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Town Centre Securities PLC
16 October 2024

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TOWN CENTRE SECURITIES PLC
('TCS' or the 'Company')
Final results for the year ended 30 June 2024

Resilient performance - business further strengthened

Town Centre Securities PLC, the Leeds, Manchester, Scotland, and London property investment, development, hotel and car parking company, today announces its audited final results for the year ended 30 June 2024.

Commenting on the results, Chairman and Chief Executive Edward Ziff, said:

"We have benefitted from the last three years' disposal and asset management programmes and reduction in borrowings, which positioned us well to contend with the ongoing macro-economic challenges. During the year we were also able to use our strengthened financial position to launch and complete a successful NAV per share accretive tender offer."

"Our property rental business, car park and hotel operations continue to deliver resilient underlying revenues and earnings against challenging macro-economic conditions. These conditions have led to movements in the underlying yields and a further valuation reduction of our property portfolio, in particular with our office investments. In the last four months we have seen inflation falling closer to the Government's target of 2 percent, and the Bank of England have reduced interest rates by 25bps, which may lead to an improvement in liquidity in the property investment markets and result in valuations stabilising. However, with continued low levels of variable interest rate bank debt, I am confident that we are in a strong position in these uncertain times."

"Our attention is now focusing on investing in our development programme over the coming years. However we remain ever mindful that taking advantage of potentially accretive opportunities needs to be balanced against retaining robust finances."

"Overall, the business has now been reset, with a more diverse portfolio of assets, lower levels of gearing and more importantly historically low levels of variable rate borrowings - and is now looking predominantly at bringing forward our development pipeline. We look ahead with confidence."

Financial performance

- Net assets - resilient relative performance:
  - Like for like portfolio valuation down 4.7% from June 2023:
    - Comparable with the MSCI/IPD All Property Capital Index which fell by 4.5% over the period
    - reduction primarily due to real estate investor and market sentiment around the macro-economic outlook adversely impacting valuation yields
  - Statutory net assets of £119.6m or 284p per share (FY23: £141.1m, 291p). EPRA net tangible assets ('NTA') measure at £116.7m or 277p per share (FY23 equivalent: £137.7m, 284p)
- Statutory results - reduced loss before tax :
  - Statutory loss before tax of £8.0m (FY23: loss of £29.5m) and statutory loss per share of 17.9p (FY23: earnings of 60.1p) due to valuation reduction
- EPRA results - improvement in underlying earnings, also benefited from a tax credit of £1.7m in the year:
  - EPRA earnings* before tax of £3.8m (FY23: £3.1m)
  - EPRA earnings per share before tax* of 8.5p (FY23: 6.2p)

- Loan to Value increased in the period by 500bps to 50.8% following successful tender offer and reduction in portfolio value:
    - Total net borrowings of £137.2m (FY23: £129.9m) including £82.4m debenture
- Shareholder returns - enhanced by tender offer:
    - As previously announced, no proposed final dividend, but significant interim dividends due to REIT requirements paid making the total dividend for the year of 8.5p (FY23: 5.0p)
    - NAV enhancing tender offer in the first half of the year (6,292,920 shares bought back in total) following on 4,075,000 bought back in FY23, at a total cost of £9.44m

** Alternative performance measures are detailed, defined and reconciled within Note 4 and the financial review section of this announcement*
*** LTV Calculation includes finance lease assets and liabilities*

Protecting shareholder value whilst safeguarding the business for the future
Progress delivered under the four key strategic initiatives is as follows:

Actively managing our assets
Our long-standing strategy of active management and redevelopment, to drive income and capital growth, has continued:

- We now have a well diversified portfolio comprising: 30% invested in retail and leisure; 29% offices; 16% car parks; 13% residential; 8% developments; and 4% hotels
- The portfolio is also very well focused, with 88% located in Leeds and Manchester
- The void rate across our portfolio increased to 8.1% at 30 June 2024 (5.5% at 30 June 2023)
- Strong rent collection for the period of 99.2% (FY23: 99.1%)
- Eleven new commercial lettings and lease renewals at ERV across the portfolio in the period totaling £0.7m of rental income per annum
- Wilko (with one store in the Merrion Centre) and the Merrion nightclub operator entered into CVAs during the period
- Rolling out our own car park management system across our car park portfolio which will ultimately give us both operational and financial efficiencies

Maximising available capital
A conservative capital structure, with a mix of short and long-term secure financing, has always underpinned our approach:

- The first element of deferred consideration arising from the successful sale of our investment in YourParkingSpace Limited was received in July 2023 (£4.4m) with the contingent consideration received in April 2024 (£2.3m)
- After the year end, in July 2024, the final element of deferred consideration was received (£3.1m)
- Comfortable loan to value headroom over our bank facilities of £20.4m based on 30 June 2024 borrowings and valuations
- Loan to value increased to 50.8% following revaluation decreases and impairments in the period and a slight increase in borrowings (FY23: 45.8%)

Investing in our development pipeline
Our development pipeline, with an estimated GDV of over £400m, is a valuable and strategic point of difference for TCS which we continue to progress and enhance. Notably, in the past six months:

- In December 2023 a planning application was submitted for student accommodation as part of the Merrion Centre's evolution. This application incorporates a 1,110 new bed purpose built student accommodation scheme based on the redevelopment of Wade House and the adjacent 100MC site
- Following the securing of a planning consent at Whitehall Riverside in May 2023 (the formal decision notice was then issued in March 2024) we continue to move forward with both build contractors/professional teams and potential tenants for all phases of the development

Acquiring and improving investment assets to diversify our portfolio
We continue to improve investment assets, with a stable portfolio of diverse properties:

- We increased the number of car parks operated under our CitiPark brand to 20, with three new car park management agreements secured in the year
- Acquired a city centre car park investment property leased to NCP in Wellington Street, Sheffield for £1.5m

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Outlook - strong financial position to pursue attractive opportunities

- Focus on bringing forward our developments
- Continue to explore opportunities to acquire assets in Leeds and Manchester; appetite to also make acquisitions in London
- Resilient trading performance has continued into the first half of FY25:
    - Rent collections remain robust with over 99% of amounts invoiced in the last quarter of the year now collected
    - Car parks recovery momentum continues, other than for those reliant on office workers such as Merrion MSCP
    - Significant headroom of £20.4m on existing revolving credit facilities
    - Weighted average cost of borrowings at period end 5.3%, 87.5% at fixed rates
- The Company's share price continues to trade at a significant discount to its NAV (50.4% as at 14 October 2024)

-Ends-

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Chairman and Chief Executive's Statement

Overview

Following a year of further consolidation, the business remains in a strong position. We have addressed challenges as they have arisen, and I'd like to express my gratitude to my colleagues for their continued contributions to our business's success.

There were no significant changes to our Property portfolio during the year, with the only acquisition being a car park investment in Sheffield that is operated by NCP. Our CitiPark business continues to perform well, notwithstanding the ongoing curtailment of the commuting week since the pandemic. The addition of two car park management agreements in London and one in Manchester brings the number of car parks operated under the CitiPark brand to 20. The hotel business continues to trade very well having just had a record year.

Having significantly reduced our borrowings and strengthened our balance sheet through our divestment and asset management activity in the past three years, we were able to complete a buyback of shares via a tender offer representing approximately 13% of the issued share capital of the Company. As anticipated, the tender offer resulted in the Company leaving the REIT regime with effect from 30 June 2023.

Now we have successfully reset the business, our focus is to bring forward our development pipeline of over £400m GDV and also seek out new opportunities for value creation.

In December we submitted a planning application for a significant student accommodation scheme at the Merrion Centre. For the first time in the centre's 60-year history, TCS is looking to introduce residential accommodation, adding to the existing retail, leisure and office space. To address burgeoning demand for student accommodation, TCS's planning application is designed to deliver 1,110 student bedrooms.

Following the grant of detailed planning consent at Whitehall Riverside in May 2023, we continue to make progress with professional teams and prospective tenants for all phases of the development. Ground enabling works have started and our readiness to commence construction will be dictated by the letting and investment market.

Financial performance

- Our statutory loss in the year of £8.0m (2023: £29.5m loss) was predominantly incurred as a result of valuation losses in our investment property portfolio, with a like-for-like portfolio valuation down 4.7% from June 2023. This compares to a decrease of 4.5% in the MSCI/IPD All Property Capital Index over the same period, influenced by market sentiment concerning the macro-economic outlook adversely impacting valuation yields - particularly in the office sector.

- Taking into account other comprehensive income of £0.6m, the cost of buying in shares for cancellation of £9.4m and £4.6m in dividends paid, net asset value per share was 284p, compared with 291p at 30 June 2023.
- Net borrowings, excluding lease liabilities, stood at £108.6m at 30 June 2024 (£101.9m at 30 June 2023), with only 12.5% of this exposed to variable interest rates.
- EPRA earnings per share are 12.3p for the year (2023: 6.2p) - with the recognition and subsequent movement on deferred tax assets and liabilities accounting for 3.8p of the increase.
- 99% of all rent and service charge income invoiced in the year was collected.
- During the year the Company received two further amounts relating to the sale of its investment in YourParkingSpace, with a further final receipt in July 2024. Since the July 2022 sale the Company has received total consideration of over £18m with a further £3m received after the year end, crystalising a profit of £18.5m in the two-year period.

Market context

We have not seen meaningful rental growth in the commercial sectors in which we operate for a number of years, and don't anticipate this to change for the foreseeable future. The constraints this places on income from our property portfolio provide further validation of our strategy to have a full solution car parking business.

In the office sector, the work from home trend in the wake of the Covid pandemic seems to have stabilised with workers gravitating back to the office, which although slow is to be encouraged.

Across the country, prime space for retail and leisure is generally well occupied, although non-prime sites continue to struggle. Despite cost-of-living pressures, consumer demand in the food and beverage sector - a key part of our leisure portfolio - has remained buoyant. The retail sector has bottomed out and is where we see the opportunity for value to be found.

TCS does not have any significant on-site development work underway at present, a consequence of the high inflationary environment of the preceding 18-24 months.

Strategy

Over the last four years the Company has successfully repositioned itself. Following a successful disposal programme, net borrowings have been reduced from £184m in June 2020 to £108.6m, with only 12.5% of this current balance at a variable interest rate. In this time period the percentage of the portfolio represented by retail and leisure properties has reduced from 40% to 30%.

As a Board we continue to review the Company's strategy and have adapted this to be more focussed on managing the current investment property portfolio, progressing the development sites and investing in further accretive property, technological and other business opportunities.

People and culture

I'm delighted that Jacob Ziff joined TCS in April as Associate Director of Investment. Previously at investment brokerage Clifton Agency, Jacob brings valuable experience and contacts, particularly within the M25. He will focus on creating a strategy for property investment and will also support in managing the existing TCS property portfolio.

Jeremy Collins retired as a Non-executive Director at the end of the financial year. On behalf of the Board, I would like to thank Jeremy for his contributions since joining the TCS Board in 2018, and wish him well for the future.

Sustainability and communities

TCS has always had a strong commitment to philanthropy, and we are proud to contribute to charitable and community-based programmes. Through the staff charitable foundation we established with a portion of the proceeds from the sale of YPS, colleagues are invited to suggest causes they want to support and TCS will offer matched funding to selected initiatives.

Environmental sustainability is a key focus for TCS, in both our property portfolio and our CitiPark business, and we were delighted to be recognised with the esteemed 'Green World Ambassador Status' in the Green Apple Awards. 39% of our investment property portfolio has an EPC rating of B or higher, and environmental considerations are central in the design of our developments at Whitehall Riverside.

Dividend

Although the Company left the REIT regime with effect from 1 July 2023, it is still required to pay 90% of the tax-exempt profits arising from its property rental business during the year to 30 June 2023, with this payment to be paid before 1 July 2024. The interim dividend of 2.5 pence per ordinary share announced with the half year results was instead paid out as a Property Income Distribution ('PID') rather than an Ordinary Dividend, on 14 June 2024 to shareholders on the register on 24 May 2024. To satisfy the 90% profits requirement, a further special interim dividend of 6 pence per ordinary share was paid out on the same date. This is in place of a final dividend for the year ended 30 June 2024. This brings the total dividend paid for the year ended 30 June 2024 to 8.5p, a 70% increase on the 5p dividend paid for the year ended 30 June 2023. For the year ending 30 June 2025 and onwards the Company expects to return to paying regular dividends every six months, with the next payment expected to be the interim dividend to be announced in March 2025. The Board will continue to review capital allocations to optimise long-term returns for shareholders, including exploring options beyond paying regular Ordinary Dividends for returning cash to shareholders where appropriate.

Outlook

As we look to the future, we will continue our work to optimise returns from our property portfolio and car parking operations, and will evaluate investments that meet our criteria.

Our strong financial footing, deep expertise and flexible approach mean we are well placed to capitalise on suitable opportunities as they emerge.

Portfolio review

Valuation summary

The like-for-like value of our portfolio decreased by 4.7% (£12.1m) after capital expenditure of £4.0m in the year.

Significant valuation losses have been recognised across our retail, office and car park portfolios.

The valuation of all of our properties (except one) was carried out by CBRE and Jones Lang LaSalle.

Portfolio overview

	Passing rent	ERV	Value	% of portfolio	Valuation incr/(decr)	Initial yield	Reversionary yield
	£m	£m	£m				
Retail & Leisure	1.2	1.3	13.8	5%	-5.0%	8.1%	8.8%
Merrion Centre (ex offices)	4.5	4.8	50.3	20%	-10.0%	8.5%	9.1%
Offices	4.5	6.5	72.9	28%	-9.7%	5.9%	8.4%
Hotels	0.9	0.9	9.9	4%	4.2%	8.4%	8.4%
Out of town retail	1.0	1.1	12.5	5%	-3.8%	7.9%	8.1%
Residential	1.3	2.1	31.7	12%	1.3%	3.9%	6.3%
	13.4	**16.7**	**191.1**	**74%**	**-6.7%**	**6.7%**	**8.2%**
Development property			24.45	10%	13.6%		
Car parks			40.48	16%	-4.1%		
Portfolio			**256.0**	**100%**	**-4.7%**		

Note: includes our share of Merrion House within Offices (£27.5m - see Note 8 of these financial statements) and Car Park Goodwill of £2.5m arising on individual car park assets, but specifically excluding goodwill arising from car park operation acquisitions. None of the above is included in the table set out in Note 7 of this announcement.
Note: excludes IFRS 16 adjustments that relate to Right-of-Use car park assets (£21.7m) as the Directors do not believe it is appropriate to include in this analysis assets where there are fewer than 50 years remaining on their lease and the Group does not have full control over these assets. These assets are included in the table set out in Note 7 of this announcement.

The table below reconciles the above table to that set out in Note 7 of these financial statements:

	FY24	FY23
	£m	**£m**
Portfolio as per Note 7	247.7	254.1
50% share in Merrion House	27.5	30.7
Goodwill - Car Parks - Property specific only	2.5	3.0
Less - IFRS 16 right-of-use car parks	(21.7)	(23.1)
As per the above table	**256.0**	**264.7**

Sales and Purchases

During the financial year ended 30 June 2024 we sold two relatively small properties above their 30 June 2023 book value, for gross proceeds of £0.2m.

Our continued commitment to asset recycling is clear. The table details the £168.4m of disposals since FY17, of which 71% were retail and leisure assets.

	Sales		Purchases	
	£m	% retail and leisure	£m	% retail and leisure
FY17	22.3	88%	4.0	46%
FY18	10.1	95%	9.0	0%
FY19	14	100%	16.0	25%
FY20	2.5	100%	1.7	100%
FY21	48	93%	0.0	0%

FY21	48	95%	0.0	0%
FY22	37.9	59%	7.0	100%
FY23	33.4	21%	18.8	0%
FY24	0.2	0%	1.5	0%
	168.4	71%	58.0	25%

Retail and leisure

The Retail and Leisure market has continued to decline this year, albeit at a slower rate than last year. We have seen this with the valuation movements on the Merrion Centre and our out-of-town retail property.

As the online retail market grows, high street units are having to diversify their offering to become more than just shops; some are now incorporating experiences, entertainment and restaurants. A trend that we are looking to replicate throughout our portfolio.

Regional offices

The office market is continuing to face significant macroeconomic pressures. Flexible workspaces are increasingly in demand, reflecting the shift to hybrid working since the pandemic. Co-working spaces, quality buildings and adaptable offices are more popular, as are those in prime locations. Over the coming years we will be investing significant capital in our existing office space as sustainability and flexible space continue to be priorities.

Our 50% stake in Merrion House has also reduced in the year. As a relatively long-dated and less riskier asset, the valuation of this property is correlated more to the UK bond market rather than the underlying physical asset. As the economy improves we expect these revaluation deficits to partially reverse.

Residential

The residential market has continued to grow, in particular in Manchester, however our portfolio of residential assets has only grown by 1.3% in the year. The removal of multiple dwellings relief on stamp duty has effectively increased the purchasers costs assumed by valuers for multiple-unit buildings - this has affected all of our residential properties.

Car parks

During the year, the Company's freehold and long leasehold car park assets fell in value by £1.7m, a drop of 4.1%. Occupancy levels across the portfolio remain consistent however increased operating costs and rental charges negatively impacted the underlying values.

Other valuation movements

The value of the Company's development sites increased by £2.8m in the year, reflecting increases to the alternative use value for our Whitehall Road development site in Leeds.

Divisional review - Property

Overview

Following a year of economic headwinds, we remain in a strong financial position and continue to take a long-term approach to our portfolio.

Against a backdrop of high interest rates and uncertain market sentiment around the economy and the timing and outcomes of the general election, the property sector faced ongoing challenges. Although utility costs are no longer making the headlines, for some retail and leisure tenants in particular, energy prices reducing from peak levels came too late, with some retrenching and reducing their portfolio and others driven out of business altogether. This also led to some tenants looking to rebase rents.

Valuations have been suppressed, driven by changes in prime yields and a dearth of investment transactions resulting in a lack of comparable data. Rent collection has been excellent, excluding the impact of business failure.

Acquisitions and disposals

The reporting period was quiet in terms of portfolio changes, with our only activity in this area an opportunistic acquisition of a car parking asset in Sheffield, which has an incumbent operator.

We do have an appetite to acquire - signalled by Jacob Ziff joining the business to lead on acquisitions and investment strategy - but are being considered and cautious about where we invest.

Performance by segment

The office segment has borne the brunt of suppressed valuations, although take-up of our assets has remained in line with long-term averages as tenants cater for peak occupancy, even if their staff are tending to work fewer days in the office. Our office assets in Manchester have seen high occupancy and swift relets when vacancies have arisen. We divided the vacant space at 123 Albion Street to let to a quality tenant. In the same building, ground floor space that was previously a retail outlet and latterly used as Job Centre office space was re-let to two leisure operators, demonstrating the versatility of the property.

Similarly, at the Merrion Centre, we are seeing greater demand from leisure operators than retailers, so some outlets have changed usage. In addition to the cross-sector impacts of inflation and interest rates, retailers have also had to contend with a material uptick in shoplifting, putting further pressure on operating costs. The demise of the nightclub operator as part of a wider trend seen in this sector provides a further opportunity to explore other options for a sizeable unit in the Merrion Centre.

Although we have a limited portfolio in the residential segment, our assets have seen high occupancy and increasing rents as demand continues to outstrip supply. By way of example, we are refurbishing all 20 apartments on Bath Street, Glasgow. As we have completed floors, we have relet properties at rates that exceed our target rental levels. Similarly, our build-to-rent site in Manchester, comprising 91 premium, canal-side apartments is performing well, with tenants a combination of international students and professionals. There is an opportunity for TCS to be more active in this segment, by bringing forward our development pipeline or through targeted acquisitions.

Our hotel operation has performed strongly with continued high occupancy, resilient income and an increased valuation. We were pleased to let the ground floor restaurant unit that adjoins the hotel. We are also involved in the George Street development, applying our expertise by working with Leeds City Council as the development manager for another hotel. We supported the council in entering an agreement for lease with Premier Inn earlier in the autumn and achieving a resolution to grant planning permission in November.

Development pipeline

Having received resolution to grant planning permission in May 2023, we received the decision notice for Whitehall Riverside in March 2024. We have been working through the detailed design work on the car park and offices with a view to bringing these forward at the same time, and are in discussions with several potential pre-let parties. We have also had interest in another plot on the development, which is a hotel.

Several factors are making the viability of development appraisals for office space more challenging currently, including high interest rates, the sentiment on prime yields, build costs, where rent levels need to be, and concession packages required by tenants. Over the next couple of years, we expect to see a high margin between rents in new build and refurbished properties, and it will be interesting to determine how important the sustainability credentials of new build properties are to tenants and whether they are prepared to pay a premium for these. Plans for our Whitehall Riverside development are designed to offer best-in-class sustainability credentials, despite the additional costs involved. As we refurbish existing properties we seek to make environmental upgrades, although the economics and likely rent levels mean that measures tend to be more incremental, such as adding solar and improving thermal performance.

Our proactive approach to re-imagining space is exemplified in the proposed Wade House and 100MC developments at the Merrion Centre, for which we submitted planning applications in December for the repurposing of these erstwhile office assets to create purpose-built student accommodation. We are progressing detailed design work on Wade House, with a view to being onsite next year, subject to funding.

We reviewed our land holdings in Manchester to assess the need to refresh the strategic regeneration framework. As a result of the review and other priorities, we decided to pause the refresh, although we are looking to bring forward a residential application on Eider House.

Outlook

Our focus for the next year and beyond is to bring forward our developments, which will also reduce our void levels. These are currently relatively high, partly on account of the need for vacant possession to facilitate redevelopment, as is the case for Wade House.

We will continue to explore opportunities to acquire assets in Leeds and Manchester, and there is appetite to make acquisitions in London, where TCS currently only has two sites. The Group is in a strong financial position to pursue attractive opportunities as they arise, and we look ahead with confidence.

Divisional review - CitiPark

Overview
Our CitiPark business generated revenues of £13.4m during the year (2023: £13.1m). We have increased our portfolio without the need for significant capital investment, continued our focus on innovation, and our enforcement business has performed well.

Performance
Overall revenue generation has remained positive, although there are location-specific variances. While performance in Manchester has been beyond pre-pandemic levels, for example, some locations are seeing a more difficult recovery trajectory. In addition to well documented, sector-wide shifts as a Tuesday to Thursday commuting week has become standard for many people, our branches in Watford have been impacted by the increases in rents, rates and the closure of local businesses.

We have continued to seek capital-light portfolio growth, alternative sources of income and other ways to strengthen the CitiPark brand and business, both organically and inorganically. Our parking management agreement platform has grown well, with three new branches in the last 12 months adding 1,500 spaces to our portfolio: New Jackson in Manchester, and two in central London, at Portman Square and the Barbican.

We are also exploring ways to capitalise our underutilised space through alternative uses for some of our larger locations. For example, we are in discussion with a leisure operator about using the roof space at the Merrion Centre, which would generate welcome additional rental income.

Technology and innovation
Our CitiCharge EV charging business remains a core element of our growth strategy. Our proprietary EV platform has been a source of revenue as well as enhanced customer experience in terms of charging rates and reliability. As we have grown organically through investment and upgrade programmes, some assets have seen a significant uplift in utilisation, for example at the Merrion Centre and Leeds Dock. Data and insights from our CitiCharge platform on utilisation and charging rates also allow us to make more informed decisions on the further roll-out of the technology.

Our rebranded CitiPark app performed so strongly and received such positive feedback since its launch during the year that we decided to use it as the basis for creating our own parking management system. In addition to being more cost-effective than the previous licensed model, it allows us greater flexibility and control. We are delighted with the functionality of our system and are well underway with rolling this out across our portfolio. Having developed constructive relationships with suppliers of cameras and other hardware, we are now looking to offer our solutions to third parties on a 'white label' basis.

As we have evolved our branches to being barrierless for reasons of customer experience as well as operational efficiencies and environmental benefits, we have also seen stronger synergies with our enforcement business.

Outlook
We are confident in the outlook and have a strong team in place to execute our strategy. We see further opportunities to progress our capital-light model, with sound growth prospects in both existing and new parking management partnerships. We also see scope to grow our enforcement business, both organically and inorganically. There will be challenges, some of which are of our own making - as we look to develop a new flagship multi-storey car park on our Whitehall Road site. EV and battery storage will be a focus for us, particularly with central and local government encouraging more sustainable methods of transport in city centres. Our EV charging infrastructure, green season tickets and tariffs are further encouraging the uptake of electric vehicles.

FINANCIAL REVIEW

"The financial performance of the Company during the year ended 30 June 2024 shows underlying EPRA profits (after adjusting for the effects of taxation and deferred tax) 25% ahead of the previous period, however the statutory profit of the year is again affected by both reductions in investment property values

and impairments to the group car parking portfolio, as real estate investor and market sentiment across these segments remain subdued"

The statutory loss for the year was £8.0m, compared to a loss of £29.5m in the previous year.

EPRA Earnings* were a profit of £5.5m in the year, compared to a profit of £3.1m in the prior year. The EPRA profit for the current year included a net taxation credit of £1.7m; excluding this the EPRA profit of the Company would have been £3.8m, representing a 25% improvement in the underlying performance of the Company .

The Board is not recommending the payment of a final dividend for the year, giving a full year dividend of 8.5p, which is 70% higher than the previous year.

During the year the Company received both the first element of deferred consideration and the contingent consideration from the sale of it's investment in YPS, generating further proceeds of £6.7m. In addition the Company increased net borrowings during the year by £6.8m.

The funds generated have been deployed in a number of ways:

- £1.5m acquisition of a car park investment property in Sheffield
- £2.5m of investment in existing properties and our development portfolio
- £9.4m to fund a tender offer in the first five months of the year
- £4.2m as dividends paid to shareholders in the year

Net borrowings has increased from £101.9m to £108.6m in the year. Net borrowings represent total financial borrowings of £138.6m less lease liabilities of £28.6m and net cash of £1.4m.

* Alternative performance measures are detailed, defined and reconciled within Notes 11 and 21 of these financial statements

Income statement

EPRA Earnings* for the year ended 30 June 2024 were £5.7m.

£000s	FY24	FY23	*YOY*
Gross Revenue	31,968	30,363	*5.3%*
Impairment of debtors provision movement	0	0	-
Property Expenses	(15,803)	(15,551)	*1.6%*
Net Revenue	16,165	14,812	*9.1%*
Other Income / JV Profit	1,990	1,764	*12.8%*
Other Expenses	0	0	-
Administrative Expenses	(7,293)	(6,780)	*7.6%*
Operating Profit	**10,862**	**9,796**	*10.9%*
Net Finance Costs	(7,043)	(6,733)	*4.6%*
Taxation	1,685	0	-
EPRA Earnings	**5,504**	**3,063**	*79.7%*

Segmental	FY24	FY23	*YOY*
Property			
Net Revenue	9,886	9,435	*4.8%*
Operating Profit	6,264	5,911	*6.0%*

CitiPark			
Net Revenue	5,641	4,891	*15.3%*
Operating Profit	3,919	3,360	*16.6%*
ibis Styles Hotel			
Gross Revenue	638	486	*31.3%*
Operating Profit	638	486	*31.3%*
Investments			
Other income and operating profit	41	39	*5.1%*

Statutory profit

On a statutory basis the reported loss for the year was £8.0m.
The statutory profit reflects the EPRA Earnings* of £5.5m less £14.2m of non-cash valuation and impairment movements less the profit on disposal recognised of £0.2m on the two small investment properties and investments sold in the year plus £0.9m of deferred taxation on valuation movements in the year.

Gross revenue

Gross revenue was up £1.6m or 5.3% year-on-year, with key drivers being:

- Property revenue during the year had a positive impact of £1.1m on the total Gross Revenue. There were no significant disposals during the year with the Company benefiting from a full year of Burlington House revenue following the acquisition of the remaining 50% in March 2023.
- CitiPark revenues have continued to grow in the year, with gross revenue across the portfolio increasing by 2% from £13.1m to £13.4m.
- Income for the ibis Styles hotel, has also continued to grow with revenue of £3.3m in the year, up £0.2m from £3.1m last year.

Other / JV income

Total Other / JV income was up 12.8% or £0.2m year-on-year, the majority of the difference relates to development manager fees receivable in the current year on a contract completed in the year.

Administrative expenses

Administrative costs were £0.5m or 7.6% higher year-on-year, with increased staff costs and computer expenses the key drivers to this increase.

Finance costs

Finance costs were 4.6% or £0.3m higher year-on-year as a result of the increase in the Company's bank borrowings which were primarily used to fund the Company's buyback of shares in November 2023.

* Alternative performance measures are detailed, defined and reconciled within Note 5 below in this announcement

Balance sheet

The below table shows the year-end balance sheet as reported.

£m	**FY24**	**FY23**	*vs FY23*
Freehold and Right to Use Investment Properties	**156.5**	**162.9**	*(3.9%)*
Development Properties	**24.5**	**20.9**	*17.2%*
Car Park related Assets, Goodwill and Investments*	**62.9**	**74.0**	*(15.0%)*
Hotel Operations	**9.9**	**9.5**	*4.2%*
	253.8	**267.3**	*(5.1%)*

Joint Ventures	**4.8**	**7.1**	*(32.4%)*
Listed Investments	**3.3**	**4.1**	*(19.5%)*
Other Non-Current Assets	**1.8**	**1.7**	*5.9%*
Total Non-Current Assets incl.Available for Sale	**263.7**	**280.2**	*(5.9%)*
Net Borrowings	**(137.1)**	**(129.9)**	*(5.5%)*
Deferred tax	**2.4**	**0.0**	-
Other Assets/(Liabilities)	**(9.4)**	**(9.2)**	*(2.2%)*
Statutory NAV	**119.6**	**141.1**	***(15.2%)***
Statutory NAV per Share	**284p**	**291p**	***(2.6%)***
EPRA Net Tangible Assets (NTA)	**116.7**	**137.7**	***(15.3%)***
EPRA NTA per Share	**277p**	**284p**	***(2.6%)***

Non-current assets:

Our total non-current assets (including investments in JVs) of £263.7m (2023: £280.2m) have reduced by £16.5m during the year, this movement is made up of the following:

- Disposals, including YPS receipts of £(7.0m)
- Depreciation charge of £(2.1m)
- Capital expenditure of £6.1m
- Revaluation uplift/reversal of impairments totalling £(14.0m)
- Operating profits generated and retained in JV entities and other movements of £0.5m

Borrowings:

During the year our Net Borrowings have increased by £8.0m, from £129.9m as at 30 June 2023 to £137.1m at the year end. This increase was primarily to fund the tender offer completed by the Company in November 2023.

We have extended our NatWest revolving credit facility by one year, it is now due to expire in September 2025, although we have the ability to extend this facility for a further year, subject to bank consent. Our other two revolving credit facilities were refinanced last year with expiry's of June 2026.

Loan-to-value has been increased to 50.8%, up from 45.8% a year ago, due to both the increase in borrowings and decrease in property values during the year. Note the calculation of loan-to-value includes both the finance lease assets and liabilities.

EPRA net asset reporting

We focus primarily on the measure of Net Tangible Assets (NTA). The below table reconciles IFRS net assets to NTA, and the other EPRA measures.

There are three EPRA Net Asset Valuation metrics, namely EPRA Net Reinstatement Value (NRV), EPRA Net Tangible Assets (NTA) and EPRA Net Disposal Value (NDV). The EPRA NRV scenario, aims to represent the value required to rebuild the entity and assumes that no selling of assets takes place. The EPRA NTA is focused on reflecting a company's tangible assets. EPRA NDV aims to represent the shareholders' value under an orderly sale of business, where, for example, financial instruments are calculated to the full extent of their liability. All three NAV metrics share the same starting point, namely IFRS Equity attributable to shareholders.

£m	**FY24**	**FY23**	FY24 p per share	FY23 p per share
IFRS reported NAV	**119.6**	**141.1**	**284**	**291**
Purchasers Costs [1]	18.4	19.3		
EPRA Net Reinstatement Value	**138.0**	**160.4**	**327**	**331**

Remove Purchasers Costs	(18.4)	(19.3)		
Remove Goodwill [2]	(2.9)	(3.4)		
EPRA Net Tangible Assets	**116.7**	**137.7**	**277**	**284**
Fair value of fixed interest rate debt [3]	11.9	14.2		
EPRA Net Disposal Value	**128.6**	**151.9**	**305**	**313**

[1] Estimated purchasers' costs including fees and stamp duty and related taxes

[2] Removal of goodwill as per the IFRS Balance Sheet - relates predominantly to goodwill paid to acquire two long term car park leaseholds in London

[3] Represents the adjustment to fair value (market price) of the 2031 5.375% debenture and the single asset facility

Future financial considerations

Future P&L pressure

The wider economy and underlying property values are still struggling, with uncertainty around office based working and shopping habits. In terms of our own specific business we have seen recoveries in all segments, although there is still a risk if these recoveries are stalled.

This has resulted in the earnings of the business growing in the year and we increased the level of the dividend paid.

Future balance sheet

As identified in the Risk Report, we have highlighted the continued pressure on retail and office investments to be a significant risk to the business. As part of the going concern and viability statement review process the Company has prepared consolidated forecasts and identified a number of mitigating factors to ensure that the ongoing viability of the business was not threatened.

Going concern and headroom

One of the most critical judgements for the Board is the headroom in the Group's debt facilities. This is calculated as the maximum amount that could be borrowed, taking into account the properties secured to the funders and the facilities in place. The total headroom at 30 June 2024 was £20.4m (20223: £34.0m), which was considered to be sufficient to support our going concern conclusion. The properties secured under the Group's debt facilities would need to fall 26.0% in value before this headroom number was breached.

In assessing both the viability and going concern status of the Company, the Board reviewed detailed projections including various different scenarios. A summary of the approach and the findings is set out in the Risk Report, forming part of the Strategic Report of these financial statements.

Total shareholder return and total property return

Total shareholder return of 14.7% (2023: minus 3.2%) was calculated as the total of dividends paid during the financial year of 8.5p (2023: 5.0p) and the movement in the share price between 30 June 2023 (125.0p) and 30 June 2024 (133.5p), assuming reinvestment of dividends. This compares with the FTSE All Share REIT index at 18.2% (2023: minus 22.1%) for the same period.

The Company's share price continues to trade at a significant discount to its NAV, impacting total shareholder return.

Total shareholder returns % (CAGR)

Total shareholder returns	1 Year	10 Years	20 Years
Town Centre Securities	14.7%	(2.3%)	1.2%
FTSE All Share REIT index	18.2%	1.9%	2.6%

Total Property Return is calculated as the net operating profit and gains / losses from property sales and valuations as a percentage of the opening investment properties.

Total Property Return for the business for the reported 12 months was 1.7% (2023: minus 6.0%). This compared favourably to the MSCI/IPD market return of 0.1%.

Consolidated income statement

for the year ended 30 June 2024

	Notes	2024 £000	2023 £000
Gross revenue	1	**28,983**	27,631
Service charge income	1	**2,985**	2,732
Gross revenue	1	**31,968**	30,363
Service charge expenses	1	**(3,982)**	(3,991)
Property expenses	1	**(11,821)**	(11,560)
Net revenue		**16,165**	14,812
Administrative expenses	2	**(7,293)**	(6,780)
Other income	3	**965**	880
Valuation movement on investment properties	7	**(7,625)**	(21,033)
Impairment of car parking assets	7	**(3,259)**	(10,467)
Impairment of goodwill		**(577)**	(991)
Loss on disposal of investments		**(191)**	(777)
Valuation movement on investments	9	**408**	1,162
Profit on disposal of investment properties		**27**	4,123
Share of post-tax losses from joint ventures	8	**(2,175)**	(4,066)
Operating loss		**(3,555)**	(23,137)
Finance costs		**(7,209)**	(6,948)
Finance income		**166**	594
Loss before taxation		**(10,598)**	(29,491)
Taxation	4	**2,588**	-
Loss for the year attributable to owners of the Parent		**(8,010)**	(29,491)
Earnings per share			
Basic and diluted	5	**(17.9p)**	(60.1p)
EPRA (non-GAAP measure)	5	**12.3p**	6.2p
Dividends per share			
Paid during the year	6	**11.0p**	5.0p
Proposed	6	**-**	2.5p

Consolidated statement of comprehensive income

for the year ended 30 June 2024

		2024 £000	2023 £000
Loss for the year		**(8,010)**	(29,491)
Items that will not be subsequently reclassified to profit or loss			
Revaluation gains on car parking assets	7	**994**	929
Revaluation gains on hotel assets	7	**642**	642
Revaluation (losses)/gains on other investments	9	**(763)**	16
Deferred tax on freehold car park valuation gains		**(236)**	-
Total other comprehensive income		**637**	1,587
Total comprehensive loss for the year		**(7,373)**	(27,904)

All profit and total comprehensive income for the year is attributable to owners of the Parent. The Notes following are an integral part of these Consolidated Financial Statements.

Consolidated balance sheet

as at 30 June 2024

	Notes	2024 £000	2023 £000
Non-current assets			
Property rental			
Investment properties	7	**180,977**	183,801

Investments in joint ventures	8	**4,752**	7,123
		185,729	190,924
Car park activities			
Freehold and leasehold properties	7	**56,823**	60,791
Goodwill and intangible assets		**2,892**	3,674
		59,715	64,465
Hotel operations			
Freehold and leasehold properties	7	**9,900**	9,500
		9,900	9,500
Fixtures, equipment and motor vehicles	7	**1,446**	1,269
Investments	9	**3,965**	7,503
Deferred tax assets	10	**2,352**	-
Total non-current assets		**263,107**	273,661
Current assets			
Trade and other receivables		**3,996**	3,264
Cash and cash equivalents		**22,152**	23,320
Investments	9	**3,177**	6,436
Total current assets		**29,325**	33,020
Total assets		**292,432**	306,681
Current liabilities			
Trade and other payables		**(13,425)**	(12,387)
Bank overdrafts		**(20,760)**	(21,700)
Financial liabilities		**(1,768)**	(4,665)
Total current liabilities		**(35,953)**	(38,752)
Non-current liabilities			
Financial liabilities		**(136,842)**	(126,841)
Total non-current liabilities		**(136,842)**	(126,841)
Total liabilities		**(172,795)**	(165,593)
Net assets		**119,637**	141,088
Equity attributable to the owners of the Parent			
Called up share capital	11	**10,540**	12,113
Share premium account		**200**	200
Capital redemption reserve		**3,309**	1,736
Revaluation reserve		**4,184**	2,784
Retained earnings		**101,404**	124,255
Total equity		**119,637**	141,088
Net asset value per share	13	**284p**	291p

Company number: 00623364

The financial statements were approved by the Board of Directors on 15 October 2024 and signed on its behalf by

E M Ziff Chairman and Chief Executive

Consolidated statement of Changes in Equity

for the year ended 30 June 2024

	Called up share capital £000	Share premium account £000	Capital redemption reserve £000	Revaluation reserve £000	Retained earnings £000	Total equity £000
Balance at 30 June 2022	13,132	200	717	1,213	164,042	179,304
Comprehensive income for the year						
Loss for the year	-	-	-	-	(29,491)	(29,491)
Other comprehensive income	-	-	-	1,571	16	1,587
Total comprehensive income for the year	-	-	-	1,571	(29,475)	(27,904)
Contributions by and distributions to owners						
Arising on purchase and cancellation of own shares	(1,019)	-	1,019	-	(7,888)	(7,888)
Final dividend relating to the year ended 30 June 2022	-	-	-	-	(1,212)	(1,212)
Interim dividend relating to the year ended 30 June 2023	-	-	-	-	(1,212)	(1,212)
Balance at 30 June 2023	**12,113**	**200**	**1,736**	**2,784**	**124,255**	**141,088**
Comprehensive income for the year						
Loss for the year	-	-	-	-	(8,010)	(8,010)
Other comprehensive income	-	-	-	1,400	(763)	637
Total comprehensive loss for the year	-	-	-	1,400	(8,773)	(7,373)

Contributions by and distributions to owners						
Arising on purchase and cancellation of own shares	(1,573)	-	1,573	-	(9,440)	(9,440)
Final dividend relating to the year ended 30 June 2023	-	-	-	-	(1,054)	(1,054)
Interim dividend relating to the year ended 30 June 2024	-	-	-	-	(3,584)	(3,584)
Balance at 30 June 2024	**10,540**	**200**	**3,309**	**4,184**	**101,404**	**119,637**

Consolidated cash flow statement

for the year ended 30 June 2024

		2024		2023	
	Notes	£000	£000	£000	£000
Cash flows from operating activities					
Cash generated from operations	12	**12,594**		13,769	
Interest received		**8**		415	
Interest paid		**(6,001)**		(6,149)	
Net cash generated from operating activities			**6,601**		8,035
Cash flows from investing activities					
Purchase and construction of investment properties		**(1,544)**		(7,526)	
Refurbishment of investment, freehold and leasehold properties		**(2,481)**		(1,145)	
Purchases of fixtures, equipment and motor vehicles		**(525)**		(576)	
Proceeds from sale of investment properties		**187**		51,723	
Proceeds from sale of investments		**6,658**		11,195	
Investments in joint ventures		**-**		(3,500)	
Distributions received from joint ventures		**196**		-	
Purchase of investments		**(250)**		-	
Purchase of subsidiary, net of cash acquired		**-**		887	
Net cash generated from investing activities			**2,241**		51,058
Cash flows from financing activities					
Proceeds from non-current borrowings		**9,750**		16,000	
Repayment of non-current borrowings		**(3,087)**		(60,241)	
Arrangement fees paid		**(419)**		-	
Principal element of lease payments		**(1,665)**		(1,657)	
Dividends paid to shareholders		**(4,209)**		(2,423)	
Purchase of own shares		**(9,440)**		(7,888)	
Net cash used in financing activities			**(9,070)**		(56,209)
Net (decrease)/increase in cash and cash equivalents			**(228)**		2,884
Cash and cash equivalents at beginning of the year			**1,620**		(1,264)
Cash and cash equivalents at end of the year			**1,392**		1,620

Cash and cash equivalents at the year end are comprised of the following:

Cash balances	**22,152**	23,320
Overdrawn balances	**(20,760)**	(21,700)
	1,392	1,620

The Consolidated Cash Flow Statement should be read in conjunction with Note 12.

Audited preliminary results announcements

The financial information for the year ended 30 June 2024 and the year ended 30 June 2023 does not constitute the company's statutory accounts for those years.

Statutory accounts for the year ended 30 June 2023 have been delivered to the Registrar of Companies.

The statutory accounts for the year ended 30 June 2024 will be delivered to the Registrar of Companies following the Company's Annual General Meeting.

The auditors' reports on the accounts for 30 June 2024 and 30 June 2023 were unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

1. 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) Segmental assets

	2024	2023
	£000	£000
Property rental	**215,062**	212,249
Car park activities	**60,328**	64,993
Hotel operations	**9,900**	9,500
Investments	**7,142**	19,939
	292,432	306,681

(B) Segmental results

	2024					2023				
	Property rental £000	**Car park activities £000**	**Hotel operations £000**	**Investments £000**	**Total £000**	Property rental £000	Car park activities £000	Hotel operations £000	Investments £000	Total £000
Gross revenue (excl service charge income)	**12,314**	**13,361**	**3,308**	**-**	**28,983**	11,445	13,066	3,120	-	27,631
Service charge income	**2,985**	**-**	**-**	**-**	**2,985**	2,732	-	-	-	2,732
Gross revenue	**15,299**	**13,361**	**3,308**	**-**	**31,968**	14,177	13,066	3,120	-	30,363
Service charge expenses	**(3,982)**	**-**	**-**	**-**	**(3,982)**	(3,991)	-	-	-	(3,991)
Property expenses	**(1,431)**	**(7,720)**	**(2,670)**	**-**	**(11,821)**	(751)	(8,175)	(2,634)	-	(11,560)
Net revenue	**9,886**	**5,641**	**638**	**-**	**16,165**	9,435	4,891	486	-	14,812
Administrative expenses	**(5,571)**	**(1,722)**	**-**	**-**	**(7,293)**	(5,242)	(1,538)	-	-	(6,780)
Other income	**924**	**-**	**-**	**41**	**965**	834	7	-	39	880
Share of post-tax profits from joint ventures	**1,025**	**-**	**-**	**-**	**1,025**	884	-	-	-	884
Operating profit before valuation movements	**6,264**	**3,919**	**638**	**41**	**10,862**	5,911	3,360	486	39	9,796
Valuation movement on investment properties	**(7,625)**	**-**	**-**	**-**	**(7,625)**	(21,033)	-	-	-	(21,033)
Impairment of car parking assets	**-**	**(3,259)**	**-**	**-**	**(3,259)**	-	(10,467)	-	-	(10,467)
Impairment of goodwill	**-**	**(577)**	**-**	**-**	**(577)**	-	(991)	-	-	(991)
Loss on disposal of investments	**-**	**-**	**-**	**(191)**	**(191)**	-	-	-	(777)	(777)
Valuation movement on investments	**-**	**-**	**-**	**408**	**408**	-	-	-	1,162	1,162
Profit on disposal of investment properties	**27**	**-**	**-**	**-**	**27**	4,123	-	-	-	4,123
Valuation movement on joint venture properties	**(3,200)**	**-**	**-**	**-**	**(3,200)**	(4,950)	-	-	-	(4,950)
Operating (loss)/profit	**(4,534)**	**83**	**638**	**258**	**(3,555)**	(15,949)	(8,098)	486	424	(23,137)
Finance costs					**(7,209)**					(6,948)
Finance income					**166**					594
Loss before										

Loss before taxation	**(10,598)**	(29,491)
Taxation	**2,588**	-
Loss for the year	**(8,010)**	(29,491)

All results are derived from activities conducted in the United Kingdom.

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

The net revenue at the development sites for the year ended 30 June 2024, arising from car park operations, was £1,854,000. After allowing for an allocation of administrative expenses, the operating profit at these sites was £1,221,000.

Revenue received within the car park and hotel segments as well as other income in the Property segment is the only revenue recognised on a contract basis under IFRS 15. All other revenue within the Property segment comes from rental lease agreements.

2. Administrative expenses

	2024	2023
	£000	£000
Employee benefits	**4,457**	4,344
Depreciation	**168**	124
Charitable donations	**77**	60
Other	**2,591**	2,252
	7,293	6,780

Depreciation charged to the Consolidated Income Statement as an administrative expense relates to depreciation on central office equipment, including fixtures and fittings, computer equipment and motor vehicles. Depreciation on operational equipment and Right-of-use assets within both the car park and hotel businesses are charged as direct property expenses within the Consolidated Income Statement.

3. Other income and expenses

	2024	2023
Other income	**£000**	£000
Commission received	**169**	154
Dividends received	**41**	39
Service charge management fees	**258**	260
Development management fees	**158**	-
Dilapidations receipts and income relating to surrender premiums	**267**	312
Other	**72**	115
	965	880

4. Taxation

	2024	2023
	£000	£000
Current		
Current year	**-**	-
Adjustments in respect of prior years	**-**	-
	-	-
Deferred tax		
Recognition of previously unrecognised trading losses	**(2,888)**	-
Utilisation of trading losses	**1,203**	-
Origination and reversal of timing differences	**(903)**	-
Adjustments in respect of prior periods	**-**	-
	(2,588)	-
	(2,588)	-

Taxation for the year is lower (2023: lower) than the standard rate of corporation tax in the United Kingdom of 25% (2023: 19%). The differences are explained below:

	2024	2023
	£000	£000
Loss before taxation	**(10,598)**	(29,491)
Loss on ordinary activities multiplied by rate of corporation tax in the United Kingdom of 25% (2023: 19%)	**(2,649)**	(5,603)
Effects of:		

- Valuation movements on which deferred tax is not recognised	**2,701**	-
- Recognition of carried forward trading losses	**(2,888)**	-
- Expenses not deductible for tax purposes	**248**	-
- United Kingdom REIT tax exemption on net income before revaluations	**-**	(582)
- United Kingdom REIT tax exemption on revaluations	**-**	6,185
Total taxation credit	**(2,588)**	-

The Company left the REIT regime with effect from 1 July 2023, therefore the profits of the Company are now subject to corporation tax.

5. Earnings per share

The calculation of basic earnings per share has been based on the profit for the year, divided by the weighted average number of shares in issue. The weighted average number of shares in issue during the year was 44,862,101 (2023: 49,075,785).

	2024		2023	
	Earnings	**Earnings per share**	Earnings	Earnings per share
	£000	**p**	£000	p
Loss for the year and earnings per share	**(8,010)**	**(17.9)**	(29,491)	(60.1)
Valuation movement on investment properties	**7,625**	**17.0**	21,033	42.9
Deferred tax on valuation movements	**(903)**	**(2.0)**	-	-
Impairment of car parking assets	**3,259**	**7.3**	10,467	21.3
Impairment of goodwill	**577**	**1.3**	991	2.0
Valuation movement on properties held in joint ventures	**3,200**	**7.2**	4,950	10.1
Profit on disposal of investment and development properties	**(27)**	**(0.1)**	(4,123)	(8.4)
Loss on disposal of investments	**191**	**0.4**	777	1.6
Valuation movement on investments	**(408)**	**(0.9)**	(1,162)	(2.4)
Gain on repurchase of debenture stock	**-**	**-**	(379)	(0.8)
EPRA earnings and earnings per share	**5,504**	**12.3**	3,063	6.2

EPRA earnings for the year ended 30 June 2024 includes a tax credit £2,888,000 relating to the initial recognition of a deferred tax asset for historical trading losses.

There is no difference between basic and diluted earnings per share.

There is no difference between basic and diluted EPRA earnings per share.

6. Dividends

	2024	2023
	£000	£000
2022 final paid: 2.5p per share	**-**	1,212
2023 interim paid: 2.5p per share	**-**	1,212
2023 final paid: 2.5p per share	**1,054**	-
2024 interim paid: 8.5p per share	**3,584**	-
	4,638	2,424

An interim dividend in respect of the year ended 30 June 2024 of 8.5p per share was paid to shareholders on 16 June 2023. This dividend was paid entirely as a Property Income Distribution (PID).

No final dividend is proposed in respect of the year ended 30 June 2024.

7. Non-current assets

(A) Investment properties

	Freehold	Right-of-use asset	Development	Total
	£000	£000	£000	£000
Valuation at 30 June 2022	**156,230**	**2,250**	**42,626**	**201,106**
Additions at cost	7,526	-	-	7,526
Held in subsidiaries acquired	23,400	-	706	24,106
Other capital expenditure	735	31	395	1,161

Disposals	(7,645)	-	(21,250)	(28,895)
Valuation movement	(19,376)	(31)	(1,626)	(21,033)
Movement in tenant lease incentives	(170)	-	-	(170)
Valuation at 30 June 2023	**160,700**	**2,250**	**20,851**	**183,801**
Additions at cost	-	2,860	-	2,860
Other capital expenditure	1,716	-	765	2,481
Disposals	(160)	-	-	(160)
Movement in tenant lease incentives	(380)	-	-	(380)
Valuation movement	(10,466)	6	2,835	(7,625)
Valuation at 30 June 2024	**151,410**	**5,116**	**24,451**	**180,977**

At 30 June 2024, investment property valued at £175,810,000 (2023: £181,340,000) was held as security against the Group's borrowings.

During the year the Group acquired an investment property for a cash consideration of £1,544,000 and recognised an additional IFRS16 right-of-use asset of £1,316,000.

During the prior year the Group acquired an investment property that it had previously owned 50% of, through the Group's joint venture investment in Belgravia Living Group Limited ("BLG"). The property acquisition was facilitated by the acquisition by the Group of the remaining 50% interest in BLG.

Right-of-use investment property assets include long leasehold property interests.

The Company occupies an office suite in part of the Merrion Centre and one floor of an investment property in London. The Directors do not consider these elements to be material.

(B) Freehold and leasehold properties - car park activities

	Freehold	Right-of-use asset	Total
	£000	£000	£000
Valuation at 30 June 2022	**29,200**	**43,026**	**72,226**
Additions	6	-	6
IFRS 16 adjustment	-	(95)	(95)
Depreciation	(312)	(1,496)	(1,808)
Valuation movement	929	-	929
Impairment	(4,713)	(5,754)	(10,467)
Valuation at 30 June 2023	**25,110**	**35,681**	**60,791**
IFRS 16 adjustment	-	(95)	(95)
Depreciation	(272)	(1,336)	(1,608)
Valuation movement recognised in Other Comprehensive Income	994	-	994
Reversal of impairment/(impairment)	768	(4,027)	(3,259)
Valuation at 30 June 2024	**26,600**	**30,223**	**56,823**

The historical cost of freehold properties and Right-of-use assets relating to car park activities is £30,153,000 (2023: £30,153,000).

At 30 June 2024, freehold properties and Right-of-use assets relating to car park activities, held as security against the Group's borrowings are held at £35,450,000 (2023: £35,610,000).

(C) Freehold and leasehold properties - hotel operations

	Freehold
	£000
Valuation at 30 June 2023	9,500
Depreciation	(242)
Valuation movement	642
Valuation at 30 June 2024	**9,900**

At 30 June 2024, freehold and leasehold property relating to hotel operations valued at £9,900,000 (2023: £9,500,000) was held as security against the Group's borrowings.

The fair value of the Group's investment and development properties, freehold car parks, hotel operations and assets held for sale have been determined principally by independent, appropriately qualified external valuers CBRE and Jones Lang LaSalle. The remainder of the portfolio has been valued by the Property Director.

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

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 also been valued by appropriately qualified external valuers Jones Lang LaSalle, taking into account an assessment of their realisable value in their existing state and condition based on market evidence of comparable transactions and residual value calculations.

Property income, values and yields have been set out by category as at 30 June 2024 in the table below.

	Passing rent	ERV	Value	Initial yield	Reversionary yield
	£000	£000	£000	%	%
Retail and Leisure	1,178	1,282	13,810	8.1%	8.8%
Merrion Centre (excluding offices)	4,514	4,815	50,254	8.5%	9.1%
Offices	2,688	4,845	45,376	5.6%	10.1%
Hotels	875	875	9,900	8.4%	8.4%
Out of town retail	1,041	1,070	12,500	7.9%	8.1%
Residential	1,319	2,108	31,720	3.9%	6.3%
	11,615	**14,995**	**163,560**	**6.7%**	**8.7%**
Development property			24,451		
Car parks			38,017		
IFRS 16 Adjustment - Right-of-use assets held within car park activities			20,356		
IFRS 16 Adjustment - Right-of-use assets held within investment property			1,316		
			247,700		

Car parks above include £1.5m of a car park categorised as an investment property.

Property income, values and yields have been set out by category as at 30 June 2023 in the table below.

	Passing rent	ERV	Value	Initial yield	Reversionary yield
	£000	£000	£000	%	%
Retail and Leisure	984	1,292	14,510	6.4%	8.4%
Merrion Centre (excluding offices)	4,610	4,919	51,414	8.5%	9.0%
Offices	3,040	4,953	52,966	5.4%	8.8%
Hotels	816	816	9,500	8.1%	8.1%
Out of town retail	1,006	1,070	13,000	7.3%	7.8%
Residential	1,392	1,526	31,060	4.2%	4.6%
	11,848	**14,576**	**172,450**	**6.5%**	**8.0%**
Development property			20,851		
Car parks			37,644		
IFRS 16 Adjustment - Right-of-use assets held within car park activities			23,147		
			254,092		

Investment properties (freehold and Right-of-use), freehold properties (PPE) and hotel operations.

The effect on the total valuation (excluding development property and car parks) of £163.6m of applying a different weighted average yield and a different weighted average ERV would be as follows:

Valuation in the Consolidated Financial Statements at an initial yield of 5.7% - £192.2m, Valuation at 7.7% - £142.4m.

Valuation in the Consolidated Financial Statements at a reversionary yield of 7.7% - £184.9m, Valuation at 9.7% - £146.6m.

Investment properties (development properties)

The key unobservable inputs in the valuation of one of the Group's development properties of £14.8m is the assumed per acre or per unit land value. The effect on the development property valuation of applying a different assumed per acre or per unit land value would be as follows:

Valuation in the Consolidated Financial Statements if a 5% increase in the per acre or per unit value -

£15.5m, 5% decrease in the per acre or per unit value - £14.1m.

The other key development property in the Group is valued on a per acre development land value basis, the effect on the development property valuation of applying reasonable sensitivities would not create a material impact.

Freehold car park activities

The effect on the total valuation of the Group's freehold car park properties of £26.6m in applying a different yield/discount rate (valuation based on 6.6%) and a different assumed rental value/net income (valuation based on £1.9m) would be as follows:

Valuation in the Consolidated Financial Statements based on a 1% decrease in the yield/discount rate - £31.3m, 1% increase in the yield/discount rate - £23.1m

Valuation in the Consolidated Financial Statements based on a 5% increase in the assumed rental value/net income - £27.9m, 5% decrease in the assumed rental value/net income - £25.3m

Right-of-use car park activities

The effect on the total valuation of the Group's Right-of-use car park properties of £30.2m in applying a different discount rate (valuation based on 10.7%) and a different assumed net income (valuation based on £3.2m) would be as follows:

Valuation in the Consolidated Financial Statements based on a discount rate of 9.7% - £32.3m, Valuation at 11.7% - £28.0m

Valuation in the Consolidated Financial Statements assuming net revenue 10% above anticipated - £32.6m, Valuation at 10% below anticipated - £27.9m.

Property valuations can be reconciled to the carrying value of the properties in the balance sheet as follows:

	Investment Properties	Freehold and Leasehold Properties	Hotel operations	Total
	£000	£000	£000	£000
Externally valued by CBRE	88,940	19,150	9,900	117,990
Externally valued by Jones Lang LaSalle	90,670	7,450	-	98,120
Investment properties valued by the Directors	51	-	-	51
Properties held at valuation	179,661	26,600	9,900	216,161
IFRS 16 Right-of-use assets held at depreciated cost	1,316	30,223	-	31,539
	180,977	**56,823**	**9,900**	**247,700**

Valuation of investment properties (freehold and Right-of-use), freehold properties (PPE), hotel operations and assets held for sale at fair value

All investment properties, freehold properties held in property plant and equipment, hotel operations and assets held for sale are measured at fair value in the consolidated balance sheet and 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 external valuers and the Directors have used the actual rent passing and have also formed an opinion as to the two significant 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.

(D) Fixtures, equipment and motor vehicles

	Cost	Accumulated Depreciation
	£000	£000
At 1 July 2022	4,994	4,018
Additions	576	-
Depreciation	-	283
At 30 June 2023	**5,570**	**4,301**
Net book value at 30 June 2023		**1,269**

Net book value at 30 June 2023		1,269
At 1 July 2023	5,570	4,301
Additions	525	-
Depreciation	-	348
At 30 June 2024	**6,095**	**4,649**
Net book value at 30 June 2024		**1,446**

8. Investments in joint ventures

	2024	2023
	£000	£000
At the start of the year	**7,123**	18,016
Investments in joint ventures	**-**	3,500
Loan interest	**-**	245
Valuation movement on investment properties	**(3,200)**	(4,950)
Share of post-tax profits from joint ventures before valuation movements	**1,025**	884
Distributions	**(196)**	-
Amounts eliminated on consolidation of subsidiary	**-**	(10,572)
At the end of the year	**4,752**	7,123

The full amount of investments in joint ventures relates to equity investments.

On 14 April 2023, the Group acquired the entire share capital of Belgravia Living Group Limited and therefore no longer accounts for this as a joint venture. As a result of this acquisition, Belgravia Living Group Limited became a wholly owned subsidiary of the Company and the investments made are eliminated on consolidation. The consideration for the acquisition was £1, with the key asset acquired being a £23.4m investment property and an associated bank loan of £14.4m.

Merrion House LLP owns a long leasehold interest over a property that is let to the Group's joint venture partner, Leeds City Council ('LCC'). The interest in the joint venture for each partner is an equal 50% share, regardless of the level of overall contributions from each partner. The investment property held within this partnership has been externally valued by CBRE at each reporting date.

The assets and liabilities of Merrion House LLP for the current and previous year are as stated below:

	2024	2023
	£000	£000
Non-current assets	**55,050**	61,450
Cash and cash equivalents	**602**	767
Debtors and prepayments		-
Trade and other payables	**(594)**	(700)
Current financial liabilities	**(1,777)**	(1,717)
Non-current financial liabilities	**(43,776)**	(45,554)
Net assets	**9,505**	14,246

The losses of Merrion House LLP for the current and previous year are as stated below:

	2024	2023
	£000	£000
Revenue	**3,674**	3,460
Expenses	**(13)**	(23)
Finance costs	**(1,611)**	(1,669)
Valuation movement on investment properties	**(6,400)**	(10,400)
Net loss	**(4,350)**	(8,632)

The Group's interest in other joint ventures are not considered to be material. The book value of the Group's investment in Bay Sentry Limited is £nil (2023: £nil).

The joint ventures have no significant contingent liabilities to which the Group is exposed nor has the Group

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.

A full list of the Group's joint ventures, which are all registered in England and operate in the United Kingdom, is set out as follows:

	Beneficial Interest %	Activity
Merrion House LLP	50	Property investment
Bay Sentry Limited	50	Software Development

9. Investments

	2024 £000	2023 £000
Current Assets		
Loan notes - Deferred Consideration	**3,177**	4,493
Loan notes - Contingent Consideration	**-**	1,943
	3,177	6,436
Non-Current Assets		
Listed investments	**3,305**	4,068
Non-Listed investments	**660**	410
Loan notes - Deferred Consideration	**-**	3,025
	3,965	7,503
	7,142	13,939

Listed investments

	2024 £000	2023 £000
At start of the year	**4,068**	4,096
Disposals	**-**	(44)
(Decrease)/increase in value of investments	**(763)**	16
At the end of the year	**3,305**	4,068

Listed investments relate to an equity shareholding in a company listed on the London Stock Exchange. This is stated at market value in the table above and has a historic cost of £875,000 (2023: £875,000).

Listed investments are measured at fair value in the consolidated balance sheet and are categorised as level 1 in the fair value hierarchy as defined in IFRS13 as the inputs to the valuation are based on quoted market prices.

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

Non-listed investments

	2024 £000	2023 £000
At the start of the year	**410**	410
Additions	**250**	-
At the end of the year	**660**	410

The Non-listed investments are categorised as level 3 in the fair value hierarchy as defined in IFRS 13 as the inputs to the valuation are based on unobservable inputs.

Loan Notes - Deferred Consideration

	2024 £000	2023 £000
Current assets		
At the start of the year	**4,493**	-
Transferred from non- current assets	**3,025**	-
Loan notes issued to the Company in the period	**-**	4,287
Loan interest	**158**	206
Expenses	**(122)**	-
Amounts received at maturity	**(4,377)**	-
	3,177	4,493

Non-Current assets		
At the start of the year	**3,025**	-
Loan notes issued to the Company in the period	**-**	2,888
Loan interest	**-**	137
Transferred to current assets	**(3,025)**	-
	-	3,025

The interest earned on the deferred consideration loan notes is 5% per annum. The current element of deferred consideration was received by the Company in July 2024.

The deferred consideration loan notes are accounted for using the amortised cost basis and are assessed for impairment under the IFRS 9 expected credit loss model.

Loan Notes - Contingent Consideration

	2024 **£000**	2023 £000
At the start of the year	**1,943**	-
Loan notes issued to the Company in the period	**-**	743
Unwind of discount applied to contingent consideration	**32**	38
Valuation movement	**408**	1,162
Expenses	**(102)**	-
Amounts received at maturity	**(2,281)**	-
	-	1,943

The contingent consideration loan notes were initially recognised at fair value, based on the estimated performance of YPS in the 14 month period ended October 2023. This is an estimate prepared by the Company. The contingent consideration loan notes are then accounted for using the fair value through profit and loss basis. Following completion of the sale of its investment in YPS, the Company did not have access to regular YPS management information, however it does receive ad hoc updates. The valuation of the contingent consideration at 30 June 2023 was based on the performance of YPS for the period ended 30 June 2023 and assumed no further growth in the remaining four months of the earnout period.

At 30 June 2023 these loan note assets were categorised as level 3 in the fair value hierarchy as defined in IFRS 13 as the inputs to the valuation are based on unobservable inputs.

10. Deferred tax assets and liabilities

	2024 **£000**	2023 £000
Assets		
Carried forward losses	**1,685**	-
IFRS 16 Right-of-use Assets	**7,150**	-
	8,835	-
Liabilities		
IFRS 16 lease liabilities	**5,418**	-
Investment property and freehold car park revaluation gains	**1,065**	-
	6,483	-
Net deferred tax asset	**2,352**	-

The Company left the REIT regime with effect from 1 July 2023, therefore the profits of the Company are now subject to corporation tax. This has resulted in the recognition of a deferred tax asset, primarily relating to trading losses from previous periods that are available to offset taxation on future profits. In assessing the recognition of a deferred tax asset with respect to losses, management has reviewed the type of losses, the period in which they arose and then the future profitability of the group or, where relevant, individual corporate entities.

The Group also has various non-trading losses and surplus management expenses from previous periods, however the associated deferred tax assets have not been recognised as there is insufficient evidence to show that their future utilization is probable.. The total value of losses not included within the deferred tax asset is £1.328.000.

In addition the Group has uncrystallized capital losses of £24,282,000 on investment property and car park valuation losses that have not been recognised.

The total net deferred tax balance as at 30 June 2024 includes the credit to the income statement of £2,588,000 less deferred tax liabilities arising in the period on revaluation gains recognised in the consolidated statement of comprehensive income of £236,000 (30 June 2023: £nil).

11. Called up share capital

Authorised

The authorised share capital of the company is 164,879,000 (2023: 164,879,000) Ordinary Shares of 25p each. The nominal value of authorised share capital is £41,219,750 (2023: £41,219,750).

Issued and fully paid up

	Number of shares 000	Nominal value £000
At 30 June 2023	48,456	12,113
Purchase and cancellation of own shares	(6,293)	(1,573)
At 30 June 2024	**42,163**	**10,540**

The Company has only one type of Ordinary Share class in issue. All shares have equal entitlement to voting rights and dividend distributions.

At the year end the Company had authority to buy back for cancellation a further 6,324,402 Ordinary Shares.

12. Cash flows from operating activities

	2024 £000	2023 £000
Loss before tax	**(10,598)**	(29,491)
Adjustments for:		
Depreciation	**2,199**	2,333
Amortisation	**205**	247
Profit on disposal of fixed assets	**-**	(48)
Profit on disposal of investment properties	**(27)**	(4,123)
Loss on sale of investments	**191**	795
Movement in valuation of investments	**(408)**	(1,162)
Finance costs	**7,209**	6,948
Finance income	**(166)**	(594)
Share of post tax losses from joint ventures	**2,175**	4,066
Movement in valuation of investment properties	**7,625**	21,033
Movement in lease incentives	**380**	170
Impairment of car parking assets	**3,259**	10,467
Impairment of goodwill	**577**	991
Increase in receivables	**(731)**	(218)
Increase in payables	**704**	2,355
Cash generated from operations	**12,594**	13,769

13. Net asset value per share

The Basic and diluted net asset values are the same, as set out in the table below.

	2024 £000	2023 £000
Net assets at 30 June	**119,637**	141,088
Shares in issue (000)	**42,163**	48,456
Basic and diluted net asset value per share	**284p**	291p

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