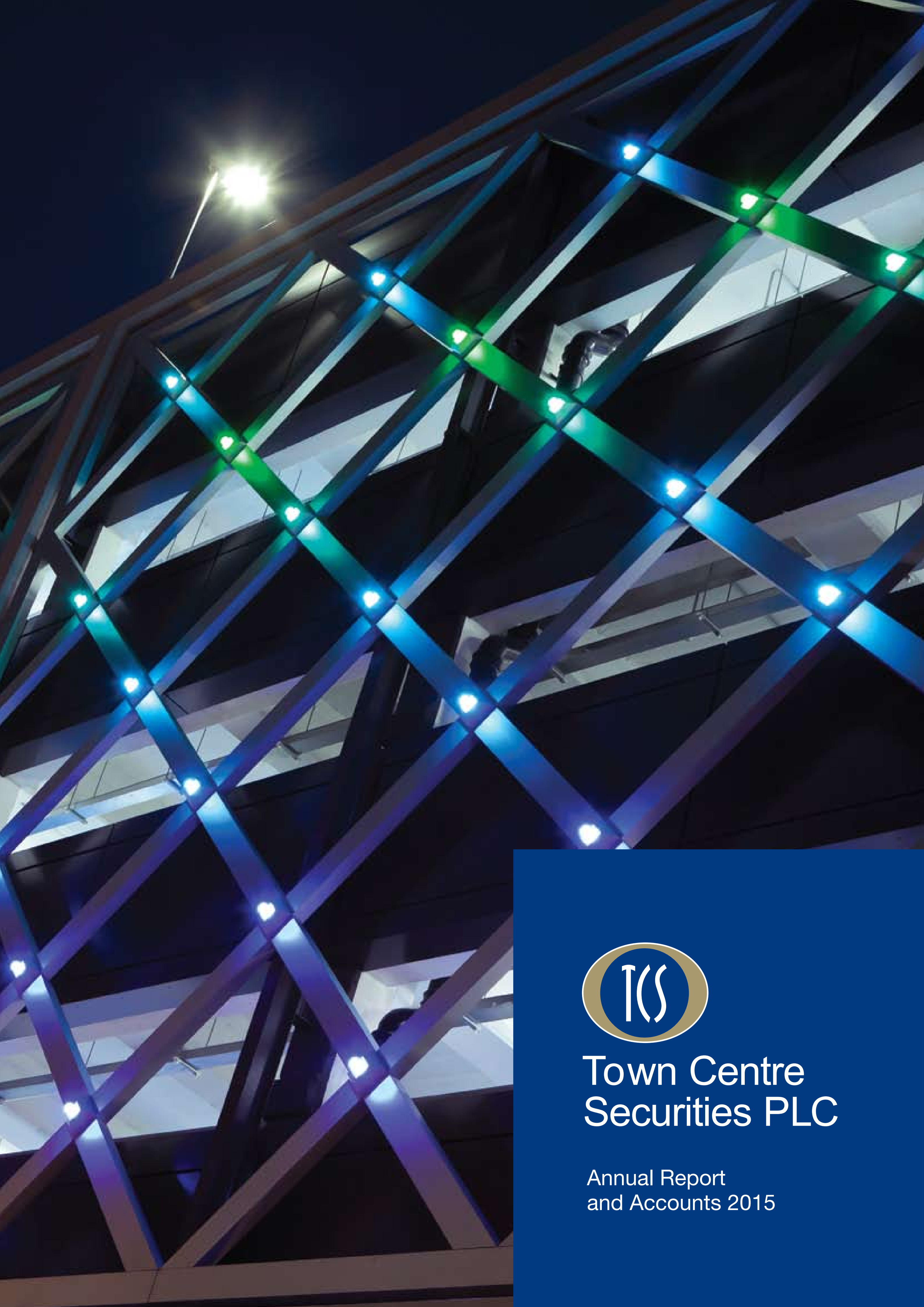


Town Centre Securities PLC

Annual Report
and Accounts 2015

WHO WE ARE AND WHAT WE DO

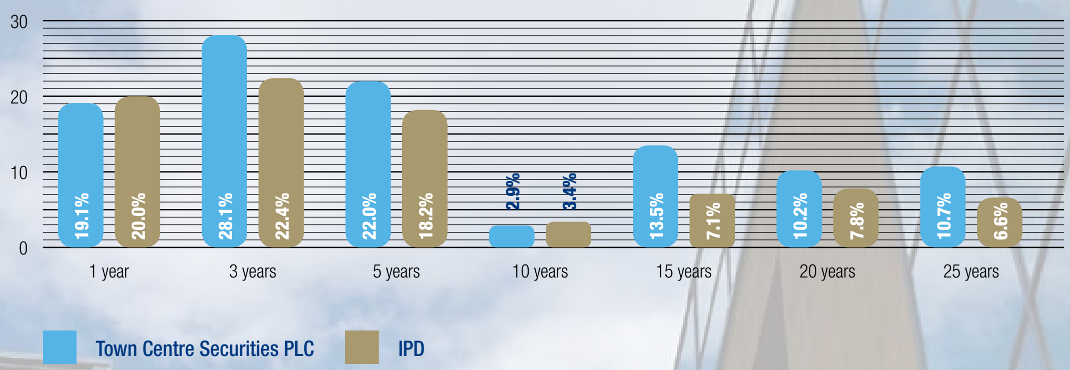
We are a specialist regional property investor with a £355m portfolio principally in Leeds, Manchester and Scotland.

We have a 55 year track record as a listed company with 55 years of dividend payments either maintained or increased.

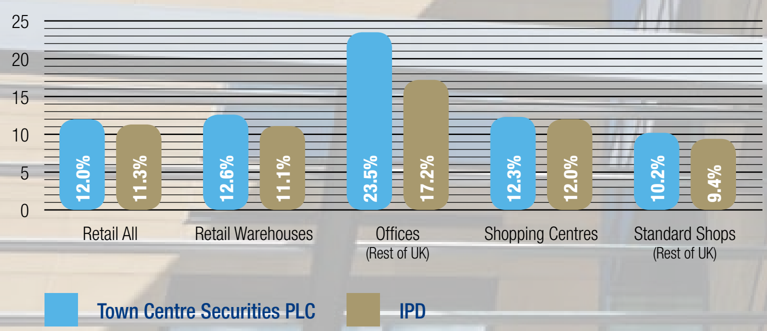
Our strategy is focused on active management of income based on local knowledge.

We are conservatively funded and we have delivered high long term returns for shareholders which compare favourably against maket indeces.

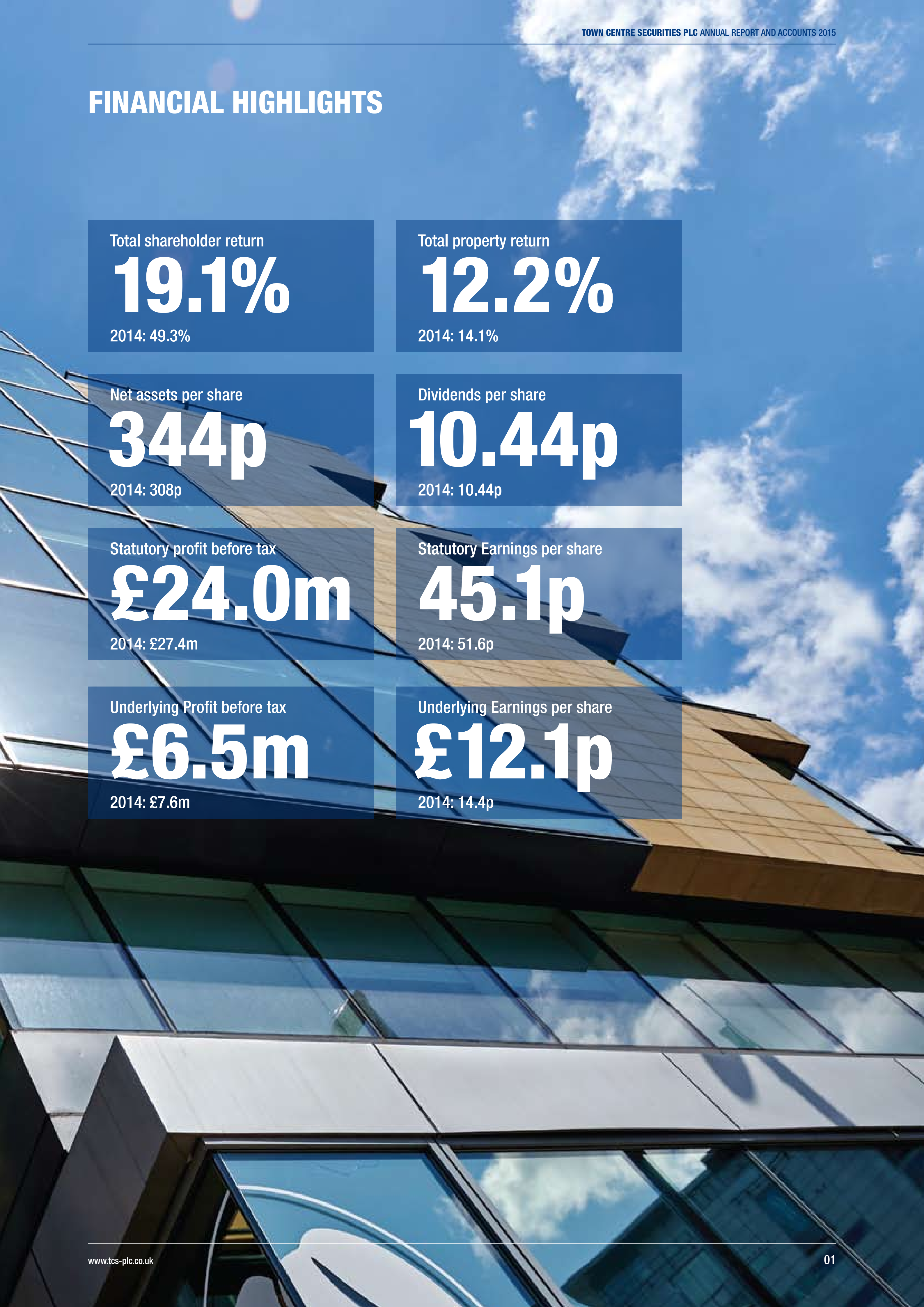
Total Shareholder Return (%)



Total Property Returns



FINANCIAL HIGHLIGHTS



Total shareholder return
19.1%
2014: 49.3%

Total property return
12.2%
2014: 14.1%

Net assets per share
344p
2014: 308p

Dividends per share
10.44p
2014: 10.44p

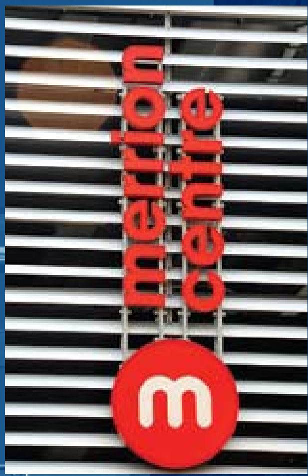
Statutory profit before tax
£24.0m
2014: £27.4m

Statutory Earnings per share
45.1p
2014: 51.6p

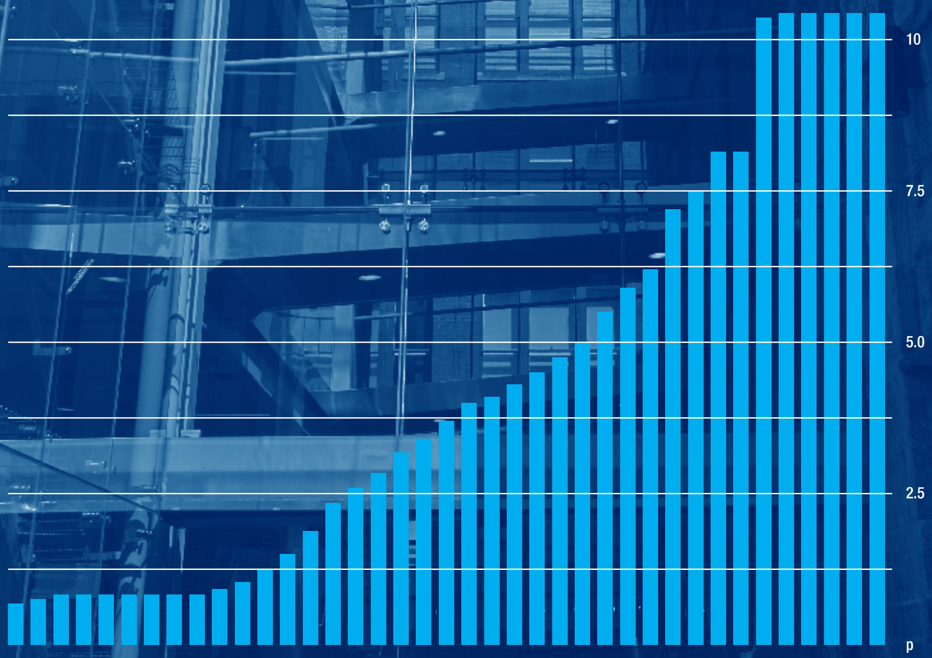
Underlying Profit before tax
£6.5m
2014: £7.6m

Underlying Earnings per share
£12.1p
2014: 14.4p

CONTENTS



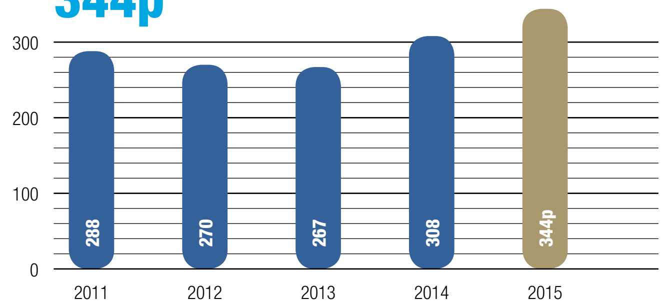
55 YEARS OF UNBROKEN DIVIDENDS



FIVE YEAR RECORD

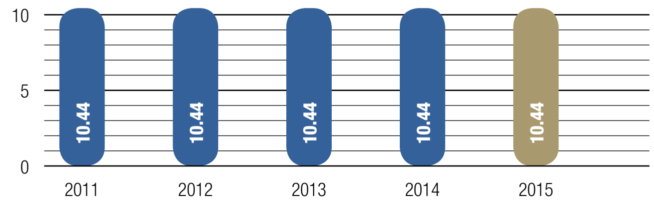
Net assets per share (p)

344p



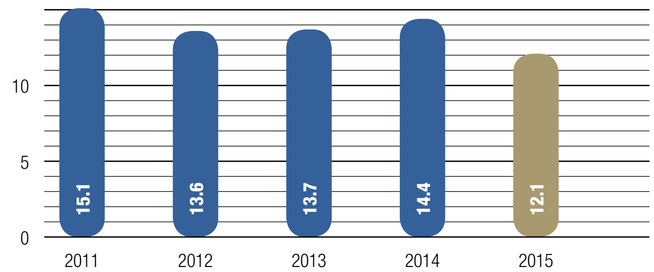
Dividends per share (p)

£10.44p



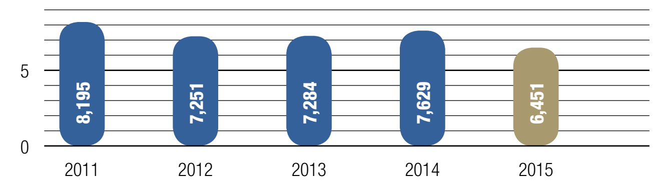
Underlying earnings per share (p)

12.1p



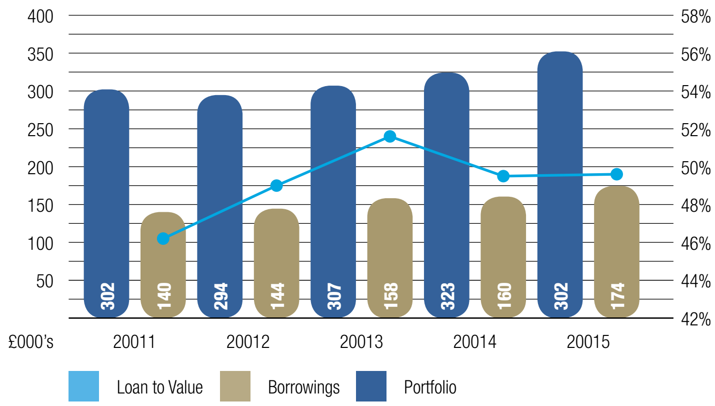
Underlying profit before tax (£000's)

£6.451m



Loan to Value

49%



STRATEGIC PRIORITIES

1

INTENSIVE MANAGEMENT

For many years we have managed our properties intensively to maximise income. This has translated into excellent total returns and has allowed us to maximise and maintain our long term outstanding dividend growth.

We concentrate our portfolio in the strong regional cities of Leeds, Manchester, Glasgow and Edinburgh although we have also invested in suburban London where rental growth is strong at present.

PROPERTY SALES AND RE-INVESTMENT

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 opportunities where growth can be achieved.

INVESTMENT IN CAR PARKING

We have always believed that car parking can generate above average returns. We built up a substantial business in the 1990's and we intend to do the same again.

CONSERVATIVE FUNDING

We are conservatively funded – the majority of our borrowings are long term fixed interest. Our loan to value is conservative at 49% and we have £42m of headroom as protection for the future.

CHAIRMAN AND CHIEF EXECUTIVE'S STATEMENT

We have had another good year with Total Shareholder Return of 19% and our property portfolio has produced a Total Property Return of 12% which has out-performed IPD in all comparable categories.

Edward Ziff
Chairman and Chief Executive

Portfolio performance

The like for like increase in the value of our investment property portfolio this year has been 7.1% (2014: 10%) which reflects a reversionary yield of 6.8% (2014: 7.4%). The total property return of 12.2% is ahead of IPD with excellent performances from the completed Waitrose development at Milngavie and Merrion House which was transferred into a JV with Leeds City Council in May 2015.

Including acquisitions, developments and leasehold car parks the portfolio value at the year end stood at £355.4m (2014: £326.8m).

Results

Net assets at 30 June 2015 were £182.9m, representing 344 pence per share (2014: £163.9m, 308 pence per share). Adjusted net asset value was £183.0m, representing 344 pence per share (2014: £170.4m, 320 pence per share) reflecting the fact that long term interest rates are in line with the coupon on our Debenture Stock.

We report a statutory profit for the year of £24.0m (2014: £27.4m) which includes the property revaluation surplus of £14.8m this year (2014 £19.8m).

Our underlying profit before tax of £6.5m (2014: £7.6m) (excluding property revaluation and property disposals) is in line with expectations but behind last year due to planned disposals as part of our capital recycling programme. The car park business was ahead of the prior year on a like for like basis.

Statutory earnings per share (including property revaluation and property disposals) were 45.1p (2014: 51.6p). Underlying earnings per share were 12.1p (2014: 14.4p).

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 comprises a Property Income Distribution of 2.16p and an ordinary dividend of 5.18p per share. The final dividend will be paid on 5 January 2016 to shareholders on the register on 4 December 2015.

Funding

Net debt at 30 June 2015 amounted to £174.6m (2014: £160.5m). This comprised £106.1m of 5.375% First Mortgage Debenture Stock 2031 and £68.5m of revolving credit facilities, net of £1.5m of cash. The increase in the level of net debt is principally due to capital expenditure (£37.6m) exceeding property disposal proceeds (£26.8m). Borrowings represent 49% of property values (2014: 49%).

The group is in the process of renewing its bank facilities. We have completed the renewal of our 3 year revolving credit facility with Handelsbanken increasing the facility from £20m to £35m and reducing the average margin by over 50 basis points. We will renew the other bank facilities over the next few months.

Active property management

This is the time of year when we look back and review what we have achieved. Our focus is on finding and generating income growth against a backdrop of a competitive retail rental market. Set out in the following pages is a summary of the projects we have been working on over the last couple of years which in total have added over £20m to net assets.

Outlook

Retail valuations have continued to rise in the regions as the economic backdrop improves. The letting market remains competitive but we continue to find opportunities to increase income in all areas of our portfolio and over the next couple of years our income will benefit from the transactions we have already concluded. This is particularly so in the Merrion Centre where the Merrion House deal is now underway. We intend to increase portfolio sales and purchase activity this year.

We will continue our car park acquisitions programme as we have already seen this contributing positively to our profits.

We will also complete our bank facilities renewal; the banking panel has expanded and we expect to achieve a reduced margin and subsequent reduction in average borrowing cost.

Overall we look forward with confidence and are encouraged by the many profitable opportunities that we have to deliver attractive shareholder returns.

Capital recycling

A key part of our property strategy is continually to refresh the portfolio through a combination of selective sales of properties where we can no longer add value and purchases of properties which give opportunities to grow income and value.

As part of this process in 2013/14 we sold 5 properties in Scotland for £8.9m. The income from these properties was £512,000 in 2013/14. We also sold Park Row, Leeds for £7.5m at the beginning of this year with income of £630,000. While the recycling programme continues to refresh and improve the portfolio these disposals have reduced income by £1.14m with an associated interest benefit of £400,000.

Our capital recycling in 2014/15 has been as follows:

- Purchased Duke Street, London for £3.1m, rental value £196,700
- Purchased Princes Street, Edinburgh for £2.4m, income £147,500
- Purchased Wood Green, London for £1.3m, income £72,000
- Purchased an industrial park in Stourton, Leeds for £4.5m, income £325,000
- Sold Apperley Bridge, Leeds for £5.0m, income £121,000
- Sold our interest in the Victoria Gate development in Leeds for £4.7m, income £200,000

The full year income gain from these transactions is £420,000 while the net interest increase is only £40,000.

We also agreed terms to sell Goodramgate, York in June 2015 with completion in August 2015; we received £3.55m and the exit yield was 6.24%.

Board Changes

During the year we have appointed 2 new non-executive directors, Ian Marcus and Paul Huberman; Howard Stanton has retired. We appointed Ben Ziff to the Board on 17 September 2015, he is the Managing Director of CitiPark.

Ian and Paul bring immense experience and expertise in the finance and property sectors which will be invaluable to us in years to come. Ben has been extremely successful with the development of the car park business, which is becoming an increasingly important part of the group and his appointment is well-deserved.

I would like to pay tribute to Howard Stanton. Howard joined us in April 2009 when we were facing some of the most challenging financial conditions the market has known and he has been a continuing support through those difficult times. He played a major role in the tender offer and exchange of our mortgage debenture which has been one of the most significant deals for the success of the group over the last 10 years. He has chaired our audit committee throughout his 6 year term and has done an excellent job with our finance team and our auditors. Finally and most importantly I would like to thank Howard for his personal support in steering the group through the last six turbulent years.

As ever I would also like to thank our loyal and dedicated staff for their commitment and support over the last 12 months.

Ilford car park

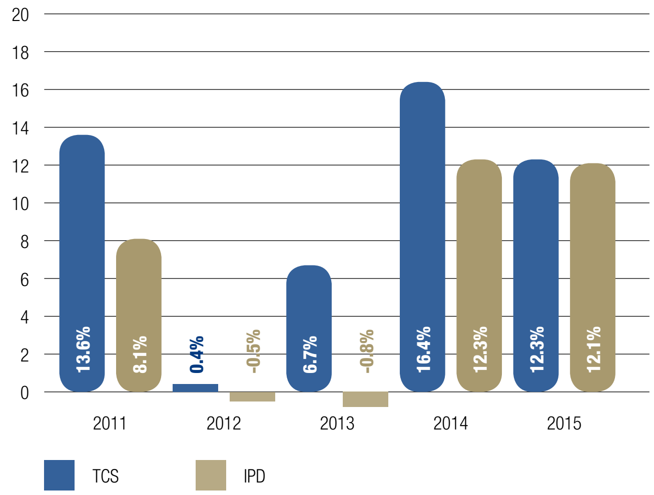
Princes Street, Edinburgh

Duke Street, London

CHAIRMAN AND CHIEF EXECUTIVE'S STATEMENT
Merrion Centre

	Square Feet	Passing Rent		ERV
	'm	£m	%	£m
Retail	210	3.5	43	4.0
Leisure	234	1.4	18	1.8
Office	249	2.1	26	3.0
Car Parking	271	1.1	14	1.3
	964	8.1	100	10.1

Total Property Returns



Main Mall. We continue to improve the tenant line up and rental income in what remains a competitive retail market. Demand is strong for the main mall units and where units come available they let quickly. The tenant mix remains strong with a number of new lettings, renewals, relocations and reviews including Superdrug, Ethel Austin, Holland & Barrett, 3store, O2, Peacocks, Claires Accessories, Greggs, Poundworld and Home Bargains and we have increased the rental income and the average lease length during the year.

Morrisons. We completed the lease renewal with Morrisons in June 2014 which added 20% to their floorspace and £500,000 to rental income. The fit out is well underway and has already had a beneficial impact on the main mall. This deal alone added £5m to net assets.

NHS Clinic. This letting uses space which was previously used as the centre management office, along with shop units and office space which was difficult to let with a low rental value. This 5,500 sq ft letting is to a NHS funded clinic at £100,000 pa and is expected to generate demand for the other balcony units in complementary uses. This refurbishment has also allowed us to create a block of kiosk units with a lettable value of £55,000 pa.

Arena Quarter. This redevelopment began with the Pure Gym in 2012. 20,600 sq ft was let at £8.50 psf. Building work on all units created a total of 80,700 sq ft of retail space and was completed in 2014 at a cost of £5.6m. It is currently 80% let with a total rental value £831,600. The current valuation is £8.1m which has therefore added £2.5m to net assets.

During the year we took a surrender of the Cosmo lease as the tenant was unlikely to fit out; we received £150,000 in respect of the surrender. The existing lease was at £12.61 psf and we have been letting recently at £20 psf. This unit, along with all the other remaining units in the scheme is being actively marketed.

Merrion House. The Merrion House redevelopment has now entered the contractual stage; the property was transferred into 50/50 joint venture with Leeds City Council in May 2015. The book value of property was £25m and had rental income £1.4m pa. The redevelopment will add 50,000 sq ft of state of the art office space and refit the existing 120,000 sq ft; the total cost estimate is £31m with £28m funded by sale of the 50% stake to Leeds City Council. The completed re-development is currently valued at £70m (we have a 50% share) and will generate income of £3.3m pa (indexed in line with CPI) from a 25 year lease to Leeds City Council.

Hotel. The Merrion Centre Hotel is currently vacant and there is no demand for a lease occupier. We have now signed management contracts and franchise agreements with Ibis Styles (3 star) and Marco Pierre White restaurants to create a 134 bed hotel and a 4,000 sq ft restaurant. The estimated build cost is £7.5m and is expected to generate an initial run rate EBITDA of £600,000 pa rising to £1m pa over 5 years. The start on site will be autumn 2015 subject to obtaining planning permission.

Merrion Hotel

Arena Quarter

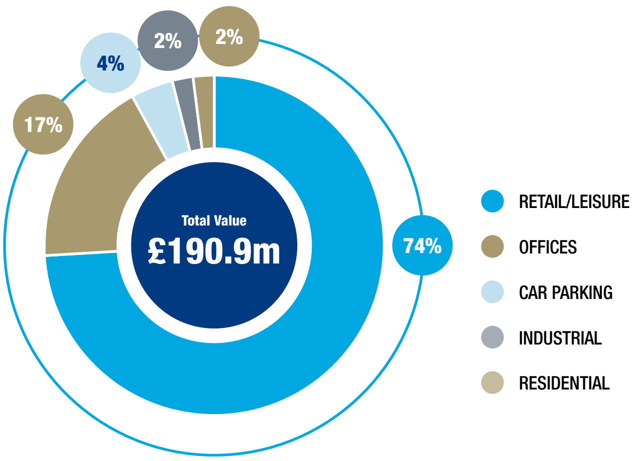
Merrion House

CHAIRMAN AND CHIEF EXECUTIVE'S STATEMENT

Leeds City Region

Albion Street

This deal is typical of the way we continue to generate increases in value in a competitive retail market; we took surrender of a short lease to Austin Reed, pre-let 5,125 sq ft to Sainsburys for 15 years at £157,500 pa and have also configured the building to allow for a future residential development of 3,886 sq ft. The resultant revaluation gain was £800,000 less the cost of works of £200,000.



Apperley Bridge

This property was the former Barratts head office and was purchased in July 2012 for £2.4m. £600,000 has been spent on demolition and site preparation and the site was sold unconditionally for £5m in December 2014.

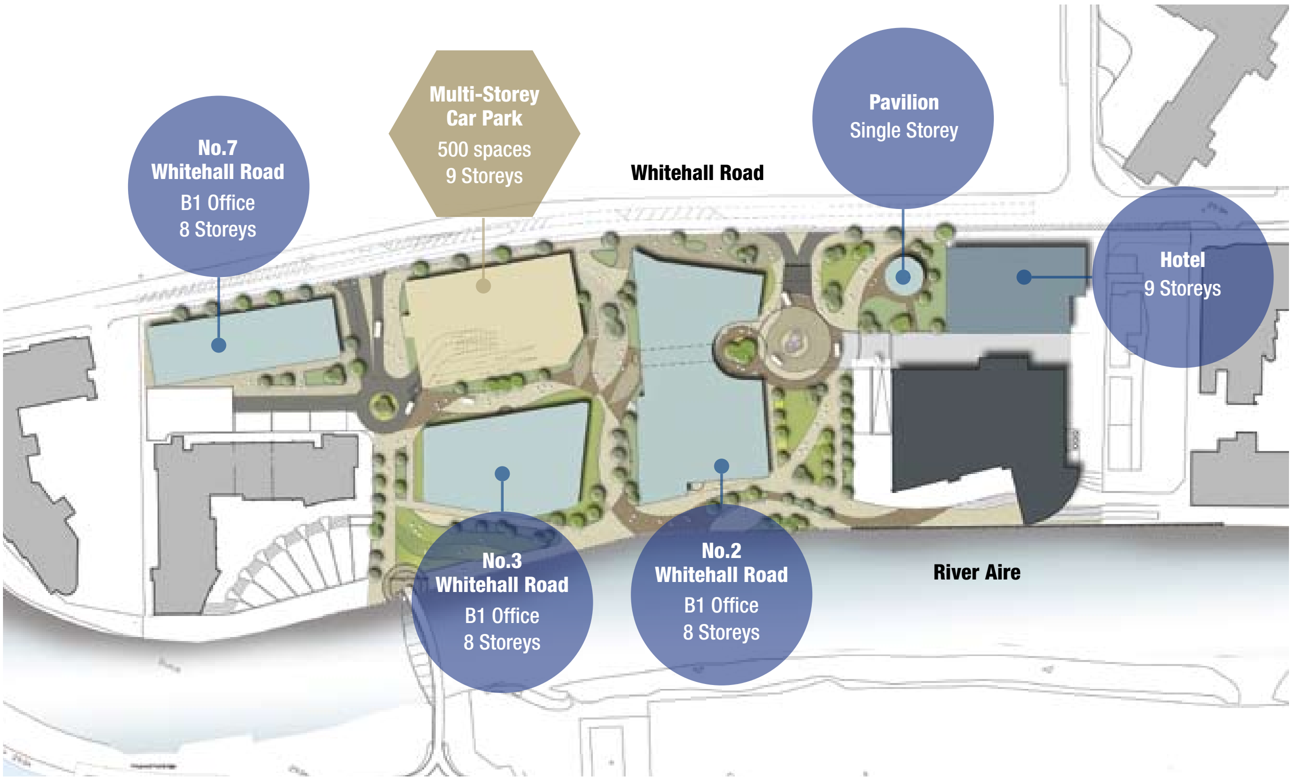
Vicar Lane

Our property comprises one side of the main entrance to the Victoria Gate development which includes a John Lewis store and associated retail/leisure units with a total of 450,000 sq ft of new space scheduled to open in autumn 2016. Our property is let to a number of tenants including Flannels and High & Mighty. We have benefitted from an increase in value due to the scheme and we propose to capitalise further on this by reconfiguring the unit to maximise rental value.

CHAIRMAN AND CHIEF EXECUTIVE'S STATEMENT
Whitehall Road, Leeds

Whitehall Road

This area is rapidly becoming the prime office location in Leeds with 3 substantially speculative office buildings under construction on the sites adjoining Whitehall Riverside. There is an established demand for Grade A space at £28 psf and we are currently marketing for pre-let on our site a 170,000 sq ft office building and we are also in detailed negotiations regarding a 128 bedroom hotel. The masterplan also includes a 500 space multi-storey car park along with a further 150,000 sq ft of offices.



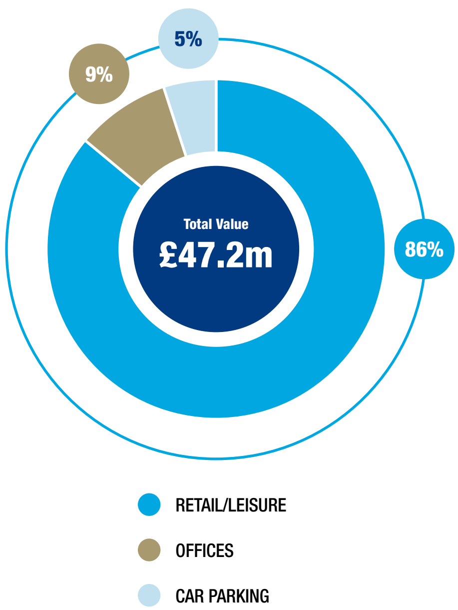
CHAIRMAN AND CHIEF EXECUTIVE'S STATEMENT

Manchester City Region

The planning agenda on the Northern side of our 5 acre site has changed over the last year and there is a move towards residential development in this part of Manchester. We have re-focused the master plan which now includes capacity for 850 apartments with a potential end value of over £240m. As part of this plan we have detailed consent for 91 canal-side units and we are finalising a pre-sale agreement.

The remaining site is zoned for commercial development and includes space for a 750 space multi-storey car park. The site continues to trade successfully as a surface car park along with the existing multi-storey car park at Tariff Street.

91 Unit Residential Scheme designed by Ian Simpson, Award-winning architect.



Urban Exchange

This retail warehouse unit comprises 160,000sq ft of space on 2 levels plus a basement. It became vacant in 2008 and since then we have worked to rebuild value through lettings to Aldi, M&S, Pure Gym and Go Outdoors. These lettings were on turnover rents and the rental growth over the last 5 years has been 400%.

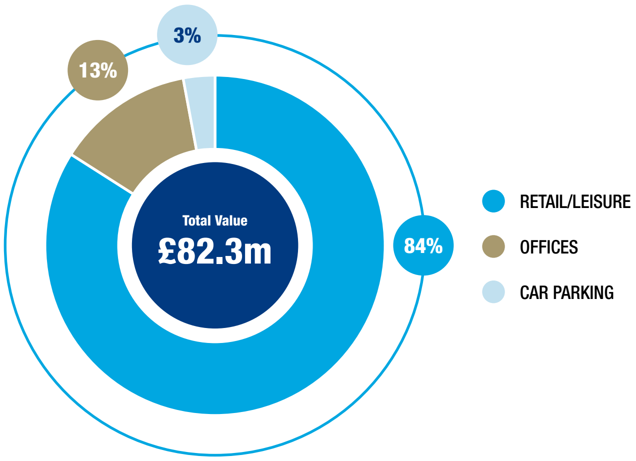
STRATEGIC REPORT
1

CHAIRMAN AND CHIEF EXECUTIVE'S STATEMENT
Scotland

Shandwick Place, Edinburgh

Waitrose, Milngavie

The land for this development adjoins our existing ownership of the Homebase in Milngavie. We acquired the land for £3m and construction costs were £7m creating a 36,000 sq ft store let to Waitrose for 25 years at £644,000 pa. The year end valuation was £13.3m.



Empire House, Glasgow

This actively managed property comprises 9 shop units on Sauchiehall Street and 4 floors of multi-let offices above. We have obtained change of use for one unit this year from shop to restaurant, let the unit to Bella Italia and increased the rent by £65,000.

Shandwick Place, Edinburgh

This is a substantial block of mixed retail and office space at the end of Princes Street in Edinburgh. We recently concluded a deal with Ask restaurants; we obtained possession from 2 former tenants, put 2 units together and let to Ask at £150,000 pa, an increase of £70,000 pa on previous rent. The valuation has increased by £1.1m, while the cost of works was £400,000. Overall, the income from this block is up £246,000 on last year.

London Office

We completed the acquisition of this property in Duke Street, London W1 in July 2014 at a cost of £3.1m from an LPA receiver. Although not fully occupied there were two existing leases with a total rent of £90,000 pa. We negotiated the surrender of the leases, completely refurbished the interior and exterior and at the same time regularised the legal and planning status of the ownership. The ground, first floor and basement is now let to Titan Black at £122,000 pa and we have occupied the second and third floor offices which have a combined rental value of £60,000 pa. The total refurbishment cost was £350,000 and it valued at the year end at £4.25m.

CHAIRMAN AND CHIEF EXECUTIVE'S STATEMENT

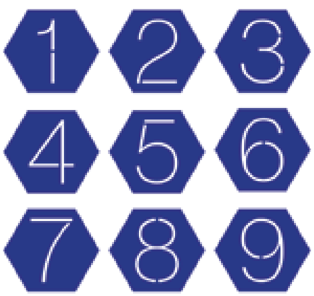
Car Parking

We have been extremely active in the car park business as well. Following on from the acquisition of the Ilford multi-storey last June we have added five new sites to our portfolio in London and Watford; bringing the total to 5,200 spaces. These acquisitions all comprise leasehold sites and we have also negotiated lease extensions with the landlords. These operations are currently being fitted out in CitiPark branding and will generate turnover of approximately £10m in 2015/16.

Our cloud based management system has been installed in Ilford and Manchester with further installations currently underway at our Central London and Watford branches. Our Engine Room (central control room) became fully operational in August this year and we are now able to deal with all day to day operational matters remotely. This will allow us to rationalise staff levels at our branches.

The rebranding of the business to CitiPark was successfully completed during the year. All our branches will have a consistent brand and it will apply to surface and multi-storey operations. The rebrand 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 rebrand will increase our customer base and give the branches a cleaner look and feel.

EDWARD M ZIFF
Chairman and Chief Executive
17 September 2015



Merrion Centre
960
Spaces
2015 Revenue
£1,765,000
1.7%

Tariff Street
232
Spaces
2015 Revenue
£362,000
2.3%

Clarence Dock
1,650
Spaces
2015 Revenue
£1,371,000
11.6%

Whitehall Road
510
Spaces
2015 Revenue
£883,000
18.4%

Piccadilly Basin
585
Spaces
2015 Revenue
£901,000
5.3%

Clements Road
653
Spaces
Acquired: June 2014
Annualised Revenue
£593,000

Watford
1,757
Spaces
Acquired: April 2015
Annualised Revenue
£2,080,000

Clipstone Street
210
Spaces
Acquired: December 2014
Annualised Revenue
£474,000

Bell Street
220
Spaces
Acquired: March 2015
Annualised Revenue
£446,000

CAR PARKING ACQUISITIONS

It has been an evolutionary year for our car park business, acquiring several new branches, continuing our roll out of technological upgrades, our re-brand and implementation of ‘The Engine Room’.

Ben Ziff
Managing Director

CitiPark

Acquisitions

We have acquired 5 leasehold car parks during the year, all situated in the South East of England.

Bell Street contains 220 spaces over 5 floors of underground car parking located just outside the congestion charging zone in central London. The potential of the location is expected to improve significantly following planned developments that will reduce the availability of parking spaces in the local area. The branch was acquired in March 2015 for £3.0m and is held on a 26 year lease with Westminster City Council, at an annual rent of £175,000.

Clipstone Street is a 210 space basement car park in Clipstone Mews, Central London. It is located inside the congestion charging zone, close to BBC Broadcasting House and within walking distance of the theatres and restaurants of the West End and Soho. The branch was acquired in December 2014 for £800,000 and is held on a 18 year lease with Westminster City Council, at an annual rent of £330,000.

3 multi-storey car parks in Watford containing a total of 1,757 spaces were acquired in March 2015 through contract tender. Each is located in Watford town centre within close proximity of shopping, leisure facilities and Watford Junction Rail Station. CitiPark has committed to a £4m refurbishment programme for structural improvements and modernisation of the car parks, which is currently underway and due for completion during the next financial year.

Clements Road, Ilford was acquired in June 2014 and has therefore now had a full year of trading. The car park has a new management system and income has grown considerably through the year following targeted marketing campaigns. Further growth is anticipated, particularly when the new Crossrail station opens in 2018.

Completion of Merrion Refurbishment

The refurbishment of the Merrion Multi-storey car park was completed during the year. The temporary reduction in capacity of the car park has constrained performance this year, however income generated from the car park has increased significantly following the completion of the construction works.

PROPERTY OVERVIEW

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

The value of our investment property portfolio now stands at £324.3m with an ERV of £21.8m and an occupancy rate, based upon income (rather than square footage), of 96%. The external valuation of our investment portfolio as at 30 June 2015 on a like for like basis shows an increase of 7.1% (2014: 10.0%) and reflects an initial yield of 5.8% (2014: 6.4%) and a reversionary yield of 6.8% (2014: 7.4%).

The investment property portfolio outperforms IPD in all comparable categories.

The most notable gains are in Merrion House (£17.5m compared to £12.8m), Waitrose at Milngavie (£13.3m compared to total cost of £10.5m), the London suburban shops at 16.3% (2015 value £3.1m) and the Albions, Leeds at 10.3% (2015 value £5.4m).

Merrion Centre has again out-performed IPD as it has over 1, 3 and 5 years.

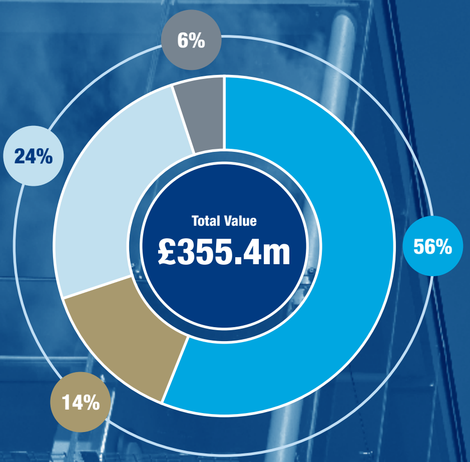
Portfolio Analysis

	Passing Rent	ERV £m	Value £m	% of Portfolio	Valuation +/- %	Initial Yield %	Reversionary Yield %
Retail & leisure	5.1	5.7	90.1	25%	5.1%	5.4%	6.0%
Merrion Centre (excl offices)	6.1	7.2	112.6	32%	7.1%	6.4%	7.1%
Offices	3.0	4.5	48.0	14%	11.1%	5.9%	8.8%
Out of town retail	3.4	3.5	59.7	17%	7.4%	5.4%	5.5%
Industrial	0.2	0.4	4.4	1%	-	5.0%	7.8%
Residential	0.5	0.5	9.5	3%	4.7%	4.6%	4.6%
	18.3	21.8	324.3	91%	7.1%	5.8%	6.8%
Development property (car park income)	0.9	1.4	13.5	4%	-		
Car parks	0.6	1.0	17.6	5%	-5.6%		
Let portfolio	19.8	24.2	355.4	100%	6.5%		
Voids (4%)		0.8					
		25.0					

Portfolio income analysis

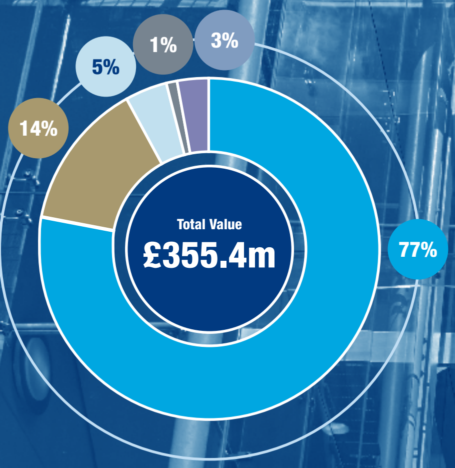
£m	Passing Rent 2015	Passing Rent 2014	ERV 2015	ERV 2014
Merrion excluding Merrion House	7.5	7.6	8.6	8.2
Merrion House	0.7	1.4	1.7	1.4
Waitrose Milngavie	0.7	-	-	-
Park Row Leeds (sold July 2014)	-	0.7	0.7	0.7
Property Acquisitions	0.5	-	0.8	-
Other	8.9	8.4	9.8	9.7
Total	**18.3**	**18.1**	**21.6**	**20.0**

PORTFOLIO ANALYSIS



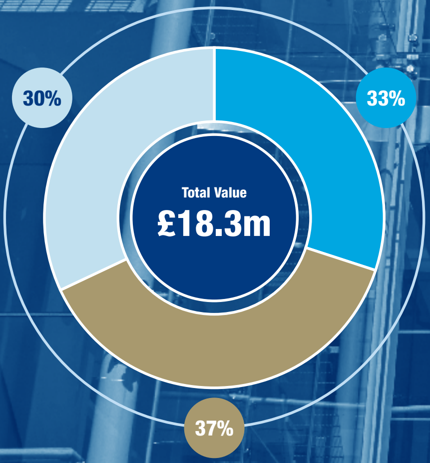
BY LOCATION

- LEEDS
- MANCHESTER
- SCOTLAND
- LONDON



BY SECTOR

- RETAIL/LEISURE
- OFFICES
- CAR PARKING
- INDUSTRIAL
- RESIDENTIAL



BY LEASE EXPIRIES

- 0-5 YEARS
- 5-10 YEARS
- 10+ YEARS

TOP TEN TENANTS

+£1m

Waitrose
Wm Morrison

£500k £1m

Leeds City Council
Pure Gym
Homebase
Matalan

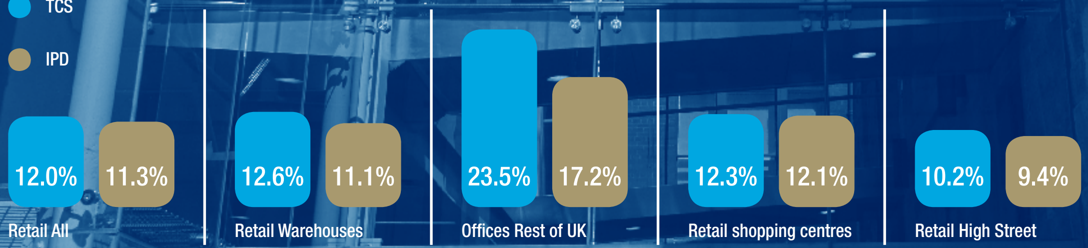
£250k £500k

Stepchange
Dune Group
Aldi
Go Outdoors

Annual Rent

TOTAL PROPERTY RETURNS

- TCS
- IPD



THE BOARD

Executive Directors

EDWARD ZIFF (55)
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 is also Chair and Trustee of the Leeds Teaching Hospital Charitable Foundation.

RICHARD LEWIS (60)
FRICS
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 (59)
ACA
Finance Director

Duncan Syers joined TCS on 12 April 2014 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.

BEN ZIFF (28)
Managing Director CitiPark

Ben joined TCS in September 2008 and was appointed as Managing Director of the car park business in 2009.

In 2013 a team led by Ben started the redevelopment of the Merrion Centre 1,000 space multi-storey car park, restoring a 60's concrete structure using the latest carbon fibre technology and producing a state of the art facility which is among the best in the country.

Since 2014 Ben has also led the acquisitions programme which has doubled the size of the business.

Non-Executive Directors

JOHN NETTLETON FRICS ACIArb **(67)**

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) **(62)**

Nominations Committee

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

IAN MARCUS FRICS **(56)**

Remuneration Committee, Nominations Committee and Audit Committee

Ian Marcus was appointed to the board on 1 January 2015. He spent over 32 years as an investment banker latterly at Credit Suisse. Ian is Chairman of the Prince's Regeneration Trust, a Crown Estate Commissioner, Chairman of the Bank of England Property Forum, a member of Redevco's Advisory Board, Senior Adviser to Eastdil Secured and the Senior Independent Director for Secure Income REIT.

PAUL HUBERMAN FCA CTA **(54)**

Remuneration Committee, Nominations Committee and Audit Committee

Paul Huberman was appointed a director on 1 January 2015. He brings over 28 years' experience in the property and finance sector. Paul was previously Finance Director at 3 quoted companies. He is currently a non-executive director of Galliard Homes Limited, a London housebuilder and is a non-executive director at JCRA Group Ltd, the holding company of J C Rathbone Associates Ltd, the independent advisers on interest rate risk management, debt finance and foreign exchange exposure.

STRATEGIC REPORT - ADDITIONAL DISCLOSURES

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 £99,000 (2014: £108,000). We have five nominated charities, Leeds Jewish Welfare Board, Lion Heart, The Prince's Regeneration Trust, Candlelighters 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.

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 96% 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 Preformance Indicators (KPI's)

The principal KPI's used by the Directors to measure progress are Underlying Profit, Earnings per share 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.

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.

Merrion Centre car park, Leeds

Clarence Dock car park, Leeds

Environment

TCS is committed to creating vibrant, sustainable developments that meet the needs of tenants and investors while focusing on the preservation of our heritage, local communities, the environment, its biodiversity and wildlife.

Dedicated to creating developments that meet the highest BREEAM ratings and as a member of the FTSE4 Good Index Series, TCS has comprehensive strategies and annual targets that reflect our commitment to continuous improvement in environmental performance. TCS is committed to the reduction of energy consumption and harmful emissions through design solutions that minimise the energy requirements of the construction process and a careful consideration of the environmental impact of the finished building.

We have solar photovoltaic schemes at Clarence Dock Car Park, Leeds and Urban Exchange, Manchester and we continue to generate electricity for our own use and the grid.

Energy usage in our properties is the responsibility of our tenants but where we fulfill an on-site management function we encourage energy-saving initiatives, monitor water usage and sort waste to maximise recycling.

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

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.

VALUERS REPORTS

JLL

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

30 June 2015

Dear Sirs

Town Centre Securities PLC – Property Portfolio Valuation – 30 June 2015

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 2015.

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 JLL, as at 30 June 2015, subject to and with the benefit of the tenancies currently subsisting, is:

Freehold	£104,615,000
Long leasehold	£13,800,000
Total	**£118,415,000**

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 2015 valuations

In accordance with your written instructions we have inspected and valued The Merrion Centre, Leeds; Merrion House, Leeds; Homebase, Main Street, Milngavie; Waitrose, Milngavie; 363-381 Byres Road and 9-19 Grosvenor Lane, Glasgow; Phases 1 and 2, Central Retail Park, Rochdale; 6 Duke Street, London; 106A Kilburn High Road, London; 9 Cheapside, Wood Green and 448 Holloway Road, London, held by Town Centre Securities PLC and its various subsidiary companies, for accounts purposes as at 30 June 2015.

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 2015 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 forgoing 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 2015, subject to and with the benefit of the tenancies currently subsisting, is:

£216,515,000 (TWO HUNDRED AND SIXTEEN MILLION, FIVE HUNDRED AND FIFTEEN 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

CORPORATE GOVERNANCE

Town Centre Securities PLC became a listed company 55 years ago and has throughout its history provided superior returns to shareholders. As Chairman, I take my responsibilities for ensuring strong corporate governance very seriously, as did my father before me.

We have always had a strong, independent presence of non-executive directors on our Board, and those directors have provided invaluable support and guidance for me and my fellow executives and have also challenged and tested our decisions and strategies.

We try wherever possible to comply with the various rules which apply to our Corporate Governance. Those rules are primarily focused on much bigger companies than ours and sometimes we have to make pragmatic compromises because of our size and the nature of our shareholder base.Those compromises are always made using common sense and with due consideration of the best interests of all shareholders.

This year there is a process of transition underway; we have appointed 2 independent non-executive directors who bring an invaluable and extensive knowledge and experience of the property and finance sectors, Howard Stanton has retired and Ben Ziff has been appointed to the Board.

I truly believe our Board is now one of the best in our sector and should provide investors with absolute confidence that their interests are in safe hands.

EDWARD M ZIFF
Chairman and Chief Executive
17 September 2015

Attendance at Board Meetings

	Number of meetings	Number attended
E M Ziff	8	8
R A Lewis	8	8
D S Syers	8	8
J A Nettleton	8	8
M A Ziff	8	8
H T Stanton	6	6
I Marcus	5	5
P Huberman	5	5

Attendance at Audit Committee Meetings

	Number of meetings	Number attended
H T Stanton	2	2
J A Nettleton	2	2
I Marcus	2	2
P Huberman	2	2

● Number of meetings

● Number attended

This report along with the Directors' Remuneration Report on pages 32 to 35 provides details of our corporate governance procedures and processes. On page 31 we also set out the Statement of Compliance which lists the exceptions to this statement.

Board of Directors

Details of the Board of Directors are given on pages 22 to 23 of this report. At the end of the year the Board comprised four Non-executive Directors and three Executive Directors, including the Chairman and Chief Executive. A further Executive Director, Ben Ziff, was appointed on 17th September 2015.

Our four Non-executive Directors bring considerable experience and expertise to the work of the Board and provide a significant independent view to our deliberations. They regularly challenge and question the conclusions of the Executive and have a particular focus on the interests of the non-family shareholders.

Under the Code two Non-executive Directors are not considered as technically independent, Michael Ziff (due to his shareholding and his close family ties) and John Nettleton (due to the length of his service). The Board consider that both bring extensive experience and expertise and provide invaluable contributions to the work of the Board. John Nettleton is the Senior Non-executive Director.

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 opposite. 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 two divisional Boards, the Property Review Forum and the Citipark Board, which comprises Executive Directors and senior managers and met ten times during the year. The Board has delegated responsibility to the divisional Boards 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 receive information about the Group's operations, the role of the Board, the Group's corporate governance policies and the latest financial information. 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 and 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 as part of the September Audit Committee proceedings. 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 structure of the Group, including succession planning in key areas of the business;
- 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.

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.

Committees of the Board

There are two committees which meet regularly, the Audit Committee and the Remuneration Committee. John Nettleton, Ian Marcus and Paul Huberman form both committees. The Nominations committee only meets when circumstances require it and comprises John Nettleton (Chairman), Edward Ziff, Ian Marcus, Paul Huberman and Michael Ziff.

Two meetings of the Nominations Committee were held during the year; the first to approve the appointment of Ian Marcus and Paul Huberman and the second to approve the appointment of Ben Ziff to the Board.

The Remuneration committee meets once a year in September to approve the pay and incentive awards of the Executive Board. Details are set out in the Remuneration Report.

CORPORATE GOVERNANCE continued

The Audit Committee is chaired by Paul Huberman and 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 engagement and scope of the audit

The Committee reached the following conclusions:

- the 2015 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 25
- 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 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.

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.

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 Independent 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; 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
17 September 2015

Directors' responsibility statement

Each of the Directors, whose names and functions are listed on pages 22 to 23 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
17 September 2015

4 FINANCIAL STATEMENTS

DIRECTORS REMUNERATION REPORT

Town Centre Securities PLC has in recent years only operated one Annual Bonus Plan which rewards and incentivises the executive directors to achieve their goals. The maximum award under this plan is 60% although this level has never been awarded.

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.

Awards under the Annual Bonus Plan are made in the context that:

- Salary increases have been limited for many years (the salary of the Chief Executive has only increased by 7.2% in 6 years)
- Bonus Awards have never reached the maximum of 60% and have averaged 20% over the last 5 years
- Awards under the Long Term Incentive Plan have been suspended
- All final salary related pension commitments have been closed out and EM 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 Group'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 Group 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 2014/15 the Group has seen performance at all levels in excess of accepted market indices and the Directors have made significant progress in moving towards strategic goals set in their annual objectives.

E M Ziff and R A Lewis received a 2.5% increase in salary in October 2014 and a 2.0% salary increase was approved in October 2015.

The salary of D S Syers was set on his appointment and has been increased as shown in the table on page 34.

Discretionary Annual Bonuses for the Executive Directors as set out in the report below have been agreed for significant achievements.

J A NETTLETON
Chairman of the Remuneration Committee
17 September 2015

Remuneration Committee

The remuneration committee consists of non-executive directors, with J A Nettleton (Chairman) and H T Stanton serving on the committee until he retired. Changes were made in January 2015 as Ian Marcus and Paul Huberman joined on their appointment. 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 Group'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 below for the pension). This element seeks to ensure that the Group 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 Group 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. The value of the benefits or salary alternative is not pensionable.

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 Group to pay final salary pensions to be commuted. As a result neither E M Ziff nor R A Lewis receive pension contributions (although R A Lewis received an annual payment of £42,500 under this settlement until 30 April 2015 when it ceased). These pension arrangements give no exposure to underfunding whatsoever.

The Group makes payments to a defined contribution scheme for D S Syers of 10% of salary and for C B A Ziff of 13% of salary.

Variable remuneration

The Group operates an Annual Bonus Plan under which awards are discretionary and the committee considers the performance of each individual director and of the Group 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 value) 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. This bonus is not pensionable. It is Group policy to reward exceptional growth or performance.

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.

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, D S Syers and C B A Ziff have service contracts with one year's notice. Their contracts provide for retirement at 65. The Group 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. If the Group 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.

Directors are permitted to accept non-executive appointments by prior arrangement and provided there is no conflict with the Group's objectives.

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 Group makes pension contributions for eligible employees at rates which vary depending on seniority. The Group has instituted auto-enrolment with effect from 1 July 2014.

Consideration of shareholder views

The Group welcomes comments on its remuneration from shareholders, although no such comments have been received during the year. 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 FTSE All Share REIT Index, measured in the same way over the six years ended 30 June 2015. 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

4

FINANCIAL STATEMENTS

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	
	2015 £000	2014 £000	**2015 £000**	2014 £000	**2015 £000**	2014 £000	**2015 £000**	2014 £000	**2015 £000**	2014 £000	**2015 £000**	2014 £000
EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE												
E M Ziff	**548**	538	**165**	179	**67**	65	**2**	2	**-**	-	**782**	784
EXECUTIVE DIRECTORS												
R A Lewis	**297**	291	**89**	97	**22**	20	**2**	2	**39**	32	**449**	442
D S Syers	**169**	38	**36**	-	**18**	4	**-**	-	**17**	11	**240**	53
	1,014	867	**290**	276	**107**	89	**4**	4	**56**	43	**1,471**	1,279
NON-EXECUTIVE DIRECTORS												
J A Nettleton	**47**	47	**-**	-	**-**	-	**-**	-	**-**	-	**47**	47
M A Ziff	**47**	47	**-**	-	**-**	-	**-**	-	**-**	-	**47**	47
H T Stanton	**39**	47	**-**	-	**-**	-	**-**	-	**-**	-	**39**	47
P Hubeman	**23**	-	**-**	-	**-**	-	**-**	-	**-**	-	**23**	-
I Marcus	**23**	-	**-**	-	**-**	-	**-**	-	**-**	-	**23**	-
	179	141	**-**	-	**-**	-	**-**	-	**-**	-	**179**	141
	1,193	1,008	**290**	276	**107**	89	**4**	4	**56**	43	**1,650**	1,420

Footnotes:

The above tables show bonus awards in respect of the years ending 30 June 2015 and 2014. In the previous year's remuneration report no award was disclosed for 2014 as the award was not formally approved by the Board until after the accounts had been finalised.

The directors' service contracts were entered into as follows; EM Ziff 22 May 1985, RA Lewis 7 September 2010, DS Syers 12 April 2014 and CBA Ziff 17 September 2015.

In May 2015 All the Executive Directors accepted an invitation to participate in the SIP by each agreeing to purchase shares to the value of £1,500, paid between June 2015 and November 2015. 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 2015. For illustration, based on the share price as at 30 June 2015, this would equate to each Director receiving 508 partnership shares and 508 matching shares. In November 2014 EM Ziff and RA Lewis received 1,304 partnership shares and 1,304 matching shares in respect of the 2014 Share Incentive Plan. The total number of partnership and matching SIP shares beneficially held at 30 June 2015 is shown below.

The increase in the salary of the CEO was 2% compared to the overall increase of 9.5% in other staff salary costs.The remuneration of the CEO for the last 5 years is 2011 - £0.67m, 2012 - £0.67m, 2014 - £0.60m, 2014 - £0.78m, 2015 - £0.78m

SHARE INCENTIVE PLAN

The total number of partnership and matching SIP shares beneficially held at 30 June were:	**2015 Number of shares**	2014 Number of shares
E M Ziff	**8,562**	11,364
R A Lewis	**8,562**	11,364
D S Syers	**-**	-

DIRECTORS' INTERESTS IN SHARES

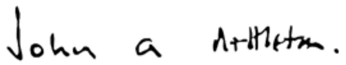
Details of the interests of the directors and their connected parties in the ordinary share capital of the Company and movements in Directors' shareholdings during the year are set out overleaf. There have been no movements in Directors' shareholdings between 1 July 2015 and 17 September 2015 other than DS Syers purchased 9,783 shares on 8 July 2015.

The non-beneficial interest disclosures include 1,069,278 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 6,133,932 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 2015, TCS Trustees Limited held 104,666 ordinary shares (2014: 148,962) on behalf of all participants including those share awards of Executive Directors shown overleaf.

M A Ziff previously granted security over 300,000 ordinary shares, that security has now been released.

This report was approved by the board on 17 September 2015 and signed on its behalf by



J A NETTLETON
Chairman of the Remuneration Committee

DIRECTORS' INTERESTS IN SHARES

The interests of the Directors and their connected parties in the ordinary share capital of the company are as follows:

		30 June 2015 Number of shares	30 June 2014 Number of shares
E M Ziff	Beneficial	**5,470,524**	5,853,920
	Non-beneficial	**18,981,427**	19,499,576
R A Lewis	Beneficial	**323,621**	322,837
D S Syers	Beneficial	**10,000**	-
J A Nettleton	Beneficial	**36,000**	36,000
M A Ziff	Beneficial	**2,871,513**	3,347,373
	Non-beneficial	**12,322,675**	13,321,796
I Marcus	Beneficial	**-**	-
P Huberman	Beneficial	**-**	-

OTHER UNAUDITED DISCLOSURES

	30 June 2015 £000	30 June 2014 £000
Total employee remuneration	**4,103**	3,086
Total dividends paid	**5,550**	5,550

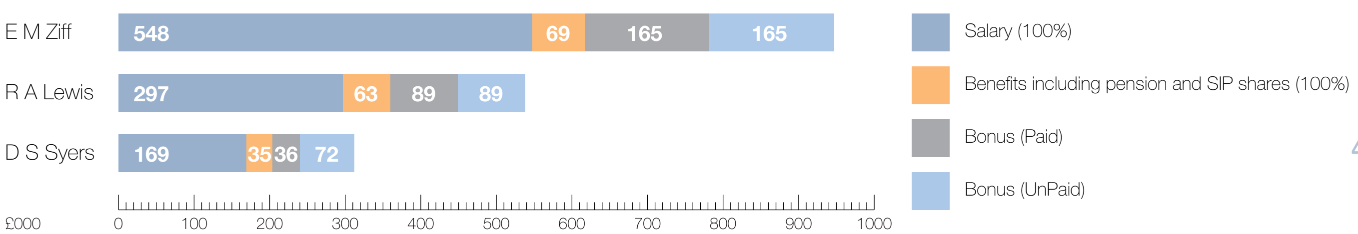
Gender and Diversity

The Board's policy is to treat all employees equally whatever their gender or ethnicity. The total of the 125 Group employees comprises 35 women and 90 men and the Board is wholly male.

Voting at Annual General Meeting

At the Annual General Meeting on 18 November 2014 the prior years' remuneration report was approved unanimously.

Board Remuneration including theoretical maximum bonuses



4 FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors have pleasure in presenting the Annual Report and Accounts for the year ended 30 June 2015.

An operating and financial review of the performance of the Group and its results for the year is contained within pages 4 to 21, 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 42.

An interim dividend of 3.10p per share was paid on 26 June 2015 as a PID. The Directors now recommend the payment of a final dividend of 7.34p per share comprising a PID of 2.16p per share and an ordinary dividend of 5.18p per share. The proposed final dividend will be paid on 5 January 2016 to ordinary shareholders on the register at the close of business on 4 December 2015.

BUSINESS REVIEW

The Strategic Report on pages 4 to 17, 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 2015.

NON-CURRENT ASSETS

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

Investment properties are held at fair value and were revalued by Jones Lang LaSalle and CB Richard Ellis, as at 30 June 2015, 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 Financial Statements. 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 as set out in Note 22 to the Consolidated Financial Statements.

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. 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 13 days (2014: 30 days) and for the Company were 43 days (2014: nil days).

DONATIONS

Charitable donations during the year amounted to £99,000 (2014: £108,000). Details of charities supported by the Group are set out on page 24. The Group made no political contributions in either year.

TAXATION

The Company is not a close company.

DIRECTORS AND DIRECTORS' INTERESTS

The Directors of the Company and their biographical details are shown on pages 22 and 23. None of the Directors has any contracts of significance with the Company other than their service contracts. Details of the Executive Directors' service contracts are given in the Directors' Remuneration Report on page 34.

Beneficial and non-beneficial interests of the Directors in the shares of the Company as at 30 June 2015 are disclosed in the Directors' Remuneration Report on page 35.

M A Ziff and J A Nettleton will retire by rotation at the Company's AGM on 18 November 2015 and, being eligible, offer themselves for re-election. C B A Ziff, I Marcus and P Huberman have been appointed since the last Annual General Meeting and accordingly will offer themselves for re-election at the AGM.

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 72 to 75 explaining the business to be considered at the AGM on 18 November 2015. 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.

EM Ziff, MA Ziff and CB A Ziff together with certain connected persons and trusts are part of a concert party which, following changes to the Listing Rules in May 2014, is classed as a "controlling shareholder" of the Company. The Listing Rules require that where there is a controlling shareholder, independent non-executive directors be elected/re-elected by both an ordinary resolution of the shareholders and a majority resolution of the independent shareholders (being those shareholders other than the controlling shareholder).

The Company, having taken into account the guidance provided by the UK Corporate Governance Code, has determined that I Marcus and P Huberman are independent non-executive directors. Accordingly, the resolutions for the re-election of such independent non-executive directors (being resolutions 5 and 6) will be taken on a poll and the votes cast by independent shareholders and all shareholders will be calculated separately. Such resolutions will be passed only if a majority of votes cast by all shareholders and a majority of votes cast by independent shareholders are in favour.

Biographies of each of these directors are set out on page 23 of the Annual Report 2015. A full explanation of the reasons why the board believes these directors should be reappointed to the board is on page 29 of the Annual Report 2015 along with a description of the appointment process which determined that the Directors are independent.

Save as disclosed below, there are no existing or previous relationships, transactions or arrangements between each independent director and the Company, any of its directors, any controlling shareholder of the Company or any associate of a controlling shareholder of the Company within the meaning of Listing Rule 13.8.17 R:

- I Marcus was a consultant to the Company from 1 January 2014 until his appointment as a Director. The consultancy fee was £30,000 p.a.

In relation to resolution 12 (disapplication of pre-emption rights), the disapplication authority is in line with the Statement of Principles issued by The Pre Emption Group in 2015 ("2015 Principles"). The 2015 Principles increased the percentage of shares which could be issued for cash on a non pre emptive basis from five per cent to ten per cent, provided that the additional five per cent is used only in connection with an acquisition or specified capital investment. The directors therefore confirm that they will only use the authority to issue shares on a non pre-emptive basis granted in resolution 12 which is in respect of more than five per cent of the issued share capital of the Company (including treasury shares) in connection with an acquisition or specified capital investment which is announced contemporaneously with the issue, or which has taken place in the preceding six month period and is disclosed in the announcement of the issue. If given, this power will expire at the conclusion of the Company's next AGM or on 17 February 2017 (whichever is the earlier). It is the directors' intention to renew this power each year.

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 AUDITORS

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 SHAREHOLDINGS

Excluding those of the Directors, the Company had been notified of the following substantial interests in its share capital at 17 September 2015:

	Number of shares	% of issued capital
A L Manning	6,133,932	11.54
New Fortress Finance Holdings Limited	1,644,360	3.09

By order of the Board

D S SYERS
Company Secretary
17 September 2015

INDEPENDENT AUDITORS' REPORT
to the members of Town Centre Securities PLC

REPORT ON THE GROUP FINANCIAL STATEMENTS

OUR OPINION

In our opinion, Town Centre Securities PLC's Group financial statements (the "financial statements"):

- give a true and fair view of the state of the group's affairs as at 30 June 2015 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

WHAT WE HAVE AUDITED

The financial statements comprise:

- the Consolidated balance sheet as at 30 June 2015;
- 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 the preparation of the financial statements is applicable law and IFRSs as adopted by the European Union.

OUR AUDIT APPROACH

Overview

- Overall Group materiality: £452,000 which represents 5% of profit before tax, excluding revaluation movements.
- Audits of the complete financial information of all reporting units were performed.
- Valuation of investment and development properties.

The scope of our audit and our areas of focus

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)").

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

The risk of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, identified as an "area of focus" in the table below. We have also set out how we tailored our audit to address this specific area in order to provide an opinion on the financial statements as a whole, and any comments we make on the results of our procedures should be read in this context. This is not a complete list of all risks identified by our audit.

AREA OF FOCUS

Valuation of investment and development properties

Refer to page 30 (Audit committee report), page 46 to 50 (Principal accounting policies) and page 51 to 61 (Notes to the accounts).

The valuation of the Group's investment and development properties is the key driver of the Group's net asset value and underpins the Group's result for the year. The result of the revaluation this year was a gain of £14.8m (2014: £19.8m), which is accounted for within 'Gain on revaluation and sale of investment and development property'.

The Group's property portfolios, which comprise investment property (including retail, offices, and residential) and development property located across the country are not uniform in nature, (mainly due to location and property characteristics) and therefore a number of different assumptions are made by the Group's external valuers in determining fair value:

- The valuation of investment properties depends on the individual nature of each property (including its location) which heavily influences the future rental it is expected to generate. The assumptions on which the property values are based are influenced by individual tenure and tenancy details for each property, prevailing market yields and comparable market transactions.
- Development properties are valued using the residual appraisal method, which estimates the fair value of the completed project using either a sales comparison or income capitalisation method, less estimated costs to completion, and a market based profit margin providing a return on development risk.

Both the aforementioned valuation methods involve a significant amount of judgement and the Directors engaged third party valuation experts to perform the valuations for each.

We focused on the assumptions used in the valuation of investment and development properties because small percentage changes in each key assumption can materially impact the valuation and could, when aggregated, give rise to a material misstatement.

HOW OUR AUDIT ADDRESSED THE AREA OF FOCUS

Experience of valuation experts and relevance of their work

We read the third-party experts' reports and assessed whether these external organisations had appropriate qualifications and expertise to undertake such valuations. We read the experts' terms of engagement with the Group and determined that there were no matters that affected their independence and objectivity or imposed scope limitations upon them in their performance of these valuations.

We confirmed valuations had been performed on bases consistent with practices approved by the Royal Institute of Chartered Surveyors ("RICS") and the requirements of IFRSs as adopted by the European Union ("EU IFRS") and that the definition of fair value adopted by both the directors and these organisations was consistent with definitions in EU IFRS.

In assessing vacant possession values of the UK residential properties, we attended a meeting between management and the external independent experts at which we discussed those properties where the initial Directors' in-house and the external independent experts valuations were not within our independently determined acceptable tolerance/range. We assessed whether additional evidence presented in arriving at the final Directors' valuations for those properties agreed by both parties was appropriate and, where provided by management, whether this was robustly challenged by the external independent experts where appropriate. No issues were noted during our assessment.

Data provided to the experts

For investment properties, we tested a sample of data provided to the experts by the Directors.

This data included tenancy schedules, capital expenditure details, acquisition cost schedules and square footage details which we agreed back to appropriate supporting documentation.

For development properties, we agreed that the planned schemes that were subject to the experts' valuation were consistent with the actual planned developments in place.

No exceptions were identified from our testing of the underlying data.

Assumptions and estimates used by the experts

We met with the experts and challenged the valuation methods and assumptions used. The nature of assumptions used varied across the portfolio depending on the nature of each property but they included:

- estimated capital values;
- investment yields;
- construction costs; and
- developers margins.

In each of these areas, we compared, on a sample basis, the estimates and assumptions used by the experts against our own expectations using evidence of comparable market transactions. Where we identified estimates and assumptions that were outside the typical ranges used, we discussed these with the experts to understand the rationale and then assessed, based on all the available evidence and our experience in this sector, whether the use of the estimate or assumption was reasonable.

Based on our testing, we determined that the estimates and assumptions used were reasonable in the context of the Group's property portfolio.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

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.

Audits of the complete financial information of all 17 of these reporting units were performed by a single UK Group engagement team.

Overall group materiality	£452,000 (2014: £341,000).
How we determined it	5% of profit before tax, excluding revaluation movements.
Rationale for benchmark applied	We believe that profit before interest and tax, adjusted for the property revaluation movements, is the measure most commonly used by the shareholders in assessing the recurring Group performance, as underlying business remains relatively consistent year on year, and stripping out revaluation movements provides a consistent basis for determining our materiality.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £22,600 (2014: £17,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

INDEPENDENT AUDITORS' REPORT
to the members of Town Centre Securities PLC continued

Going concern

Under the Listing Rules we are required to review the directors' statement, set out on page 37, 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.

OTHER REQUIRED REPORTING

CONSISTENCY OF OTHER INFORMATION

Companies Act 2006 Opinions

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 Corporate Governance Statement with respect to internal control and risk management systems and about share capital structures is consistent with the financial statements.

ISAs (UK & Ireland) reporting

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 - otherwise misleading.	We have no exceptions to report arising from this responsibility.
• the statement given by the directors on page 30, in accordance with provision C.1.1 of the UK Corporate Governance Code ("the Code"), 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 is materially inconsistent with our knowledge of the group acquired in the course of performing our audit.	We have no exceptions to report arising from this responsibility.
• the section of the Annual Report on page 30, as required by provision C.3.8 of the Code, 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.

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 these responsibilities.

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 ten provisions of the UK Corporate Governance Code. We have nothing to report having performed our review.

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 31, 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.

WHAT AN AUDIT OF FINANCIAL STATEMENTS INVOLVES

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.

We primarily focus 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.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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.

ARIF AHMAD (SENIOR STATUTORY AUDITOR)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds
17 September 2015

CONSOLIDATED INCOME STATEMENT
for the year ended 30 June 2015

	Notes	2015 £000	2014 £000
Gross revenue	3	**22,714**	22,633
Property expenses	3	**(5,248)**	(3,679)
NET REVENUE		**17,466**	18,954
Administrative expenses	4	**(5,068)**	(4,679)
Other income	7	**1,451**	852
Valuation movement on investment properties	12	**14,791**	19,805
OPERATING PROFIT		**28,640**	34,932
Finance costs	8	**(7,258)**	(7,585)
Loss on disposal of investment property into joint ventures		**(2,488)**	-
Share of post tax profits from joint ventures	13	**5,109**	87
PROFIT BEFORE TAXATION		**24,003**	27,434
Taxation	9	**-**	-
PROFIT FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE PARENT		**24,003**	27,434
EARNINGS PER ORDINARY SHARE OF 25P EACH			
Basic and diluted	11	**45.1p**	51.6p
Underlying (non-GAAP measures)	11	**12.1p**	14.4p
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 2015

	2015 £000	2014 £000
Profit for the year	**24,003**	27,434
ITEMS THAT MAY BE SUBSEQUENTLY RECLASSIFIED TO PROFIT OR LOSS		
Revaluation gains on cash flow hedges	**-**	298
Revaluation gains on other investments	**228**	112
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**24,231**	27,844

All recognised income for the year is attributable to owners of the Parent. The Notes on pages 46 to 61 are an integral part of these Consolidated Financial Statements.

CONSOLIDATED BALANCE SHEET
as at 30 June 2015

	Notes	**2015 £000**	2014 £000
NON-CURRENT ASSETS			
Investment properties	12	**328,249**	317,697
Lease premiums	12	**4,311**	-
Investments in joint ventures	13	**19,344**	1,748
Fixtures, equipment and motor vehicles	12	**1,214**	1,112
Unamortised tenant lease incentives		**3,966**	3,788
TOTAL NON-CURRENT ASSETS		**357,084**	324,345
CURRENT ASSETS			
Non-current assets held for sale		**3,450**	7,500
Investments	14	**1,962**	1,734
Trade and other receivables	15	**6,871**	4,705
Cash and cash equivalents		**1,515**	-
TOTAL CURRENT ASSETS		**13,798**	13,939
TOTAL ASSETS		**370,882**	338,284
CURRENT LIABILITIES			
Trade and other payables	16	**(11,857)**	(13,908)
Financial liabilities – borrowings	17	**(38,668)**	(1,845)
TOTAL CURRENT LIABILITIES		**(50,525)**	(15,753)
NET CURRENT LIABILITIES		**(36,727)**	(1,814)
NON-CURRENT LIABILITIES			
Financial liabilities – borrowings	17	**(137,479)**	(158,660)
TOTAL NON-CURRENT LIABILITIES		**(137,479)**	(158,660)
TOTAL LIABILITIES		**(188,004)**	(174,413)
NET ASSETS		**182,878**	163,871
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT			
Called up share capital	22	**13,290**	13,290
Share premium account		**200**	200
Capital redemption reserve		**559**	559
Retained earnings		**168,829**	149,822
TOTAL EQUITY		**182,878**	163,871
NET ASSETS PER SHARE		**344p**	308p

The financial statements on pages 42 to 61 were approved by the Board of Directors on 17 September 2015 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 2015

	Called up share capital £000	Share premium account £000	Hedging reserve £000	Capital redemption reserve £000	Retained earnings £000	Total equity £000
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 gains on cash flow hedges	-	-	298	-	-	298
– Revaluation gains on other investments	-	-	-	-	112	112
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014	-	-	298	-	27,546	27,844
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)
Other adjustments	-	-	-	-	(326)	(326)
	-	-	-	-	(5,876)	(5,876)
BALANCE AT 30 JUNE 2014	13,290	200	-	559	149,822	163,871
Profit for the year	-	-	-	-	24,003	24,003
Other comprehensive income:						
– Revaluation gains on other investments	-	-	-	-	228	228
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015	-	-	-	-	24,231	24,231
Final dividend relating to the year ended 30 June 2014 paid in January 2015	-	-	-	-	(3,902)	(3,902)
Interim dividend relating to the year ended 30 June 2015 paid in June 2015	-	-	-	-	(1,648)	(1,648)
Other adjustments	-	-	-	-	326	326
	-	-	-	-	(5,224)	(5,224)
BALANCE AT 30 JUNE 2015	**13,290**	**200**	**-**	**559**	**168,829**	**182,878**

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 30 June 2015

		2015		2014	
	Notes	£000	£000	£000	£000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated from operations	23	**9,950**		15,664	
Interest paid		**(7,759)**		(7,823)	
Net cash generated from operating activities			**2,191**		7,841
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases and construction of investment properties		**(22,132)**		(4,803)	
Refurbishment of investment properties		**(10,602)**		(8,174)	
Acquisition of leasehold property		**(4,311)**		-	
Purchases of fixtures, equipment and motor vehicles		**(532)**		(490)	
Proceeds from sale of investment properties		**16,821**		8,802	
Proceeds from sale of Merrion House to joint venture		**10,000**		-	
Proceeds from sale of listed investments		**-**		241	
Net cash used in investing activities			**(10,756)**		(4,424)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from other non-current borrowings		**17,475**		676	
Dividends paid to shareholders		**(5,550)**		(5,550)	
Net cash generated from/(used in) financing activities			**11,925**		(4,874)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			**3,360**		(1,457)
Cash and cash equivalents at 1 July			**(1,845)**		(388)
CASH AND CASH EQUIVALENTS AT 30 JUNE			**1,515**		(1,845)

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 2015 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 are 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 2015

There are no IFRSs or IFRIC interpretations that are effective for the first time for the period ended 30 June 2015 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 2015 and not early adopted

At the date of authorisation of these financial statements, the following IFRSs, IASs and IFRIC interpretations were in issue but not yet effective. Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated:

- IFRS 9 Financial Instruments (effective date 1 January 2018, not yet endorsed by the EU);
- IFRS 15 Revenue from Contracts with Customers (effective date 1 January 2017, not yet endorsed by the EU);
- Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38) (effective date 1 January 2016, not yet endorsed by the EU);
- Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11) (effective date 1 January 2016, not yet endorsed by the EU); and
- IFRS 14 Regulatory Deferral Accounts (effective date 1 January 2016);
- Accounting for investments in subsidiaries, joint ventures and associates in their financial statements (Amendments to IAS 27) (effective date 1 January 2016, not yet endorsed by the EU); and
- Accounting for the sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28) (effective date 1 January 2016, not yet endorsed by the EU).

Going concern

The Directors have reviewed the cash flow forecasts of the Group and the underlying assumptions on which they are based. The Consolidated Financial Statements 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 Group'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 Group 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 Consolidated 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, plus costs directly attributable to the acquisition. 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.

1. ACCOUNTING POLICIES continued

Consolidation continued

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.

(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.

Segmental 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 rental 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.

Non-Current assets

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 gains or losses arising from these valuations are included in the Consolidated 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 Consolidated 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 Consolidated 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 Consolidated Balance Sheet.

Freehold land held for development is not depreciated.

(b) Fixtures, equipment and motor vehicles

Fixtures, equipment and motor vehicles 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 Consolidated Income Statement.

Fair value

Fair value estimation under IFRS 13 requires the Group to classify for disclosure purposes fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements on its financial assets. The fair value hierarchy has the following levels:-

Level (1) quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level (2) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and

Level (3) inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of assets held for sale, other financial assets and investment property are determined by using valuation techniques. See note 12 for further details of the judgements and assumptions made.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

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.

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 Consolidated 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 Consolidated 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 Consolidated 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 Consolidated 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 recognised as unamortised lease incentives on the Consolidated 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 is reasonably certain that the break will not be exercised.

Trade receivables
Trade receivables are recognised initially at fair value and are subsequently measured at cost 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 Consolidated 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 Consolidated 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 Consolidated Balance Sheet.

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.

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.

Derivative financial instruments (derivatives) and hedge accounting
The Group occasionally 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.

1. ACCOUNTING POLICIES continued

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 Consolidated Income Statement in the same period or periods during which the asset acquired or liability assumed affects the Consolidated Income Statement, i.e. when interest income or expense is recognised.

Taxation

The tax charge in the Consolidated 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 Consolidated 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

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 Consolidated 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.

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 as it falls due, in accordance with the lease to which it relates. Any lease incentives are spread evenly across the period of the lease.

This income is recognised as follows:

i) rental income is recognised on an accrual 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; and

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 Consolidated 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 Consolidated 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 Consolidated Financial Statements in the period in which the dividends are paid.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

1. ACCOUNTING POLICIES continued

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 profits 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 associated gain or loss is taken to the hedging reserve.

At 30 June 2015, 60.1% (2014: 66.7%) 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.

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 value amounts of assets and liabilities within the next financial year are 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.

(A) SEGMENT ASSETS

	2015 £000	2014 £000
Property rental	**349,840**	323,048
Car park operations	**21,042**	15,236
	370,882	338,284

(B) SEGMENTAL RESULTS

	2015			2014		
	Property rental £000	Car park operations £000	Total £000	Property rental £000	Car park operations £000	Total £000
Gross revenue	**15,844**	**6,870**	**22,714**	17,532	5,101	22,633
Property expenses	**(1,558)**	**(3,690)**	**(5,248)**	(1,634)	(2,045)	(3,679)
NET REVENUE	**14,286**	**3,180**	**17,466**	15,898	3,056	18,954
Administrative expenses	**(4,484)**	**(584)**	**(5,068)**	(4,259)	(420)	(4,679)
Other income	**1,435**	**16**	**1,451**	852	-	852
Valuation movement on investment properties	**15,577**	**(786)**	**14,791**	20,155	(350)	19,805
OPERATING PROFIT	**26,814**	**1,826**	**28,640**	32,646	2,286	34,932
Finance costs	**(7,258)**	**-**	**(7,258)**	(7,585)	-	(7,585)
Loss on disposal of investment properties into joint ventures	**(2,488)**	**-**	**(2,488)**	-	-	-
Share of post tax profits from joint ventures	**5,109**	**-**	**5,109**	87	-	87
PROFIT BEFORE TAXATION	**22,177**	**1,826**	**24,003**	25,148	2,286	27,434
Taxation	**-**	**-**	**-**	-	-	-
PROFIT FOR THE YEAR	**22,177**	**1,826**	**24,003**	25,148	2,286	27,434

All results are derived from the UK.

The results for the car park operations include income from the car park at the Merrion Centre. As the value of the car park cannot be separated from the value of the Merrion Centre as a whole, the full value of the Merrion Centre is included within the assets of the property rental business.

The car park results also include car park income from sites that are held for future development. The value of these sites has been determined based on the development value, therefore the value of these assets has been included within the property rental business.

The total combined profit at the Merrion Centre and development sites for the year ended 30 June 2015 was £2,418,000 (2014: £2,396,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

4. ADMINISTRATIVE EXPENSES

	2015 £000	2014 £000
Employee benefits	**3,479**	3,086
Depreciation	**176**	203
Charitable donations	**99**	108
Other	**1,314**	1,282
	5,068	4,679

5. SERVICES PROVIDED BY THE GROUP'S EXTERNAL AUDITORS

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

	2015 £000	2014 £000
Audit services:		
– Fees payable to the Group auditors for the audit of the Consolidated Financial Statements	**50**	40
– Audit of the Company's subsidiaries pursuant to legislation	**5**	5
Other services relating to taxation:		
– Compliance	**51**	51
– Advisory	**50**	41
TOTAL OTHER SERVICES	**101**	92
TOTAL AUDITORS' REMUNERATION	**156**	137

6. EMPLOYEE BENEFITS

	2015 £000	2014 £000
Wages and salaries (including Directors' emoluments)	**3,507**	2,676
Social security costs	**427**	283
Other pension costs	**169**	127
	4,103	3,086

Employee benefits detailed above are charged to the Consolidated Income Statement through administrative expenses and property 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 32 to 35 in the Directors Remuneration Report and form part of these Consolidated Financial Statements.

The average monthly number of staff employed during the year was 105 (2014: 92).

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

	2015 £000	2014 £000
Commission received	**110**	113
Dividends received	**26**	26
Management fees receivable	**216**	259
Profit/(loss) on disposal of investment properties	**236**	(59)
Profit on disposal of listed investments	**-**	101
Dilapidations receipts and income relating to lease premiums	**380**	207
Other	**483**	205
	1,451	852

8. FINANCE COSTS

	2015 £000	2014 £000
Interest and amortisation of debenture loan stock	**5,708**	5,708
Interest payable on bank borrowings	**2,041**	2,113
Interest capitalised at 4.5%	**(501)**	(239)
Other finance costs	**10**	3
TOTAL FINANCE COSTS	**7,258**	7,585

9. TAXATION

Taxation for the year is lower (2014: lower) than the standard rate of corporation tax in the United Kingdom of 20.75% (2014: 22.5%). The differences are explained below:

	2015 £000	2014 £000
Profit before taxation	**24,003**	27,434
Profit on ordinary activities multiplied by rate of corporation tax in the United Kingdom of 20.75% (2014: 22.5%)	**4,981**	6,173
Effects of:		
– United Kingdom REIT tax exemption on net income before revaluations	**(1,378)**	(1,687)
– United Kingdom REIT tax exemption on revaluations	**(3,593)**	(4,466)
– Profit on joint ventures already taxed	**(10)**	(20)
TOTAL TAXATION	**-**	-

FACTORS AFFECTING CURRENT AND FUTURE TAX CHARGES

In accordance with the Finance Act 2013, enacted on 2 July 2013, the standard rate of corporation tax reduced to 21%. During the year, effective from 1 April 2015, the standard rate of corporation tax in the UK changed from 21% to 20%. Accordingly the Company's profits for this year are taxed at an effective rate of 20.75% (2014: 22.50%).

On 8 July 2015 the Government announced its intention to reduce the standard rate of Corporation Tax to 19%, effective from 1 April 2017, with a further reduction to 18% from 1 April 2020. At the date of approving these financial statements, this change has not been substantively enacted and as such these financial statements have not been remeasured to account for these planned changes.

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 Consolidated 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

10. DIVIDENDS

	2015 £000	2014 £000
2013 final paid: 7.34p per 25p share	-	3,902
2014 interim paid: 3.10p per 25p share	-	1,648
2014 final paid: 7.34p per 25p share	**3,902**	-
2015 interim paid: 3.10p per 25p share	**1,648**	-
	5,550	5,550

The Directors are proposing a final dividend in respect of the financial year ended 30 June 2015 of 7.34p per share, which will absorb an estimated £3,902,000 of shareholders' funds. This dividend will comprise an ordinary dividend of 5.18p per share and a Property Income Distribution (PID) of 2.16p per share and will be paid on 5 January 2016 to shareholders who are on the Register of Members on 4 December 2015.

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 after taxation are:

	2015			2014		
	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	**24,003**	**53,162**	**45.1**	27,434	53,162	51.6
Valuation movement on investment properties	**(14,791)**	**-**	**(27.8)**	(19,805)	-	(37.2)
Valuation movement on joint venture investment properties	**(5,013)**	**-**	**(9.4)**	-	-	-
Profit on disposal of investment properties	**(236)**	**-**	**(0.4)**	-	-	-
Loss on disposal of investment properties into joint ventures	**2,488**	**-**	**4.6**	-	-	-
UNDERLYING PROFIT/EPS	**6,451**	**53,162**	**12.1**	7,629	53,162	14.4

12. NON-CURRENT ASSETS

(A) INVESTMENT PROPERTIES

	Freehold £000	Long leasehold £000	Development £000	Total £000
Valuation at 1 July 2013	274,117	13,360	13,561	301,038
Additions	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
Additions	29,038	3,468	729	33,235
Disposals	(27,319)	(1,460)	(5,245)	(34,024)
Transfer of assets held for sale	(3,450)	-	-	(3,450)
Transfer	242	326	(568)	-
Valuation movement	14,996	(205)	-	14,791
VALUATION AT 30 JUNE 2015	**296,725**	**18,050**	**13,474**	**328,249**

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 £114,915,000 of investment properties and £3,450,000 shown in assets held for sale) and CB Richard Ellis (in respect of £199,015,000 of investment properties). The remainder of the portfolio (£14,319,000) has been valued by the Property Director.

12. NON-CURRENT ASSETS continued

Valuations are performed bi-annually and are performed consistently across the Group's portfolio. At each reporting date appropriately qualified employees verify all significant inputs and review computational outputs. The 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; these 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 capital expenditure relating to investment properties includes £0.5m (2014: £0.2m) in respect of borrowing costs capitalised during the year.

Investment properties are analysed as follows:

	2015 £000	2014 £000
Investment property (externally valued)	**313,930**	289,780
Development properties	**13,474**	18,558
Residential property acquired for potential development	**-**	3,804
Other	**845**	5,555
	328,249	317,697

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 IFRS13 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 for that property and the yield (i.e. the discount rate) which a potential purchaser would apply in arriving at the market value. Both these inputs are arrived at using market comparables for the type, location and condition of the property. For the investment portfolio the totals of the three measures above are, passing rent £19.7m, Estimated Rental Value (ERV) £22.8m and blended yield 7.0%. The range of yields within the portfolio are between 3.8% and 8.8%.

The effect on the valuation of applying a different yield and a different ERV would be as follows:

Valuation in the Consolidated Financial Statements at a yield of 7.0% - £331.7m, Valuation at 6.0% - £383.8m, Valuation at 8.0% - £295.2m.

Valuation in the Consolidated Financial Statements at an ERV of £22.8m - £331.7m, Valuation at £21.8m - £319.0m, Valuation at £23.8m - £345.5m.

(B) LEASE PREMIUMS

	£000
At 1 July 2014	-
Additions	4,311
AT 30 JUNE 2015	**4,311**

Lease premiums comprise upfront payments upon acquisition of leasehold car parks with a term of less than 50 years.

In December 2014 the Group acquired a leasehold interest in a basement car park on Clipstone Street, London, in exchange for consideration of £800,000. The lease has an unexpired term of 18 years and has a passing rent of £330,000 per annum. Including professional fees and transaction costs, the total expenditure associated with this acquisition was £900,000.

Subsequently, in March 2015 the Group acquired the leasehold interest in a basement car park on Bell Street, London, in exchange for consideration of £3.0 million. The lease has an unexpired term of 26 years and has a passing rent of £175,000 per annum. Including professional fees and transaction costs the total expenditure associated with this acquisition was £3,124,000.

In April 2015, the Group was assigned leases for three multi-storey car parks in Watford town centre. No premium was paid for the acquisition of these leases, however the Group has provided a commitment to refurbish the car parks during the next financial year. Professional costs and transaction fees associated with the acquisition of these leases amounted to £287,000.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

(C) FIXTURES, EQUIPMENT AND MOTOR VEHICLES

	Cost £000	Accumulated depreciation £000
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
At 1 July 2014	3,771	2,659
Additions	532	-
Disposals	(160)	(32)
Depreciation	-	302
AT 30 JUNE 2015	**4,143**	**2,929**
NET BOOK VALUE AT 30 JUNE 2015		**1,214**

13. INVESTMENTS IN JOINT VENTURES

	2015 £000	2014 £000
Opening balance	**1,748**	1,661
Additions	**12,487**	-
Share of profits after tax	**5,109**	87
AT 30 JUNE	**19,344**	1,748

The Group's share of the joint ventures' net assets as at 30 June are as stated below:

	2015 £000	2014 £000
Non-current assets	**19,194**	1,661
Current assets	**182**	154
Current liabilities	**(32)**	(65)
Non-current liabilities	**-**	(2)
GROUP'S SHARE OF JOINT VENTURES' NET ASSETS	**19,344**	1,748

The Group's share of the joint ventures' post tax profits for the current and previous year are as stated below:

	2015 £000	2014 £000
Income	**138**	223
Expenses	**(31)**	(125)
Tax	**(11)**	(11)
	96	87
Valuation movement on investment properties	**5,013**	-
SHARE OF POST TAX PROFITS FROM JOINT VENTURES	**5,109**	87

The results of the joint ventures have been included in the Consolidated Financial Statements based on the joint ventures' financial statements drawn up for the year ended 30 June 2015,

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:

	Beneficial Interest %	Activity
Buckley Property (Leeds) Limited	**50**	Property Investment
Merrion House LLP	**50**	Property Investment

14. CURRENT ASSET INVESTMENTS

	2015 £000	2014 £000
At 1 July	**1,734**	1,766
Disposals	**-**	(101)
Increase in value of investments	**228**	69
AT 30 JUNE	**1,962**	1,734

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 (2014: £889,130).

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

15. TRADE AND OTHER RECEIVABLES

	2015 £000	2014 £000
Trade receivables	**4,063**	3,658
Less: provision for impairment of receivables	**(300)**	(261)
	3,763	3,397
Other receivables and prepayments	**3,108**	1,308
	6,871	4,705

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 2015, trade receivables which had not been impaired can be analysed as follows:

			Outside credit terms		
	Total £000	Within credit terms £000	Less than one month £000	One to two months £000	Older than two months £000
2015	**3,763**	**3,653**	**110**	**-**	**-**
2014	3,397	3,041	183	57	116

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

	2015 £000	2014 £000
At 1 July	**261**	326
Provision for receivables impairment	**155**	158
Receivables written off as uncollectible	**(67)**	(163)
Unused amounts reversed	**(49)**	(60)
AT 30 JUNE	**300**	261

The creation and release of the provision for impaired receivables have been included in gross revenue in the Consolidated 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
2015	**300**	**14**	**58**	**228**
2014	261	7	21	233

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 the consideration of appropriate economic market indicators.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

16. TRADE AND OTHER PAYABLES

	2015 £000	2014 £000
Trade payables	**1,700**	1,170
Social security and other taxes	**119**	707
Other payables and accruals	**10,038**	12,031
	11,857	13,908

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.

	2015 £000	2014 £000
NON-CURRENT		
Bank borrowings	**31,657**	52,850
5.375% First mortgage debenture stock	**105,822**	105,810
	137,479	158,660
CURRENT		
Bank borrowings	**38,668**	-
Overdraft	**-**	1,845
TOTAL BORROWINGS	**176,147**	160,505

The debenture, bank loans and overdrafts are secured by fixed charges on properties, valued at £325,049,000 (2014: £304,579,000) owned by the Company and its subsidiary undertakings.

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

	2015			2014		
	Bank borrowings £000	**Debenture stock £000**	**Total £000**	Bank borrowings £000	Debenture stock £000	Total £000
In one year or less or on demand	**40,257**	**5,698**	**45,955**	3,164	5,698	8,862
In more than one year but not more than five years	**31,934**	**22,790**	**54,724**	55,719	22,790	78,509
In more than five years	**-**	**170,554**	**170,554**	-	176,252	176,252
GROSS FINANCIAL LIABILITIES	**72,191**	**199,042**	**271,233**	58,883	204,740	263,623

The debenture issue premium is net of issue costs and is amortised over the life of the debt agreement.

During the year £12,000 was debited to the Consolidated Income Statement (2014: £10,000). As at 30 June 2015, the unamortised element of the debenture issue discount amounted to £179,000 (2014: £191,000). The term loan arrangement fee is amortised over the term of the agreement. During the year £182,000 was debited to the Consolidated Income Statement (2014: £223,000).

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:

	2015 £000	2014 £000
Expiring in one year or less	**11,300**	3,155
Expiring in more than one year	**13,262**	31,856
	24,562	35,011

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 2015			As at 30 June 2014		
	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**	**16**	106,001	5.375	17
Bank floating rate liabilities	**70,438**	**2.52**	**-**	52,850	2.49	-
	176,439			158,581		

Floating rate financial liabilities bear interest at rates for term loans based on LIBOR plus an average margin of 1.95% 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 charge 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 £609,225 (2014: £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:

	2015	2014
Bank overdraft facility	**3%**	3%
Bank borrowings	**2.52%**	2.49%
Debenture loan	**5.375%**	5.375%

FAIR VALUES OF CURRENT BORROWINGS

The fair value of bank borrowings and overdraft approximates their carrying value.

FAIR VALUE OF NON-CURRENT BORROWINGS

	2015		2014	
	Book value £000	**Fair value £000**	Book value £000	Fair value £000
Debenture stock	**105,822**	**105,517**	105,810	99,264
Non-current bank borrowings	**31,657**	**31,657**	52,850	52,850

The above debenture stock has been valued as at 30 June 2015 by J C Rathbone Associates on the basis of open market value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

19. ADJUSTED NET ASSET VALUE PER SHARE

To assist shareholders in understanding the results, the table below shows how the adjusted net asset value has been 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 deficit this increases net assets.

	2015 £000	2014 £000
Net assets at 30 June	**182,878**	163,871
Less: debenture issue premium	**(179)**	(190)
Add: debenture mark to market	**305**	6,737
	183,004	170,418
Shares in issue (000)	**53,162**	53,162
Adjusted net asset value per share	**344p**	320p

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 £7,974,000 (2014: £6,445,000) in respect of capital expenditure contracted for at the balance sheet date but not yet incurred, for investment and development property.

	2015 £000	2014 £000
MINIMUM TOTAL FUTURE LEASE PAYMENTS RECEIVABLE:		
Within one year	**15,508**	18,977
One to five years	**51,856**	57,863
In more than five years	**95,634**	143,250

	2015 £000	2014 £000
MINIMUM TOTAL FUTURE LEASE PAYMENTS PAYABLE:		
Within one year	**1,341**	-
One to five years	**5,365**	-
In more than five years	**15,950**	-

22. CALLED UP SHARE CAPITAL

AUTHORISED

The authorised share capital of the company is 164,879,000 (2014: 164,879,000) ordinary shares of 25p each. The nominal value of authorised share capital is £41,219,750 (2014: £41,219,750).

ISSUED AND FULLY PAID

Ordinary shares of 25p each	Number of shares 000	Nominal value £000
AT 30 JUNE 2014 AND 30 JUNE 2015	**53,162**	**13,290**

The Company has no share option schemes in current operation and there are no unexercised options outstanding at 30 June 2015.

23. CASH FLOWS FROM OPERATING ACTIVITIES

	2015 £000	2014 £000
Profit for the financial year	**24,003**	27,434
Adjustments for:		
Depreciation	**302**	282
(Profit)/loss on disposal of investment properties	**(236)**	59
Loss on disposal of investment properties into joint ventures	**2,488**	-
Profit on disposal of listed investments	**-**	(140)
Finance expense	**7,258**	7,585
Share of post tax profits from joint ventures	**(5,109)**	(87)
Valuation movement on investment properties	**(14,791)**	(19,805)
Increase in receivables	**(2,345)**	(598)
(Decrease)/increase in payables	**(1,620)**	934
Cash generated from operations	**9,950**	15,664

24. REMUNERATION OF KEY MANAGEMENT PERSONNEL

The remuneration of the Executive 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 34.

	2015 £000	2014 Restated £000
Short-term employee benefits	**1,454**	1,236
Post-employment benefits	**17**	43
	1,471	1,279

25. SUBSEQUENT EVENTS

On 11 August 2015, the Group disposed of a freehold property at Goodramgate, York for a consideration of £3,550,000.

INDEPENDENT AUDITORS' REPORT
to the members of Town Centre Securities PLC

REPORT ON THE COMPANY FINANCIAL STATEMENTS

OUR OPINION

In our opinion, Town Centre Securities PLC's company financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 30 June 2015;
- 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.

WHAT WE HAVE AUDITED

The financial statements comprise:

- the company balance sheet as at 30 June 2015; 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 the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

OTHER REQUIRED REPORTING

CONSISTENCY OF OTHER INFORMATION

Companies Act 2006 opinion

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.

ISAs (UK & Ireland) reporting

Under International Standards on Auditing (UK and Ireland) ("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 company acquired in the course of performing our audit; or
- otherwise misleading.

We have no exceptions to report arising from this responsibility.

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 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

Directors' remuneration report - Companies Act 2006 opinion

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Other Companies Act 2006 reporting

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.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

OUR RESPONSIBILITIES AND THOSE OF THE DIRECTORS

As explained more fully in the Statement of Directors' responsibility set out on page 31, 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.

WHAT AN AUDIT OF FINANCIAL STATEMENTS INVOLVES

We conducted our audit in accordance with 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 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.

We primarily focus 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.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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.

OTHER MATTER

We have reported separately on the group financial statements of Town Centre Securities PLC for the year ended 30 June 2015.

ARIF AHMAD (SENIOR STATUTORY AUDITOR)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds
17 September 2015

COMPANY BALANCE SHEET
as at 30 June 2015

	Notes	2015 £000	2014 £000
FIXED ASSETS			
Tangible assets	4	**65,785**	57,077
Investments	5,6	**248,833**	248,605
		314,618	305,682
CURRENT ASSETS			
Debtors	7	**85,756**	69,164
		85,756	69,164
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Financial liabilities - borrowings	9	**(61,109)**	(16,870)
Other creditors	8	**(82,568)**	(64,970)
		(143,677)	(81,840)
NET CURRENT LIABILITIES		**(57,921)**	(12,676)
TOTAL ASSETS LESS CURRENT LIABILITIES		**256,697**	293,006
Financial liabilities – borrowings	9	**(137,560)**	(158,954)
NET ASSETS		**119,137**	134,052
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	**(13,195)**	(15,603)
Other reserves	11	**80,254**	80,057
Profit and loss account	11	**38,029**	55,549
TOTAL SHAREHOLDERS' FUNDS	12	**119,137**	134,052

COMPANY NUMBER: 623364

The financial statements on pages 64 to 71 were approved by the Board of Directors on 17 September 2015 and signed on its behalf by:

E M ZIFF
Chairman and Chief Executive

D S SYERS
Finance Director

NOTES TO THE COMPANY FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

BASIS OF PREPARATION

The Company Financial Statements 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 Company 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 Company 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 Company 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.

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.

INVESTMENTS

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

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.

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 accounts of the Parent Company was £12,296,000 (2014: £6,029,000).

NOTES TO THE COMPANY FINANCIAL STATEMENTS continued

3. EMPLOYEE BENEFITS

	2015 £000	2014 £000
Wages and salaries (including Directors' emoluments)	**2,156**	2,394
Social security costs	**274**	203
Other pension costs	**156**	118
	2,586	2,715

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

The aggregate remuneration of the Directors of the Company was £1,650,000 (2014: £1,420,000).

The average monthly number of staff employed during the year was 72 (2014: 65). Disclosures required by the Companies Act 2006 on Directors' remuneration, including salaries, share options, pension contributions and pension entitlement, are included on page 34 in the Remuneration Report and form part of the Consolidated Financial Statements. The remuneration paid to the Parent Company auditors in respect of the audit of the Parent Company Financial Statements for the year ended 30 June 2015 is included in note 5 to the Consolidated Financial Statements.

4. TANGIBLE ASSETS

INVESTMENT PROPERTIES

	Freehold £000	Long leasehold £000	Development £000	Total £000
Valuation at 1 July 2014	40,570	2,540	13,431	56,541
Additions	2,798	3,682	53	6,533
Disposals	-	-	(226)	(226)
Valuation movement	1,790	618	-	2,408
Valuation at 30 June 2015	**45,158**	**6,840**	**13,258**	**65,256**

The above freehold and long leasehold investment properties have been revalued as at 30 June 2015 on the basis of open market value by Jones Lang LaSalle and CB Richard Ellis 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 2014	2,478	1,942
Additions	138	-
Depreciation	-	145
BALANCE AT 30 JUNE 2015	**2,616**	**2,087**
NET BOOK VALUE AT 30 JUNE 2015		**529**
Net book value at 30 June 2014		536

TOTAL TANGIBLE ASSETS

AT 30 JUNE 2015	**65,785**
At 30 June 2014	57,077

5. FIXED ASSET INVESTMENTS

	2015 £000	2014 £000
SHARES IN GROUP UNDERTAKINGS		
At 1 July and 30 June	**245,092**	245,092
INTEREST IN JOINT VENTURES		
At 1 July	**1,748**	1,661
Share of profits after tax	**31**	87
AT 30 JUNE	**1,779**	1,748
TOTAL FIXED ASSET INVESTMENTS	**246,871**	246,840

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

	2015 £000	2014 £000
At 1 July	**1,765**	1,766
Disposals	**-**	(101)
Increase in value of investments	**197**	100
AT 30 JUNE	**1,962**	1,765

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 (2014: £889,130).

7. DEBTORS

	2015 £000	2014 £000
Trade debtors	**283**	372
Less: provision for impairment of debtors	**(7)**	(35)
	276	337
Amounts owed by subsidiary undertakings	**83,403**	66,661
Other debtors and prepayments	**2,077**	2,166
	85,756	69,164

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

8. OTHER CREDITORS

	2015 £000	2014 £000
Trade creditors and accruals	**2,042**	1,969
Taxation and social security	**259**	103
Amounts owed to subsidiary undertakings	**80,267**	62,898
	82,568	64,970

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

NOTES TO THE COMPANY FINANCIAL STATEMENTS continued

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.

	2015 £000	2014 £000
NON-CURRENT		
Bank borrowings	**31,738**	53,144
5.375% First mortgage debenture stock	**105,822**	105,810
	137,560	158,954
CURRENT		
Bank borrowings	**61,109**	16,870
	61,109	16,870
TOTAL BORROWINGS	**198,669**	175,824

The debenture, bank loans and overdrafts are secured by fixed charges on properties, valued at £325,049,000 (2014: £304,579,000) owned by the Company and its subsidiary undertakings.

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

	2015			2014		
	Bank borrowings £000	**Debenture stock £000**	**Total £000**	Bank borrowings £000	Debenture stock £000	Total £000
In one year or less or on demand	**62,661**	**5,698**	**68,359**	16,870	5,698	22,568
In more than one year but not more than five years	**31,934**	**22,790**	**54,724**	53,144	22,790	75,934
In more than five years	**-**	**170,554**	**170,554**	-	176,252	176,252
	94,595	**199,042**	**293,637**	70,014	204,740	274,754

The debenture issue premium is net of issue costs and is amortised over the life of the debt agreement.

During the year £12,000 was debited to the Profit and Loss account (2014: £10,000). As at 30 June 2015, the unamortised element of the debenture issue discount amounted to £179,000 (2014: £191,000). The term loan arrangement fee is amortised over the term of the agreement. During the year £182,000 was debited to the Profit and Loss account (2014: £223,000).

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 had undrawn committed floating rate bank facilities as set out below:

	2015 £000	2014 £000
Expiring in one year or less	**11,300**	3,155
Expiring in more than one year	**13,262**	31,856
	24,562	35,011

Included within facilities expiring in one year or less are overdraft facilities subject to annual review. There are net cash balances of £24,333,000 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.

All financial liabilities are denominated in Sterling.

9. FINANCIAL INSTRUMENTS continued

INTEREST RATE RISK

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

	2015			2014		
	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**	**16**	106,001	5.375	17
Bank floating rate liabilities	**92,847**	**2.52**	**-**	52,850	2.49	-
	198,848			158,851		

Floating rate financial liabilities bear interest at rates for term loans based on LIBOR plus an average margin of 1.95% and for the overdraft of 2.50% above base rate.

FINANCIAL INSTRUMENTS HELD FOR TRADING PURPOSES

It is, and has been throughout the year under review, the Company'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:

	2015	2014
Bank overdraft facility	**3%**	3%
Bank borrowings	**2.52%**	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 liabilities have been calculated by discounting expected future cash flows at prevailing interest rates. The carrying amounts of short-term borrowings approximate to book value.

FAIR VALUE OF NON-CURRENT BORROWINGS

	2015		2014	
	Book value £000	Fair value £000	Book value £000	Fair value £000
Debenture stock	**105,822**	**105,517**	105,810	99,264
Long-term bank borrowings	**31,738**	**31,738**	53,144	53,144

10. CALLED UP SHARE CAPITAL

AUTHORISED

164,879,000 (2014: 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 30 JUNE 2014 AND 30 JUNE 2015	**53,162**	**13,290**

NOTES TO THE COMPANY FINANCIAL STATEMENTS continued

11. RESERVES

	Share premium account £000	Capital redemption reserve £000	Property revaluation reserve £000	Other reserve[1] £000	Profit and loss account £000
Balance at 1 July 2014	200	559	(15,603)	80,057	55,549
Loss for the year	-	-	-	-	(12,296)
Dividends paid	-	-	-	-	(5,550)
Other adjustments	-	-	-	-	326
Revaluation of fixed asset investments	-	-	-	197	-
Surplus on revaluation of properties	-	-	2,408	-	-
AT 30 JUNE 2015	**200**	**559**	**(13,195)**	**80,254**	**38,029**

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

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2015 £000	2014 £000
Loss for year	**(12,296)**	(6,029)
Dividends paid	**(5,550)**	(5,550)
Other adjustments	**326**	(326)
	(17,520)	(11,905)
Surplus on property revaluation	**2,408**	1,722
Revaluation of fixed asset investments	**197**	-
Net decrease in shareholders' funds	**(14,915)**	(10,183)
Opening shareholders' funds	**134,052**	144,235
Closing shareholders' funds	**119,137**	134,052

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

13. CAPITAL AND OTHER COMMITMENTS

The Company has capital commitments of £nil (2014: £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 of one of the Group's bankers. Town Centre Securities PLC Group has indebtedness at 30 June 2015 amounting to £25,000,000 (2014: 22,845,000) in relation to this arrangement.

15. RELATED PARTY TRANSACTIONS

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

16. ADDITIONAL INFORMATION - SUBSIDIARIES

The Company's wholly owned active subsidiary undertakings at 30 June 2015, registered in England or Scotland and operating in the United Kingdom, are as follows:

Company	Company No.	Activity
TCS Holdings Limited	2271353	Property investment
TCS Freehold Investments Limited	3684812	Property investment
TCS Leasehold Investments Limited	3684827	Property investment
Town Centre Car Parks Limited	5494592	Car park operations
TCCP (Clarence Dock) Limited	6219875	Car park operations
TCS (Milngavie) Limited	6391627	Property investment
Apperley Bridge Limited	6879596	Property investment
Dundonald (Cumbernauld) Limited	5983938	Property investment
Dundonald Property Investments Limited	3672365	Property investment
TCS Park Row Limited	8077103	Property investment
Citipark plc	8837214	Car park operations
Citipark UK Limited	8837203	Car park operations
TCS (Merrion House JVC01) Limited	8561354	Property investment
TCS (Merrion House JVC02) Limited*	8561356	Property investment
TCS Development Management (Merrion) Limited	8696141	Property investment
TCS (Residential Conversions) Limited	3946495	Management company
TCS (Bothwell Street) Limited	4240551	Property investment
Tassgander Limited	4077297	Property investment
Caledonia Management Limited*	SC449689	Management company
TCS (Property Management) Limited*	5281225	Management company
TCS Trustees Limited*	3112923	Trustee for employee benefit plans
TCS Properties Limited*	2831154	Property investment
Blackpool Markets Limited	2740190	Dormant
Dundonald Property Developments Limited	6430444	Dormant
Emett Exhibitions Limited	1544918	Dormant
Milngavie East Limited	SC464805	Dormant
No 29 Management Co (Eastgate) Limited	3873683	Dormant
Riverside (Leeds) Limited	4569350	Dormant
Rochdale Co-Ownership LLP	OC366786	Dormant
T Herbert Kaye's Estates Limited	0226678	Dormant
TCS (Bolton) Limited	4104688	Dormant
TCS (Greenhithe) Limited	4413344	Dormant
TCS (Isleworth) Limited	4413343	Dormant
TCS (Parliament Street 1) Limited	4768830	Dormant
TCS (Parliament Street 2) Limited	4768845	Dormant
TCS (Rochdale JV) Limited	7712764	Dormant
TCS (Rochdale Management) Limited	7712123	Dormant
TCS Car Parks Limited	4847697	Dormant
TCS Eastgate Limited	6554827	Dormant
TCS Energy Limited	4414144	Dormant
TCS Finance Limited	3108777	Dormant
TCS (Mill Hill) Limited	4413341	Dormant
TCS Piccadilly Limited	4317396	Dormant
TCS (Residential) Limited	4249007	Dormant
TCS Solar Limited	5113915	Dormant
TCS Trading Limited	3060862	Dormant
TCS Whitehall Riverside Limited	4329860	Dormant
The Merrion Centre Limited	0814845	Dormant
Town Centre Enterprises Limited	0221003	Dormant
Town Centre Securities (Developments) Limited	3946549	Dormant
Town Centre Securities (Manchester) Limited	0129485	Dormant
Town Centre Securities (Scotland) Limited	0748937	Dormant
Town Centre Services Limited	2285764	Dormant
TCS plc	4329979	Dormant
TCS (EX TCCP) plc	3385312	Dormant

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

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

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the fifty-fifth Annual General Meeting of Town Centre Securities PLC ("Company") will be held at Town Centre House, The Merrion Centre, Leeds LS2 8LY on Wednesday 18 November 2015 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 2015.
2. To approve the Directors' Remuneration Report (other than the part containing the Directors' Remuneration Policy) for the year ended 30 June 2015.
3. To declare a final dividend for the year ended 30 June 2015 of 7.34p per ordinary share in the capital of the Company, to be paid on 6 January 2016, to shareholders whose names appear on the register at the close of business on 5 December 2015.
4. To re-appoint C B A Ziff who has been appointed by the board since the last Annual General Meeting as a Director of the Company.
5. To re-appoint I Marcus who has been appointed by the board since the last Annual General Meeting as a Director of the Company.
6. To re-appoint P Huberman who has been appointed by the board since the last Annual General Meeting as a Director of the Company.
7. To re-appoint J A Nettleton, who retires by rotation, as a Director of the Company.
8. To re-appoint M A Ziff, who retires by rotation, as a Director of the Company.
9. To re-appoint PricewaterhouseCoopers LLP as auditors of the Company.
10. To authorise the Directors to determine the remuneration of the auditors.
11. 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 17 February 2017 (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:

12. That, subject to the passing of resolution 11 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 11 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:

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

12.1.1 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

12.1.2 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

12.2 otherwise than pursuant to paragraph 12.1 of this resolution shares may be issued upto a total aggregate nominal value of £1,329,049

These authorities (unless previously revoked, carried or renewed) shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on 17 February 2017 (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).

13. 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:

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

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

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

13.3.1 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

13.3.2 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.

This authority (unless previously revoked, varied or renewed) shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on 17 February 2017 (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.

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

By order of the Board

D S SYERS
Company Secretary
17 September 2015

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

Registered in England and Wales No. 00623364

NOTICE OF ANNUAL GENERAL MEETING continued

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 Monday 16 November 2015 (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 Monday 16 November 2015 (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 Monday 16 November 2015 (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 16 September 2015 (being the last practicable date prior to the publication of this notice) the Company's issued share capital consists of 53,161,950 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 16 September 2015 are 53,161,950.

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:

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 22 and 23 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 26 June 2015 to shareholders on the register on 29 May 2015
Final dividend:	7.34p per share to be paid on 5 January 2016 to shareholders on the register on 4 December 2015

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
Liberum

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

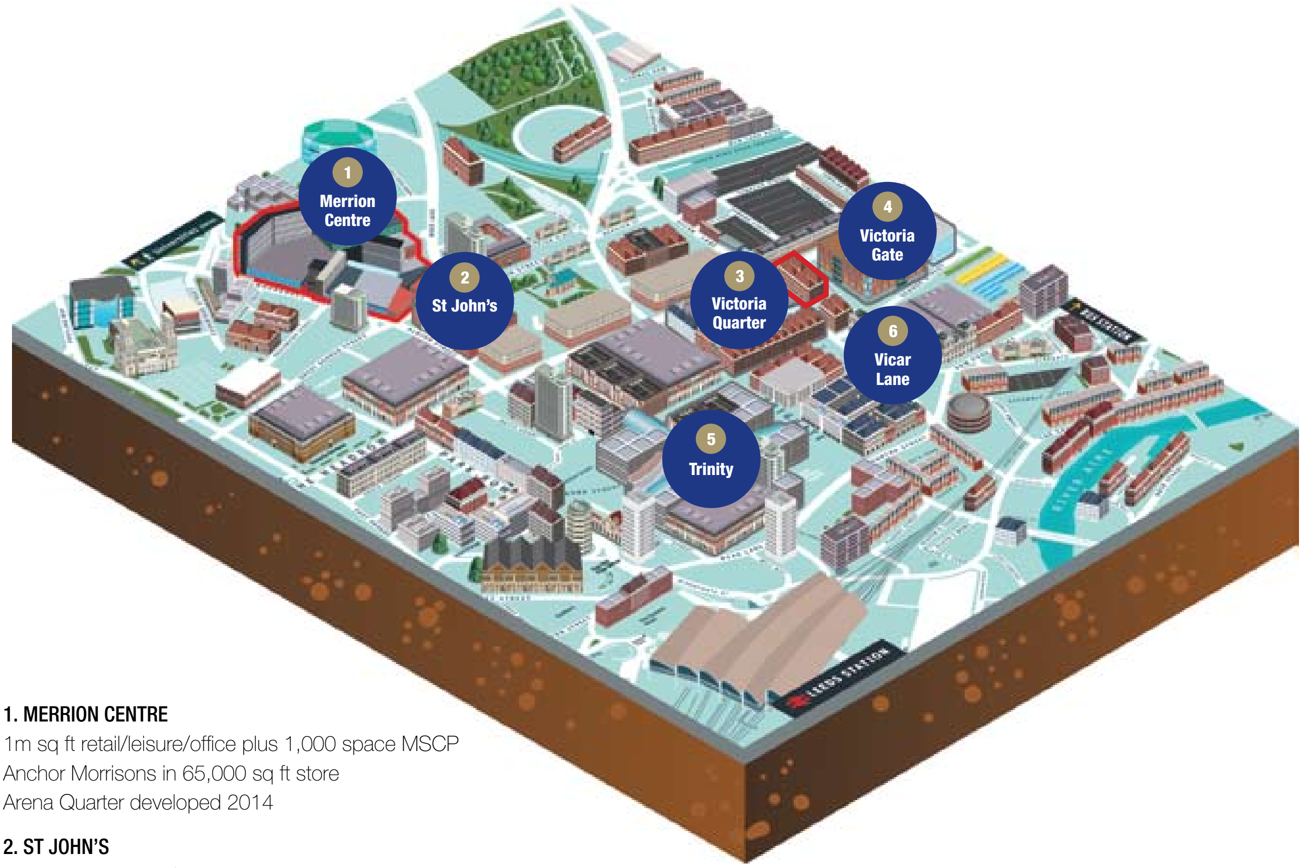
Email
info@tcs-plc.co.uk

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

LEEDS CITY CENTRE RETAIL



1. MERRION CENTRE
1m sq ft retail/leisure/office plus 1,000 space MSCP
Anchor Morrisons in 65,000 sq ft store
Arena Quarter developed 2014

2. ST JOHN'S
160,000sq ft office/retail plus 200 space car park
Sold for £37m in 2015

3. VICTORIA QUARTER
Developed by Hammerson in 2012
160,000 sq ft retail/leisure
Anchor Harvey Nichols

4. VICTORIA GATE
Hammerson development - Phase 1 450,000 sq ft retail leisure plus 800 space MSCP
Anchor 250,000 sq ft John Lewis opening 2016

5. TRINITY
Developed by Land Securities in 2014
1m sq ft retail/leisure, no integral car parking

6. VICAR LANE
Owned part by TCS and part in JV.

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
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/themerrioncentre
/UrbanExchangeManchester

annual accounts
www.tcs-plc.co.uk