Final Results

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TOWN CENTRE SECURITIES PLC
Final results for the year ended 30 June 2017

RESILIENT PORTFOLIO PERFORMANCE UNDERPINS GROWING DIVIDENDS

Town Centre Securities PLC ("TCS"), the Leeds based property investment, development and car parking company, today announces its audited final results for the year ended 30 June 2017.

Financial highlights

- EPRA Net assets per share up 0.6% at 359p (2016: 357p)
- Full Year dividend up 4.5% to 11.5p (2016: 11.0p), 1.2 times covered
- Statutory profit before tax £6.7m (2016: £11.9m) and statutory earnings per share 12.7p (2016: 22.4p)
- EPRA profit before tax up 6.7% to £7.0m (2016: £6.6m)
- EPRA earnings per share up 6.7% to 13.2p (2016: 12.4p)
- Total shareholder return of 9.6% (2016:(3.9%)) vs comparable market of 9.2% (2016: (11.7%))
- Bank facilities total £108m with headroom of £26m (2016: £27.7m)

Operating performance

- Total property return of 6.0% (2016: 7.8%) vs MSCI All Property 5.5% (2016: 8.9%)
- Passing rent up 2.3% like for like
- Total ERV up 2.7% like for like
- Like for like investment property valuation decrease of 1.4% (2016:0.2%), development property increase of 20.1% (2016:23.5%), overall property valuation flat (2016:2.2%);
- Occupancy remains high at 99% (2016:98%)

Operational highlights

- Active capital recycling enables reinvestment:
  - Sales of properties in Scotland for a total consideration of £19.5m, with the sales ahead of previous valuations
- Intensive asset management has increased like for like revenue:
  - Good progress with Merrion Centre enhancements; Arena quarter now fully let which will add another £155,000 annualised to income
  - 178 transactions completed in the year, up from 141
- Development programme on track to deliver increases of £1.8m per annum in income and over £10m in net assets. Total spend in the year of £20m, with additional costs to complete of £5m:
  - Merrion House, Leeds - completion expected in January 2018
  - ibis Styles Hotel, Leeds - completed in March 2017, trading above expectations
  - Whitehall Road, Leeds - handed over to Premier Inn in February 2017
- Development of Piccadilly Basin, Manchester represents an exciting programme for years to come:
  - 2 JV's established as part of a potential wider £240m residential programme
  - 91 unit scheme on Tariff Street, and 31 unit loft scheme in Brownsfield Mill
- Innovative swap deal with Evans of Leeds ("Evans") completed in June 2017 in relation to our Piccadilly Basin (Manchester) and Buckley House (Leeds) holdings:
  - Sale on a long lease of a 0.6 acre section of our Manchester site for £2.775m to Evans, who have obtained planning permission for a 137 bedroom 5 star Dakota Deluxe Hotel
  - TCS has purchased Evans' joint venture shares to take 100% ownership of Buckley House on Vicar Lane, Leeds, for £1.8m. TCS now controls the full island site at the front of the new Victoria Gate (John Lewis) shopping centre;
- CitiPark - further progress in expansion of car parking business:
  - profits up 11.8% on prior year
  - 16th car park acquired at Rickmansworth underground station for £2.3m; a freehold 140 space multi storey branch

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

"We are pleased with the progress that we achieved last year which belied the market backdrop of economic and political uncertainty following the Brexit referendum.

"Our continuing intensive management of the portfolio has again produced increases in rental income and capital value, broadly mitigating those assets which experienced market driven falls in value.

"Our capital recycling programme has accelerated with the disposals from our Scottish portfolio and we expect to make further disposals this year. We are actively looking to reinvest the proceeds of these sales as and when we see the right opportunities.

"The development programme has gone well and continues to drive increases in income throughout the portfolio which has allowed us to be bold in terms of disposing of mature properties. The portfolio holds extensive further development opportunities."

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Chairman and Chief Executive's Statement

I am delighted with the progress we have made in this financial year against a challenging backdrop. We have continued with our capital recycling and development programmes and our portfolio has continued to perform better than earlier market forecasts with like for like increases in passing rent (2.3%) and ERV (2.7%) and the valuation maintained on a like for like basis.

Portfolio performance

The total like for like valuation of the portfolio is broadly flat year on year.

The like for like decrease in the value of our investment property portfolio this year has been 1.4% (2016: increase of 0.2%) which reflects a reversionary yield of 6.5% (2016: 6.4%). The like for like increase in development property is 20.1% (2016: 23.5%). The total property return is 6.0% (2016: 7.8%).

The investment properties, developments, joint ventures and car parks value at the year end stood at £381.1m (2016: £375.5m).

Results

Net assets and EPRA net assets at 30 June 2017 were £191.1m, representing 359 pence per share (2016: £189.9m, 357 pence per share).

We report a statutory profit for the year of £6.7m (2016: £11.9m) which includes the property revaluation deficit of £1.1m this year (2016: surplus of £3.5m).

Our EPRA profit before tax of £7.0m (2016: £6.6m) (excluding property revaluation and property disposals) is in line with expectations. CitiPark's operating profit (before funding costs) was up £0.4m or 12%.

Statutory earnings per share (including property revaluation and property disposals) were 12.7p (2016: 22.4p). EPRA earnings per share were 13.2p (2016: 12.4p).

Dividends

The Board is recommending a final dividend of 8.25p per share, which, with the interim dividend of 3.25p per share gives a total of 11.5p. We have approved this 4.5% increase to reflect the improvement in earnings within the year.

The final dividend comprises a Property Income Distribution of 7.00p and an ordinary dividend of 1.25p per share. The final dividend will be paid on 4 January 2018 to shareholders on the register on 8 December 2017.

Operational Review

We made strong progress against our stated strategic plan:

Intensive asset management

We have continued to proactively manage our portfolio with 178 transactions completed this year (2016: 141). The total rent roll has risen by 2.6%, occupancy at the year end was 99% and 99% of rent collections were achieved within five days of the due date.

Merrion Centre
The centre saw record breaking visitor numbers with 11.5m visitors over the year - an increase of 3.4% on the previous year. We fully let the Arena Quarter in the first half which completes the £17m scheme which has transformed the north side of the centre. On a like for like basis the rent roll has risen by 3.3% and the occupancy is at 99%.

Other properties
We have recently acquired the remaining 50% of Buckley House in Leeds from the Evans Property Group ('Evans'); previously this property was held in a joint venture with TCS owning 50%. It is an excellent time to achieve 100% ownership of this property as it

completes our island site which is immediately outside the new Victoria Gate John Lewis scheme and we expect retail demand in this location to improve significantly over the next few years.

The acquisition was part of a swap deal in which we sold a long lease for a 0.6 acre plot at our Piccadilly Basin site. Evans has obtained planning for a 5 star Dakota Hotel which will help stimulate further development activity. As part of the swap deal we also received £975,000 in cash.

We completed value adding income and asset schemes at our Rochdale retail park, at Shandwick Place, Edinburgh and at Wood Green, London.

Property Sales and Re-Investment

Capital recycling

We continue to use our capital recycling programme to maximise the growth potential of the portfolio; we sold two properties in Shandwick Place, Edinburgh for £2m, an exit yield of 6.1% and we sold Empire House, Sauciehall Street, Glasgow for £17.5m an exit yield of 5.7%; both deals exceeded previous valuations.

As income gains flow from our development programme we will continue to take the opportunity to re-position from Scotland into Leeds, Manchester and the London suburbs, and we are currently looking at a number of possible investment opportunities.

Development programme

Our development programme, creating and improving investment properties from within our portfolio, has continued to progress well.

Merrion House remains on track for completion in January 2018. The ibis Styles Hotel at the Merrion Centre opened under management on 8 April and is trading above expectations and the lease to Premier Inn at Whitehall Road, Leeds completed in February 2017. These three schemes will add £1.8m to our income.

We are at the beginning of a major residential development programme on our Piccadilly Basin site in Manchester. The Council approved Strategic Planning Framework includes a total of 850 residential units as well as a new multi-storey car park and canal-side commercial development.

The residential programme has now started; we are on site with our flagship 91 unit scheme at Tariff Street with our JV partners in Belgravia Living Group. We also have a JV with Urban Splash who are developing 31 loft style units. We have secured planning for our 126 unit Eider House residential development which we will move onto after Tariff Street is established. We see this as part of an ongoing programme for years to come as we intend expand our residential portfolio.

At our Whitehall Road site in Leeds the market has also been active. The current scheme has outline permission for 324,000 sq ft of offices plus a 500 space multi-storey car park. We intend to bring forward the construction of the multi-storey car park and a further building (either office, residential or hotel) as the market dictates.

In addition to the above we are looking to bring forward proposals relating to our ownerships at Vicar Lane, Leeds and Milngavie, Glasgow where the Waitrose we completed last year is trading well and we have access to further development land**.** The car park acquired this year at Rickmansworth also has residential development possibilities.

CitiPark

The car park portfolio has traded well this year and we continue to benefit from strong income growth, particularly at Watford where the full results of the refurbishment have shown through for the first time this year.

All of the branches are trading well and the centralised Engine Room shows continuing improvement and has increased the efficiency of the operation.

Our process of technological development has continued this year; the rollout of Tesla electric charging points to all our branches is now complete and we also offer other customers electric charging. We were the first car park company to implement an emission based tariff which we introduced at Clipstone Street, London. We have continued to develop our own online booking system and this is now used extensively for our season ticket sales.

This year we invested in YourParkingSpace.co.uk (YPS), an on-demand parking app that allows drivers to search, book and park in thousands of spaces across the UK. This follows a successful partnership with Citipark.

In June 2017, we completed the purchase of a 140 space freehold multi-storey car park right next to Rickmansworth underground station. We have previously traded from this branch as a tenant.

Secure Funding

Net debt at 30 June 2017 amounted to £188.8m (2016: £185.8m). This comprised £105.8m (net of £0.3m of unamortised lease incentives) of 5.375% First Mortgage Debenture Stock 2031 and £108m of revolving credit facilities, of which we had drawn £81.7m at the year end. Finance leases of £4.4m, net of cash of £3.1m make up the remaining balance. The increase in the level of net debt is principally due to capital expenditure on the development schemes. Borrowings represent 49% of property values (2016: 49%).

Team

It is important to recognise the contribution of the entire team in delivery of these results and the progress the Company continues to make.

This year sees a number of Board changes worthy of comment. The Company welcomed Mark Dilley who joined TCS on the 10^{th} July as Group Finance Director. Mark joined from Asda where he served for 14 years within its Finance team, before which he worked at

JP Morgan and Unilever.

The Company would like to thank the out-going Finance Director Duncan Syers, and also John Nettleton, a Non-Executive Director as they both retire from Town Centre Securities.

Duncan completes his second term of office at TCS and leaves with gratitude and appreciation for his long-standing contribution to the Company. Duncan formally retired from the Board on the 5th September 2017. He has played a significant role in developing our car parking business through two phases of expansion, whilst shepherding the company through challenging economic times. The Board wishes him a long, happy, and healthy retirement and success in all his future endeavours.

John Nettleton joined the Board in 2004 and has played a crucial role in helping guide the business through significant times of change. He has always been generous in his giving of time and wisdom to the business. His humour and humility will be missed around the Board table and the Company sincerely thanks him for his service and wishes him and his family good health and happiness in the future. John will step down with effect from the Company's Annual General Meeting on 28th November 2017.

The Board intends appointing a new Non-Executive Director in the near future.

OUTLOOK

Despite a challenging start to the year, with the Brexit vote in June 2016 creating uncertainty in the markets and many pessimistic forecasts of the effect on property values and the economy, we are pleased with the progress that we have achieved.

Our performance this year has belied the market backdrop, and while some of our assets have experienced market driven falls in value, our continuing intensive management of the portfolio has again produced increases in rental income and also in capital value which have shown through in these results and proved the pessimists wrong. We expect this to continue.

Our capital recycling programme has accelerated with the disposals from our Scottish portfolio and we expect to make further disposals of mature assets in the forthcoming year. We are actively looking to invest as and when we see the right opportunities.

The development programme has gone well and continues to drive increases in income throughout the portfolio which has allowed us to be bold in terms of disposing of mature ex-growth properties. The portfolio holds extensive further development opportunities.

Edward Ziff

Chairman and Chief Executive

INTENSIVE ASSET MANAGEMENT

Merrion Centre

The Merrion Centre comprises 1m sq ft of retail, leisure, car parking and office space occupying a key position on the north side of the retail centre of Leeds and linking with the two Leeds Universities to the north of the scheme.

Originally developed in the 1960s, the 120,000 sq ft office building and Morrisons store were added in the early 1970's. We have continued to invest in the centre every year with over £70m committed in the last 5 years. The latest additions have been the Arena Quarter and car park refurbishment and the ibis Styles hotel. These successful developments continue the on-going diversification of uses within the Merrion Centre.

	Square feet	Passing rent		ERV
	000	£'m	%	£'m
Retail	210	3.9	39%	3.9
Leisure	234	1.9	19%	1.9
Hotel	80	0.6	6%	1.0
Office	249	2.1	21%	3.3
Car Parking	271	1.5	15%	1.8
	1,044	**10.0**	**100%**	**11.9**

The centre offers affordable occupational costs to the discount retail sector. Key tenants in the main retail mall include Morrisons, Boots, Superdrug, Home Bargains, Poundstretcher, Rymans, Peacocks, Bon Marche and O2. We have always worked closely with our tenants and we continue to maintain a high occupancy level of 99%. We have also been able, through active management, to keep the rent roll moving forward; on a like for like basis the increase has been 3.3% this year. This year we have completed a letting to Heron Foods for 10 years adding £68,000 to rental income for instance.

During the year the main achievement has been the completion of the lettings of the Arena Quarter. This £17m project was started in 2012 to capitalise on the opening of the Leeds Arena. The northern side of the centre has been completely transformed into a food and leisure hub along with a complete refurbishment of the multi-storey car park. The scheme was fully let earlier in the year with lettings to Bengal Brasserie and a Burger King franchise with rents rising £155,000 pa. The total cost of the leisure reconfiguration of the Arena Quarter has been £6.5m (part of the £17m) and the rent roll now stands at £820,000 pa; an increase of £580,000 pa compared to 2012 when we started the project.

Vicar Lane, Leeds

We have recently acquired 50% of Buckley House in Leeds from the Evans Property Group; previously this property was held in a joint venture with TCS owning the other 50%. It is an excellent time to achieve 100% ownership of this property as it completes our island site which is immediately outside the Victoria Gate John Lewis anchored scheme and we expect retail demand in this location to improve significantly over the next few years.

The acquisition was part of a swap deal; we sold a long lease on a 0.6 acre plot from our Piccadilly Basin site in Manchester. Evans has obtained planning for a 5 star Dakota Hotel on this site which will help stimulate further development activity. As part of the swap deal we also received £975,000 in cash.

The total ownership on Vicar Lane now comprises a 0.65 acre island site with 10 retail units, a total of 40,000sq ft of retail space together with upper floor offices and 17 apartments. The main retail tenants include Flannels (18,500 sq ft) and High and Mighty (3,000sq ft). We recently let 7,000 sq ft to existing occupier Man Behind the Curtain restaurant in a relocation deal. This is the brand of Michelin starred chef Michael O'Hare and is scheduled to open in October in a basement formally part occupied by Ladbrokes.

The plan for this block is primarily refurbishment/renewal and asset management and we believe it will provide asset and rental growth over the next few years.

DEVELOPMENT PROGRAMME

TCS has always focused on building a strong income yielding portfolio. This continues to be our primary aim and key strategic initiative.

As we have grown our business over the years, we have been able to acquire a number of sites that give opportunity for significant development at the appropriate time.

A key focus for TCS is to identify the right time to develop these opportunities.

2016/17 saw us make significant progress in numerous sites including the ibis Styles and Premier Inn Hotels in Leeds. Growth opportunities are inherent within the portfolio and is a key strength of the business.

Merrion House, Leeds

Merrion House will be a 170,000 sq ft state of the art office building let for 25 years to Leeds City Council. It will house all of the Council's public facing departments and over 2,000 employees. The redevelopment will transform a 1970's office block into an innovative public sector building which will facilitate a significant saving in operating costs for Leeds City Council.

The scheme is on target for completion by early January 2018. This will trigger the new 25 year lease to Leeds City Council (LCC) which will increase our share of the rental income from £700,000 pa to £1,664,000 pa.

The total cost of the scheme will be £33m with LCC purchasing their 50% interest for £28m.

ibis Styles Hotel open and trading

The original Merrion Hotel was built in the 1960's and was effectively unusable before this redevelopment. The opening of the ibis Styles hotel and Marco's New York Italian Bar and Restaurant has transformed this area of Leeds and helps further establish the Arena Quarter.

The total cost of the refurbishment has been £10m and the 134-bedroom hotel and restaurant have opened and are trading under a management agreement using the ibis Styles Hotel and Marco's New York Italian brands. Early trading in this new development has been ahead of expectations.

Premier Inn Whitehall Road Leeds handed over on time and on budget

The build was completed on time and on budget of £10m. Handover to Premier Inn triggered the new 25 year lease (with the Whitbread Plc guarantee) generating an annual rent of £680,000 with RPI uplifts.

Whitehall Road, Leeds

This 4.35 acre site is now established at the core of the grade A office area for Leeds City Centre. It currently trades as a 460 space surface car park. Both the city centre and the train station are a short walk away.

The masterplan is for 324,000 sq ft of offices in three buildings along with a 500 space multi-storey car park. There is also potential to replace one of the proposed office buildings with around 310 residential units.

The site's central location and river frontage gives it particular appeal and this area of Leeds has seen substantial development in recent times which has delivered two benefits for Whitehall Road - rental values have now been established at £28psf, and the availability for new occupier requirements is being eroded as other large scale lettings reduce supply.

This will be particularly evident now that the adjoining site has been chosen for the Government Property Unit office requirement which will take up much of the remaining availability.

We have ongoing discussions regarding potential requirements and we expect to be announcing plans for the next building over the coming year. Detailed planning has now been granted for the 180,000 sq ft of the aforementioned office space and 500 space multi story car park.

We are currently planning to start work on the car park over the next year to capitalise on the increasing demand which will result from developments on adjoining sites.

Piccadilly Basin, Manchester

This original ownership of the basin dates back to the 1970's and was acquired through the takeover of the Rochdale Canal Company. The land assembly continued until the 1980's and following which a number of significant commercial and residential developments have been completed and form part of the wider Manchester Piccadilly Basin. The basin now comprises circa 12.5 acres and includes a variety of buildings, car parking and future development sites. The following buildings have been developed by TCS over the past 15 years:

- Urban Exchange, . A 160,000 sq ft retail building let to Aldi, Marks and Spencer, Go Outdoors and Pure Gym with a current rental income of £1.1m pa.
- Carvers Warehouse. A 22,000 sq ft listed multi let office building with annual rental value of £0.3m
- Brownsfield Mill. A 40,000 sq ft listed mill building due to undergo conversion into loft style apartments in a JV with Urban Splash
- 30 Tariff Street. A 240 space multi-storey car park
- 21 Ducie Street. A 33,000 sq ft new build office occupied by BDP Architects (sold)
- Jacksons Warehouse. A residential conversion of a former mill building overlooking the marina (sold)
- Vantage Quay. A new 120 unit residential apartment building (sold)
- A 480 space surface car park with permanent planning permission

We have secured an approved Strategic Regeneration Framework with Manchester City Council which identifies 800 residential units, a 500 space multi-storey car park and 200,000 sq ft of canal-side commercial development. This gives us access to a fast track planning process where we bring forward schemes which fit within the framework.

The agreement with Manchester City Council has allowed us to draw up a residential development programme for many years to come which will create an opportunity to build up a significant residential rental portfolio in this prime area of Manchester.

We are already on site with the first phase with our Joint Venture partners Belgravia Living Group; Burlington House will comprise 91 units in a flagship. We expect a build period of 21 months at a total cost of £22m and the total value of the scheme when complete is expected to be over £26m, with a net rental value of £1.2m. We also have detailed consent for a further 126 unit residential block, Eider House, and aim to commence development of this prior to completion of Burlington House.

Alongside this we have agreed with Urban Splash, the urban regeneration specialists, a redevelopment of Brownsfield Mill into 31 loft-style apartments. We will receive an initial £1m upon the granting of planning, plus 12.5% of the gross sale proceeds. The scheme has recently achieved detailed planning permission but is expected to start on site later this year.

The swap agreement with Evans Property Group includes the sale of 0.6 acres for a 5 star 137 bedroom Dakota Deluxe Hotel. This is expected to open by the end of 2019 and will bring welcome commercial activity and demand to the site.

DETAILED PORTFOLIO PERFORMANCE

The post-Brexit performance of the portfolio has been much better than market forecasts. The Merrion Centre has reduced in value by 6.2% on yield shift but this has been offset by increases at Vicar Lane, Leeds (19%), Premier Inn, Leeds (12%) and Leeds Dock car park (11%). Overall the portfolio has maintained value this year.

The investment property portfolio has been valued at £323m (2016: £314m) with an average initial yield of 5.6% (2016: 5.7%) and an average reversionary yield of 6.5% (2016: 6.4%) which we consider is appropriate for our mixed portfolio. Occupancy of around 99% has been maintained throughout the year, well above the industry average.

Portfolio Analysis

	Passing rent	ERV	Value	% of portfolio	Valuation incr/(decr)	Initial yield	Reversionary yield
Retail & Leisure	4.9	5.6	93.4	25%	3.4%	5.0%	5.6%
Merrion Centre (excl offices)	7.3	8.3	106.9	28%	-6.2%	6.5%	7.3%
Offices	2.4	3.8	52.6	14%	3.3%	4.4%	6.8%
Out of town retail	3.5	3.7	54.0	14%	-2.9%	6.2%	6.5%
Distribution	0.4	0.4	5.6	1%	15.8%	6.4%	6.5%
Residential	0.5	0.6	10.7	3%	1.7%	4.7%	5.5%
	19.1	22.4	323.1	86%	-1.9%	5.6%	6.5%
Development property (car park income)	1.9	1.9	24.8	7%	35.1%		
Other Development sites			2.6	1%	-37.5%		
Car parks	1.3	1.3	25.3	7%	6.3%		
Let portfolio	22.3	25.6	375.7	100%	0.0%		
Voids (1%)		0.2					
		25.8					

Location	**Value**	**%**
Leeds	221.9	59%
Manchester	58.5	16%
Scotland	62.5	17%
London	32.8	9%
	375.7	100%

Sector	**Value**	**%**
Retail/leisure	254.2	68%
Office	52.6	14%
Car parking	25.3	7%
Residential	10.7	3%
Distribution	5.6	1%
	348.4	
Development	27.3	7%
	375.7	100%

Lease Expiries	Value	%
0-5 years	8.7	46%
5-10 years	5.4	28%
Over 10	5.0	26%
	19.1	100%

Top 10 tenants

£1m rent pa +
Morrisons
Waitrose
£0.5M - £1m rent pa
Leeds City Council
Pure Gym
Step Change
Homebase
Matalan

£0.25m - £0.5m rent pa
Aldi
Go Outdoors
Dune

FINANCIAL REVIEW

The key elements of our strategy have combined to strengthen both revenues and income:
- Intensive asset management across the portfolio has driven increases in like for like revenues
- The combination of property sales & reinvestments has ensured that we are now beginning to see revenue gains from our development programme
- Continuing to invest and be innovative in our CitiPark business has ensured revenue and income improvements

	Property rental		Car parking	
	2017	2016	**2017**	2016
	£'000	£'000	**£'000**	£'000
Gross Revenue	**16,571**	16,147	**10,969**	10,118
Property expenses	**(1,896)**	(1,818)	**(6,252)**	(5,843)
Net revenue	**14,675**	14,329	**4,717**	4,275
Other income/JV Profit	**1,578**	1326	**0**	5
Administrative expenses	**(5,465)**	(4,690)	**(830)**	(803)
Operating profit	**10,788**	10,965	**3,887**	3,477
Total operating profit	**14,675**	14,442		
Finance costs	**(7,639)**	(7,847)		
EPRA Profit	**7,036**	6,595		

Gross Revenue - Total revenues were up 4.9% year on year. Key drivers include:

- Merrion Centre rents up 3.3% LFL primarily from new Arena lettings
- New 2016 London acquisitions annualising
- Lease renewal at Waterside Distribution Park
- New development income from the two hotels starting to flow through

CitiPark revenues were up 8.4%, with strong increases seen in Manchester, Watford, and the Leeds Dock and Leeds Whitehall Road branches.

The current development programme will deliver annual increases in revenue of £1.8m. In addition, the disposals completed in the year will reduce annualised rental incomes by £1.3m prior to any reinvestment.

Property expenses - have been maintained at 11% of gross rentals

Other income - increases in sundry property income such as management fees and dilapidations receipts;

Administrative expenses - Increased versus last year driven by a combination of strengthening the Estates team, an increase in overall bonus costs, and the impact of accrual releases in the prior year.

BALANCE SHEET

Our total non-current assets (including JVs) of £385.1m (2016: £377.7m) include £354.6m of investment properties (2016: £350.4m) and £28.5m of non-current car parking assets (2016: £25.1m). The Merrion Centre car park is included in the investment property asset. The car parking assets include £4m (2016: £4m) of leasehold car parks which are accounted for under IFRS as goodwill. There are two such car parks with operating leases of 22 and 35 years.

We have continued to invest in our properties with a total of £18.7m of capital expenditure this year (majority being on the two hotels) and loans to the Merrion House joint venture of £4.3m. Capital recycling comprised £22.4m of sales and £4.1m of purchases. Along with other cash movements this resulted in an increase in borrowings from £185.8m to £188.8m.

The property and car parking balances reflect valuation losses of £2.1m in respect of the investment properties and gains of £1.1m in respect of car parks (which includes £0.1m which is shown in the Statement of Changes in Equity as other comprehensive income).

Our bank facilities total £108m from Lloyds, RBS and Handelsbanken and are 3 year revolving credit facilities secured on our investment properties and expire between November 2018 and April 2020. The quoted debenture stock is £106m secured against investment property and car parking assets expires in November 2031.

Going concern and headroom

One of the most critical judgements for the Board is the headroom in the Group's bank 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 is currently £26m (2016: £27.7m) and is considered to be sufficient to support our going concern conclusion.

Total shareholder return and total property return

Total shareholder return of 9.6% (2016: minus 3.9%) is calculated as the total of dividends paid during the financial year of 11.15p (2016: 10.44p) and the movement in the share price between 30 June 2016 (275p) and 30 June 2017 (290p), and assumed dividends are reinvested. This compares with the FTSE All Share REIT index at 9.2% (2016: minus 11.7%%) for the same period.

The Group's concentration on maximising income from our portfolio has led to out-performance of the relevant indices over 1, 3, 5, 15 and 25 years.

Total shareholder returns % (CAGR)

Total shareholder returns	1 Year	3 Years	5 Years	15 Years	25 Years
Town Centre Securities	9.6%	7.9%	17.2%	9.6%	10.9%
FTSE All Share REIT index*	9.2%	6.1%	12.3%	5.8%	8.3%

* 15 & 25 year comparable vs FTSE All Share Real Estate market as REIT index did not exist

Total property returns

	TCS	**MSCI Quarterly index**
Retail	4.1	3.2
Retail Warehouses	3.6	1.7
Shopping Centres	1.7	1.7
Rest of UK Offices	1.0	2.6
Standard Retail	9.5	6.3
All Property	6.0	5.5

(12 months ending June 2017)

Total Property Return is calculated as the operating profit from the property rental business adding back administrative expenses and adjusting for the Merrion Centre car park income as a percentage of the opening investment properties excluding developments.

Total Property Return for the business for the reported 12 months is 6.0% (2016: 7.8%). This compared to the MSCI/IPD market return of 5.5% (2016: 8.9%).

Risk

The directors have carried out a robust assessment of the principal risks facing the Group, including those that would threaten the business model, future performance, solvency or liquidity.

Duncan Syers & Mark Dilley
Group Finance Director

CAR PARKING

Our investment in technology and in the Engine Room continues to drive profit through to the bottom line

Ben Ziff
CitiPark Managing Director

CitiPark has had another good year with turnover up 8.4% to £11.0m and profits growth of 11.8% to £3.9m.

We have benefitted again from the capital investment in the business; this is the first full year of trading from the refurbished branches in Watford. The majority of the growth however has come from our core assets.

Merrion is ahead of last year and will show further growth once Merrion House is complete in January 2018 - over 2,000 Leeds City

Council employees will return to the centre and we expect to see parking numbers increase. Whitehall Road has continued to be our strongest performer as the branch closest to it has reduced in capacity through the development of offices. Leeds Dock continues to perform ahead of budget - the increase in occupancy in office lettings in the scheme has continued to show significant season ticket demand. As the car park is now effectively full we will be seeing increases in tariff rates going forward. Piccadilly Basin has also performed strongly although we will lose part of the capacity through the Dakota Hotel site sale. We expect this to be largely mitigated by increased occupancy elsewhere on the site.

The Engine Room is the 24/7 control centre that provides constant customer service and support to our patrons via an intercom system and a web chat service. The launching of the Engine Room in June 2015 has allowed us to rationalise staff levels and it continues to drive efficiencies through the operations.

The next phase of our refurbishment programme is to upgrade our operation at Bell Street, London where demand has increased significantly following the closure of an adjacent competitor car park and also at Clipstone Street, London where we will add £0.1m to profits through letting part of the space to a storage operation.

It is also pleasing to announce another acquisition; in June 2017 we completed the purchase of a 140 space freehold multi-storey car park right next to Rickmansworth underground station. We have previously traded from this branch as a tenant. Now that we have acquired the freehold we will be bringing forward refurbishment plans for this branch.

Technological Enhancements

Our process of technological development has continued this year; the rollout of Tesla destination electric charging points to all our branches is now complete and we also offer generic electric vehicle charging. We were the first private car park company to implement an emission based tariff which we introduced at Clipstone Street, London.

We have continued to develop our own online booking system and this is now used extensively for our season ticket sales which allows us to minimise the administrative cost of taking these bookings.

We have formed a partnership during the year with Your Parking Space (YPS), an online booking platform which provides the opportunity to book parking spaces all over the UK. We have also made a small investment in YPS.

YourParkingSpace.com

We are delighted to announce an investment in YourParkingSpace.co.uk (YPS). As a business we are always open to strategic acquisitions and investments that will enhance our core businesses. The investment in YPS is a decision taken in order to complement the focus of our property business and directly enhance our CitiPark division.

YPS is an on-demand parking service which connects drivers with over 250,000 parking spaces across the UK, ranging from private driveways owned by individuals to operator-managed car parks and commercial parking inventory. To-date YPS has generated over £10 million in revenue for its parking space providers. The service, which operates a mobile app and website, is available UK-wide.

YPS was formed in November 2013. The business originated in the sharing economy sector, specialising in driveway rentals, before expanding to encompass all types of under-utilised parking inventory nationwide, with clients ranging from private individuals with vacant driveways, to major hotel brands, local authorities, and many of the traditional car park operators. The company has been named in this year's Mishcon The LEAP 100, a list of Britain's most exciting, fastest growing companies.

The investment rationale was strengthened following the observation of the transformational effect of the internet across almost every industry. Today, the vast majority of industries are dominated by major online brands. Examples of this includes: Airbnb and Booking.com in the hotel industry, SkyScanner and Kayak in the travel sector and Match.com and Tinder in the dating industry. The parking industry is one of the few remaining sectors awaiting the emergence of a dominant online brand.

The parking industry within the local authority is worth over £1.5 billion each year*. The private sector's value is estimated to be significantly higher. The market is huge, there's a significant consumer appetite for innovation, and it is our belief that YPS, with the support & investment from our businesses can deliver on its growth plans to transform the industry and in the process, generate additional value for CitiPark, whilst significantly improving customer experience and the perception of the industry as a whole.

**britishparking.co.uk*

TCS ENERGY

We believe passionately in operating the most sustainable and environmentally friendly business that we can. In addition to our focus on the Green Agenda we have chosen to actively manage our consumption of natural resources by using energy which we generate from renewable sources

Ben Ziff
Managing Director

TCS Energy was established in April 2002. Since then we have installed 3 Solar Photovoltaic (PV) Farms. These are situated at Leeds Dock Car Park and Urban Exchange, Manchester.

Leeds Dock

The Solar PV system at Leeds Dock MSCP consists of 641 Solyndra 200W Solar Modules.

The total system size is 128.2 kWp. Production by calendar year is shown below:

2012 - 97,780 KWh
2013 - 94,480 KWh
2014 - 95,100 KWh

2015 - 100,220 KWh
2016 - 88,099 KWh
2017 - 56,380 KWh (to 1st August)

Urban Exchange 1

The Phase 1 Solar PV system at Urban Exchange, Manchester consists of:

240 REC 240W Solar PV modules.

The system size is 49.68kWp. Production by calendar year has been:

2013 - 40,887 KWh
2014 - 39,882 KWh
2015 - 39,333 KWh
2016 - 36,666 KWh
2017 - 27,964 KWh (to 1st August)

Urban Exchange 2

The Solar PV system at Urban Exchange Phase 2 consists of:

562 Canadian Solar 255W Solar PV modules.

The system size is 143.82 kWp. Production by calendar year has been:

2016 - 108,499 Kwh
2017 - 64,036 KWh (to 1st August)

All surplus power that is generated is then sold back to the grid.

Property Valuation Reconciliation

	Investment Properties	Freehold and Leasehold Properties	Total
	£000	£000	£000
Externally valued by CBRE	200,970	-	200,970
Externally valued by Jones Lang LaSalle	123,745	15,350	139,095
Investment properties valued by the Property Director	897	-	897
Finance lease obligations capitalised	1,159	3,303	4,462
Leasehold improvements	-	3,842	3,842
	326,771	**22,495**	**349,266**
The CBRE Valuation Report amalgamates valuations of investment properties and joint venture properties as follows:			
- Included within investment properties	**200,970**	**-**	**200,970**
- Included within joint ventures	**26,930**	**-**	**26,930**
Valuation per Valuers Report	**227,900**	**-**	**227,900**

Consolidated income statement
for the year ended 30 June 2017

	Notes	2017 £000	2016 £000
Gross revenue		**27,540**	26,265
Property expenses		**(8,148)**	(7,661)
Net revenue		**19,392**	18,604
Administrative expenses	2	**(6,295)**	(5,493)
Other income	3	**707**	599
Valuation movement on investment properties		**(2,085)**	3,018
Reversal of impairment of car parking assets		**1,000**	500
Profit on disposal of investment properties		**303**	1,140
Share of post tax profits from joint ventures		**1,342**	1,400
Operating profit		**14,364**	19,768
Finance costs		**(7,639)**	(7,847)
Profit before taxation		**6,725**	11,921
Taxation		**-**	-
Profit for the year attributable to owners of the Parent		**6,725**	11,921

Earnings per ordinary share of 25p each			
Basic and diluted	4	**12.7p**	22.4p
Underlying (non-GAAP measures)	4	**13.2p**	12.4p
Dividends per ordinary share			
Paid during the year	5	**11.15p**	10.44p
Proposed	5	**8.25p**	7.90p

Consolidated statement of comprehensive income
for the year ended 30 June 2017

	2017	2016
	£000	£000
Profit for the year	**6,725**	11,921
Items that may be subsequently reclassified to profit or loss		
Revaluation gain on car parking assets	**100**	500
Revaluation gains on other investments	**324**	108
Total comprehensive income for the year	**7,149**	12,529

All profit and total comprehensive income for the year is attributable to owners of the Parent.

Consolidated balance sheet
as at 30 June 2017

		2017	2016
	Notes	**£000**	£000
Non-current assets			
Property rental			
Investment properties	6	**326,771**	325,313
Investments in joint ventures	7	**27,852**	25,093
		354,623	350,406
Car park activities			
Fixtures, equipment and motor vehicles	6	**22,495**	21,075
Goodwill		**4,024**	4,024
Investments		**1,950**	-
		28,469	25,099
Fixtures, equipment and motor vehicles		**1,972**	2,151
Total non-current assets		**385,064**	377,656
Current assets			
Investments		**2,394**	2,070
Trade and other receivables		**3,311**	7,388
Cash and cash equivalents		**3,124**	-
Total current assets		**8,829**	9,458
Total assets		**393,893**	387,114
Current liabilities			
Trade and other payables		**(10,846)**	(11,496)
Financial liabilities		**-**	(887)
Total current liabilities		**(10,846)**	(12,383)
Non-current liabilities			
Financial liabilities		**(191,969)**	(184,874)
Total liabilities		**(202,815)**	(197,257)
Net assets		**191,078**	189,857
Equity attributable to the owners of the Parent			
Called up share capital	8	**13,290**	13,290
Share premium account		**200**	200
Capital redemption reserve		**559**	559
Revaluation reserve		**600**	500
Retained earnings		**176,429**	175,308
Total equity		**191,078**	189,857
Net assets per share	10	**359p**	357p

Consolidated statement of changes in equity
as at 30 June 2017

	Share capital £000	Share premium account £000	Capital redemption reserve £000	Revaluation reserve £000	Retained earnings £000	Total equity £000
Balance at 1 July 2015	13,290	200	559	-	168,829	182,878
Comprehensive income for the year						
Profit	-	-	-	-	11,921	11,921
Other comprehensive income	-	-	-	500	108	608
Total comprehensive income for the year	-	-	-	500	12,029	12,529
Contributions by and distributions to owners						
Final dividend relating to the year ended 30 June 2015	-	-	-	-	(3,902)	(3,902)
Interim dividend relating to the year ended 30 June 2016	-	-	-	-	(1,648)	(1,648)
Balance at 30 June 2016	13,290	200	559	500	175,308	189,857
Comprehensive income for the year						
Profit	-	-	-	-	6,725	6,725
Other comprehensive income	-	-	-	100	324	424
Total comprehensive income for the year	-	-	-	100	7,049	7,149
Contributions by and distributions to owners						
Final dividend relating to the year ended 30 June 2016	-	-	-	-	(4,200)	(4,200)
Interim dividend relating to the year ended 30 June 2017	-	-	-	-	(1,728)	(1,728)
Balance at 30 June 2017	**13,290**	**200**	**559**	**600**	**176,429**	**191,078**

Consolidated cash flow statement
for the year ended 30 June 2017

	Notes	2017 £000	2017 £000	2016 £000	2016 £000
Cash flows from operating activities					
Cash generated from operations	9	**18,159**		13,559	
Interest paid		**(8,051)**		(7,903)	
Net cash generated from operating activities			**10,108**		5,656
Cash flows from investing activities					
Purchase and construction of investment properties		**(12,136)**		(8,833)	
Refurbishment of investment properties		**(10,612)**		(4,890)	
Payments for leasehold property improvements		**(498)**		(3,291)	
Purchases of fixtures, equipment and motor vehicles		**(586)**		(1,496)	
Proceeds from sale of investment properties		**21,574**		16,050	
Proceeds from sale of fixed assets		**61**		54	
Payments for acquisition of non-listed investments		**(1,950)**		-	
Loans to joint ventures		**(4,250)**		(4,916)	
Distributions received from joint ventures		**1,031**		567	
Net cash used in investing activities			**(7,366)**		(6,755)
Cash flows from financing activities					
Proceeds from non-current borrowings		**7,197**		4,247	
Dividends paid to shareholders		**(5,928)**		(5,550)	
Net cash generated from/(used in) financing activities			**1,269**		(1,303)
Net increase/(decrease) in cash and cash equivalents			**4,011**		(2,402)
Cash and cash equivalents at beginning of period			**(887)**		1,515
Cash and cash equivalents at end of period			**3,124**		(887)

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

	2017 £000	2016 £000
Cash	**3,124**	-
Bank overdraft	**-**	(887)
	3,124	(887)

Audited preliminary results announcements

The financial information for the year ended 30 June 2017 and the year ended 30 June 2016 does not constitute the company's statutory accounts for those years.

Statutory accounts for the year ended 30 June 2016 have been delivered to the Registrar of Companies. The statutory accounts for the year ended 30 June 2017 will be delivered to the Registrar of Companies following the Company's Annual General Meeting.

The auditors' reports on the accounts for 30 June 2017 and 30 June 2016 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

Segment assets

	2017	2016
	£000	£000
Property rental	364,120	360,422
Car park operations	29,773	26,692
	393,893	387,114

Segmental results

	2017			2016		
	Property rental	Car park operations	Total	Property rental	Car park operations	Total
	£000	£000	£000	£000	£000	£000
Gross revenue	16,571	10,969	27,540	16,147	10,118	26,265
Service charge income	2,346	-	2,346	1,676	-	1,676
Service charge expenses	(3,284)	-	(3,284)	(2,574)	-	(2,574)
Property expenses	(958)	(6,252)	(7,210)	(920)	(5,843)	(6,763)
Net revenue	14,675	4,717	19,392	14,329	4,275	18,604
Administrative expenses	(5,465)	(830)	(6,295)	(4,690)	(803)	(5,493)
Other income	707	-	707	594	5	599
Share of post-tax profits from joint ventures	871	-	871	732	-	732
Operating profit before valuation movements	10,788	3,887	14,675	10,965	3,477	14,442
Valuation movement on investment properties	(2,085)	-	(2,085)	3,018	-	3,018
Reversal of impairment of car parking assets	-	1,000	1,000	-	500	500
Profit on disposal of investment properties	303	-	303	1,140	-	1,140
Valuation movement on joint venture properties	471	-	471	668	-	668
Operating profit	9,477	4,887	14,364	15,791	3,977	19,768
Finance costs			(7,639)			(7,847)
Profit before taxation			6,725			11,921
Taxation			-			-
Profit for the year			6,725			11,921

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

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

The car park results also include car park income from sites that are held for future development. The value of these sites has been determined based on 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 Merrion Centre and development sites for the year ended 30 June 2017, arising from car park operations, was £2,361,000. After allowing for an allocation of administrative expenses, the operating profit at these sites was £1,946,000.

2. Administrative expenses

	2017	2016
	£000	£000
Employee benefits	3,844	3,479
Depreciation	318	205
Charitable donations	78	91
Other	2,055	1,718
	6,295	5,493

3. Other income

	2016	2015
	£000	£000
Commission received	169	140
Dividends received	27	26
Management fees receivable	241	242
Dilapidations receipts and income relating to lease premiums	195	24
Other	75	167
	707	599

4. Earnings per share (EPS)

The calculation of basic earnings per share has been based on the profit for the period, divided by the weighted average number of shares in issue. The weighted average number of shares in issue during the period was 53,161,950 (2016: 53,161,950).

	2017 Earnings	2017 Earnings per share	2016 Earnings	2016 Earnings per share
	£000	p	£000	p
Basic and diluted profit/EPS	**6,725**	**12.7**	11,921	22.4
Valuation movement on investment properties	**2,085**	**3.9**	(3,018)	(5.7)
Reversal of impairment of car parking assets	**(1,000)**	**(1.9)**	(500)	(0.9)
Valuation movement on properties held in joint ventures	**(471)**	**(0.9)**	(668)	(1.3)
Profit on disposal of investment and development properties	**(303)**	**(0.6)**	(1,140)	(2.1)
EPRA earnings and earnings per share	**7,036**	**13.2**	6,595	12.4

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

5. Dividends

	2017	2016
	£000	£000
2015 final paid: 7.34p per 25p share	**-**	3,902
2016 interim paid: 3.10p per 25p share	**-**	1,648
2016 final paid: 7.90p per 25p share	**4,200**	-
2017 interim paid: 3.25p per 25p share	**1,728**	-
	5,928	5,550

An interim dividend in respect of the year ended 30 June 2017 of 3.25p per share was paid to shareholders on 23 June 2017. This dividend was paid entirely as a Property Income Distribution (PID).

A final dividend in respect of the year ended 30 June 2017 of 8.25p per share is proposed. This dividend, based on the shares in issue at 13 September 2017, amounts to £4.4m which has not been reflected in these accounts and will be paid on 4 January 2018 to shareholders on the register on 8 December 2017. This dividend will comprise a PID of 7.00p per share and an ordinary dividend of 1.25p.

6. Non-current assets

(a) Investment properties

	Freehold	Long leasehold	Development	Total
	£000	£000	£000	£000
Valuation at 1 July 2015	274,925	21,776	23,440	320,141
Additions at cost	6,314	-	-	6,314
Other capital expenditure	4,647	118	2,643	7,408
Interest capitalised	56	-	-	56
Disposals	(11,460)	-	(2,000)	(13,460)
(Deficit)/surplus on revaluation	(3,308)	807	5,519	3,018
Movement in tenant lease incentives	1,836	-	-	1,836
Valuation at 30 June 2016	273,010	22,701	29,602	325,313
Additions at cost	4,074	-	-	4,074
Other capital expenditure	12,174	40	8,260	20,474
Interest capitalised	176	-	235	411
Disposals	(18,596)	-	(2,675)	(21,271)
(Deficit)/surplus on revaluation	(6,444)	(132)	4,491	(2,085)
Transfers	12,612	-	(12,612)	-
Movement in tenant lease incentives	(145)	-	-	(145)
Valuation at 30 June 2017	**276,861**	**22,609**	**27,301**	**326,771**

(b) Freehold and leasehold properties - car park activities

	Freehold	Long leasehold	Total
	£000	£000	£000
Valuation at 1 July 2015	2,500	14,341	16,841
Additions	-	3,291	3,291
Depreciation	-	(57)	(57)
Surplus on revaluation	-	500	500
Reversal of impairment	(500)	1,000	500
Valuation at 30 June 2016	2,000	19,075	21,075
Additions	-	498	498
Depreciation	-	(178)	(178)
Surplus on revaluation	-	100	100
Reversal of impairment	-	1,000	1,000
Valuation at 30 June 2017	**2,000**	**20,495**	**22,495**

The historical cost of freehold and leasehold properties relating to car park activities is £22,245,000.

The Company occupies an office suite in part of the Merrion Centre and also at 6 Duke Street in London. The Directors do not consider this element to be material.

The fair value of the Group's investment and development properties has been determined principally by independent, appropriately qualified external valuers 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 the income from car parking and an assessment of their realisable value in their existing state and condition based on market evidence of comparable transactions.

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

	Passing rent	ERV	Value	Initial yield	Reversionary yield
	£000	£000	£000	%	%
Retail and Leisure	4,898	5,558	93,380	5.0%	5.6%
Merrion Centre (excluding offices)	7,304	8,297	106,883	6.5%	7.3%
Offices	1,739	2,145	25,712	6.4%	7.9%
Out of town retail	3,528	3,694	53,950	6.2%	6.5%
Distribution	376	387	5,595	6.4%	6.5%
Residential	536	616	10,690	4.7%	5.5%
	18,381	**20,697**	**296,210**	**5.9%**	**6.6%**
Development property			27,301		
Car parks			21,292		
Finance lease adjustments			4,463		
			349,266		

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

Valuation in the Consolidated Financial Statements at an initial yield of 6.9% - £304.9m, Valuation at 4.9% - £407.8m.

Valuation in the Consolidated Financial Statements at a reversionary yield of 7.6% - £310.6m, Valuation at 5.6% - £402.5m.

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

	Investment Properties	Freehold and Leasehold Properties	Total
	£000	£000	£000
Externally valued by CBRE	200,970	-	200,970
Externally valued by Jones Lang LaSalle	123,745	15,350	139,095
Investment properties valued by the Property Director	897	-	897
Finance lease obligations capitalised	1,159	3,303	4,462
Leasehold improvements	-	3,842	3,842
	326,771	**22,495**	**349,266**

Leasehold improvements primarily relate to expenditure incurred on the refurbishment of three car parks in Watford that are held under operating leases.

All investment properties measured at fair value in the consolidated balance sheet are categorised as level 3 in the fair value hierarchy as defined in IFRS13 as one or more inputs to the valuation are partly based on unobservable market data. In arriving at their valuation for each property (as in prior years) both the independent valuers and the Property Director have used the actual rent passing and have also formed an opinion as to the two unobservable inputs being the market rental for that property and the yield (i.e. the discount rate) which a potential purchaser would apply in arriving at the market value. Both these inputs are arrived at using market comparables for the type, location and condition of the property.

(c) Fixtures, equipment and motor vehicles

	Cost	Accumulated depreciation
	£000	£000
At 1 July 2015	4,143	2,929
Additions	1,496	-
Disposals	(1,266)	(1,234)
Depreciation	-	527
At 30 June 2016	4,373	2,222
Net book value at 30 June 2016		2,151
At 1 July 2016	4,373	2,222
Additions	586	-
Disposals	(140)	(103)
Depreciation	-	728
At 30 June 2017	**4,819**	**2,847**
Net book value at 30 June 2017		**1,972**

7. Investments in joint ventures

	2017	2016
	£000	£000
At start period	**25,093**	19,344
Loans to joint ventures	**4,250**	4,916
Disposal of joint venture interest	**(1,800)**	-
Dividends and other distributions received in the year	**(1,033)**	(567)
Share of profits after tax	**1,342**	1,400
At end period	**27,852**	25,093

Investments in joint ventures primarily relate to the Group's interest in the partnership capital of Merrion House LLP. This joint venture owns a long leasehold interest over a property that is let to the Group's joint venture partner, Leeds City Council ('LCC'). The property is currently in the process of a complete refurbishment. Under the arrangement LCC is required to contribute a fixed amount in cash and the Group is required to contribute the property and the balance of refurbishment cost. The net commitment from the Group in relation to this arrangement that has not yet been incurred is £4.9m. 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 share of profits after tax for the year ended 30 June 2016 of £1.4m includes an adjustment of £2.5m in respect of the property transferred to Merrion House LLP in the prior year, less the share of losses in the period of £1.2m.

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

	2017	2016
	£000	£000
Non-current assets	**53,860**	35,500
Current assets	**431**	929
Current liabilities	**(1,839)**	(351)
Net assets	**52,452**	36,078

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

	2017	2016
	£000	£000
Income	**1,400**	1,400
Expenses	**(109)**	(78)
	1,291	1,322
Valuation movement on investment properties	**941**	(3,665)
Net profit/(loss)	**2,232**	(2,343)

The Group's interest in other joint ventures are not considered to be material.

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

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

	Beneficial Interest	Activity
	%	
Buckley Properties (Leeds) Limited	50	Property Investment
Merrion House LLP	50	Property investment
Belgravia Living Group Limited	50	Property Investment
Bay Sentry Limited	50	Software Development

8. Share capital

Authorised

The authorised share capital of the Company is (2016: 164,879,000) ordinary shares of 25p each. The nominal value of authorised share capital is £41,219,750 (2016: £41,219,750).

Issued and fully paid up

	Number of shares	Nominal value
	000	£000
At 30 June 2016 and 30 June 2017	53,162	13,290

The company has only one type of ordinary share class in issue. All shares have equal entitlement to voting rights and dividend distributions.

The Company has no share option schemes in current operation and there are no unexercised options outstanding at 30 June 2017.

9. Cash flow from operating activities

	2017	2016
	£000	£000
Profit for the financial year	**6,725**	11,921
Adjustments for:		
Depreciation	**905**	585

Profit on disposal of fixed assets	**(23)**	(21)
Profit on disposal of investment properties	**(303)**	(1,140)
Finance costs	**7,639**	7,847
Share of post-tax profits from joint ventures	**(1,342)**	(1,400)
Movement in valuation of investment properties	**2,085**	(3,018)
Movement in lease incentives	**145**	(1,836)
Reversal of impairment of car parking assets	**(1,000)**	(500)
Decrease in receivables	**4,192**	1,483
Decrease in payables	**(864)**	(362)
Cash generated from operations	**18,159**	13,559

10. EPRA net asset value per share

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

	2017	2016
	£000	£000
Net assets at 30 June	**191,078**	189,857
Shares in issue (000)	**53,162**	53,162
Adjusted net asset value per share	**359p**	357p