appreciation and are stated at fair value at the balance sheet date.

After initial recognition investment property is carried at fair value, based on market values. It is then determined twice annually by independent external valuers or held at Directors' valuation if appropriate. The surplus or deficit arising from these valuations is included in the Income Statement. When an existing investment property is redeveloped for continued future use as an investment property, it remains an investment property whilst in development.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in light of current market conditions.

Subsequent expenditure is added to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Income Statement during the financial period in which they are incurred.

Borrowing costs associated with direct expenditure on properties undergoing major refurbishment are capitalised. The amount is calculated using the Group's weighted average cost of borrowing.

Property that is being constructed or developed for future use as an investment property is also classified as investment property under the sub-heading development property and is stated at fair value.

The gain or loss arising on the disposal of investment properties is determined as the difference between the net sale proceeds and the carrying value of the asset at the beginning of the period and is recognised in the Income Statement of the period during which the sale becomes unconditional. In circumstances where the exchange of contracts and the completion of the disposal fall on either side of the balance sheet date, the asset is re-classified as a current asset in the balance sheet.

Freehold land held for development is not depreciated.

(b) Plant and equipment
Plant and equipment are shown at historical cost less depreciation and provision for impairment. Historic cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is calculated on a straight line basis at rates appropriate to write off individual assets over their estimated useful lives of between three and ten years.

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in the Income Statement.

1. Accounting policies continued

Impairment of assets
Assets other than investment properties are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of any asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Investments
The Group classifies its listed investments as available-for-sale financial assets.

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within twelve months of the balance sheet date.

Purchases and sales of investments are recognised on the trade date, which is the date the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value. The fair values of listed investments are based on current bid prices. Unrealised gains and losses arising from changes in the fair value of securities classified as available-for-sale are recognised in equity. When securities classified as available-for-sale are sold, the accumulated fair value adjustments are included in the Income Statement as gains and losses from investment securities.

Dividends on available-for-sale equity instruments are recognised in the Income Statement when the Group's right to receive payment is established.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the Income Statement.

Operating leases
(a) A Group company is the lessee

Leases where the lessor retains a significant portion of the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Income Statement on a straight line basis over the period of the lease.

(b) A Group company is the lessor

Properties leased to third parties under operating leases are included in investment property in the balance sheet. The leases in our portfolio have a wide variety of term and tenures and there is no standard. There are no significant contingent rents or indexation uplifts.

Unamortised tenant lease incentives
Leasehold incentives given to tenants on entering property leases are currently recognised as unamortised lease incentives on the balance sheet. The operating lease incentives are spread over the non cancellable life of the lease. Where this ends with a clean break clause the incentives are spread to this date unless management are reasonably certain that the break will not be exercised.

Trade receivables
Trade receivables are recognised initially at fair value and are subsequently measured less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables concerned. The amount of the provision is recognised in the Income Statement.

Held-for-sale assets
Held-for-sale assets are investment properties which are designated as available-for-sale and not recognised in any of the categories above.

Held-for-sale assets are held at fair value and are derecognised when the Group has transferred substantially all the risks and rewards of ownership.

Cash and cash equivalents
Cash and cash equivalents are carried in the balance sheet at cost. Cash and cash equivalents comprise cash in hand, deposits held at call with banks, other short-term, highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are included within borrowings in current liabilities on the balance sheet.

Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Borrowings
Borrowings are recognised net of transaction costs incurred. Debt finance costs are amortised based on the effective interest rate.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

Notes to the consolidated accounts continued

1. Accounting policies continued

Derivative financial instruments (derivatives) and hedge accounting

The Group uses interest rate swaps to help manage its interest rate risk. In accordance with its treasury policy, the Group does not hold or issue derivatives for trading purposes.

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair value or cash flows of hedged items.

All derivatives are initially recognised at fair value at the date the derivative is entered into and are subsequently remeasured at fair value. The fair value of interest rate swaps is based on broker quotes.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument.

Cash flow hedges

Where a derivative is designated as a hedge of the variability of a highly probable forecast transaction, e.g. an interest payment, the element of the gain or loss on the derivative that is an effective hedge is recognised directly in equity. When the forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised directly in equity are reclassified into the Income Statement in the same period or periods during which the asset acquired or liability assumed affects the Income Statement, i.e. when interest income or expense is recognised.

Taxation

The tax charge in the Income Statement comprises tax currently payable.

Town Centre Securities PLC elected for group Real Estate Investment Trust (REIT) status with effect from 2 October 2007. As a result the Group no longer pays United Kingdom corporation tax on the profits and gains from its qualifying rental business in the United Kingdom provided it meets certain conditions. Non-qualifying profits and gains of the Group continue to be subject to corporation tax as normal. On entering the REIT regime an entry charge equal to 2% of the aggregate market value of the properties associated with the qualifying rental business was payable. Deferred tax accrued at the date of conversion in respect of the assets and liabilities of the qualifying rental business was released to the Income Statement as the relevant temporary differences are no longer taxable on reversal.

In respect of non-qualifying activities and related profits, gains and losses:

(a) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. However, no provision for deferred tax is made for temporary timing differences arising on the initial recognition of assets or liabilities that affect neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group is entitled to settle its current tax assets and liabilities on a net basis.

(b) Current tax

The charge for current tax is based on the results for the period as adjusted for items which are non-assessable or disallowed. It is calculated using rates of tax that have been enacted by the balance sheet date.

Employee benefits

Pension arrangements

The Group operates defined contribution arrangements for all eligible Directors and employees. A defined contribution plan is a pension plan under which the Group pays contributions into a private or publicly administered pension insurance plan. Pension costs are charged to the Income Statement in the period when they fall due. Pre-paid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

1. Accounting policies continued

Non-recurring items
Significant transactions which occur outside the normal scope of business are classified as non-recurring items.

Revenue recognition
(a) Rental income

Revenue comprises the fair value of rental income and management charges from properties (net of Value Added Tax).

This income is recognised:

i) rental income is recognised on an accruals basis on a straight line basis over the term of the lease

ii) turnover rents are based on underlying turnover and are recognised in the period to which the turnover relates

iii) rent reviews are recognised with effect from the review date

(b) Car park income

Contract car park income is recognised as it falls due, in accordance with the contract to which it relates. Daily car park income is recognised when received.

(c) Interest income

Interest income on any short-term deposits is recognised in the Income Statement as it accrues.

(d) Other income

Other income includes dividend income, which is recognised when the right to payment is established and surrender premiums or lease assignments received from outgoing tenants prior to the termination of their lease.

(e) Service charge income

Service charge income receivable from tenants relating to management fees is credited to gross income in the Income Statement and recognised in line with the underlying contractual arrangement, i.e. when the income falls due.

Dividend distribution
Dividend distribution to the Company's shareholders is recognised in the Group's financial statements in the period in which the dividends are paid.

Financial risk management
The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk, cash flow and fair value interest rate risk, capital risk and price risk.

(a) Credit risk

The Group has no significant concentrations of credit risk. It has policies in place to ensure that rental contracts are made with customers with an appropriate credit history. The Group has policies that limit the amount of credit exposure to any financial institution. The Group has no significant concentration of credit risk as exposure is spread over a large number of counterparties and tenants.

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Group treasury policy aims to maintain flexibility in funding by keeping committed credit lines available.

(c) Cash flow and fair value interest rate risk

The Group has no significant interest bearing assets. Borrowings issued at variable rates expose the Group to cash flow interest rate risk.

The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest costs may increase as a result of such changes. They may reduce or create losses in the event that unexpected movements arise.

The Group continually reviews interest rates and interest rate risk and has a policy of monitoring the costs and benefits of interest rate fixing instruments with a view to hedging exposure to interest rate risk on a regular basis.

The Group assesses the effectiveness of hedges and where a hedge is highly effective, the gain or deficit is taken to the hedging reserve.

At 30 June 2014, 66.7% (2013: 87.9%) of the Group's borrowings were protected against future interest rate volatility, either through fixed rate borrowings or by using interest rate swaps or caps to protect floating rate borrowings.

(d) Capital risk

The Group's objective in managing capital is to maintain a strong capital base to support current operations and planned growth and to provide for an appropriate level of dividend payments to shareholders.

The Group is not subject to external regulatory capital requirements.

(e) Price risk

Current asset investments are subject to price risk as a result of fluctuations in the market. The Group limits the amount of exposure by continually assessing the performance of these investments.

(f) Compliance with covenants

The Group's bank facilities and the mortgage debenture stock include a number of covenants principally relating to income and capital cover. The Directors monitor performance against these covenants on a regular basis.

Notes to the consolidated accounts continued

2. Critical accounting estimates and judgements

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The only estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year relate to the valuation of investment properties. The basis of valuation is set out in Note 12 along with a sensitivity analysis.

3. Segmental information

The chief operating decision-maker has been identified as the Board. The Board reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

Segment assets

	2014 £000	2013 £000
Property rental	**323,048**	300,835
Car park operations	**15,236**	12,429
	338,284	313,264

Segmental results	**2014**			2013		
	Property rental £000	**Car park operations £000**	**Total £000**	Property rental £000	Car park operations £000	Total £000
Gross revenue	**17,532**	**5,101**	**22,633**	17,499	4,928	22,427
Property expenses	**(1,634)**	**(2,045)**	**(3,679)**	(1,815)	(2,064)	(3,879)
Net revenue	**15,898**	**3,056**	**18,954**	15,684	2,864	18,548
Administrative expenses	**(4,259)**	**(420)**	**(4,679)**	(3,830)	(353)	(4,183)
Other income	**852**	**-**	**852**	732	2	734
Property valuation movement	**20,155**	**(350)**	**19,805**	(1,816)	(1,990)	(3,806)
Operating profit	**32,646**	**2,286**	**34,932**	10,770	523	11,293
Finance Income/costs	**(7,585)**	**-**	**(7,585)**	(7,676)	-	(7,676)
Share of post tax profits from joint ventures	**87**	**-**	**87**	(54)	-	(54)
Profit before taxation	**25,148**	**2,286**	**27,434**	3,040	523	3,563
Taxation charge	**-**	**-**	**-**	(5)	-	(5)
Profit for the year	**25,148**	**2,286**	**27,434**	3,035	523	3,558

All results are derived from the UK

Minimum total future lease payments in respect of leases expiring:	**2014 £000**	2013 £000
Within one year	**276**	1,587
One to five years	**12,148**	13,941
In more than five years	**181,611**	159,362

4. Administrative expenses

	2014 £000	2013 £000
Employee benefits	**3,086**	2,817
Depreciation	**203**	186
Charitable donations	**108**	91
Other	**1,282**	1,089
	4,679	4,183

5. Services provided by the Group's external auditor

During the year the Group obtained the following services from the Group's auditor at costs as detailed below:

	2014 £000	2013 £000
Audit services:		
– Fees payable to the Group auditor for the audit of the Consolidated Financial Statements	**40**	40
– Audit of the Company's subsidiaries pursuant to legislation	**5**	5
Other services relating to taxation:	**-**	-
– Compliance	**51**	51
– Advisory	**41**	53
Total other services	**92**	104
Total auditor's remuneration	**137**	149

6. Employee benefits

	2014 £000	2013 £000
Wages and salaries (including Directors' emoluments)	**2,676**	2,403
Social security costs	**283**	291
Other pension costs	**127**	123
	3,086	2,817

Employee benefits detailed above are charged to the Income Statement through administrative expenses. There has been no equity-based remuneration this year.

Disclosures required by the Companies Act 2006 on Directors' remuneration, including salaries, share options, pension contributions and pension entitlement are included on pages 26 to 29 in the Remuneration Report and form part of these Consolidated Financial Statements.

The average monthly number of administration staff employed during the year was 92 (2013: 91).

The Group operates pension arrangements for the benefit of all eligible Directors and employees, which are defined contribution arrangements. The assets of the arrangements are held separately from those of the Group in independently administered funds.

7. Other income

	2014 £000	2013 £000
Commission received	**113**	126
Dividends received	**26**	28
Management fees receivable	**259**	158
Loss on disposal of investment properties	**(59)**	(4)
Profit on disposal of development properties	**-**	85
Profit on disposal of listed investments	**101**	-
Dilapidations receipts and income relating to lease premiums	**207**	83
Other	**205**	258
	852	734

Notes to the consolidated accounts continued

8. Finance costs/(income)

	2014 £000	2013 £000
Interest expense		
Interest and amortisation of debenture loan stock	**5,708**	5,708
Interest payable on bank borrowings	**2,113**	1,627
Interest capitalised at 4.5%	**(239)**	(108)
Other finance costs	**3**	506
Total finance costs	**7,585**	7,733
Interest income		
Interest income on loan to joint venture	**-**	(56)
Total finance income	**-**	(56)

9. Taxation

	2014 £000	2013 £000
Analysis of tax charge in year		
Current tax:		
– Adjustment in respect of previous years	**-**	5
Total taxation	**-**	5

The differences are explained below:

	2014 £000	2013 £000
Profit before taxation	**27,434**	3,563
Profit on ordinary activities multiplied by rate of corporation tax in the United Kingdom of 22.5% (2013: 23.75%)	**6,173**	846
Effects of:		
– Adjustments in respect of previous years	**-**	5
– United Kingdom REIT tax exemption on net income before revaluations	**(1,687)**	(1,757)
– United Kingdom REIT tax exemption on revaluations	**(4,466)**	904
– Profit on joint ventures already taxed/losses not utilised	**(20)**	7
Total taxation	**-**	5

Factors affecting current and future tax charges

Changes in rates of Corporation tax were announced in the March 2011 UK Budget Statement. A resolution passed by Parliament on 29 March 2011 reduced the main rate of corporation tax to 26% from 1 April 2011. Legislation to reduce the main rate of corporation tax from 26% to 25% from 1 April 2012 was included in the Finance Act 2012. Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 23% by 1 April 2014.

These changes are not expected to significantly impact the Group going forward.

Town Centre Securities PLC elected for group REIT status with effect from 2 October 2007. As a result the Group no longer pays United Kingdom corporation tax on the profits and gains from its qualifying rental business in the United Kingdom provided it meets certain conditions. Non-qualifying profits and gains of the Group continue to be subject to corporation tax as normal. On entering the REIT regime an entry charge equal to 2% of the aggregate market value of the properties associated with the qualifying rental business was payable. Deferred tax accrued at the date of conversion in respect of the assets and liabilities of the qualifying rental business was released to the Income Statement as the relevant temporary differences are no longer taxable on reversal. From 17 July 2012 there is no REIT entry charge payable where the Group makes acquisitions of companies owning qualifying properties.

10. Dividends

	2014 £000	2013 £000
2012 final paid: 7.34p per 25p share	**-**	3,902
2013 interim paid: 3.10p per 25p share	**-**	1,648
2013 final paid: 7.34p per 25p share	**3,902**	-
2014 interim paid: 3.10p per 25p share	**1,974**	-
	5,876	5,550

The Directors are proposing a final dividend in respect of the financial year ended 30 June 2014 of 7.34p per share, which will absorb an estimated £3,902,000 of shareholders' funds. This dividend will comprise an ordinary dividend of 2.32p per share and a Property Income distribution (PID) of 5.02p per share and will be paid on 6 January 2015 to shareholders who are on the Register of Members on 5 December 2014.

11. Underlying Profit/Earnings per share (EPS)

To assist shareholders in understanding the underlying results and compare to those results in previous accounting periods, adjustments made to profit before taxation are:

	2014			2013		
	Earnings £000	**Weighted average number of shares 000**	**Earnings per share p**	Earnings £000	Weighted average number of shares 000	Earnings per share p
Basic Diluted Profit/EPS	**27,434**	**53,162**	**51.6**	3,558	52,967	6.7
Valuation deficit/(surplus) on investment and development properties	**(19,805)**	**-**	**(37.2)**	3,806	-	7.2
Underlying Profit/EPS	**7,629**	**53,162**	**14.4**	7,364	52,967	13.9

The 2013 underlying profit/EPS has increased by £89,000/0.2p per share as immaterial adjustments have been removed from the calculation.

12. Non-current assets

(a) Investment Properties

	Freehold £000	Long leasehold £000	Development £000	Total £000
Valuation at 1 July 2012 - investment properties	259,198	14,950	13,416	287,564
Investment property additions - refurbishment	19,350	289	141	19,780
Disposals	(2,500)	-	-	(2,500)
Valuation movement	(1,931)	(1,879)	4	(3,806)
Valuation at 30 June 2013	274,117	13,360	13,561	301,038
Valuation at 1 July 2013 - investment properties	274,117	13,360	13,561	301,038
Investment property additions - refurbishment	10,071	2,639	505	13,215
Disposals	(8,861)	-	-	(8,861)
Transfer of Assets held for sale	(7,500)	-	-	(7,500)
Transfer of Apperley Bridge	(4,500)	-	4,500	-
Valuation movement	19,891	(78)	(8)	19,805
Valuation at 30 June 2014	**283,218**	**15,921**	**18,558**	**317,697**

The Company occupies an office suite in part of the Merrion Centre. The Directors do not consider this element to be material.

The fair value of the Group's investment and development properties has been determined principally by independent, appropriately qualified external valuers Jones Lang LaSalle (in respect of £109,030,000) and CB Richard Ellis (in respect of £180,750,000 of investment properties and £7,500,000 shown in assets held for sale). The remainder of the portfolio (£27,916,000) has been valued by the Property Director.

Notes to the consolidated accounts continued

Valuations are performed bi-annually and are performed consistently across all properties in the Group's portfolio. At each reporting date appropriately qualified employees verify all significant inputs and review computational outputs. Valuers submit and present summary reports to the Property Director and the Board on the outcome of each valuation round.

Valuations take into account tenure, lease terms and structural condition. The inputs underlying the valuations include market rents or business profitability, incentives offered to tenants, forecast growth rates, market yields and discount rates and selling costs including stamp duty.

The development properties principally comprise land in Leeds and Manchester; this have been valued taking into account the income from car parking and the Property Director's assessment of their realisable value in their existing state and condition based on market evidence of comparable transactions.

The Property Director's valuation of residential property acquired for potential development is supported by market evidence available as at 30 June 2014.

The valuation of investment properties includes £0.2m (2013: £0.1m) in respect of borrowing costs capitalised during the year.

Investment properties are analysed as follows:

	2014 £000	2013 £000
Investment property (externally valued)	**289,780**	278,005
Development properties	**18,558**	-
Residential property acquired for potential development	**3,804**	3,804
Other	**5,555**	4,368
	317,697	286,177

All investment properties measured at fair value in the consolidated balance sheet are categorised as level 3 in the fair value hierarchy as defined in IFRS 13 as one or more inputs to the valuation are partly based on unobservable market data. In arriving at their valuation for each property (as in prior years) both the independent valuers and the Property Director have used the actual rent passing and have also formed an opinion as to the two unobservable inputs being the market rental value for that property and the yield (i.e. the discount rate) which a potential purchaser would apply in arriving at the market value. Both of these inputs are arrived at using market comparables for the type, location and condition of the property. For the whole investment portfolio the totals of the three measures above are, Passing Rent £19.5m, Estimated Rental Value (ERV) £22.7m and blended yield 7.4%. The range of yields within the portfolio are between 4.7% and 16.0% although the majority of properties are in the range 5.5% to 8.5%. The affect on the valuation of applying a different yield and a different ERV would be as follows:
Valuation included in the Accounts at a yield of 7.4% - £325.2m, Valuation at 6.4% - £370.2m, Valuation at 8.4% - £291.2m
Valuation included in the Accounts at an ERV of £22.7m - £325.2m, Valuation at £21.7m - £312.5m, Valuation at £23.7m - £337.9m

(b) Fixtures, equipment and motor vehicles

	Cost £000	Accumulated depreciation £000
At 1 July 2012	2,936	2,184
Additions	389	-
Disposals	(44)	(30)
Depreciation	-	223
At 30 June 2013	3,281	2,377
Net book value at 30 June 2013		904
At 1 July 2013	3,281	2,377
Additions	490	-
Depreciation	-	282
At 30 June 2014	**3,771**	**2,659**
Net book value at 30 June 2014		**1,112**

13. Investments in joint ventures

	2014 £000	2013 £000
Interest in joint ventures		
Opening balance	**1,661**	-
Net assets	**-**	102
Loans	**-**	2,514
	1,661	2,616
Share of profits after tax	**87**	71
Exceptional loan write down	**-**	(125)
Transfer to investment in subsidiaries	**-**	1,688
Dividend paid in year	**-**	(75)
Loan movement in year	**-**	(2,514)
At 30 June	**1,748**	1,661

The Group's share of the joint ventures' net assets are as stated below:

	2014 £000	2013 £000
Non-current assets	**1,661**	1,650
Current assets	**154**	58
Current liabilities	**(65)**	(45)
Non-current liabilities	**(2)**	(2)
Group's share of joint ventures' net assets	**1,748**	1,661

The Group's share of the joint ventures' post tax profits are as stated below:

	2014 £000	2013 £000
Income	**223**	264
Expenses	**(125)**	(186)
Tax	**(11)**	(7)
	87	71
Increase in revaluation of investment properties	**-**	-
Share of post tax profits from joint ventures	**87**	71

The results of the joint ventures have been included in the Group accounts based on the financial statements drawn up for the year ended 30 June 2014.

The joint ventures have no significant contingent liabilities to which the Group is exposed nor has the Group any significant contingent liabilities in relation to its interest in the joint ventures.

The Group's joint ventures, which are registered in England and operate in the United Kingdom, are as follows:

	Proportion of ordinary shares held %	Activity
Buckley Property (Leeds) Limited	**50**	Property Investment

Notes to the consolidated accounts continued

14. Current asset investments

	2014 £000	2013 £000
At 1 July	**1,766**	1,887
Disposals	**(101)**	(141)
Increase in value of investments	**69**	20
At 30 June	**1,734**	1,766

Listed investments, all of which are listed on a recognised stock exchange, are stated at market value in the table above and have a historic cost of £889,130 (2013: £990,189).

The maximum exposure to credit risk at the reporting date is the fair value of the current asset investments.

15. Trade and other receivables

	2014 £000	2013 £000
Trade receivables	**3,658**	3,022
Less: provision for impairment of receivables	**(261)**	(326)
Trade receivables	**3,397**	2,696
Other receivables and prepayments	**1,308**	1,494
	4,705	4,190

The Directors consider that the carrying amount of net trade receivables approximates their fair value. The credit risk in respect of trade receivables is not concentrated as the Group has many tenants spread across a number of industry sectors. In addition, the tenants' rents are payable in advance.

As at 30 June 2014, net trade receivables can be analysed as follows:

			Outside credit terms but not impaired		
	Total £000	Within credit terms £000	Less than one month £000	One to two months £000	Older than two months £000
2014	**3,397**	**3,041**	**183**	**57**	**116**
2013	2,698	2,559	248	44	(153)

Movements in the Group provision for impairment of trade receivables are as follows:

	2014 £000	2013 £000
At 1 July	**326**	500
Provision for receivables impairment	**158**	170
Receivables written off as uncollectible	**(163)**	(277)
Unused amounts reversed	**(60)**	(67)
At 30 June	**261**	326

The creation and release of the provision for impaired receivables have been included in gross revenue and in property expenses in the Income Statement.

The ageing of the provision is as follows:

	Total £000	Less than one month £000	One to two months £000	Older than two months £000
2014	**261**	**7**	**21**	**233**
2013	326	5	24	297

The only class within trade receivables is rent receivable. Other receivables do not contain impaired assets. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables as mentioned above.

The Group does not hold any material collateral as security.

In assessing whether trade receivables are impaired, each debt is considered on an individual basis and provision is made based on specific knowledge of each tenant, together with consideration of appropriate economic market indicators.

16. Trade and other payables - current

	2014 £000	2013 £000
Trade payables	**1,170**	665
Social security and other taxes	**707**	999
Other payables and accruals	**12,031**	11,027
	13,908	12,691

17. Financial liabilities - borrowings

All the Group's borrowings are either at floating or fixed rates of interest. The Group takes on exposure to fluctuations in interest rates on its financial position and its cash flows. Interest costs may increase or decrease as a result of such changes.

	2014 £000	2013 £000
Non-current		
Bank borrowings	**52,850**	48,884
5.375% First mortgage debenture stock	**105,810**	105,800
	158,660	154,684
Current		
Bank borrowings	**-**	3,300
Overdraft	**1,845**	388
Total borrowings	**160,505**	158,372

The debenture, bank loans and overdrafts are secured by fixed charges on properties, valued at £304,579,000 (2013: £288,727,000), owned by the Company and its subsidiary undertakings.

The maturity profile of the Group's financial liabilities is set out below:

	2014			2013		
	Bank borrowings £000	**Debenture stock £000**	**Total £000**	Bank borrowings £000	Debenture stock £000	Total £000
In one year or less or on demand	**1,845**	**-**	**1,845**	3,695	-	3,695
In more than one year but not more than five years	**53,144**	**-**	**53,144**	52,749	-	52,749
In more than five years	**-**	**205,144**	**205,144**	-	210,852	210,852
	54,989	**205,144**	**260,133**	56,444	210,852	267,296
Term loan arrangement fee allocated to future periods	**(293)**	**-**	**(293)**	(516)	-	(516)
Debenture issue premium allocated to future periods	**-**	**(191)**	**(191)**	-	(201)	(201)
Gross financial liabilities	**54,696**	**204,953**	**259,649**	55,928	210,651	266,579

The debenture issue premium is net of issue costs and is amortised over the life of the debt agreement.
During the year £10,000 was debited to the income statement (2013: £11,000). As at 30 June 2014, the unamortised element of the debenture issue discount amounted to £191,000 (2013: £201,000). The term loan arrangement fee is amortised over the term of the agreement. During the year £223,000 was debited to the Income Statement (2013: £219,000).

The numbers disclosed in the maturity profile above have been calculated to include notional interest payments, using the interest rates prevailing at the balance sheet date. The calculation is based on the assumption that the level of borrowings remains unchanged until maturity.

The Group had undrawn committed floating rate bank facilities as follows:

	2014 £000	2013 £000
Expiring in one year or less	**3,155**	1,305
Expiring in more than one year	**31,856**	32,251
	35,011	33,556

Notes to the consolidated accounts continued

18. Financial instruments

The Group finances its operations through a combination of retained cash flows, debentures and bank borrowings. Procedures are in place to monitor interest rate risk as considered appropriate by management. Numerical financial instruments disclosures are set out below. Additional disclosures are set out in the accounting policies relating to financial risk management, with the exception of those financial instruments being short-term receivables and payables whose carrying values approximate to their fair values. All financial liabilities are denominated in Sterling.

Interest rate risk

The interest rate risk of the Group's financial liabilities is as follows:

	As at 30 June 2014			As at 30 June 2013		
	Nominal value £000	**Weighted average rate %**	**Weighted average period Years**	Nominal value £000	Weighted average rate %	Weighted average period Years
Debenture stock	**106,001**	**5.375**	**17**	106,001	5.375	18
Bank floating rate liabilities	**52,850**	**2.49**	**-**	52,700	2.49	-
	158,851			158,701		

Floating rate financial liabilities bear interest at rates for term loans based on LIBOR plus an average margin of 1.85% and for the overdraft of 2.50% above base rate.

Facilities provided by banks and other investors are a mixture of fixed rates and floating rate funding. Floating rate borrowings are exposed to the risk of rising interest rates which the Group manages by the use of appropriate financial hedging instruments, primarily interest rate swaps.

An increase in LIBOR by one percentage point would have reduced profit for the year by approximately £317,000 (2013: £317,000).

Financial instruments held for trading purposes

It is, and has been throughout the year under review, the Group's policy not to trade in financial instruments.

Foreign currency exposure

The Group has no exposure to foreign currency as it has no overseas operations and all sales and purchases are made in Sterling.

Effective interest rates

The effective interest rates at the balance sheet date were as follows:

	2014 £000	2013 £000
Bank overdraft facility	**3**	3
Bank borrowings	**2.49**	2.49
Debenture loan	**5.375**	5.375

Fair values of current borrowings

The fair value of bank borrowings and overdraft approximates to book value.

Fair value of non-current borrowings

	2014		2013	
	Book value £000	**Fair value £000**	Book value £000	Fair value £000
Debenture stock	**105,800**	**99,264**	105,800	96,120
Long-term bank borrowings	**53,144**	**53,144**	52,184	52,184

The above debenture stock has been valued as at 30 June 2014 by J C Rathbone Associates on the basis of open market value.

19. "Triple" net asset value per share

To assist shareholders in understanding the results, the table below shows how the "triple" net asset value was arrived at. This is intended to give a more comparable asset value and the main adjustment is to convert the listed mortgage debenture to a market value. As our debenture is trading at a small discount this increases net assets.

	2014 £000	2013 £000
Closing net assets	**163,871**	141,903
Less: debenture issue premium	**(190)**	(201)
Add: debenture mark to market	**6,737**	9,881
	170,418	151,583
Shares in issue (000)	**53,162**	53,162
"Triple" net asset value per share	**320p**	285p

20. Contingencies

The Group has contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business. It is not anticipated that any material liabilities will arise from the contingent liabilities.

21. Commitments

The Group has capital commitments of £6,445,000 (2013: £341,000) in respect of capital expenditure contracted for at the balance sheet date but not yet incurred, for investment and development property.

22. Share Capital

Authorised

164,879,000 (2013: 164,879,000) ordinary shares of 25p each. Nominal value of authorised share capital is £41,219,750 (2013: £41,219,750).

Issued and fully paid

Ordinary shares of 25p each	Number of shares 000	Nominal value £000
At 30 June 2013	53,162	13,290
Issued on take-up of share options		
At 30 June 2014	**53,162**	**13,290**

The Company has no share option schemes in current operation and there are no unexercised options outstanding at 30 June 2014.

Notes to the consolidated accounts continued

23. Cash flow from operating activities

	2014 £000	2013 £000
Profit for the financial year	**27,434**	3,558
Adjustments for:		
– Tax charge	**-**	5
– Depreciation	**282**	223
– Profit on disposal of investment properties	**59**	4
– Profit on disposal of listed investments	**(140)**	(85)
– Gain on acquisition of subsidiary	**-**	(41)
– Profit on disposal of development properties	**-**	-
– Profit on disposal of other fixed assets	**-**	(3)
– Finance expense	**7,585**	7,676
– Share of joint venture profits after tax	**(87)**	54
– Movement in valuation of investment and development properties	**(19,805)**	3,806
– Increase in receivables	**(598)**	(266)
– Increase in payables	**1,260**	46
Cash generated from operations	**15,990**	14,977

24. Remuneration of key management personnel

The remuneration of the Directors, who are the key management personnel of the Group, is set out below in aggregate for each of the applicable categories specified in IAS 24 'Related Party Disclosures'. Further information about the remuneration of individual Directors is provided in the audited part of the Directors' Remuneration Report on page 28.

	2014 £000	2013 Restated £000
Short-term employee benefits	**1,128**	1,116
Post-employment benefits	**56**	67
	1,184	1,183

Independent auditors' report to the members of Town Centre Securities PLC

Report on the parent company financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the parent company's affairs as at 30 June 2014;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The parent company financial statements (the "financial statements"), which are prepared by Town Centre Securities PLC, comprise:

- the Company balance sheet as at 30 June 2014; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Certain disclosures required by the financial reporting framework have been presented elsewhere in the Annual Report and Accounts (the "Annual Report"), rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the parent company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of Town Centre Securities PLC continued

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' responsibilities set out on page 25, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other matter

We have reported separately on the Group financial statements of Town Centre Securities PLC for the year ended 30 June 2014.

Steve Denison (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds
10 October 2014

Company balance sheet

as at 30 June 2014

	Notes	2014 £000	2013 £000
Fixed assets			
Tangible assets	4	**57,077**	52,969
Investments	5,6	**248,605**	248,519
		305,682	301,488
Current assets			
Debtors	7	**69,164**	74,254
		69,164	74,254
Creditors: amounts falling due within one year			
Financial liabilities - borrowings	9	**(16,870)**	(19,140)
Other creditors	8	**(64,970)**	(57,683)
		(81,840)	(76,823)
Net current (liabilities)/assets		**(12,676)**	(2,569)
Total assets less current liabilities		**293,006**	298,919
Creditors: amounts falling due after more than one year			
Financial liabilities – borrowings	9	**(158,954)**	(154,684)
Net assets		**134,052**	144,235
Capital and reserves			
Called up share capital	10	**13,290**	13,290
Share premium account	11	**200**	200
Capital redemption reserve	11	**559**	559
Property revaluation reserve	11	**(15,603)**	(17,325)
Other reserves	11	**80,057**	80,158
Profit and loss account	11	**55,549**	67,353
Total shareholders' funds	12	**134,052**	144,235

Company Number: 623364

The financial statements on pages 57 to 64 were approved by the Board of Directors on 10 October 2014 and signed on its behalf by:

E M Ziff
Chairman and Chief Executive

D S Syers
Finance Director

Notes to the company accounts

1. Accounting policies

Basis of preparation

The accounts have been prepared on the going concern basis under United Kingdom Generally Accepted Accounting Policies (United Kingdom GAAP), the historical cost convention as modified by the revaluation of investment properties and fixed asset investments and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The principal accounting policies, which have been applied consistently, are as set out below:

Profit available for dividend

Surpluses arising on revaluations of properties are not regarded as being available for dividend and are therefore transferred to non-distributable reserves.

Deferred taxation

Town Centre Securities PLC elected for group REIT status with effect from 2 October 2007. As a result the Group no longer pays United Kingdom corporation tax on the profits and gains from qualifying rental business in the United Kingdom provided it meets certain conditions. Non-qualifying profits and gains of the Group continue to be subject to corporation tax as normal. On entering the REIT regime an entry charge equal to 2% of the aggregate market value of the properties associated with the qualifying rental business was payable. Deferred tax accrued at the date of conversion in respect of the assets and liabilities of the qualifying rental business was released to the profit and loss account as the relevant temporary differences are no longer taxable on reversal. From 17 July 2012 there is no REIT entry charge payable where the Group makes acquisitions of companies owning qualifying properties.

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 in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

Investment properties

Investment properties are included in the accounts at open market values based on an independent external valuation, as at 30 June each year, or held at Directors' valuation.

Investments

Quoted investments included in the accounts are valued at market bid price at the balance sheet date.

Depreciation

In accordance with SSAP 19, 'Accounting for Investment Properties', no depreciation or amortisation is provided in respect of freehold and long leasehold investment properties, including fixed plant, which is included in properties. The requirement of the Companies Act 2006 (the Act) is to depreciate all properties but that requirement conflicts with the generally accepted accounting principle set out in SSAP 19. The Directors consider that this accounting policy is necessary for the accounts to give a true and fair view. Depreciation or amortisation is only one of the factors reflected in the accounts' valuation and the amount attributable to this factor cannot be separately identified or quantified. If this departure from the Act had not been made, the profit for the financial year would have been reduced by depreciation.

Investment income

Income from quoted investments is accounted for on the payment date of the dividends.

Investments in subsidiary undertakings

Investments in subsidiary undertakings are stated in the balance sheet of the Company at valuation. All subsidiaries are valued by the Directors on an annual basis, such that investments are included at the Company's share of net tangible assets. This method of valuation is used by the Directors to give a better indication of the value to the Company of its subsidiary undertakings.

Cash flow statement

The results and cash flows of the Company are included in the Consolidated Financial Statements. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement as permitted by FRS 1 (revised 1996).

Turnover

Turnover, which excludes value added tax, represents the invoiced value of rent and services supplied to customers. Rental income is accounted for as it falls due in accordance with the lease to which it relates.

2. Profit and loss account

As permitted by Section 408 of the Companies Act 2006, the Parent Company's Profit and Loss Account has not been included in these financial statements. The loss shown in the financial statements of the Parent Company was £6,029,000 (2013: £652,000 loss).

3. Employee benefits

	2014 £000	2013 £000
Wages and salaries (including Directors' emoluments)	**2,394**	2,246
Social security costs	**203**	269
Other pension costs	**118**	116
	2,715	2,631

Employee benefits are charged to the Profit and Loss account through administrative expenses.

The aggregate remuneration of the Directors of the Company was £1,325,000 (2013: £1,324,000).

The average monthly number of administration staff employed during the year was 65 (2013: 65). Disclosures required by the Companies Act 2006 on Directors' remuneration, including salaries, share options, pension contributions and pension entitlement, are included on page 28 in the Remuneration Report and form part of the Consolidated Financial Statements. The remuneration paid to the Parent Company auditor in respect of the audit of the Parent Company financial statements for the year ended 30 June 2014 is set out in Note 5 to the Consolidated Accounts.

4. Tangible fixed assets

Investment properties

	Freehold £000	Long leasehold £000	Development £000	Total £000
Valuation at 1 July 2013	36,693	2,240	13,418	52,351
Additions	2,445	3	21	2,469
Disposals	(2)	-	-	(2)
Valuation movement	1,434	297	(8)	1,723
Valuation at 30 June 2014	**40,570**	**2,540**	**13,431**	**56,541**

The above freehold and long leasehold investment properties have been revalued as at 30 June 2014 on the basis of open market value by Jones Lang LaSalle and CB Richard Ellis at £42,536,000 (2013: £38,816,000) in accordance with the Royal Institution of Chartered Surveyors Appraisal and Investment Manual.

Fixtures, equipment and motor vehicles

	Cost £000	Accumulated depreciation £000
Balance at 1 July 2013	2,365	1,784
Additions	113	-
Disposals	-	-
Depreciation	-	158
Balance at 30 June 2014	**2,478**	**1,942**
Net book value at 30 June 2014		**536**
Net book value at 30 June 2013		581

Total tangible assets

At 30 June 2014	**57,077**
At 30 June 2013	52,969

Notes to the company accounts continued

5. Fixed asset investments

	2014 £000	2013 £000
Shares in Group undertakings		
At 1 July	**245,092**	238,566
Additions	**-**	2,157
Increase on revaluation	**-**	4,369
At 30 June	**245,092**	245,092
Interest in joint ventures		
At 1 July	**1,661**	-
Net assets	**-**	102
Movement in year	**87**	1,559
At 30 June	**1,748**	1,661
Total fixed asset investments	**246,840**	246,753

As permitted by Section 615 of the Companies Act 2006, where the relief afforded under Section 612 of the Companies Act 2006 applies, cost is the aggregate of the nominal value of any other consideration given to acquire the share capital of the subsidiary undertakings.

6. Listed investments

	2014 £000	2013 £000
At 1 July	**1,766**	1,887
Disposals	**(101)**	(141)
Increase in value of investments	**100**	20
At 30 June	**1,765**	1,766

Listed investments, all of which are listed on a recognised stock exchange, are stated at market value in the table above and have a historic cost of £889,130 (2013: £990,189).

7. Debtors

	2014 £000	2013 £000
Trade debtors	**372**	382
Less: provision for impairment of debtors	**(35)**	(115)
Trade debtors	**337**	267
Amounts owed by subsidiary undertakings	**66,661**	71,777
Other debtors and prepayments	**2,166**	2,210
	69,164	74,254

Amounts owed by subsidiary undertakings and joint ventures are unsecured, interest free and repayable on demand.

8. Other creditors

	2014 £000	2013 £000
Trade creditors and accruals	**1,969**	2,155
Other taxation and social security	**103**	103
Amounts owed to subsidiary undertakings	**62,898**	55,425
	64,970	57,683

Amounts owed to subsidiary undertakings are unsecured, interest free and repayable on demand.

9. Financial instruments

The Company's borrowings are at both floating and fixed rates of interest. The Company takes on exposure to fluctuations in interest rates on its financial position and cash flows. Interest costs may increase or decrease as a result of such changes.

	2014 £000	2013 £000
Non-current		
Bank borrowings	**53,144**	48,884
5.375% First mortgage debenture stock	**105,810**	105,800
	158,954	154,684
Current		
Bank borrowings	**16,870**	19,140
	16,870	19,140
Total borrowings	**175,824**	173,824

The debenture, bank loans and overdrafts are secured by fixed charges on properties, valued at £304,579,000 (2013: £288,727,000) owned by the Company and its subsidiary undertakings.

The maturity profile of the Company's financial liabilities is set out below:

	2014			2013		
	Bank borrowings £000	**Debenture stock £000**	**Total £000**	Bank borrowings £000	Debenture stock £000	Total £000
In one year or less or on demand	**16,870**	**-**	**16,870**	19,140	-	19,140
In more than one year but not more than five years	**53,144**	**-**	**53,144**	52,749	-	52,749
In more than five years	**-**	**205,144**	**205,144**	-	210,852	210,852
	70,014	**205,144**	**275,158**	71,889	210,852	282,741
Term loan arrangement fee allocated to future periods	**(293)**	**-**	**(293)**	(516)	-	(516)
Debenture issue premium allocated to future periods	**-**	**(191)**	**(191)**	-	(201)	(201)
Gross financial liabilities	**69,721**	**204,953**	**274,674**	71,373	210,651	282,024

The debenture issue premium is net of issue costs and is amortised over the life of the debt agreement. During the year £10,000 was debited to the Profit and Loss account (2013: £11,000). As at 30 June 2014, the unamortised element of the debenture issue discount amounted to £191,000 (2013: £201,000). The term loan arrangement fee is amortised over the term of the agreement. During the year £223,000 was debited to the Profit and Loss account (2013: £219,000).

The numbers disclosed in the maturity profile above have been calculated to include notional interest payments, using the interest rates prevailing at the balance sheet date. The calculation is based on the assumption that the level of borrowings remains unchanged until maturity.

The Company has undrawn committed floating rate bank borrowing facilities as set out below:

	2014 £000	2013 £000
Expiring in one year or less	**3,155**	1,305
Expiring in more than one year	**31,856**	32,251
	35,011	33,556

The facilities expiring in one year or less are overdraft facilities subject to annual review. There are net cash balances of £15,025,000 held by other Group companies which offset the Company's overdraft on consolidation. The total overdraft facility is based on the Group's right of set off. Other facilities are available to provide funding for future investments.

The Company finances its operations through a combination of retained cash flows, debentures and bank borrowings. Procedures are in place to monitor interest rate risk as considered appropriate by management. Numerical financial instruments disclosures are set out overleaf. Additional disclosures are set out in the accounting policies relating to financial risk management.

All financial liabilities are denominated in Sterling.

Notes to the company accounts continued

9. Financial instruments continued

Interest rate risk

The interest rate risk of the Company's financial liabilities is as follows:

	2014			2013		
	Nominal value £000	**Weighted average rate %**	**Weighted average period years**	Nominal value £000	Weighted average rate %	Weighted average period years
Debenture stock	**106,001**	**5.375**	**17.4**	106,001	5.375	18.4
Bank floating rate liabilities	**52,850**	**2.49**	**-**	52,700	2.49	-
	158,851			158,701		

Floating rate financial liabilities bear interest at rates for term loans based on LIBOR plus an average margin of 1.85% and for the overdraft at 2.5% over base rate.

Financial instruments held for trading purposes

It is, and has been throughout the period under review, the Company's policy not to trade in financial instruments.

Foreign currency exposure

The Company has no exposure to foreign currency as it has no overseas operations and all sales and purchases are made in Sterling.

Effective interest rates

The effective interest rates at the balance sheet dates were as follows:

	2014 %	2013 %
Bank overdraft and money market facility	**3**	3
Bank borrowings	**2.49**	2.49
Debenture loan	**5.375**	5.375

Fair values of financial liabilities

Where market values are not available, fair values of financial assets and financial liabilities have been calculated by discounting expected future cash flows at prevailing interest rates and by applying year end exchange rates. The carrying amounts of short-term borrowings approximate to book value.

Fair value of non-current borrowings

	2014		2013	
	Book value £000	**Fair value £000**	Book value £000	Fair value £000
Debenture stock	**105,800**	**99,264**	105,800	96,120
Long-term bank borrowings	**53,144**	**53,144**	48,884	48,884

10. Called up share capital

Authorised

164,879,000 (2013: 164,879,000) ordinary shares of 25p each.

Issued and fully paid

Ordinary shares of 25p each	Number of shares £000	Nominal value £000
At 1 July 2013	53,162	13,290
At 30 June 2014	**53,162**	**13,290**

11. Reserves

	Capital redemption reserve £000	Share premium account £000	Property revaluation reserve £000	Other reserve[1] £000	Profit and loss account £000
At 1 July 2013	559	200	(17,325)	80,158	67,353
Loss for the year	-	-	-	-	(6,029)
Dividends paid	-	-	-	-	(5,876)
Revaluation of fixed asset investments	-	-	-	(101)	101
Surplus on revaluation of properties	-	-	1,722	-	-
At 30 June 2014	**559**	**200**	**(15,603)**	**80,057**	**55,549**

1 Other reserve relates to the revaluation of the Company's investments.

12. Reconciliation of movements in shareholders' funds

	2014 £000	2013 £000
Loss for year	**(6,029)**	(652)
Dividends paid	**(5,876)**	(5,550)
	11,905	(6,202)
Surplus/(deficit) on property revaluation	**1,722**	(232)
Revaluation of investments in subsidiary undertakings	**-**	4,369
Other adjustments	**-**	21
Net decrease in shareholders' funds	**(10,183)**	(2,044)
Opening shareholders' funds	**144,235**	146,279
Closing shareholders' funds	**134,052**	144,235

Details of dividends paid are set out in Note 10 to the Consolidated Accounts.

13. Capital and other commitments

The Company has capital commitments of £nil (2013: £nil) in respect of capital expenditure contracted for at the balance sheet date but not yet incurred, for investment and development properties.

14. Guarantees

The Company, together with its fellow subsidiary companies, has entered into an unlimited joint and several guarantee, securing the indebtedness of Town Centre Securities PLC and subsidiary companies to two of the Group's bankers. Town Centre Securities PLC Group had indebtedness at 30 June 2014 amounting to £54,989,000 (2013: £56,444,000) in relation to this arrangement.

15. Related party transactions

The Company has taken advantage of the exception available under FRS 8 from disclosing related party transactions with other entities included in the Consolidated Accounts of Town Centre Securities PLC.

Notes to the company accounts continued

16. Additional information - subsidiaries

The Company's wholly owned active subsidiary undertakings at 30 June 2014, registered in England and operating in the United Kingdom, are as follows:

	Activity
TCS (Bothwell Street) Limited * (company number 4240551)	Property investment
TCS Freehold Investments Limited	Property investment
TCS Holdings Limited	Property investment
TCS Leasehold Investments Limited	Property investment
TCS Properties Limited * (company number 2831154)	Property investment
Tassgander Limited * (company number 4077297)	Property investment
TCS (Milngavie) Limited * (company number 6391627)	Property investment
TCS Trustees Limited * (company number 3112933)	Trustee for employee benefit plans
TCS Residential Conversions Limited * (company number 3946495)	Management company
TCS (Property Management) Limited * (company number 5281225)	Management company
Town Centre Car Parks Limited	Car park operations
TCCP (Clarence Dock) Limited	Car park operations

The Company also wholly owns a number of dormant companies, registered in England, which are not listed here as they were not active at 30 June 2014.

The Company's joint venture, which is registered in England and operate in the United Kingdom, is as follows:

	Proportion of ordinary shares held %	Activity
Buckley Properties (Leeds) Limited	50	Property investment

The subsidiaries marked with an asterix above are exempt from preparing audited statutory accounts under section 479a of the Companies Act 2006.

Notice of annual general meeting

Notice is given that the fifty-fourth Annual General Meeting of Town Centre Securities PLC ("Company") will be held at Town Centre House, The Merrion Centre, Leeds LS2 8LY on Tuesday 18 November 2014 at 10.30am for the following purposes:

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions:

1. To receive the Company's Annual Accounts, Strategic Report and Directors' and Auditors' Reports for the year ended 30 June 2014.
2. To approve the Directors' Remuneration Report (other than the part containing the Directors' Remuneration Policy) for the year ended 30 June 2014.
3. To approve the Directors' Remuneration Policy contained in the Directors' Remuneration Report.
4. To declare a final dividend for the year ended 30 June 2014 of 7.34p per ordinary share in the capital of the Company, to be paid on 6 January 2015, to shareholders whose names appear on the register at the close of business on 5 December 2014.
5. To appoint D S Syers as a Director of the Company.
6. To re-appoint R A Lewis, who retires by rotation, as a Director of the Company.
7. To re-appoint E M Ziff, who retires by rotation, as a Director of the Company.
8. To re-appoint PricewaterhouseCoopers LLP as auditors of the Company.
9. To authorise the Directors to determine the remuneration of the auditors.
10. That, pursuant to section 551 of the Companies Act 2006 ("Act") the Directors be and are generally and unconditionally authorised to exercise all powers of the Company to allot shares in the Company or to grant rights to subscribe for or to convert any securities into shares in the Company up to an aggregate nominal amount of £4,430,162, provided that (unless previously revoked, varied or renewed) this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on 18 February 2016 (whichever is the earlier), save that the Company may make an offer or agreement before the expiry of this authority which would or might require shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after such expiry and the Directors may allot shares or grant such rights pursuant to any such offer or agreement as if the authority conferred by this resolution had not expired.

    This authority is in substitution for all existing authorities under section 551 of the Act (which, to the extent unused at the date of this resolution, are revoked with immediate effect).

To consider and, if thought fit, to pass the following resolutions as special resolutions:

11. That, subject to the passing of resolution 10 and pursuant to section 570 of the Act, the Directors be and are generally empowered to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority conferred by resolution 10 as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:

11.1 in connection with an offer of equity securities (whether by way of a rights issue, open offer or otherwise):

11.1.1 to holders of ordinary shares in the capital of the Company in proportion (as nearly as practicable) to the respective numbers of ordinary shares held by them; and

11.1.2 to holders of other equity securities in the capital of the Company, as required by the rights of those securities, or, subject to such rights, as the Directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or any legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange; and

11.2 otherwise than pursuant to paragraph 11.1 of this resolution, up to an aggregate nominal amount of £664,524 and (unless previously revoked, carried or renewed) this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on 18 February 2016 (whichever is earlier), save that the Company may make an offer or agreement before the expiry of this power which would or might require equity securities to be allotted for cash after such expiry and the Directors may allot equity securities for cash pursuant to any such offer or agreement as if the power conferred by this resolution had not expired.

This power is in substitution for all existing powers under section 570 of the Act (which, to the extent unused at the date of this resolution, are revoked with immediate effect).

12. That, pursuant to section 701 of the Act, the Company be and is generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of 25p each in the capital of the Company ("Shares"), provided that:

12.1 the maximum aggregate number of Shares which may be purchased is 7,968,976

12.2 the minimum price (excluding expenses) which may be paid for a Share is 25p; and

12.3 the maximum price (excluding expenses) which may be paid for a Share is the higher of:

Notice of annual general meeting continued

12.3.1 an amount equal to 105% of the average of the middle market quotations for a Share as derived from the Daily Official List of the London Stock Exchange plc for the five business days immediately preceding the day on which the purchase is made; and

12.3.2 an amount equal to the higher of the price of the last independent trade of a Share and the highest current independent bid for a Share on the trading venue where the purchase is carried out, and (unless previously revoked, varied or renewed) this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on 18 February 2016 (whichever is the earlier), save that the Company may enter into a contract to purchase Shares before the expiry of this authority under which such purchase will or may be completed or executed wholly or partly after such expiry and may make a purchase of Shares pursuant to any such contracts as if the authority conferred by this resolution had not expired.

13. That a general meeting of the Company (other than the Annual General Meeting) may be called on not less than 14 clear days' notice.

By order of the Board

D S Syers
Company Secretary
10 October 2014

Registered Office:
Town Centre House
The Merrion Centre
Leeds LS2 8LY

Registered in England and Wales No. 00623364

Notes

1. The right to vote at the meeting is determined by reference to the register of members. Only those shareholders registered in the register of members of the Company as at 6.00pm on Friday 14 November 2014 (or, in the event that the meeting is adjourned, in the register of members at 6.00pm on the date which is two days before the date of any adjourned meeting) shall be entitled to attend or vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries in the register of members after that time shall be disregarded in determining the rights of any person to attend or vote (and the number of votes they may cast) at the meeting.
2. In order to gain admittance to the meeting, members may be required to produce their attendance card which is attached to the Form of Proxy enclosed with this document, or otherwise prove their identity.
3. A shareholder is entitled to appoint one or more persons as proxies to exercise all or any of his or her rights to attend, speak and vote at the meeting. A proxy need not be a shareholder of the Company. A shareholder may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him/her. To appoint more than one proxy, you will need to complete a separate Form of Proxy in relation to each appointment. Additional proxy forms may be obtained by contacting the Company's registrar at PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU or you may photocopy the proxy form. You will need to state clearly on each proxy form the number of shares in relation to which the proxy is appointed. A failure to specify the number of shares each proxy appointment relates to or specifying a number which when taken together with the number of shares set out in the other proxy appointments is in excess of the number of shares held by the shareholder may result in the proxy appointment being invalid. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.

   The appointment of a proxy will not preclude a member from attending and voting in person at the meeting if he or she so wishes.
4. A Form of Proxy is enclosed. To be valid, it must be completed, signed and sent to the offices of the Company's registrars, Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to arrive no later than 10.30am on Friday 14 November 2014 (or, in the event that the meeting is adjourned, no later than 48 hours (excluding any part of a day that is not a working day) before the time of any adjourned meeting).
5. As an alternative to completing the hard copy Form of Proxy, a shareholder can appoint proxies electronically by logging onto www.capitashareportal.com where full instructions are given. For an electronic proxy appointment to be valid, the appointment must be received by the Company's registrar by no later than 10.30am on Friday 14 November 2014 (or in the event that the meeting is adjourned, no later than 48 hours (excluding any part of a day that is not a working day) before the time of any adjourned meeting).

   Any electronic communication sent by a member to the Company or the Company's registrar which is found to contain a virus will not be accepted by the Company but every effort will be made by the Company to inform said member of the rejected communication.
6. A shareholder or shareholders having a right to vote at the meeting and holding at least 5 per cent of the total voting rights of the Company (see Note 8 below), or at least 100 shareholders having a right to vote at the meeting and holding, on average, at least £100 of paid share capital, may require the Company to publish on its website a statement setting out any matter that such shareholder(s)) propose to raise at the meeting relating to either the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the meeting or any circumstances connected with an auditor of the Company ceasing to hold office since the last Annual General Meeting of the Company in accordance with Section 527 of the Act.

   Any such request must:

6.1 identify the statement to which it relates, by either setting out the statement in full or, if supporting a statement requested by another shareholder, clearly identifying the statement which is being supported;

6.2 comply with the requirements set out in Note 7 below; and

6.3 be received by the Company at least one week before the meeting.

   Where the Company is required to publish such a statement on its website:

6.4 it may not require the shareholder(s) making the request to pay any expenses incurred by the Company in complying with the request;

6.5 it must forward the statement to the Company's auditors no later than the time when it makes the statement available on the website; and

6.6 the statement may be dealt with as part of the business of the meeting.

7. Any request by a shareholder or shareholders to require the Company to publish audit concerns as set out in Note 6 above:

7.1 may be made either:

7.1.1 in hard copy, by sending it to the Company Secretary, Town Centre House, The Merrion Centre, Leeds LS2 8LY; or

7.1.2 in electronic form, by sending it to 0113 234 0442, marked for the attention of the Company Secretary, or to info@tcs-plc.co.uk (please state "TCS: AGM" in the subject line of the email);

7.2 must state the full name(s) and address(es) of the shareholder(s); and

7.3 (where the request is made in hard copy from or by fax) must be signed by the shareholder(s).

8. As at 13 October 2014 (being the last practicable date prior to the publication of this notice) the Company's issued share capital consists of 53,162,000 ordinary shares of 25p each, carrying one vote each. The Company does not hold any ordinary shares in treasury. Therefore, the total voting rights in the Company as at 13 October 2014 are 53,162,000
9. Shareholders have the right to ask questions at the meeting relating to the business being dealt with at the meeting in accordance with Section 319A of the Act. The Company must answer any such questions unless:

Notice of annual general meeting continued

9.1 to do so would interfere unduly with the preparation for the meeting or would involve the disclosure of confidential information;

9.2 the answer has already been given on a website in the form of an answer to a question; or

9.3 it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

10. Where a copy of this notice is being received by a person who has been nominated to enjoy information rights under Section 146 of the Act ("Nominee"):

10.1 the Nominee may have a right under an agreement between the Nominee and the shareholder by whom he/she was appointed, to be appointed, or to have someone else appointed, as a proxy for the meeting; or

10.2 if the Nominee does not have any such right or does not wish to exercise such right, the Nominee may have a right under any such agreement to give instructions to the shareholder as to the exercise of voting rights.

The statement of the rights of shareholders in relation to the appointment of proxies in Notes 3 to 5 above does not apply to a Nominee. The rights described in such notes can only be exercised by shareholders of the Company.

11. Biographical details of all those Directors who are offering themselves for re appointment at the meeting are set out on page 20 of the Annual Report and Accounts.

12. A shareholder which is a corporation may authorise one or more persons to act as its representative(s) at the meeting. Each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual shareholder, provided that (where there is more than one representative and the vote is otherwise than on a show of hands) they do not do so in relation to the same shares.

13. The following documents will be available for inspection during normal business hours at the registered office of the Company from the date of this notice until the time of the meeting. They will also be available for inspection at the place of the meeting from at least 15 minutes before the meeting until it ends:

13.1 copies of the service contracts of the Executive Directors; and

13.2 copies of the letters of appointment of the Non executive Directors.

14. The information required by Section 311A of the Act to be published in advance of the meeting, which includes the matters set out in this notice and information relating to the voting rights of shareholders is available at www.tcs-plc.co.uk.

Investor information

Registrar
All general enquiries concerning shareholdings in Town Centre Securities PLC should be addressed to:

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

Telephone:	0871 664 0300 (Calls cost 10p per minute plus network extras. Lines are open from 8.30am - 5.30pm, Monday to Friday.)
Telephone outside United Kingdom:	+44 (0) 208 639 3399
Facsimile:	+44 (0) 208 639 2220
Email:	shareholder.services@capitaregistrars.com
Website:	www.capitaregistrars.com

Dividends

Interim dividend:	3.10p per share paid on 27 June 2014 to shareholders on the register on 30 May 2014
Final dividend:	7.34p per share to be paid on 6 January 2015 to shareholders on the register on 5 December 2014

Payment of dividends
Shareholders whose dividends are not currently paid to mandated accounts may wish to consider having their dividends paid directly into their bank or building society account. This has a number of advantages, including the crediting of cleared funds into the nominated account on the dividend payment date. If shareholders would like their future dividends to be paid in this way, they should complete a mandate instruction available from the registrars. Under this arrangement tax vouchers are sent to the shareholder's registered address.

Advisors

Independent auditor
PricewaterhouseCoopers LLP

Brokers
Oriel Securities

Bankers
Lloyds Banking Group plc
The Royal Bank of Scotland plc
Svenska Handelsbanken AB (Publ)

Solicitors
DLA Piper UK LLP
Leslie Wolfson

Principal Valuers
Jones Lang LaSalle
CB Richard Ellis

Corporate public relations
MHP Communications

Contact information

Registered office
Town Centre House
The Merrion Centre
Leeds LS2 8LY

Registered number
623364 England

Email
info@tcs-plc.co.uk

Website
www.tcs-plc.co.uk

Registrar and transfer office
Capita Asset Services
The Registry
34 Beckenham Road
Kent BR3 4TU

Trustees to mortgage debenture holders
Capita IRG Trustees
7th Floor
Phoenix House
18 King William Street
London EC47 HEE

Town Centre Securities PLC

Town Centre House
The Merrion Centre
Leeds LS2 8LY

Telephone: 0113 222 1234
Facsimile: 0113 242 1026
Email: info@tcs-plc.co.uk

web
www.tcs-plc.co.uk
www.merrioncentre.co.uk
www.towncentrecarparks.com

linkedin
www.linkedin.com/company/town-centre-securities-plc

facebook
/TownCentreCarParks
/themerrioncentre
/UrbanExchangeManchester

annual accounts
www.tcs-plc.co.uk