RNS Number : 3809C
Town Centre Securities PLC
27 March 2025

27 March 2025

TOWN CENTRE SECURITIES PLC
('TCS' or the 'Company')

Half year results for the six months ended 31 December 2024

Resilient and stable performance given macro-economic conditions

Town Centre Securities PLC, the Leeds, Manchester, Scotland, and London property investment, development, hotel and car parking company, today announces its results for the six months ended 31 December 2024.

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

"The last six months have been a period of stability for TCS with all three operating divisions continuing to deliver resilient underlying revenues and earnings."

"Inflation has fallen, albeit still above the Government's target of 2 percent, and interest rates have been reduced slightly, however uncertainty around the geopolitical situation and its effect on the wider economy still presents a challenge. With a diversified and well balanced portfolio and continued low levels of variable interest rate debt, I remain confident that we are in a strong position in these uncertain times."

"We have a resilient business with committed employees and an engaged executive team, however I continue to be disappointed by the wide share price discount to the net tangible asset value that TCS shares trade on. This is obviously disappointing for all our stakeholders, but we will continue to focus on the deliverability of our long-term growth plan while ensuring financial prudence."

"Our attention remains focused on investing in our existing portfolio, in particular our single largest asset, the Merrion Centre, and our development programme. However, we are also looking at other investments, both in traditional real estate opportunities and complementary situations that can add value and further diversify our risk. We remain ever mindful that taking advantage of potentially accretive opportunities needs to be balanced against retaining robust finances."

Financial performance - resilient and stable

- Net assets per share - remained stable:
  - Like for like portfolio valuation down 0.8% from June 2024:
    - compared to the MSCI/IPD UK All Property Capital Index which increased by 0.8% over the period
    - reduction primarily due to market sentiment around the macro-economic outlook adversely impacting valuation yields - in particular in the office sector, which is having a knock on impact on the residual value of our development sites.
  - Statutory net assets remain unchanged at £119.6m or 284p per share (FY24: £119.6m, 284p). EPRA net tangible assets ('NTA')* measure at £116.7m or 277p per share (FY24 equivalent: £116.7m, 277p)
- Statutory results - reflecting resilient underlying performance:
  - Statutory profit before tax of £2.8m (HY24: loss of £9.7m)
  - Statutory earnings per share of 1.0p (HY24: loss of 15.3p)
- EPRA results:
  - EPRA earnings* of £1.8m (HY24: £3.8m, which included the benefit of £1.7m of taxation credit - with the recognition of a deferred tax asset arising from brought forward trading losses resulting from the Company exiting the REIT regime)
  - EPRA earnings per share* of 4.2p (HY24: 7.9p)
- Loan to Value** decreased slightly in the period from 50.8% to 50.1%
- Shareholder returns:
  - Proposed fully covered interim dividend of 2.5p, (HY24: 2.5p) reflecting the relative stability in underlying earnings

** 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 our 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; 15% car parks; 13% residential; 9% developments; and 4% hotels
- The void rate across our portfolio reduced to 7.3% at 31 December 2024 (8.1% at 30 June 2024)
- Strong rent collection for the period of 99.3% (FY24: 99.1%)
- 16 new commercial lettings and lease renewals at ERV across the portfolio in the period totalling £0.6m of rental income per annum
- Rolling out our own car park management system across our car park portfolio has now been completed which will ultimately give us both operational and financial efficiencies whilst improving the customer experience

Maximising available capital

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

- The final element of deferred consideration arising from the sale of our investment in YourParkingSpace Limited was received in July 2024 (£3.1m)
- Comfortable loan to value headroom over our bank facilities of £26.3m based on 31 December 2024 borrowings and valuations
- Loan to value* decreased to 50.1% in the period (FY24: 50.8%)

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.

- **Merrion Centre (Wade House and 100MC), Leeds:** In December 2023 a planning application was submitted for student accommodation as part of the Merrion Centre's evolution. This application, which has not yet been presented to the Leeds Plans Panel, incorporates a 1,110 new bed purpose built student accommodation scheme based on the redevelopment of Wade House and the adjacent 100MC site. We are continuing to work through the design of these buildings, addressing both changes in regulation and feedback from statutory consultees.

- **Whitehall Riverside, Leeds:** Following the securing of a planning consent at Whitehall Riverside in May 2023 we continue to move forward with both build contractors/professional teams and potential tenants for all phases of the development. Although rental values and demand are increasing, in particular for new build prime 'right-sized' office space, this is not reflected in current investment yields and is delaying development.

Acquiring and improving investment assets to diversify our portfolio

We continue to improve investment assets, with a stable portfolio of diverse properties:

- During the period we:
    - Invested in the refurbishment of a 20 unit residential asset in Glasgow and the first phase of Town Centre House in Leeds. Both refurbishments have resulted in increased rental values and demand for the new space.
    - Completed the roll out of our own 'barrierless' parking management system across our portfolio of CitiPark branches.

Outlook

- Resilient trading performance has continued into the second half of FY25:
    - Rent collections remain robust with over 99% of amounts invoiced in the last quarter of the year now collected
    - One further restaurant letting completed in February 2025
    - Car parks recovery momentum continues, other than for those reliant on office workers such as Merrion MSCP
    - Significant headroom of £26.3m on existing revolving credit facilities
    - Only 12.5% of borrowings at the period end subject to variable interest rates, with £82.4m of debenture fixed until 2031 and £14.2m of property specific debt fixed until 2029
    - Weighted average cost of borrowings at period end of 5.2%

-Ends-

For further information, please contact:

Town Centre Securities PLC www.tcs-plc.co.uk / @TCS PLC
Edward Ziff, Chairman and Chief Executive 0113 222 1234
Stewart MacNeill, Group Finance Director

MHP +44 7827 662 831
Reg Hoare / Matthew Taylor tcs@mhpgroup.com

Chairman and Chief Executive's Statement

Resetting and reinvigorating the business for the future

We have seen a stable performance across all three operational segments of the business in the past six months. Our property and car park portfolio has very slightly reduced in value by 0.8% like for like over the six months. We believe the reduction reflects the general market as opposed to any concerns around our portfolio.

Our strategy over the last three years has been to create a business that:

- Has lower levels of absolute debt and leverage
- Is diversified with a much-reduced level of retail property following £120m of property sales during this period
- Works closely with and supports all our tenants , doing our best to ensure that following the disruption of the last few years as many of our tenants as possible are able to bounce back strongly
- Is diversified with a capital light, profitable car park business
- Has rebased and has significant growth opportunities as a result of our valuable development pipeline and asset management opportunities
- Has supported our employees and their families who have been impacted by the ongoing cost of living crisis

Results

The statutory profit for the six months ended 31 December 2024 was £0.4m (HY24: loss of £7.3m) giving earnings per share of 1.0p (HY24: loss per share of 15.3p). The like for like portfolio decreased in value by 0.8% over the six months under review as a result of market sentiment around the UK's economic outlook.

EPRA earnings for the six months ended 31 December 2024 were £1.8m (HY24: £3.8m) giving EPRA earnings per share of 4.2p (HY24: 7.9p). The EPRA earnings in HY24 were significantly impacted by the recognition on 1 July 2023 and subsequent part release of a net deferred tax asset resulting from the Company exiting the REIT regime - the effect in the prior period was to increase EPRA earnings by £1.7m or 3.5p.

Taxation recognised in the six months ended 31 December 2024 in both the income statement and the statement of comprehensive income is not expected to have a cash impact on the Company and has reduced the over net deferred tax balance in the period.

Statutory Net Assets of £119.6m (30 June 2024: £119.6m) remained static from the year end. Net assets per share remained the same in the six months to 284p (30 June 2024: 284p).

EPRA Net Tangible Assets (EPRA NTA); which in the case of TCS reduces statutory net assets by the £2.9m of reported Goodwill (FY24 comparable £2.9m), for the half year is £116.7m compared to £116.7m at FY24. EPRA NTA per share is 277p (FY24 comparable 277p). The full breakdown of the EPRA net asset measures are detailed later.

Borrowings

Net borrowings, which includes lease liabilities, have reduced by 3.4% over the six months from £137.2m to £132.6m, largely reflecting receipt of the final tranche of consideration due following the sale of the investment in YourParkingSpace.

The reduction in borrowings and the valuation reductions we have seen in our property portfolio have resulted in our loan to value level decreasing by 70 bps from the June year end to 50.1%.

Dividends

A maintained fully covered interim dividend of 2.5p per share (HY24 2.5p) will be paid on the 13 June 2025 to shareholders registered on 23 May 2025; amounting to £1.1m in total. There was no final dividend for 2024. The ex-dividend date for the interim dividend will be 22 May 2025.

The maintenance of the interim dividend at 2.5p reflects the resilience of the underlying earnings of our core business and also the strengthening of the balance sheet following the asset sales completed over the last three years - this dividend represents 59% of EPRA earnings.

Portfolio Performance

The value of investment properties, developments, joint ventures and car parks at the half-year stood at £257.2m (June 2024: £256.0m).

The following table provides an overview of the performance of the portfolio, including our share of joint venture assets, in the six months ended 31 December 2024, highlighting the balance of the Company's portfolio in light of our strategy of reducing exposure to retail and leisure and also the underlying current and potential future value of our development pipeline.

	Passing rent	ERV	Value	% of portfolio	Valuation incr/(decr)	Initial yield	Reversionary yield
	£m	£m	£m				
Retail & Leisure	0.6	1.5	15.8	6%	14.5%	3.8%	8.8%
Merrion Centre (ex offices)	4.0	4.9	48.6	19%	-4.4%	7.7%	9.5%
Offices	4.6	6.4	73.7	29%	0.5%	5.9%	8.3%
Hotels	0.9	0.9	10.3	4%	4.0%	8.5%	8.5%
Out of town retail	1.0	1.3	13.0	5%	4.0%	7.6%	9.8%
Residential	1.5	1.8	34.5	13%	6.2%	4.1%	5.0%
	12.7	**16.9**	**196.0**	**76%**	**1.6%**	**6.1%**	**8.2%**
Development property			22.1	9%	-15.5%		
Car parks			39.1	15%	-3.5%		
Portfolio			**257.2**	**100%**	**-0.8%**		

The following table reconciles the above analysis to that set out in Note 7.

	£m
Portfolio - as per note 7	247.1
50% Share in Merrion House	27.5
Goodwill - Car Parks (Property Specific Only)	2.5
Less - Right-to-Use Car Parks	(19.9)
As per the table above	257.2

Note - the IFRS 16 Right-of-Use car parks (£19.9m) are excluded in the portfolio analysis above as the Directors do not believe it is appropriate to include these assets where the Group does not have full control over them.

On a like for like basis the whole portfolio decreased in value by 0.8% since June 2024 (FY24: 4.7% reduction) accounting for a £2.2m like for like decrease in value (investment, development, car park and joint venture assets).

Maximising available capital

In the past six months we have not sold any investment properties.

In July 2024, the Company received £3.1m; the final tranche of consideration due following the sale of its investment in YourParkingSpace in July 2022.

Net borrowings as at 31 December 2024 were £132.6m - comprising of £82.3m (net of £0.1m unamortised loan issue costs) of 5.375% First Mortgage Debenture Stock 2031, £25.2m of bank debt (net of cash) and £25.1m of lease liabilities. There were a further £61.3m of undrawn revolving credit facilities at the half-year.

Actively managing our assets

We have completed or renewed 16 commercial leases in the period representing annual rental income of £0.6m in aggregate.

The Merrion Centre, our single largest asset, is continuing to evolve and is proving to be a strong restaurant and leisure destination; capitalising on the increasing footfall generated by the nearby student population. The void level across the portfolio remains above 7%, however this is giving us the opportunity to reimagine sections of the centre, as opposed to doing so on a unit by unit basis.

Investing in our development pipeline

TCS owns a significant development pipeline which gives the Company a clear and material opportunity for future growth. The current pipeline has an estimated gross development value (GDV) of over £400m, with the majority of the developments already being part of the relevant local government approved strategic planning frameworks or actually in possession of detailed planning permission.

We take a conservative approach to development to ensure we never overcommit ourselves. Alongside this, the Company has a successful track record in obtaining planning and delivering strategic developments.

The key components of the development pipeline include:

- **Piccadilly Basin, Manchester**: Mixed residential, commercial, and car-parking with a total estimated GDV of circa £170m
- **Whitehall Riverside, Leeds** Office, car-parking, and potentially leisure provision with a total estimated GDV of over £290m
- **Merrion Estate, Leeds**: Office and residential towers with a total estimated GDV of over £90m

<u>Piccadilly Basin, Manchester</u>

Our Dale and Burlington Street surface car parks are key components of the Piccadilly Basin Strategic Regeneration Framework ('SRF'). We are currently looking at refreshing this SRF to bring it up to date and relevant in order to unlock the potential of this truly unique part of the city centre.

<u>Whitehall Riverside, Leeds</u>

Having secured detailed planning consent for both the No5 Whitehall Riverside office building and neighbouring Multi-Storey Car Park we are progressing with both the detailed design and with potential tenants. Although rental values and demand are increasing, in particular for new build prime 'right-sized' office space, this is not reflected in current investment yields and is delaying physical development.

<u>Merrion Estate, Leeds</u>

In December 2023 a planning application was submitted for student accommodation as part of the Merrion Centre's evolution. For the first time, the Merrion Centre is looking to introduce residential accommodation to its ever changing, dynamic offering that has been proudly part of the retail, office and leisure landscape of Leeds for the last 60 years.

In a bid to address the burgeoning demand for accommodation in the area, this planning application introduces two new buildings within the Merrion Centre. These structures are designed to deliver 1,110 student bedrooms, comprising a range of studios and cluster bedrooms. The student accommodations will be complemented across both buildings with a range of amenities, including residents' lounges, co-working spaces, meeting spaces, cinema, gym, karaoke room, secure cycle spaces and external terraces.

This application has not yet been presented to a Leeds Plans Panel and we are continuing to work through the design of these buildings, addressing both changes in regulation and feedback from statutory consultees.

CitiPark - capital light growth continuing with a further car park business acquired in the period

Our underlying car park business is resilient with a further enforcement business acquired in the period.

We continually monitor the performance of each car park and have served notice, in accordance with the terms of the underlying lease, to cease to operate an underperforming multi-story car park in Watford. This has crystallised a profit on disposal of a leasehold property of £1.0m in the period.

Outlook

The resilient and stable trading performance reported in the six months ended 31 December 2024 is continuing into the opening months of 2025.

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 we are now looking predominantly at managing our existing investments and bringing forward our development pipeline.

EPRA Net Asset reporting

The below table reconciles IFRS net assets to Net Tangible Assets (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	HY25	FY24	HY25 p per share	FY24 p per share
IFRS reported NAV	**119.6**	119.6	**284**	**284**
Purchasers Costs [1]	16.4	18.4		
EPRA Net Reinstatement Value	**136.0**	138.0	**323**	**327**
Remove Purchasers Costs	(16.4)	(18.4)		
Remove Goodwill [2]	(2.9)	(2.9)		
EPRA Net Tangible Assets	**116.7**	116.7	**277**	**277**
Fair value of fixed interest rate debt [3]	11.4	11.9		
EPRA Net Disposal Value	**128.1**	128.6	**304**	**305**

[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*

Responsibility statement of the directors

The directors confirm that, to the best of their knowledge, these condensed consolidated interim financial statements have been prepared in accordance with IAS 34 as adopted in the United Kingdom. The interim management report includes a fair review of the information required by DTR 4.2.4, namely:

- an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related party transactions in the first six months of the financial year and any material changes in the related party transactions described in the last Annual Report and Accounts.

A list of current directors is maintained on the Town Centre Securities PLC Group website: www.tcs-plc.co.uk.

Principal risks and uncertainties

The group set out on page 50 of its annual report and accounts 2024 the principal risks and uncertainties that could impact its performance; these remain largely unchanged since the annual report was published. The group operates a structured risk management process, which identifies and evaluates risks and uncertainties and reviews mitigation activity.

The key underlying property risks facing the business continue to relate to tenant strength, particularly in the retail arena, portfolio valuation and the related funding headroom which is driven by portfolio valuation.

Systems risk related to the increasing level of cyber security threats and GDPR risk and the need to carefully control the use of personal data continue to demand vigilance from all staff.

TCS continues to operate in a conservative manner with processes and procedures in place to ensure risk management is central to all business planning and decision making. These processes and procedures remain as detailed in the 2024 annual report.

Forward-looking statements

Certain statements in this half year report are forward-looking. Although the Group believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct. Because these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements.

The group undertakes no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.

Edward Ziff OBE DL	**Stewart MacNeill**
Chairman and Chief Executive	Group Finance Director

27 March 2025

Consolidated condensed income statement

for the six months ended 31 December 2024

	Notes	Six months ended 31 December 2024 Unaudited £000	Six months ended 31 December 2023 Unaudited £000	Year ended 30 June 2024 Audited £000
Gross revenue (excl. service charge income)		**15,153**	14,496	28,983
Service charge income		**1,496**	1,633	2,985
Gross revenue		**16,649**	16,129	31,968
Provision for impairment of debtors		**-**	(58)	-
Service charge expenses		**(2,163)**	(2,056)	(3,982)
Property expenses		**(6,327)**	(5,908)	(11,821)
Net revenue		**8,159**	8,107	16,165
Administrative expenses		**(4,039)**	(3,668)	(7,293)
Other income		**1,436**	553	965
Reversal of impairment/(impairment) of car parking assets	7(b)	**627**	(1,086)	(3,259)
Impairment of goodwill	8	**-**	-	(577)
Valuation movement on investment properties	7(a)	**(1,146)**	(8,310)	(7,625)
Profit on disposal of investment properties		**-**	39	27
Profit on disposal of freehold and leasehold properties		**1,023**	-	-
Valuation movement on investments		**-**	190	408
Loss on disposal of investments		**(87)**	(122)	(191)
Share of post-tax profits/(losses) from joint ventures	9	**522**	(2,014)	(2,175)
Operating profit/(loss)		**6,495**	(6,311)	(3,555)
Finance costs	3	**(3,694)**	(3,486)	(7,209)
Finance income	3	**17**	82	166
Profit/(loss) before taxation		**2,818**	(9,715)	(10,598)
Taxation	4	**(2,383)**	2,460	2,588
Profit/(loss) for the period		**435**	(7,255)	(8,010)
All profits/(losses) for the period are attributable to equity shareholders.				
Earnings/(losses) per share	6			
Basic and Diluted		**1.0p**	(15.3p)	(17.9p)
EPRA (non-GAAP measure)		**4.2p**	7.9p	12.3p

Consolidated condensed statement of comprehensive income

for the six months ended 31 December 2024

		Six months ended 31 December 2024 Unaudited £000	Six months ended 31 December 2023 Unaudited £000	Year ended 30 June 2024 Audited £000
Profit/(loss) for the period		**435**	(7,255)	(8,010)
Items that will not be subsequently reclassified to profit or loss				
Revaluation (losses)/gains on car parking assets	7(b)	**(823)**	865	994
Revaluation gains on hotel assets	7(c)	**521**	121	642
Revaluation losses on other investments	10	**(355)**	(138)	(763)
Deferred tax on revaluation losses/(gains)		**213**	(213)	(236)
Total other comprehensive (losses)/income		**(444)**	635	637
Total comprehensive loss for the period		**(9)**	(6,620)	(7,373)

All recognised income for the period is attributable to equity shareholders.

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Consolidated condensed balance sheet

as at 31 December 2024

	Notes	31 December 2024 Unaudited £000	31 December 2023 Unaudited £000	30 June 2024 Audited £000
Non-current assets				
Property rental				
Investment properties	7	**183,087**	179,012	180,977
Investments in joint ventures	9	**5,188**	5,109	4,752
		188,275	184,121	185,729
Car park activities				
Freehold and right of use properties	7	**53,752**	59,759	56,823
Goodwill and intangible assets	8	**3,313**	3,551	2,892
		57,065	63,310	59,715
Hotel operations				
Freehold properties	7	**10,300**	9,500	9,900
		10,300	9,500	9,900

Fixtures, equipment and motor vehicles	7	**1,430**	1,178	1,446
Investments	10	**3,610**	4,590	3,965
Deferred tax assets	12	**182**	2,736	2,352
Total non-current assets		**260,862**	265,435	263,107
Current assets				
Investments		**-**	5,234	3,996
	10			
Trade and other receivables		**3,972**	3,776	22,152
Cash and cash equivalents		**24,790**	23,593	3,177
Total current assets		**28,762**	32,603	29,325
Total assets		**289,624**	298,038	292,432
Current liabilities				
Trade and other payables		**(12,715)**	(11,862)	(13,425)
Bank overdrafts		**(22,179)**	(22,812)	(20,760)
Financial liabilities		**(3,871)**	(4,220)	
11				(1,768)
Total current liabilities		**(38,765)**	(38,894)	(35,953)
Non-current liabilities				
Financial liabilities		**(131,231)**	(134,681)	
11				(136,842)
Deferred tax liabilities	12	**-**	(489)	-
Total liabilities		**(169,996)**	(174,064)	(172,795)
Net assets		**119,628**	123,974	119,637
Equity attributable to owners of the Parent				
Called up share capital	13	**10,540**	10,540	10,540
Share premium account		**200**	200	200
Capital redemption reserve		**3,309**	3,309	3,309
Revaluation reserve		**4,095**	3,557	4,184
Retained earnings		**101,484**	106,368	101,404
Total equity		**119,628**	123,974	119,637
Net asset value per share	**15**	**284p**	294p	284p

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Consolidated condensed statement of changes in equity

for the six months ended 31 December 2024

	Share capital £000	Share premium account £000	Capital redemption reserve £000	Revaluation Reserve £000	Retained earnings £000	Total equity £000
Balance at 1 July 2023	12,113	200	1,736	2,784	124,255	141,088
Comprehensive loss for the year						
Loss for the period	-	-	-	-	(7,255)	(7,255)
Other comprehensive income/(loss)	-	-	-	773	(138)	635
Total comprehensive income/(loss) for the period	-	-	-	773	(7,393)	(6,620)
Contributions by and distributions to owners						
Arising on purchase and cancellation of own shares	(1,573)	-	1,573	-	(9,440)	(9,440)
Dividends relating to the year ended 30 June 2022	-	-	-	-	(1,054)	(1,054)
Balance at 31 December 2023	**10,540**	**200**	**3,309**	**3,557**	**106,368**	**123,974**
Balance at 1 July 2024	10,540	200	3,309	4,184	101,404	119,637
Comprehensive loss for the year						
Profit for the period	-	-	-	-	435	435
Other comprehensive loss	-	-	-	(89)	(355)	(444)
Total comprehensive (loss)/income for the period	**-**	**-**	**-**	**(89)**	**80**	**(9)**
Balance at 31 December 2024	**10,540**	**200**	**3,309**	**4,095**	**101,484**	**119,628**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Consolidated condensed cash flow statement

for the six months ended 31 December 2024

		Six months ended 31 December 2024 Unaudited		Six months ended 31 December 2023 Unaudited		Year ended 30 June 2024 Audited	
	Notes	**£000**	**£000**	£000	£000	£000	£000
Cash flows from operating activities							
Cash generated from operations	14	**6,087**		4,400		12,594	

Cash generated from operations	14	**6,087**		4,400		12,594	
Interest received		**17**		-		8	
Interest paid		**(3,114)**		(2,894)		(6,001)	
Net cash generated from operating activities			**2,990**		1,506		6,601
Cash flows from investing activities							
Purchases and construction of investment properties		**-**		(1,544)		(1,544)	
Refurbishment and development of investment properties		**(3,310)**		(1,092)		(2,481)	
Purchases of fixtures, equipment and motor vehicles		**(260)**		(80)		(525)	
Proceeds from sale of investment properties		**-**		199		187	
Proceeds from sale of fixed assets		**76**		-		-	
Proceeds from sale of investments incl. loan repayments		**3,095**		4,377		6,658	
Payments for investments		**(485)**		(250)		(250)	
Distributions received from joint ventures		**86**		-		196	
Net cash (used in)/generated from investing activities			**(798)**		1,610		2,241
Cash flows from financing activities							
Proceeds from borrowings		**-**		9,750		9,750	
Repayment of borrowings		**(86)**		(3,431)		(3,087)	
Arrangement fees paid		**(50)**		-		(419)	
Principle element of lease payments		**(837)**		(834)		(1,665)	
Re-purchase of own shares		**-**		(9,440)		(9,440)	
Dividends paid to shareholders		**-**		-		(4,209)	
Net cash used in financing activities			**(973)**		(3,955)		(9,070)
Net increase/(decrease) in cash and cash equivalents			**1,219**		(839)		(228)
Cash and cash equivalents at beginning of period			**1,392**		1,620		1,620
Cash and cash equivalents at end of period			**2,611**		781		1,392

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

Cash balances	**24,790**	23,593	22,152
Overdrawn balances	**(22,179)**	(22,812)	(20,760)
	2,611	781	1,392

The Consolidated Cash Flow Statement should be read in conjunction with Note 14.

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Notes to the consolidated interim financial information

1. Financial information

General information

Town Centre Securities PLC (the "Company") is a public limited company domiciled in the United Kingdom. Its shares are listed on the main market of the London Stock Exchange. The address of its registered office is Town Centre House, The Merrion Centre, Leeds LS2 8LY. The principal activities of the group during the period remained those of property investment, development and trading and the provision of car parking.

This interim financial information was approved by the board on 26 March 2025.

The comparative financial information for the year ended 30 June 2024 in this half-yearly report does not constitute statutory accounts for that year as defined in section 434 of the Companies Act 2006. The statutory accounts for the year ended 30 June 2024 have been delivered to the Registrar of Companies. The auditors' report on those accounts was 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.

Basis of preparation

These condensed consolidated financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting", in accordance with UK adopted international accounting standards. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the accounts for the year ended 30 June 2024. The financial information for the six months ended 31 December 2024 and 31 December 2023 is unaudited.

Significant accounting policies

The accounting policies adopted are consistent with those of the previous financial year, although as the Group left the REIT regime with effect from 1 July 2023 the accounting policy on taxation has been expanded to provide additional disclosure specifically around the transition out of the REIT regime. Further details around this policy are detailed below.

The group's financial performance is not seasonal.

In the current environment, the directors consider revenue to be of particular importance and therefore we set out below our revenue policy in respect of rental income:

Rental income

Revenue includes rental income net of VAT.

Most of the Group's rental income is billed either monthly or quarterly in advance. A receivable and deferred income is recognised at the date payment is due

Rent receivables recognised are subject to impairment (refer to the Trade and Other Related Party receivables policy in the financial statements of the Company for the year ended 30 June 2024).

Any lease incentives are spread on a straight-line basis across the period of the lease.

Rental income is recognised as revenue (to the extent it is considered collectible) as follows:

i) Fixed rental income is recognised on a straight-line basis over the term of the lease;

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

iii) rent reviews are recognised in the period to which they relate providing they have been agreed or otherwise on agreement; and

iv) Where rent concessions have been granted that reduce the payments due under a lease in future periods, the total revised consideration (plus any prepaid or accrued lease payments) is spread over the remaining lease term from the date the concession is granted.

Taxation

The Group's tax expense comprises both current tax and deferred tax expense.

Current tax is the expected tax payable on taxable profit for the year and is calculated using tax rates and laws substantively enacted at the balance sheet date.

A deferred tax asset represents a tax deduction that is expected to arise in a future period. It is only recognised to the extent that it is probable that the tax deduction will be capable of being offset against taxable profits and gains in future periods. A deferred tax liability represents taxes which will become payable in a future period as a result of a current or prior year transaction. Deferred tax assets and liabilities are netted off on the balance sheet. The tax rates used to determine deferred tax are those enacted or substantively enacted at the balance sheet date that are expected to apply when the deferred tax asset or liability are realised.

Current tax and deferred tax are recognised in the consolidated income statement except when it relates to items recognised in other comprehensive income or directly in equity, in which case it is credited or charged to other comprehensive income or directly to equity respectively.

In the period from 2 October 2007 to 30 June 2023 the Company elected for Group REIT status. During this period the Group did not recognise any deferred tax assets as there was insufficient evidence to support that there would be any future taxable profits in the Group.

The Group left the REIT regime with effect from 1 July 2023 and the profits of the Group are now all subject to corporation tax. This has resulted in the recognition of a deferred tax asset relating to trading losses from previous periods where there is sufficient evidence that they will be offset against future taxable profits.

Use of estimates and judgements

With the exception of taxation, there have been no changes in the method of applying appropriate accounting estimates in the period. Any difference between the receivables previously recognised and the cash subsequently collected has been disclosed in the income statement. There have been no other estimates of amounts reported in prior periods which have a material impact on the current half year period.

Taxation

Significant judgment is required in determining the provision for income tax and the calculation of any deferred tax balances. The Group recognises liabilities for anticipated tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences impact the income tax and deferred tax provisions in the period in which such determination is made. Some subsidiaries have generated or generate tax losses. Often these can be used to offset taxable gains of subsequent periods. The Group monitors the development of such tax loss situations. Based on the business plans of the Group, the recoverability of such tax losses is determined. In the case that a tax loss is deemed to be recoverable, the recognition of a deferred tax asset for such a tax loss is then decided. This judgement resulted in the recognition of a deferred tax asset as at 1 July 2023 of £2,429,000.

Going concern

The financial information for the six months ended 31 December 2024 have been prepared on a going concern basis. In light of the current macro-economic environment the Directors have considered various downside scenarios to the Group's financial forecasts in assessing its ability to continue as a going concern. Despite the negative economic impacts and the uncertainty created, the scenarios reviewed confirm the appropriateness of preparing these financial statements on a going concern basis. The Group is currently in compliance with all of its covenants. The most material risks concern the impact on the valuation of the property portfolio and our ability to meet bank loan and debenture covenants, although the Group does have potential mitigants at its disposal to address these uncertainties which include, but are not limited to, further disposals of assets, pledging as additional security ungeared properties valued at £2.3m at 31 December 2024 and seeking lender consent to an extension of financial covenant waivers to cover extended periods of disruption.

2. 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. The board has determined the operating segments based on these reports.

Segmental assets

	31 December 2024 £000	31 December 2023 £000	30 June 2024 £000
Property rental	**217,933**	215,827	215,062
Car park activities	**57,781**	62,887	60,328

Car park activities	[illegible]	[illegible]	[illegible]
Hotel operations	**10,300**	9,500	9,900
Investments	**3,610**	9,824	7,142
Total assets	**289,624**	298,038	292,432

Segmental results

	Six months ended 31 December 2024					Six months ended 31 December 2023				
	Property rental £000	**Car park activities £000**	**Hotel operations £000**	**Invest-ments £000**	**Total £000**	Property rental £000	Car park activities £000	Hotel operations £000	Invest-ments £000	Total £000
Gross revenue (excl. service charge income)	**6,436**	**6,946**	**1,771**	**-**	**15,153**	6,176	6,626	1,694	-	14,496
Service charge income	**1,496**	**-**	**-**		**1,496**	1,633	-	-	-	1,633
Gross revenue	**7,932**	**6,946**	**1,771**	**-**	**16,649**	7,809	6,626	1,694	-	16,129
Provision for impairment of debtors	**-**	**-**	**-**	**-**	**-**	(58)	-	-	-	(58)
Service charge expenses	**(2,163)**	**-**	**-**	**-**	**(2,163)**	(2,056)	-	-	-	(2,056)
Property expenses	**(751)**	**(4,159)**	**(1,417)**	**-**	**(6,327)**	(818)	(3,766)	(1,324)	-	(5,908)
Net revenue	**5,018**	**2,787**	**354**	**-**	**8,159**	4,877	2,860	370	-	8,107
Administrative expenses	**(3,080)**	**(959)**	**-**	**-**	**(4,039)**	(2,921)	(747)	-	-	(3,668)
Other income	**1,436**	**-**	**-**	**-**	**1,436**	553	-	-	-	553
Share of post tax profits from joint ventures before valuation movements	**522**	**-**	**-**		**522**	511	-	-	-	511
Operating profit before valuation movements	**3,896**	**1,828**	**354**		**6,078**	3,020	2,113	370	-	5,503
Valuation movement on investment properties	**(1,146)**	**-**	**-**		**(1,146)**	(8,310)	-	-	-	(8,310)
Reversal of impairment/(impairment) of car parking assets	**-**	**627**	**-**		**627**	-	(1,086)	-	-	(1,086)
Profit on disposal of investment properties	**-**	**-**	**-**	**-**	**-**	39	-	-	-	39
Profit on disposal of freehold and leasehold properties	**-**	**1,023**	**-**	**-**	**1,023**	-	-	-	-	-
Valuation movement on investments	**-**	**-**	**-**	**-**	**-**	-	-	-	190	190
Loss on disposal of investments				**(87)**	**(87)**	-	-	-	(122)	(122)
Valuation movement on joint venture properties	**-**	**-**	**-**	**-**	**-**	(2,525)	-	-	-	(2,525)
Operating profit/(loss)	**2,750**	**3,478**	**354**	**(87)**	**6,495**	(7,776)	1,027	370	68	(6,311)
Finance costs					**(3,694)**					(3,486)
Finance income					**17**					82
Profit/(loss) before taxation					**2,818**					(9,715)
Taxation					**(2,383)**					2,460
Profit/(loss) for the period					**435**					(7,255)

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 six months ended 31 December 2024, arising from car park operations, was £622,000. After allowing for an allocation of administrative expenses, the operating profit at these sites was £379,000.

Revenue received within the car park and hotel segments, along with service charge income from the property rental 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.

3. Finance costs

	Six months ended 31 December 2024 £000	Six months ended 31 December 2023 £000	Year ended 30 June 2024 £000
Interest on debenture loan stock	**2,215**	2,215	4,430
Interest payable on bank borrowings	**893**	679	1,570
Amortisation of arrangement fees	**138**	131	286
Interest expense on lease liabilities	**448**	461	923
Total finance costs	**3,694**	3,486	7,209
Interest receivable on loans to joint ventures	**-**	-	(159)
Other interest receivable	**(17)**	(82)	(7)
Total finance income	**(17)**	(82)	(166)
Net finance costs	**3,677**	3,404	7,043

4. Taxation

	Six months ended 31 December 2024 £000	Six months ended 31 December 2023 £000	Year ended 30 June 2024 £000
Current tax			

Current tax

- Current year	**-**	-	-
- Adjustments in respect of prior years	**-**	-	-
	-	-	-
Deferred tax			
- Recognition of carried forward trading losses	**-**	(2,613)	(2,888)
- Utilisation of trading losses	**625**	938	1,203
- Origination and reversal of timing differences	**1,758**	(785)	(903)
	(2,383)	(2,460)	(2,588)
	(2,383)	(2,460)	(2,588)

	Six months ended 31 December 2024 £000	Six months ended 31 December 2023 £000	Year ended 30 June 2024 £000
Profit/(loss) before taxation	**2,818**	(9,715)	(10,598)
Profit/(loss) on ordinary activities multiplied by the rate of corporation tax of 25% (2023: 19%)	**705**	(2,429)	(2,649)
Effects of			
- Valuation movements not deductible for tax purposes	**1,654**	2,168	2,701
- Recognition of carried forward trading losses	**-**	(2,613)	(2,888)
- Expenses not deductible for tax purposes	**24**	414	248
	2,383	(2,460)	(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. Dividends

	Six months ended 31 December 2024 £000	Six months ended 31 December 2023 £000	Year ended 30 June 2024 £000
2023 final dividend: 2.5p per 25p share	**-**	1,054	1,054
2024 interim dividend: 8.5p per 25p share	**-**	-	3,584
	-	1,054	4,638

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

An interim dividend in respect of the year ending 30 June 2025 of 2.5p per share is proposed. This dividend, based on the shares in issue at 26 March 2025, amounts to £1.054m which has not been reflected in these interim accounts and will be paid on 13 June 2025 to shareholders on the register on 23 May 2025.

6. Earnings per share

The calculation of basic earnings per share has been based on the loss for the period, divided by the number of shares in issue. The weighted average number of shares in issue during the period was 42,162,679 (2023: 47,532,181).

	Six months ended 31 December 2024		Six months ended 31 December 2023		Year ended 30 June 2024	
	Earnings £000	**Earnings per share Pence**	Earnings £000	Earnings per share Pence	Earnings £000	Earnings per share Pence
Basic earnings and earnings per share	**435**	**1.0**	(7,255)	(15.3)	(8,010)	(17.9)
Valuation movement on investment properties	**1,146**	**2.7**	8,310	17.5	7,625	17.0
Deferred tax on valuation movements	**1,758**	**4.2**	(785)	(1.6)	(903)	(2.0)
(Reversal of impairment)/impairment of car parking assets	**(627)**	**(1.5)**	1,086	2.3	3,259	7.3
Impairment of goodwill	**-**	**-**	-	-	577	1.3
Profit on disposal of investment properties	**-**	**-**	(39)	(0.1)	(27)	(0.1)
Profit on disposal of freehold and leasehold properties	**(1,023)**	**(2.4)**	-	-	-	-
Valuation movement on properties held in joint ventures	**-**	**-**	2,525	5.3	3,200	7.2
Loss on disposal of investments	**87**	**0.2**	122	0.2	191	0.4
Valuation movement on investments	**-**	**-**	(190)	(0.4)	(408)	(0.9)
EPRA earnings and earnings per share	**1,776**	**4.2**	3,774	7.9	5,504	12.3

EPRA earnings for 6 months ended 31 December 2023 and the year ended 30 June 2024 include a tax credit of £2,888,000 relating to the 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.

7. Tangible fixed assets

(a) Investment properties - property rental business

	Freehold £000	Right of use asset £000	Development £000	Total £000
Valuation at 1 July 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)
Valuation movement	(10,466)	6	2,835	(7,625)
Movement in tenant lease incentives	(380)	-	-	(380)
Valuation at 1 July 2024	151,410	5,116	24,451	180,977
Capital expenditure	1,833	-	1,478	3,311
Valuation movement	2,717	(70)	(3,793)	(1,146)
Movement in tenant lease incentives	(55)	-	-	(55)
Valuation at 31 December 2024	**155,905**	**5,046**	**22,136**	**183,087**

(b) Freehold and right of use properties - car park activities

	Freehold £000	Right of use asset £000	**Total £000**
Book Value at 1 July 2023	25,110	35,681	60,791
IFRS16 adjustment		(95)	(95)
Depreciation	(272)	(1,336)	(1,608)
Valuation movement	994	-	994
Impairment	768	(4,027)	(3,259)
Book Value at 1 July 2024	26,600	30,223	56,823
IFRS16 adjustment	-	(48)	(48)
Disposals	-	(2,098)	(2,098)
Depreciation	(144)	(585)	(729)
Valuation movement	(823)	-	(823)
Reversal of impairment/(impairment)	1,297	(670)	627
Book Value at 31 December 2024	**26,930**	**26,822**	**53,752**

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

(c) Freehold properties - hotel operations

	Freehold £000
Valuation at 30 June 2023	9,500
Depreciation	(242)
Valuation movement	642
Valuation at 1 July 2024	9,900
Depreciation	(121)
Valuation movement	521
Valuation at 31 December 2024	**10,300**

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 at 31 December 2024 and at prior dates by 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.

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.

Leasehold (right-of-use) car park properties are accounted for using the cost model including an assessment of the future value of the minimum lease payments and are amortised on a straight line basis over the remaining term of the lease or useful economic live if deemed to be shorter.

Property income, values and yields have been set out by category in the table below.

	Passing rent £'000	ERV £'000	Value £000	Initial yield %	Reversionary yield %
Retail and leisure	645	1,469	15,830	3.8	8.8

Merrion Centre (excluding offices)	3,984	4,892	48,634	7.7	9.5
Offices	2,792	4,787	46,191	5.7	9.8
Hotels	929	929	10,300	8.5	8.5
Out of town retail	1,041	1,341	13,000	7.6	9.8
Residential	1,495	1,835	34,500	4.1	5.0
	10,886	15,253	168,455	6.1	8.6
Development property			22,136		
Car parks			36,605		
IFRS16 adjustment - right-of-use assets			19,943		
			247,139		

Investment properties (freehold and right of use) and hotel operations

The effect on valuation (excluding development property and car parks) of applying a different yield and a different ERV would be as follows:
Valuation at an initial yield of 5.1% - £201.4m, Valuation at 7.1% - £144.8m
Valuation at a reversionary yield of 7.6% - £190.7m, Valuation at 9.6% - £150.8m

Investment properties (development properties)

The key unobservable inputs in the valuation of one of the Group's development properties of £16.4m 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 - £17.3m, 5% decrease in the per acre or per unit value - £15.6m.

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 £26.9m in applying a different yield/discount rate would be as follows:

Valuation in the Consolidated Financial Statements based on a 1% decrease in the yield/discount rate - valuation increase to £31.7m, 1% increase in the yield/discount rate - valuation decrease to £23.4m

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

	Investment properties £000	Freehold and right of use Properties £000	Hotel operations £000	Total £000
Externally valued by CBRE	179,470	26,930	10,300	216,700
Investment properties valued by the Directors	2,301	-	-	2,301
Properties held at valuation	181,771	26,930	10,300	219,001
IFRS 16 right-of-use assets held at depreciated cost	1,316	26,822	-	28,138
	183,087	**53,752**	**10,300**	**247,139**

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 £000	Accumulated depreciation £000	Net book value £000
At 1 July 2023	5,570	(4,301)	1,269
Additions	525	-	525
Depreciation	-	(348)	(348)
At 1 July 2024	6,095	(4,649)	1,446
Additions	260	-	260
Disposals	(135)	59	(76)
Depreciation	-	(200)	(200)
At 31 December 2024	**6,220**	**(4,790)**	**1,430**

8. Goodwill and intangible assets

	Six months ended 31 December 2024 £000	Six months ended 31 December 2023 £000	Year ended 30 June 2024 £000
Goodwill			
At start of the period	**2,868**	3,445	3,445
Impairment	**-**	-	(577)
	2,868	3,445	2,868
Intangible assets			
At start of period	**24**	229	229
Additions	**486**	-	-
Amortisation	**(65)**	(123)	(205)
	445	106	24
Total goodwill and intangible assets	**3,313**	3,551	2,892

Goodwill represents the difference between the fair value of the consideration paid on the acquisitions of car park businesses and the fair value of the assets and liabilities acquired as part of these business combinations.

Intangible assets represent short term customer contracts relating to car park enforcement businesses acquired in the periods.

9. Investments in joint ventures

	Six months ended 31 December 2024 £000	Six months ended 31 December 2023 £000	Year Ended 30 June 2024 £000
Interest in joint ventures			
At start of period	**4,752**	7,123	7,123
Share of profits after tax	**522**	511	1,025
Valuation movement	**-**	(2,525)	(3,200)
Distributions	**(86)**	-	(196)
At end of period	**5,188**	5,109	4,752

Investments in joint ventures relates to the Group's interest in the partnership capital of Merrion House LLP. The investment property held within this joint venture has been externally valued at each reporting date.

10. Investments

	31 December 2024 £000	31 December 2023 £000	30 June 2024 £000
Current Assets			
Loan notes - Deferred Consideration	**-**	3,101	3,177
Loan notes - Contingent Consideration	**-**	2,133	-
	-	5,234	3,177
Non-Current Assets			
Listed investments	**2,950**	3,930	3,305
Non-listed investments	**660**	660	660
	3,610	4,590	3,965
	3,610	9,824	7,142

Listed investments

	31 December 2024 £000	31 December 2023 £000	30 June 2024 £000
At start of the period	**3,305**	4,068	4,068
Decrease in value of investments	**(355)**	(138)	(763)
At the end of the period	**2,950**	3,930	3,305

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 £875,482 (2023: £875,482).

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 IFRS 13 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

	31 December 2024 £000	31 December 2023 £000	30 June 2024 £000
At the start and end of the year	**660**	410	410
Additions	**-**	250	250
	660	660	660

Loan Notes - Deferred Consideration

	31 December 2024 £000	31 December 2023 £000	30 June 2024 £000
Current assets			
At the start of the year	**3,177**	4,493	4,493
Transferred from non-current assets	**-**	3,025	3,025
Loan interest	**14**	82	158
Expenses	**(87)**	-	(122)
Loan notes repaid to the Company in the period	**(3,104)**	(4,499)	(4,377)
	-	3,101	3,177

Non-current assets

At the start of the year	-	3,025	3,025
Transferred to current assets	-	(3,025)	(3,025)
	-	-	-

The interest earned on the deferred consideration loan notes is 5% per annum.

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

	31 December 2024 £000	31 December 2023 £000	30 June 2024 £000
At the start of the year	-	1,943	1,943
Unwind of discount applied to contingent consideration	-	32	32
Valuation movement	-	158	408
Expenses	-	-	(102)
Amounts received at maturity	-	-	(2,281)
	-	2,133	-

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 was an estimate prepared by the Company. The contingent consideration loan notes are then accounted for using the fair value through profit and loss basis.

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.

11. Financial liabilities

	31 December 2024 £000	31 December 2023 £000	30 June 2024 £000
Current			
Bank borrowings - revolving credit facilities	**2,444**	2,452	-
Lease liabilities	**1,427**	1,768	1,768
	3,871	4,220	1,768
Non-Current			
Bank borrowings - revolving credit facilities	**11,023**	10,870	13,434
Bank borrowings - single asset facility	**14,203**	14,277	14,239
Lease liabilities	**23,664**	27,203	26,833
5.375% First mortgage debenture stock	**82,341**	82,331	82,336
	131,231	134,681	136,842
	135,102	138,901	138,610

Fair value of current borrowings

The fair value of bank borrowings and overdrafts approximates to their carrying value.

Fair value of non-current borrowings

	31 December 2024		31 December 2023		30 June 2024	
	Book value £000	**Fair value £000**	Book value £000	Fair value £000	Book value £000	Fair value £000
Debenture stock	**82,341**	**70,935**	82,331	75,095	82,337	72,506
Revolving credit facilities	**13,467**	**13,467**	10,870	10,870	13,434	13,434
Single asset facility	**14,203**	**12,418**	14,313	14,313	14,239	12,174

12. Deferred tax assets and liabilities

	31 December 2024 £000	31 December 2023 £000	30 June 2024 £000
Assets			
Carried forward losses	**1,060**	1,675	1,685
Leases	**6,273**	1,061	7,150
	7,333	2,736	8,835
Liabilities			
Leases	**4,985**	-	5,418
Investment property revaluation gains	**2,166**	489	1,065
	7,151	489	6,483
Net deferred tax asset	**182**	2,247	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.

The Company also has various non-trading losses from previous periods, however these have not been recognised within the deferred tax asset as it is not certain when these will be available to offset further profits. The total value of losses not included within the deferred tax asset is £1,328,000. In addition the Group has uncrystalised capital losses of £27,594,000 on investment property and car park valuation losses that have not been recognised.

The movement in the total net deferred tax balance as at 31 December 2024 includes the charge to the income

The movement in the total net deferred tax balance as at 31 December 2024 includes the charge to the income statement of £2,383,000 plus the reduction in deferred tax liabilities arising in the period on revaluation gains recognised in the consolidated condensed statement of comprehensive income of £213,000.

13. Called up equity share capital

Authorised

164,879,000 (30 June 2024: 164,879,000) ordinary shares of 25p each.

Issued and fully paid up	Number of shares 000	Nominal value £000
At 1 July 2024	42,163	10,540
Purchase and cancellation of own shares	-	-
At 31 December 2024	**42,163**	**10,540**

14. Cash flows from operating activities

	Six months ended 31 December 2024 £000	Six months ended 31 December 2023 £000	Year ended 30 June 2024 £000
Profit/(loss) for the period before taxation	**2,818**	(9,715)	(10,598)
Depreciation	**1,050**	1,063	2,199
Amortisation	**65**	123	205
Profit on disposal of investment properties	**-**	(39)	(27)
Profit on disposal of freehold and leasehold property	**(1,023)**	-	-
Loss on sale of investments	**87**	122	191
Movement in valuation of investments	**-**	(190)	(408)
Finance costs	**3,694**	3,486	7,209
Finance income	**(17)**	(82)	(166)
Share of joint venture (profits)/losses after tax	**(522)**	2,014	2,175
Movement in revaluation of investment properties	**1,146**	8,310	7,625
Movement in lease incentives	**55**	264	380
(Reversal of impairment)/impairment of car parking assets	**(627)**	1,086	3,259
Impairment of goodwill	**-**	-	577
Decrease/(increase) in receivables	**24**	(511)	(731)
(Decrease)/increase in payables	**(663)**	(1,531)	704
Cash generated from operations	**6,087**	4,400	12,594

15. Net asset value per share

Net asset value per share is calculated as the net assets of the Group attributable to shareholders at each balance sheet date, divided by the number of shares in issue at that date.

	Six months ended 31 December 2024	Six months ended 31 December 2023	Year ended 30 June 2024
Net asset value (£'000)	**119,628**	123,974	119,637
Number of ordinary shares in issue (000)	**42,163**	42,163	42,163
Net asset value per share (pence)	**284p**	294p	284p

16. Related party information

The only related party transactions that have taken place during the period relate to the remuneration of the Executive Directors and other members of the concert party, who are the key management personnel of the Group. Dividends paid to the Directors and their family members are also related party transactions although there were no dividends paid in the period.

	Six months ended 31 December 2024 £000	Six months ended 31 December 2023 £000	Year ended 30 June 2024 £000

	£000	£000	£000
Short-term employee benefits	**1,226**	1,305	2,473
Post-employment benefits	**48**	-	89
Dividends paid to the Ziff Concert Party	**-**	-	2,641
	1,274	1,305	5,203

The Ziff Concert Party includes Edward Ziff, Ben Ziff (Executive Directors) and Michael Ziff (Non Executive Director) together with their immediate family members, the estate of Edward Ziff and Michael Ziff's late mother, their sister and a number of trusts that Edward Ziff and Michael Ziff are not beneficiaries of but they do control.

END

IR FLFVDVFIRFIE