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Report & Accounts | 1999

Town Centre Securities PLC

Contents

Board of Directors

Chairman

Deputy Chairman — Non-Executive

Directors — Executive

Non-Executive

Secretary

Registered Office

Leeds

Registered Number

Key Operational Managers

Alan

John

John

Brian

Bankers

Brokers

Solicitors

Auditors

Valuers

Corporate Public Relations

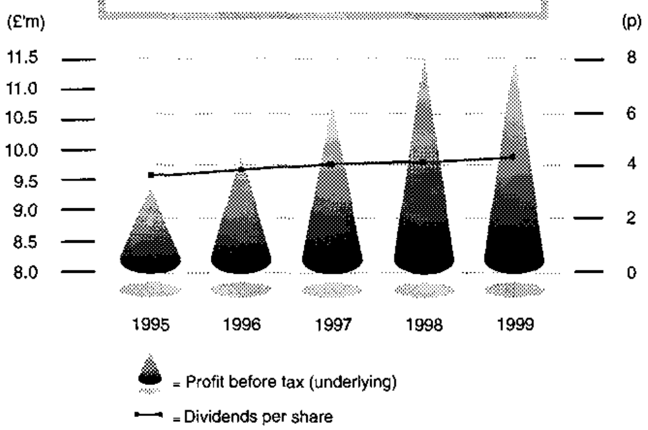
Registrar and Transfer Office

2

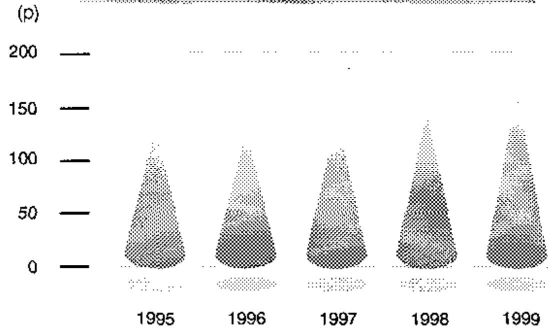
Financial Highlights

	1999	1998
Profit before tax - FRS3	£12.8m	£8.5m
- underlying	£11.0m	£11.0m
Earnings per share - underlying	6.9p	6.8p
Dividends per share	4.3p	4.1p
Net assets per share - accounts	154p	142p
- proforma	165p	152p
Gearing	74%	69%

Secure and improving income



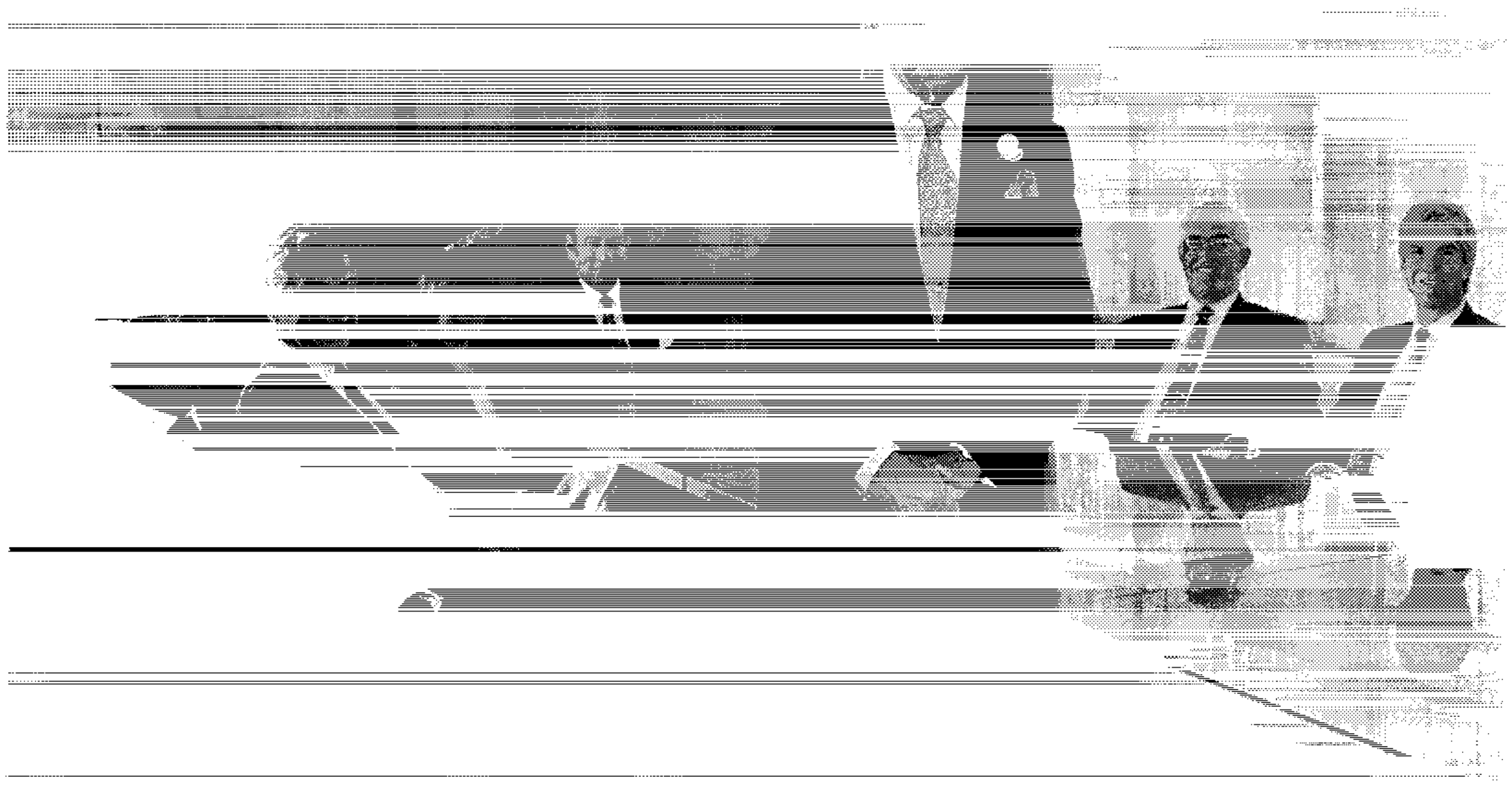
Growth in net assets per share



Main Events of the Year

- Record profits, earnings, dividends and net assets
- Net assets per share growth of 8%
- Portfolio upgrading accelerated:
  - Sales of 30 properties releasing £25 million for re-investment
  - 9 properties purchased for a total of £28 million
- Car park business continues to expand:
  - £6 million acquisition of car parks
  - £2 million investment in Universal Parking Management Limited
- Share buy back adds 4p to net assets per share
- Portfolio growth of 2.3%
- 2 new non-executive directors appointed

Chairman's Statement



[illegible]

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Report

Property revaluation

	Valuation 1999	Like for like growth 1998/9	Valuation 1998	Like for like growth 1997/8
	£000	%	£000	
Shopping centres	83,615	0.0	93,645	[illegible]
Retail warehousing and food stores	58,075	6.1	49,145	[illegible]
Shops	129,639	2.0	116,080	[illegible]
Total retail	271,329	2.2	258,870	[illegible]
Office and other	20,879	3.9	22,042	[illegible]
Total investment properties	**292,208**	**2.3**	**281,112**	[illegible]

WREXHAM

Portfolio Upgrading

4.1

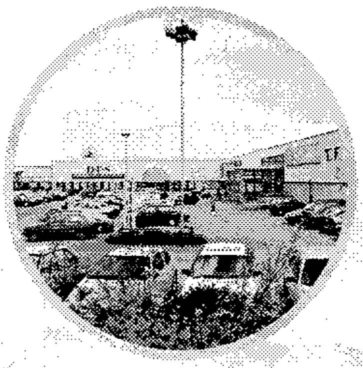
We have upgraded our portfolio by disposing of properties which are either management intensive or offer limited potential for future growth. This process has inevitably impacted on rental income, but income is not the sole criterion by which we evaluate the effectiveness of our portfolio. We are now focused much more on capital growth and we are prepared to forego short term income benefits if the potential for future growth is not satisfactory.

The success of the upgrading process is beginning to show in two areas:

Growth from the properties we have acquired in more recent years is consistently higher than the rest of the portfolio.

The level of void space has reduced from 7% to 6% of total potential rental income along with a reduction in irrecoverable property costs.

Acquisitions



KINGS LYNN

Nine properties were purchased for a consideration of £28 million reflecting our move towards higher quality properties with growth potential. These included:

Wrexham - a prime retail block of 5 shops in the centre of Wrexham. The investment is already showing rental and capital growth and a redevelopment opportunity of part of the block is being explored.

Kings Lynn - a 66,000 sq ft retail warehouse scheme with an open A1 planning consent. The passing rentals are all subject to review before the end of the calendar year. The current average rent is £8 per square foot and we expect substantial rental growth at review.

Horsham - let on a 15 year lease in a prime position in Horsham. This is a secure income stream and has already shown capital growth. The property also offers good alternative use potential.

HORSHAM

"The proceeds from our disposals have been reinvested into better quality opportunities where we believe there will be greater prospects of capital growth." James Crawford

Disposals

In 1999 we successfully disposed of 30 individual properties with a market value of £25 million representing a surplus of 7% over their 1998 values. Included in this portfolio was the Spinning Gate shopping centre in Leigh which we acquired for £8.7million in 1996 and sold for £11.3million. Two other properties were sold for a total of £6.5million. The remainder of the disposals represented smaller properties which were management intensive and offered limited growth potential.

Asset Management

The existing portfolio is constantly undergoing a reappraisal of its future potential. All our properties are constantly under review and there has been a number of successful smaller projects during the year including the completion of the refurbishment and reletting of the Clifton Arcade, Blackpool and the opening of Flannels in Vicar Lane, Leeds.

Our stated priority for the Merrion Centre last year was to change market perception and to enhance its appeal to retail tenants. We have seen buoyant demand from retailers during the year and have recently concluded a number of pleasing lettings including a 6,000 sq ft bar on the Woodhouse Lane frontage to The Old Monk Company PLC, trading as Springbok Bar and a letting of a substantial part of the Georgian Mall along with two units of the main square to Peacocks.

4.3

Property Development

During the year we have continued to work to enhance our development portfolio and we now have a significant portfolio of schemes. During the current year we will be announcing the recruitment of further personnel and we also intend to seek development partners to add particular expertise where needed. We currently have the following projects ongoing:

- **Whitehall Road, Leeds** - a 6 acre site with riverside frontage within walking distance of the station and the city centre shops and offices. The scheme has attracted considerable interest for residential, leisure and offices and has planning permission for 300,000 sq ft and a 644 space car park.

- **Union Street, Leeds** - a mixed scheme which is likely to include 160,000 sq ft of retail and leisure units, 69 residential units and a 360 space car park. The total value of the scheme is likely to be around £50 million. We are the preferred developer for this scheme which is being marketed by Leeds Development Agency.

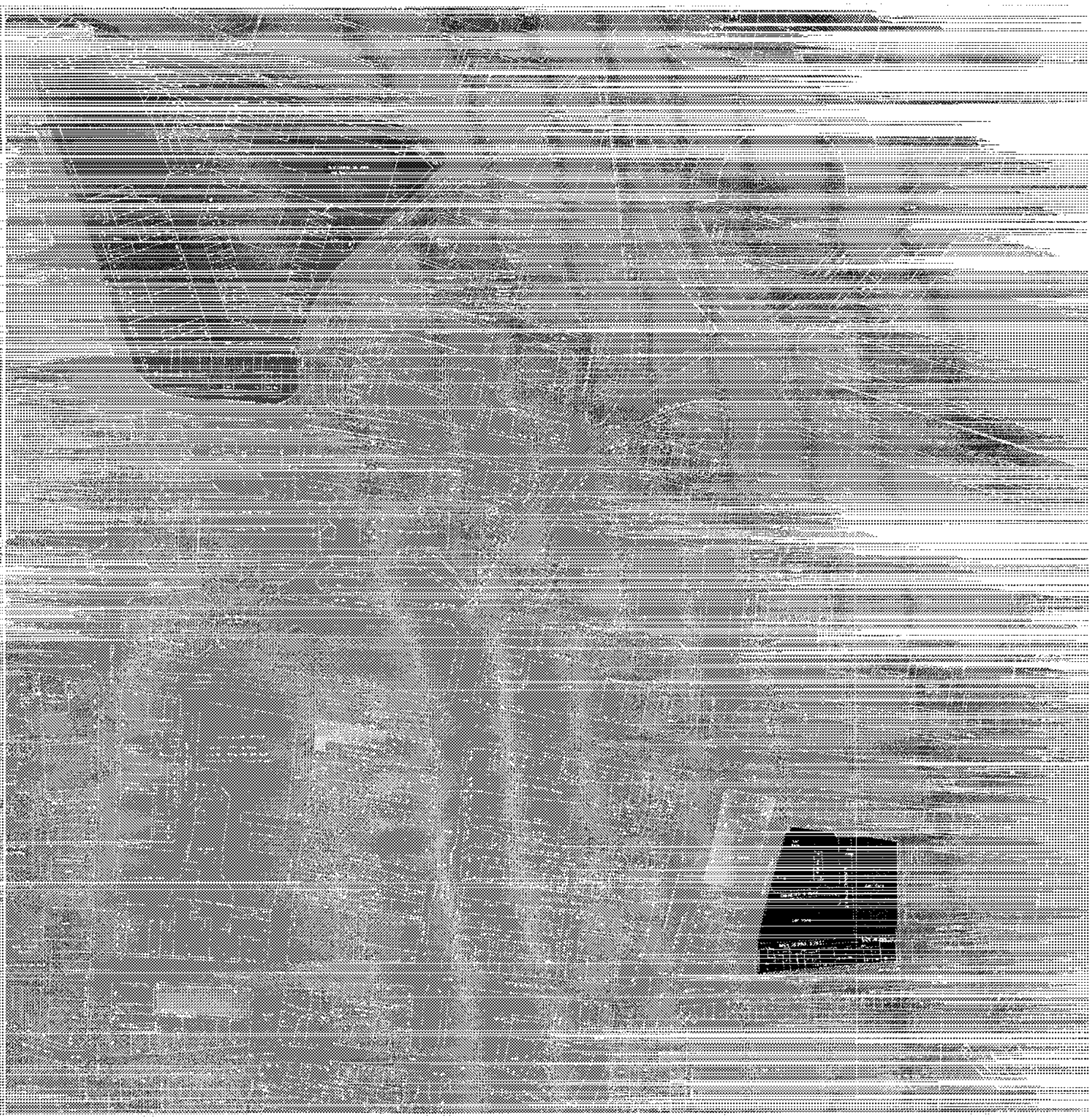
- **Retail warehouse scheme** - we have an option to acquire a site with unrestricted A1 planning permission for 45,000 sq ft of retail warehousing. Letting discussions with multiple retailers are progressing well. The development will significantly enhance the value of an existing ownership.

- **Central Road, Leeds** - a residential and retail opportunity in the city centre which will provide 24 flats in a Grade II listed building and refurbishment of the retail accommodation, close to the prime shopping area of the city.

- **The Maltings, Salisbury** - during the year we acquired a block adjoining our existing ownership which offers significant value-added opportunities for reconfiguration and redevelopment.

- **Piccadilly, Manchester** - a 13.5 acre site with planning permission for 82,000 sq ft of high quality (open A1) retail space with dedicated car parking; a 143 unit waterfront residential scheme designed around a canal marina along with a variety of bars restaurants leisure facilities and offices. The scheme also includes a multi-storey car park.

The Waterfront
PICCADILLY • MANCHESTER



Car Parking

Over the last [illegible] years we have achieve[illegible] [illegible]ansformation of the car parking busines[illegible]

[illegible]

UNIVERSAL PARKING

[illegible]

5

Finance Director's Report

Profit and loss account

The segmental analysis at note 2 to the accounts for the first time shows an allocation of the group interest charge which reveals the car park profit before taxation of £1.319 million which gives earnings after tax of £0.949 million using a full tax rate. Borrowings have been allocated based on capital expenditure since the restructuring of car parking activities as a separate group at 30 June 1997. Intra-group borrowings are now on an arm's length basis and will be substantially replaced by separate banking facilities during the current year. Following this restructuring the group's investment in the car parking group can be calculated at £9.297 million as at 30 June 1999.

The charge for taxation continues to benefit from capital allowances in respect of investment properties. We continue to provide for tax on a prudent basis.

Net Assets

The financial highlights show a pro-forma net assets per share figure split between property activities and car parking. It is difficult to combine the results of two businesses when one is valued on the basis of assets and the other using earnings. However we believe that the pure accounting basis of consolidation does not give shareholders a clear basis for valuation, so we have added a pro-forma net assets calculation at note 23 to the accounts. This makes two adjustments to the accounts net assets figure:

- an adjustment to reflect our belief that the car park business is worth more than the sum of its individual assets;
- a directors' current valuation of the development properties which are not revalued in the accounts.

The pro-forma calculation shows net assets per share of 165p compared to the accounts basis of 154p.

Borrowings at the year end amounted to £134.433 million including long term fixed rate debenture stock of £87.5 million and £40 million of bank borrowings maturing in the next four years. An interest rate swap agreement gives us a fixed rate on £30 million of the bank borrowings.

The disclosures required by Financial Reporting Standard 13 are included in the notes to the accounts for the first time. These disclosures are complex and will allow for the effect of our fixed interest debt arrangements to be assessed. However, I would like to stress that the calculations in respect of the £85 million Mortgage Debenture Stock are purely theoretical. It is the group's firm conviction that this debt will be repaid at par in the year 2021, not at current value. There is therefore no basis for any adjustment to pro-forma net assets.

Directors' Reports & Accounts

Directors' Report

The directors have pleasure in presenting the annual report and accounts for the year ended 30 June 1999. A review of the performance of the group and its results for the year and future prospects is contained on pages 4 to 14, which should be read in conjunction with this report.

Principal activities

The principal activities of the company and its subsidiary undertakings (the group) during the financial year remained those of property investment, development and trading.

The principal activities of Universal Parking Limited and its subsidiary undertakings are car parking and security operations.

Rochdale Canal Company continued with its activities of carrying out its statutory obligations to maintain the Rochdale Canal.

Results for the year and dividends

The results are set out in the consolidated profit and loss account on page 24.

An interim dividend of 1.3p per share was paid on 30 June 1999 and the directors now recommend the payment of a final dividend of 3.0p per share based on the share capital in issue on 30 June 1999.

Fixed assets

Details of movements in fixed assets are set out in notes 10 to 12 of the accounts.

The group's properties, other than those held by the car parking and trading subsidiary undertakings, are held as long term investments.

With the exception of property held for development, freehold and long leasehold investment properties have been revalued as at 30 June 1999 on the basis of open market value. The valuation was carried out by Montagu Evans, Chartered Surveyors and disclosed an increase in value of £6.5 million which has been incorporated in the accounts. In arriving at the total valuation each property has been valued individually and no allowance has been made for expenses of realisation nor for taxation which might arise in the event of disposal.

Share capital

On 3 September 1998 the company transferred its shareholding in Stylo plc to the shareholders of the company resulting in a reduction of £1,707,000 in share capital and £1,544,000 in share premium. The company's remaining share capital was then consolidated and sub-divided into 123,404,000 ordinary shares of 25 pence each.

On 8 April 1999 the company purchased in the market 5,496,000 ordinary shares (nominal value £1,374,000) for consideration of £3,485,000 representing 4.5% of the issued share capital for subsequent cancellation. This action took advantage of stock market conditions at the time to enhance existing shareholder returns.

Derivatives and other financial instruments

The group's objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, bank loans and debenture stock.

The group seeks to minimise the risk of fluctuation in interest rate by using long term fixed debt to match its property commitments. The group's bank borrowings are at fixed and floating rates of interest. The interest rate exposure is limited through the use of interest rate swaps used for hedging purposes.

The fair value adjustments arising from the requirements of FRS 13 are detailed in note 16 to the accounts.

Supplier payment policy

It is the company's policy to settle the terms of payment with suppliers when agreeing each transaction or series of transactions, to ensure that suppliers are made aware of these terms and to abide by them. Creditor days at the end of the year for the group were 40 days (1998 52 days), company 31 days (1998 50 days).

Donations

Charitable donations during the year amounted to £4,000 (1998 £32,000). The group has made no political contributions.

Taxation status

The company is not a close company.

Directors' and officers' liability insurance

The group maintains liability insurance on behalf of the directors and officers of the group.

Directors' Report continued

Substantial shareholdings

Excluding those of directors, the company had been notified of the following interests in a substantial part of its share capital at 4 October 1999.

	Number of shares	% of issued Capital
Prudential Corporation PLC	17,467,677	14.8
A L Manning	6,074,936	5.2
Norwich Union	4,664,744	3.9
M A Ziff	3,550,448	3.0

Directors

The directors of the company are shown on page 2 and their interests in the shares of the company are disclosed in the report of the Remuneration Committee.

The directors retiring by rotation are D S Syers and T J Crawford who offer themselves for re-election. J M Blackburn and R A Smith offer themselves for election having been appointed since the last Annual General Meeting.

Employees

The group operates profit sharing, savings related share option schemes and other share option schemes for the benefit of all employees. The board values the significant involvement in the group's future which these schemes encourage.

In all employment matters the group maintains its commitment to an equal opportunities policy.

Year 2000 Compliance

The group has undertaken a full review of the risks associated with the impact on the business by Year 2000. To ensure that the groups systems are Year 2000 compliant a project team has performed testing and remedial work. We have also established contingency plans to ensure that we will be ready to take appropriate action should any problems occur, to limit the effects on our business. Whilst we have made every effort to ensure that we will achieve Year 2000 compliance, in common with other companies we can not offer a guarantee that we will not be affected in any way. The costs associated with the project are not significant.

Annual General Meeting

Accompanying this report is the Notice of the Annual General Meeting which sets out the resolutions for the meeting including the following special business resolutions.

Resolution 8 to be proposed at the Annual General Meeting seeks authority for the directors to allot shares in the company. The proposed authority is in respect of the whole of the existing authorised but unissued share capital and is in respect of unissued ordinary shares to an aggregate nominal value of £10,490,000, which represents approximately 9% of the company's issued share capital. If given, this authority will expire on the date of the Annual General Meeting of the company held in 2004 (or if earlier on 14 December 2004). The directors do not have any current intention of exercising this authority.

A company wishing to make issues of equity capital for cash otherwise than to existing equity shareholders in proportion to their shareholdings may, if it has obtained the requisite general authority from its shareholders, do so without the need for approval of its shareholders for each issue as it arises.

Resolution 9, which is dependent on resolution 8 being passed, is proposed in order to give the directors a general authority to allot equity securities for cash otherwise than on a pre-emptive basis to existing shareholders. This power is sought in respect of unissued ordinary shares to an aggregate nominal value of £1,474,000 being 5% of the company's issued share capital. If given, this authority will expire on the date of the next Annual General Meeting of the company to be held in 2000 but it is intended to seek its renewal at that meeting.

Resolution 10 to be proposed at the Annual General Meeting seeks authority for the directors to purchase, in the market, the company's own shares, subject to the limits contained in that resolution, as permitted under Article 9B of the company's articles of association. The directors seek approval to make purchases of up to 14.5% of the company's issued share capital and undertake that the authority would only be exercised if they were satisfied that a purchase was in the best interests of the company at the time. The directors do not have any current intention of exercising this authority.

Auditors

A resolution for the reappointment of PricewaterhouseCoopers as auditors of the company is to be proposed at the Annual General Meeting.

13 October 1999

Karen Prior

By order of the board
Karen Prior
Secretary

Corporate Governance

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and company at the end of the year and of the profit of the group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and the group and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of compliance

The board of directors have generally complied throughout the period with the Combined Code except for the following matters:

- following the death of George Cox on 18 September 1998, there was only one non-executive director serving on the board as opposed to three specified by the Code. Subsequent non-executive appointments were made with Mike Blackburn joining in January 1999 and Robin Smith in July 1999. These appointments are for an initial period of three years extendible upon mutual agreement. Clive Lewis does not have fixed terms of employment;
- under the terms of the articles it is not currently a requirement for the executive directors to retire by rotation. With the exception of the chairman, the executive directors voluntarily offer themselves for retirement by rotation;
- in view of the size of the board it has not been considered appropriate to establish a Nomination Committee; instead the entire board acts as a Nomination Committee and is responsible for the selection and approval of candidates for appointment.

Board of directors

In addition to the chairman, the board comprises three non-executive directors and four executive directors. The senior non-executive director is Mike Blackburn who is deputy chairman. The board considers that all non-executive directors should be regarded as being independent. Company policy and its strategic direction is determined by the full board, which meets regularly. Matters of policy reserved for the decision of the full board include the approval of financial statements, business plans, all major property purchases, sales and leases, and policies covering areas of major importance such as treasury operations. The executive directors who work as a team and meet regularly in the course of their work execute these strategies and policies on a day to day basis.

The entire board acts as a Nomination Committee and is responsible for the selection and approval of candidates for appointment.

The board's independent Audit Committee is comprised solely of the three non-executive directors. It meets twice a year and its duties include the review of the group's financial controls, the detailed review of the annual report and accounts and interim statement before submission to the full board and the review of the group's accounting policies. The chairman, managing director, finance director and external auditors attend these meetings.

The Remuneration Committee of the board comprises the three non-executive directors.

Corporate Governance continued

Information on directors

Arnold Ziff age 72 founded the company in 1959 and has remained chairman since that date. He is also chairman of Stylo plc. His past directorships include Halifax plc, The Leeds Permanent Building Society, and the regional board of Lloyds Bank.

Edward Ziff age 39 first joined the company in 1980. He was appointed to the board in 1985 and has served as managing director since 1993.

John Leadbeater age 51 is a chartered surveyor. He first joined the company in 1973 and has served on the board since 1985.

Duncan Syers age 43 joined the company in 1991 and was appointed finance director in 1993. Duncan is a chartered accountant and previously worked for PricewaterhouseCoopers.

James Crawford age 37 joined the company in 1994 and was appointed to the board in 1996. James qualified as a chartered surveyor in 1986 and previously worked in private practice in London.

Clive Lewis joined the company in 1994 and is 63 years of age. A past president of the Royal Institution of Chartered Surveyors, he also serves as a non-executive director of St Modwen Properties PLC and Freeport Leisure PLC.

Mike Blackburn was appointed deputy chairman on 15 January 1999 and is 57 years of age. Currently vice chairman of Halifax plc and immediate past president of the Chartered Institute of Bankers, he was formally chief executive of Leeds Permanent Building Society and Halifax plc. He is a trustee of The Duke of Edinburgh's Award, a deputy lieutenant of West Yorkshire and a member of the Court and Council of the University of Leeds. His other directorships include George Wimpey plc and Jacobs Holdings plc.

Robin Smith joined the board on 6 July 1999 and is 56 years of age. A former senior partner of Dibb Lupton Alsop and past president of the Leeds Law Society, he currently also serves as a non-executive director of Leeds and Holbeck Building Society and the regional board of Coutts & Co.

Internal financial control

In the light of the provisions of the Combined Code relating to internal control, the group is reviewing its internal control systems, including financial, operational, compliance and risk management. A report on this process will be made next year. In the meantime, as permitted by the London Stock Exchange, the following paragraphs continue to apply to internal financial control only.

The board of directors is responsible for ensuring that adequate internal financial controls are in place to safeguard the assets and interests of the group and company and considerable importance is placed on maintaining a strong control environment. However, any such control system can only give reasonable and not absolute assurance against material misstatement or loss.

The group has a clearly defined organisational structure with appropriate levels of authority and segregation of duties.

The key control procedures, which the directors have established with a view to providing effective internal financial control, are as follows:

- regular meetings of the full board at which a formal schedule of matters is brought to it for decision;
- the board is responsible for identifying the major business risks faced by the group and for determining the appropriate course of action to manage those risks;
- each year the board approves an annual budget in line with strategic objectives. Performance is monitored and relevant action is taken throughout the year through quarterly reporting of variances from budget and updated profit forecasts;
- the board participates actively in significant treasury management matters. Cash flow projections are prepared monthly on a rolling two year basis;
- capital expenditure and disposal proposals are appraised and monitored by the board on a project by project basis;
- the board has delegated to executive management implementation of the system of internal control. This includes financial controls that enable the board to meet its responsibilities for the integrity and accuracy of the group's accounting records. The Audit Committee reviews the operation and effectiveness of this system of internal financial control on a regular basis.

The directors confirm that they have carried out a review of the effectiveness of the system of internal financial control for the year.

Going concern

The directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the accounts.

Report of the Remuneration Committee

This reoprt has been prepared in accordance with the provisions of schedule B to the Combined Code.

Remuneration policy

The Remuneration Committee sets the remuneration of the chairman and executive directors. The remuneration of non-executive directors is determined by the board. Remuneration levels are set by reference to responsibilities held, performance and market comparisons.

Individual salaries are reviewed annually and include benefits such as company cars and medical insurance. Executive directors are also entitled to participate in the group's approved profit sharing scheme under which ordinary shares are allocated on the same basis as to other employees.

The directors and senior operational management are also eligible to participate in the group's annual incentive scheme under which a percentage of salary is awarded (part in cash, part in shares) based on a combination of individual and group performance. The annual award is made, at the discretion of the Remuneration Committee, up to the maximum of 50% of salary. Shares awarded under the scheme are not available to the recipient for 3 years.

Executive directors are also entitled to participate in the group's pension and life assurance schemes.

Service contracts

The chairman and the non-executive directors do not have service contracts.

Mike Blackburn and Robin Smith have been appointed for an initial period of three years which is extendible upon mutual agreement.

Edward Ziff and John Leadbeater have service contracts with the company that are subject to not less than two years notice.

Duncan Syers and James Crawford have service contracts with the company under which they are entitled to a notice period of one year.

Directors' remuneration (£000)

	Notes	Salaries/Fees		Taxable Benefits		Employees Share Scheme		Total		Pension Contributions	
		1999	1998	**1999**	1998	**1999**	1998	**1999**	1998	**1999**	1998
Chairman											
I A Ziff		**120**	118	**15**	8	**2**	2	**137**	128	**-**	-
Executive Directors											
E M Ziff		**180**	159	**10**	13	**2**	2	**192**	174	**26**	25
J K Leadbeater		**108**	105	**5**	10	**2**	2	**115**	117	**38**	37
D S Syers		**94**	87	**8**	11	**2**	2	**104**	100	**11**	10
T J Crawford		**78**	70	**6**	6	**2**	2	**86**	78	**7**	6
		580	539	**44**	48	**10**	10	**634**	597	**82**	78
Non Executive Directors											
G H Cox	(a)	**-**	16	**-**	-	**-**	1	**-**	17	**-**	-
C H Lewis	(b)	**16**	16	**-**	-	**-**	-	**16**	16	**-**	-
J M Blackburn	(c)	**8**	-	**-**	-	**-**	-	**8**	-	**-**	-
		24	32	**-**	-	**-**	1	**24**	33	**-**	-
		604	571	**44**	48	**10**	11	**658**	630	**82**	78
Pension Contributions	(d)							**82**	78		
								740	708		

Notes:

(a) G H Cox died 18 September 1998

(b) Payments in respect of the services of Clive Lewis as a director include amounts paid to Penloo Consulting Limited, a company which he controls.

(c) In respect of service since appointment on 15 January 1999

(d) The group contributes to a defined contribution pension scheme that will provide executive directors with a pension based on a target of up to two-thirds of pensionable salary on retirement. The scheme also provides a lump sum death in service benefit and pension for dependants of members on their death in service or following retirement. Normal retirement age is 60.

Report of the Remuneration Committee *continued*

Directors' interest in shares

The interests of the directors in the share capital of the company (adjusted to reflect the reorganisation of share capital) are as follows:

		30 June 1999 Shares	1 July 1998 Shares
I A Ziff	Beneficial	**5,933,031**	5,947,291
	Non-beneficial	**3,541,095**	3,541,095
	As trustee	**3,638,699**	4,086,046
E M Ziff	Beneficial	**6,435,603**	6,340,778
	As trustee	**6,370,716**	6,370,716
J K Leadbeater	Beneficial	**119,486**	116,720
D S Syers	Beneficial	**21,672**	18,908
C H Lewis	Beneficial	**34,400**	24,400
T J Crawford	Beneficial	**29,777**	20,513
G H Cox	Beneficial	**-**	20,971
J M Blackburn	Beneficial	**20,000**	-

On 6 August 1999 Robin Smith acquired 7,000 shares.

The E M Ziff beneficial and trustee interests above include the shares shown as held non-beneficially by I A Ziff, 3,638,699 shares included in I A Ziff trustee interest and 151,011 shares included in I A Ziff beneficial interest.

At no time during the year has any director had any interest in any significant contract with the company.

Share options

The company operates three types of share option scheme in respect of ordinary shares:

(i) a regular SAYE scheme which is open to all eligible employees, including executive directors. Non-executive directors do not participate. The scheme was approved by shareholders and is subject to Inland Revenue rules;

(ii) an approved executive share option scheme approved by shareholders and subject to Inland Revenue rules. Executive directors and certain employees are eligible to participate in the scheme;

(iii) an unapproved executive share option scheme not subject to Inland Revenue rules. The scheme was approved by shareholders and is subject to the satisfaction of performance targets. Executive directors and certain employees are eligible to participate in the scheme.

The number of shares in the tables below have been adjusted to reflect the reorganisation of share capital effective 3 September 1998.

Executive share option scheme

		1 July 1998 and 30 June 1999	Exercise price (pence)	Earliest exercise date	Latest exercise date
E M Ziff	1984 Approved	266,506	56.0	Oct - 95	Oct - 02
	1994 Unapproved	430,511	104.0	Nov - 00	Nov - 07
	1994 Unapproved	168,408	105.5	Jan - 01	Jan - 08
J K Leadbeater	1984 Approved	207,283	56.0	Oct - 95	Oct - 02
	1994 Unapproved	238,261	104.0	Nov - 00	Nov - 07
	1994 Unapproved	145,953	105.5	Jan - 01	Jan - 08
D S Syers	1984 Approved	84,448	108.0	Nov - 96	Nov - 03
	1994 Unapproved	240,311	104.0	Nov - 00	Nov - 07
	1994 Unapproved	86,449	105.5	Jan - 01	Jan - 08
T J Crawford	1994 Unapproved	198,171	104.0	Nov - 00	Nov - 07
	1994 Unapproved	65,117	105.5	Jan - 01	Jan - 08

The market price of the company's ordinary shares at the year end was 69p. During the year the market price ranged between 57p and 95p.

Report of the Remuneration Committee
continued

SAYE scheme

	Scheme year	1 July 1998	Granted during the year	Cancelled during the year	30 June 1999	Exercise Price (pence)	Earliest Exercise Date	Latest Exercise Date
E M Ziff	1997	18,191	-	(18,191)	-			
	1999	-	28,488	-	28,488	64.5p	Feb-06	Aug-06
J K Leadbeater	1996	17,026	-	(17,026)	-			
	1999	-	15,019	-	15,019	64.5p	Feb-02	Aug-02
D S Syers	1997	10,897	-	(10,897)	-			
T J Crawford	1997	10,265	-	(10,265)	-			
	1998	8,219	-	(8,219)	-			
	1999	-	26,162	-	26,162	64.5p	Feb-04	Aug-04

Auditors' Report

TO THE MEMBERS OF TOWN CENTRE SECURITIES PLC

We have audited the financial statements on pages 24 to 41 and the additional disclosures on pages 20 to 22 relating to the remuneration of the directors specified for our review by the London Stock Exchange, which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 29 and 30.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report, including as described on page 18 the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board, the Listing Rules of the London Stock Exchange and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law or the Listing Rules regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

We review whether the statement on page 18 reflects the company's compliance with those provisions of the Combined Code specified for our review by the London Stock Exchange, and we report if it does not. We are not required to form an opinion on the effectiveness of the company's or group's corporate governance procedures or its internal controls.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group at 30 June 1999 and of the profit and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors

Leeds
13 October 1999

Consolidated Profit and Loss Account

Year ended 30 June 1999	Notes	**1999**	1998
		£000	£000
Gross revenue	2		
Continuing operations		**29,485**	29,341
Acquisitions		**1,620**	-
		31,105	29,341
Operating profit	2		
Continuing operations		**22,012**	21,816
Acquisitions		**242**	-
		22,254	21,816
Profit on disposal of fixed assets	3	**1,792**	152
Exceptional loss on revaluation of investment		-	(2,592)
Profit before interest		**24,046**	19,376
Net interest payable	5	**11,231**	10,848
Profit before taxation		**12,815**	8,528
Taxation	6	**2,052**	2,632
Profit after taxation	7	**10,763**	5,896
Dividends	8	**5,067**	5,079
Profit retained for the year	18	**5,696**	817

Earnings per ordinary share of 25p each			
(1998 restated)	9		
Underlying		**6.9p**	6.8p
On reported profit and diluted		**8.8p**	4.8p
Dividend per ordinary share of 25p each	8	**4.3p**	4.1p

Statement of Total Recognised Gains and Losses

Year ended 30 June 1999	1999 £000	1998 £000
Profit for the year after taxation	**10,763**	5,896
Unrealised surplus on the revaluation of properties	**6,460**	7,718
Unrealised deficit on the revaluation of investment in Stylo plc	**-**	(6,408)
Unrealised (deficit)/surplus on the revaluation of other investments	**(63)**	69
Total recognised gains relating to the year	**17,160**	7,275

Note of Historical Cost Profits and Losses

Year ended 30 June 1999	1999 £000	1998 £000
Reported profit before taxation	**12,815**	8,528
Realisation of investment revaluation gains	**4,679**	3,357
Historical cost profit before taxation	**17,494**	11,885
Historical cost retained profit	**10,375**	4,174

Consolidated Balance Sheet

	Notes	1999		1998	
		£000	£000	£000	£000
Fixed assets					
Intangible assets	10	**2,689**		-	
Tangible assets	11	**324,679**		307,234	
Investments	12	**1,082**		4,078	
			328,450		311,312
Current assets					
Trading properties		**289**		291	
Debtors	13	**7,510**		7,299	
		7,799		7,590	
Creditors (due within one year)					
Bank overdraft (secured)		**6,615**		10,020	
Loan capital (secured)	15	**17**		18	
Other creditors	14	**20,646**		21,213	
		27,278		31,251	
Net current liabilities			**(19,479)**		(23,661)
Total assets less current liabilities			**308,971**		287,651
Creditors (amounts due after more than one year)					
Loan capital (secured)	15		**(127,801)**		(111,845)
			181,170		175,806
Capital and reserves-equity interests					
Called up share capital	17		**29,480**		32,558
Share premium account	18		**4**		1,544
Capital redemption reserve	18		**1,374**		-
Special reserve	18		**3,151**		-
Property revaluation surplus	18		**103,676**		101,895
Other reserves	18		**332**		395
Realised capital reserves	18		**11,134**		4,663
Profit and loss account	18		**32,019**		34,751
Shareholders' funds	19		**181,170**		175,806

I A Ziff

I A Ziff

Approved by the Board

13 October 1999

Company Balance Sheet

30 June 1999	Notes	1999		1998	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	11	**196,033**		194,247	
Investments	12	**105,231**		104,289	
			301,264		298,536
Current assets					
Debtors	13	**31,071**		26,393	
Creditors (due within one year)					
Bank overdraft (secured)		**6,166**		15,581	
Loan capital (secured)	15	**17**		18	
Other creditors	14	**17,331**		37,832	
		23,514		53,431	
Net current assets/(liabilities)			**7,557**		(27,038)
Total assets less current liabilities			**308,821**		271,498
Creditors (amounts due after more than one year)					
Loan capital (secured)	15		**(127,801)**		(96,845)
			181,020		174,653
Capital and reserves-equity interest					
Called up share capital	17		**29,480**		32,558
Share premium account	18		**4**		1,544
Capital redemption reserve	18		**1,374**		-
Special reserve	18		**3,151**		-
Property revaluation surplus	18		**36,318**		35,273
Other reserves	18		**25,571**		21,571
Realised capital reserves	18		**58,182**		46,301
Profit and loss account	18		**26,940**		37,406
Shareholders' funds	19		**181,020**		174,653

I A Ziff

Approved by the Board

13 October 1999

Consolidated Cash Flow Statement

Year ended 30 June 1999

	1999		1998	
	£000	£000	£000	£000
Net cash inflow from operating activities		**21,984**		23,162
Returns on investments and servicing of finance				
Interest paid		**(11,266)**		(10,880)
Taxation		**(2,475)**		(773)
Capital expenditure and financial investment				
Purchase of investment properties	**(28,300)**		(14,006)	
Purchase of development properties	**(275)**		-	
Purchase of car park properties	**(5,780)**		(5,088)	
Purchase of intangible assets	**(695)**		-	
Purchase of other tangible assets	**(238)**		(361)	
Proceeds from sale of investment properties	**25,456**		9,266	
Proceeds from sale of listed investments	-		127	
Proceeds from sale of other tangible assets	**18**		18	
Purchase of investments	**(144)**		-	
(Increase)/decrease in own shares held in trust	**(24)**		58	
		(9,982)		(9,986)
Acquisitions				
Purchase of investment in subsidiary undertakings (note 10)		**(2,222)**		-
Equity dividends paid		**(5,046)**		(5,071)
Net cash outflow before financing		**(9,007)**		(3,548)
Financing				
Shares issued on take up of options	**7**		158	
Expenses associated with capital reorganisation	**(100)**		-	
Repurchase of share capital	**(3,485)**		-	
Loan repayment	**(19)**		(1,058)	
New loans	**16,009**		-	
Net cash inflow/(outflow) from financing		**12,412**		(900)
Increase/(decrease) in cash		**3,405**		(4,448)

The group statement of cash flows should be read in conjunction with note 20 to the accounts.

Notes to the Accounts

1. Accounting policies

The accounts are prepared under the historical cost convention as modified by the revaluation of properties and fixed asset investments and in accordance with applicable accounting standards.

The principal accounting policies are as follows:

a. Basis of consolidation

The consolidated accounts incorporate the accounts of the company and each of its subsidiary undertakings for the year ended 30 June 1999. Results of subsidiary undertakings acquired or disposed of during the year are consolidated from or to the date on which control passes. The consolidated accounts include the appropriate share of results and reserves of its associated undertakings.

b. Goodwill

Goodwill arising on acquisitions prior to 30 June 1998 was set off directly against reserves in the year of acquisition. As permitted by FRS 10, the group has not applied the new accounting policy to goodwill previously eliminated against reserves. Goodwill arising on subsequent acquisitions is capitalised and amortised on a straight line basis over its useful economic life.

c. Intangible assets

Intangible assets acquired separately from a business are capitalised at cost and amortised on a straight line basis over their estimated useful lives.

d. Properties

The group's investment properties, with the exception of those classified as development properties are revalued annually and are included in the accounts at open market values. Development properties are stated at cost or at directors' previous valuation.

Trading properties and operational car park properties are stated at the lower of cost and net realisable value. Cost includes, where appropriate, interest costs less rents receivable.

e. Depreciation and amortisation

No depreciation or amortisation is provided in respect of freehold and long leasehold investment properties, including fixed plant, which is included in properties. The directors consider that this accounting policy is necessary for the accounts to give a true and fair view. Depreciation or amortisation is only one of the factors reflected in the accounts valuation and the amount attributable to this factor cannot be separately identified or quantified.

Short leasehold properties are amortised over the period of the lease.

Other tangible assets are depreciated at rates appropriate to write off individual assets over their estimated useful lives of between 3 and 10 years, other than freehold and long leasehold car parks whose useful lives and residual value are such that depreciation is immaterial.

f. Investments

Except as stated below, investments held as fixed assets are stated at cost less provision for any permanent diminution in value. Listed investments held as fixed assets are included in the accounts at market value.

Shares in associated undertakings are accounted for in the consolidated accounts using the equity method. The consolidated profit and loss account includes the group's share of the pre-tax profits and attributable taxation of the associated undertakings and the investment in the associates included in the balance sheet represents the relevant share of net assets.

g. Pensions

Pension costs are charged to the profit and loss account in the period to which they relate.

Notes to the Accounts continued

1. Accounting policies continued

h. Deferred taxation

No provision is made for taxation deferred by accelerated capital allowances unless there is reasonable probability that an actual liability will arise in the foreseeable future.

No provision is made for the amount of tax which would become payable under present legislation in the event of future sales of investment properties and fixed asset investments at the amounts at which they are included in the accounts as these are held for the long term.

i. Interest rate swaps

Interest rate swaps are used for hedging purposes to alter the risk profile of an existing underlying exposure of the group in line with the group's risk management policies. Amounts payable or receivable in respect of interest rate swaps are recognised as adjustments to interest expense over the period of the contracts.

2. Segmental analysis

	Property Investment	Car Park Operations	1999 Total
	£000	£000	£000
Gross revenue	**23,971**	**7,134**	**31,105**
Intra group rents	791	(791)	-
Property expenses/cost of sales	(1,148)	(4,177)	(5,325)
Net rents/profits	**23,614**	**2,166**	**25,780**
Administrative expenses	(3,346)	(180)	(3,526)
Operating profit	**20,268**	**1,986**	**22,254**
Interest	(10,564)	(667)	(11,231)
Profit before taxation (ongoing revenue activities)	**9,704**	**1,319**	**11,023**
Net operating assets	**175,410**	**9,297**	**184,707**
Dividend payable			**(3,537)**
Net assets			**181,170**

			1998
	£000	£000	£000
Gross revenue	**24,917**	**4,424**	**29,341**
Intra group rents	694	(694)	-
Property expenses/cost of sales	(2,007)	(2,162)	(4,169)
Net rents/profits	**23,604**	**1,568**	**25,172**
Administrative expenses	(3,186)	(170)	(3,356)
Operating profit	**20,418**	**1,398**	**21,816**
Interest	(10,781)	(67)	(10,848)
Profit before taxation (ongoing revenue activities)	**9,637**	**1,331**	**10,968**
Net operating assets	**171,297**	**8,025**	**179,322**
Dividend payable			(3,516)
Net assets			**175,806**

Car park operations include the results of Universal Parking Group Limited for the period from 1 December 1998 being turnover of £1,620,000 and operating profit of £242,000 after amortisation of goodwill of £59,000.

Notes to the Accounts continued

2. Segmental analysis continued

	1999	1998
	£000	£000
Operating profit is arrived at after charging:		
Depreciation	**290**	321
Amortisation of goodwill	**59**	-
Amortisation of lease premium	**29**	28
Loss on disposal of other tangible fixed assets	**-**	1
Auditors remuneration:		
- audit (company £15,000 (1998 £15,000))	**31**	31
- other fees	**74**	67

3. Profit on disposal of fixed assets

	1999	1998
	£000	£000
Profit on disposal of investment properties	**1,792**	174
Loss on disposal of fixed asset investments	**-**	(22)
	1,792	152

4. Employees

	1999	1998
	£000	£000
Salaries and wages (including directors emoluments)	**3,342**	2,432
Social Security costs	**280**	220
Other pension costs	**374**	450
Employees' profit share scheme	**70**	77
	4,066	3,179

The aggregate remuneration of the directors of the company for the year was £740,000 (1998 £730,000). Further details of directors' remuneration and their share options including those of the highest paid director are included on pages 20 to 22 of the Remuneration Committee Report.

The average number of employees during the year was 232 (1998 159).

The group operates a pension arrangement for the benefit of all eligible directors and employees, which is in the nature of a defined contribution scheme. The assets of the scheme are held separately from those of the company in independently administered funds. The pension cost charge for the year of £374,000 (1998 £450,000) represents contributions payable by the group.

Notes to the Accounts continued

5. Net interest payable

	1999 £000	1998 £000
Debentures	**8,891**	8,893
Mortgages	**29**	25
Bank interest	**2,435**	2,331
Interest receivable	**(124)**	(401)
	11,231	10,848

Interest payable on loans repayable after five years included above amounts to £8,925,000 (1998 £8,918,000).

6. Taxation

	1999 £000	1998 £000
Based on the group profit at 30.75% (1998 31%)		
Corporation tax	**2,541**	2,713
Deferred taxation	**40**	(152)
	2,581	2,561
Prior year adjustments:		
Corporation tax	**(559)**	73
Deferred tax	**30**	(2)
	(529)	71
	2,052	2,632

The corporation tax charge for the year has been reduced principally by the effect of capital allowances on investment properties.

The directors estimate that a tax liability of £10.6 million would arise in the group (company £10.7 million) if the revalued assets were disposed of at the amount stated in the accounts. There is no other significant unprovided liability for deferred taxation.

7. Profit for the year

Town Centre Securities PLC has not presented its own profit and loss account as permitted by Section 230 of the Companies Act 1985. The amount of the consolidated profit for the financial year dealt with in the accounts of the parent undertaking is £6,927,000 (1998 £4,186,000).

8. Dividends

	1999 £000	1998 £000
Interim paid 1.30p per share (1998 1.27p)	**1,530**	1,563
Final proposed 3.00p per share (1998 2.85p)	**3,537**	3,516
	5,067	5,079

Notes to the Accounts continued

9. Earnings per share

The earnings per share is calculated on profit for the year of £10,763,000 (1998 £5,896,000) and on 122.3 million (1998 123.3 million adjusted) ordinary shares, the weighted average number of shares in issue during the year.

The number of dilutive potential ordinary shares arising from share options is 488,000 (1998 172,000). The dilutive potential ordinary shares have no impact on earnings per share.

	1999		1998	
	Earnings	**Earnings per share**	Earnings	Earnings per share (restated)
	£000	**pence**	£000	pence
Earnings and earnings per share	**10,763**	**8.80**	5,896	4.78
Profit on disposal of fixed assets	**(1,792)**	**(1.47)**	(152)	(0.12)
Exceptional loss on revaluation of investment	**-**	**-**	2,592	2.10
Prior year taxation adjustment	**(529)**	**(0.43)**	71	0.06
Underlying earnings and earnings per share	**8,442**	**6.90**	8,407	6.82

Adjusted earnings per share information has been shown to facilitate comparison.

10. Intangible assets

Group

	Goodwill	**Acquired intangible assets**	**Total**
Cost	**£000**	**£000**	**£000**
Arising on acquisition (see below)	2,053	-	2,053
Car park concession	-	695	695
At 30 June 1999	2,053	695	2,748
Amortisation			
Charge for the period	(59)	-	(59)
Net book value at 30 June 1999	1,994	695	2,689

The car park concession will be amortised over its useful life of 5 years.

Acquisitions

On 30 November 1998 the company acquired 100% of the issued share capital of Universal Parking Group Limited. The book and fair value of assets and liabilities acquired were:

	£000
Tangible fixed assets	393
Debtors	408
Creditors	(435)
Debt	(169)
Taxation	(197)
Net assets	-
Goodwill	2,053
Satisfied by:	
Cash	2,000
Acquisition expenses	53
	2,053

Deferred consideration up to a maximum of £1,062,000 is payable dependent upon the results for the year ended 31 March 2000. No provision for deferred consideration has been made in these accounts based on current forecasts.

The cash outflow in respect of the acquisition of £2,222,000 comprised £2,053,000 and £169,000 of assumed debt.

The goodwill is being amortised over 20 years.

Notes to the Accounts continued

11. Tangible fixed assets

Investment properties at valuation	Company Freehold	Company Long leasehold	Group Freehold	Group Long leasehold
	£000	£000	£000	£000
Valuation at 1 July 1998	156,493	29,220	248,202	32,910
Expenditure	9,090	3,809	24,494	3,806
Disposals	(18,183)	(360)	(22,143)	(1,521)
Increase/(decrease) in value on revaluation	6,961	275	7,390	(930)
Balance at 30 June 1999	154,361	32,944	257,943	34,265
Valuation at 30 June 1999	187,305		292,208	

The above freehold and long leasehold investment properties have been revalued as at 30 June 1999 on the basis of open market value by Montagu Evans, Chartered Surveyors, (other than freehold properties which have been valued at £4,753,000 by the directors).

Development properties	Company Freehold	Group Freehold
	£000	£000
Valuation at 1 July 1998	8,136	12,886
Additions	275	275
Valuation at 30 June 1999	8,411	13,161

Operational car park properties	Group Freehold	Group Long leasehold	Group Short leasehold
	£000	£000	£000
Balance at 1 July 1998	6,914	4,872	260
Additions	3,911	1,869	-
Amortisation	-	-	(29)
Balance at 30 June 1999	10,825	6,741	231
Net book value at 30 June 1999		17,797	

Whilst it is the group's policy to depreciate tangible assets other than investment properties, the estimated useful life and residual value of freehold and long leasehold operational properties are such that depreciation is immaterial.

Fixtures, equipment and motor vehicles	Company *Cost*	Company *Depreciation*	Group *Cost*	Group *Depreciation*
	£000	£000	£000	£000
Balance at 1 July 1998	1,397	999	2,910	1,720
Acquisition of subsidiary undertakings	-	-	1,103	710
Additions	25	-	238	-
Disposals	(61)	(48)	(65)	(47)
Depreciation charge for the year	-	93	-	290
Balance at 30 June 1999	1,361	1,044	4,186	2,673
Net book value at 30 June 1999	317		1,513	
Total tangible assets	**196,033**		**324,679**	

Notes to the Accounts continued

11. Tangible fixed assets continued

The directors estimate that the historical cost of tangible assets amounts to:
group £178.4 million (1998 £167.2 million); company £115.2 million (1998 £120.6 million).

The cost of freehold properties includes interest capitalised net of rental income of £1,505,000 (1998 £1,505,000) less taxation relief.

Capital commitments	**Company**	**Group**	Company	Group
	1999		1998	
	£000	**£000**	£000	£000
Expenditure contracted not provided	**36**	**41**	2,705	3,306

12. Fixed asset investments

	Shares in/ loans from subsidiary undertakings	**Associated undertakings**	**Listed investments**	**Own shares held**	**Total**
	£000	£000	£000	£000	£000
Company					
Balance at 1 July 1998	101,137	1	3,151	-	104,289
Additions	-	-	74	-	74
Disposals	-	-	(3,151)	-	(3,151)
Adjustments to reflect revaluation	4,000	-	19	-	4,019
Balance at 30 June 1999	105,137	1	93	-	105,231
Historic cost					
At 1 July 1998	90,969	1	5,766	-	96,736
At 30 June 1999	90,969	1	74	-	91,044
Group					
Balance at 1 July 1998	-	679	3,352	47	4,078
Additions	-	70	74	24	168
Disposals	-	-	(3,151)	-	(3,151)
Increase/(decrease) on revaluation of of other investments	-	50	(38)	(25)	(13)
Balance at 30 June 1999	-	799	237	46	1,082
Historic Cost					
At 1 July 1998	-	1	23	43	67
At 30 June 1999	-	1	97	59	157

Details of subsidiary and associated undertakings are provided in note 22.

Own shares held represents the market value of shares held by TCS Trustees Limited. This company holds shares for future distribution to employees in respect of employee share schemes in accordance with the rules of such schemes and long service awards.

The company has funded the acquisition of the shares by way of a loan to the ESOP. Interest is charged at the rate of 3% per annum and is repaid out of dividend income. All costs relating to the schemes are dealt with in the profit and loss account as they accrue.

Notes to the Accounts continued

13. Debtors

	1999 Company	1999 Group	1998 Company	1998 Group
	£000	£000	£000	£000
Trade debtors and prepayments	**3,557**	**7,510**	3,983	7,299
Corporation tax	**3,718**	-	442	-
Amounts owed by subsidiary undertakings	**23,796**	-	21,968	-
	31,071	**7,510**	26,393	7,299

14. Other creditors

	1999 Company	1999 Group	1998 Company	1998 Group
	£000	£000	£000	£000
Trade creditors and accruals	**7,040**	**13,723**	7,330	13,234
Corporation tax	-	**3,313**	-	3,569
Other taxation and social security	**947**	**73**	933	894
Proposed dividend	**3,537**	**3,537**	3,516	3,516
Amounts owed to subsidiary undertakings	**5,807**	-	26,053	-
	17,331	**20,646**	37,832	21,213

Corporation tax includes £120,000 (1998 £51,000) in respect of deferred taxation.

15. Loan capital (secured)

		1999	1998
		£000	£000
Parent undertaking			
6½% Mortgage	2004/7	**326**	339
7% Mortgage	2005	**32**	37
10½% First mortgage debenture stock	2021	**87,492**	87,527
Bank loans	2001/3	**39,968**	8,960
		127,818	96,863
Subsidiary undertakings			
Bank loan		-	15,000
		127,818	111,863
Less amounts repayable within one year, all of which relates to the parent undertaking		**(17)**	(18)
		127,801	111,845

The debenture mortgages and bank loans are secured by fixed charges on properties owned by the company and its subsidiary undertakings.

The parent undertaking has guaranteed loans and overdrafts in certain subsidiary undertakings, which at 30 June 1999 amounted to £nil (1998 £15,000,000).

Notes to the Accounts continued

16. Financial instruments

The Group has adopted the requirements of FRS 13, Derivatives and other financial instruments. The group has taken advantage of the exemption, that short term debtors and creditors be excluded from the following disclosures. The exemption on the ground of practicality from providing comparatives has also been exercised where appropriate.

All financial liabilities are denominated in sterling.

Liquidity risk

The maturity profile of the group's financial liabilities at 30 June 1999 is set out below:

	Bank borrowings £000	Debenture stock £000	Mortgages £000	Total £000
In one year or less or on demand	6,615	-	17	6,632
In more than one year but not more than two years	10,000	-	19	10,019
In more than two years but not more than five years	29,968	-	73	30,041
In more than five years	-	85,000	249	85,249
	46,583	85,000	358	131,941
Debenture issue premium allocated to future periods	-	2,492	-	2,492
Gross financial liabilities	46,583	87,492	358	134,433

The group has undrawn floating rate loan facilities as set out below:

	£000
Expiring in one year or less	6,685
Expiring in more than two years	15,032
	21,717

The facilities expiring in one year are overdraft facilities subject to annual review. Other facilities are available to provide funding for future investments.

Interest rate risk

The interest rate risk of the group's financial liabilities at 30 June 1999 after taking account of the interest rate swaps is as follows:

	Book value £000	Weighted average rate %	Weighted average period years
Debenture stock	85,000	10.50	21.8
Mortgages	358	6.62	4.4
Bank fixed rate liabilities	30,000	7.40	8.5
	115,358		
Bank floating rate liabilities	16,583		
	131,941		

Bank fixed rate liabilities include interest rate swaps which have the effect of transforming floating rate liabilities into fixed rate liabilities.

Floating rate financial liabilities bear interest at rates based on LIBOR, some of which are fixed in advance for periods up to six months.

Notes to the Accounts continued

16. Financial instruments continued

Fair values

The fair values of the group's financial liabilities at 30 June 1999 are set out below:

	Book value £000	Fair value £000	Fair value adjustment £000
Fixed rate instruments	87,850	126,937	(39,087)
Derivative instruments			
Interest rate swaps (notional principal £30,000,000)	-	1,323	(1,323)
Fair value adjustment	87,850	128,260	(40,410)
Tax at 30%			12,123

The fair values are determined by prices available from the market on which the financial liabilities and derivatives are traded. All gains and losses arising from hedging instruments crystallised during the year have been recognised in the profit and loss account.

17. Called up share capital

Authorised

164,879,000 (1998 174,000,000) ordinary shares of 25p each	**£41,220,000**

Issued and fully paid	**Number of shares 000**	**Nominal value £000**
Balance at 1 July 1998 adjusted for capital reorganisation	123,404	30,851
Buy back of own shares	(5,496)	(1,374)
Issued on take-up of options	12	3
Balance at 30 June 1999	117,920	29,480

On 3 September 1998 the issued share capital of 130,231,000 shares was reorganised, consolidated and subdivided into 123,404,000 shares of 25 pence each.

On 8 April 1999 the company purchased in the market 5,496,000 ordinary shares for cancellation.

The exercise of all options outstanding at 30 June 1999 would result in the issue of a further 2,657,000 ordinary shares (adjusted to reflect the reorganisation of share capital), analysed as follows:

	Number of shares 000
1984 Executive Share Option Scheme	614
1994 Executive Share Option Scheme	1,573
1997 Executive Share Option Scheme	216
SAYE Schemes 1995-1998	254
	2,657

Notes to the Accounts continued

18. Reserves

	Share premium account £000	Capital redemption reserve £000	Special reserves £000
Company and Group			
Balance at 1 July 1998	1,544	-	-
Arising on issue of shares	4	-	-
Arising on reorganisation of share capital	(1,544)	-	3,151
Arising on purchase and cancellation of own shares	-	1,374	-
Balance at 30 June 1999	4	1,374	3,151

	Property revaluation surplus £000	Other reserves £000	Realised capital reserves £000	Profit and loss account £000
Company				
Balance at 1 July 1998	35,273	21,571	46,301	37,406
Retained profit for the year	-	-	-	1,860
Increase in value on revaluation of properties	7,236	-	-	-
Arising on disposal of investment properties	(6,191)	-	11,881	(5,690)
Revaluation of investments in subsidiary undertakings	-	4,000	-	-
Arising on reorganisation of share capital	-	-	-	(3,151)
Arising on purchase and cancellation of own shares	-	-	-	(3,485)
Balance at 30 June 1999	36,318	25,571	58,182	26,940

The profit and loss account includes £4,144,000 (1998 £4,144,000) of reserves that have been realised on intra-group sales of properties and listed investments.

	Property revaluation surplus £000	Other reserves £000	Realised capital reserves £000	Profit and loss account £000
Group				
Balance at 1 July 1998	101,895	395	4,663	34,751
Retained profit for the year	-	-	-	5,696
Increase in value on revaluation of properties	6,460	-	-	-
Arising on disposal of investment properties	(4,679)	-	6,471	(1,792)
Arising on reduction in share capital	-	-	-	(3,151)
Arising on purchase and cancellation of own shares	-	-	-	(3,485)
Decrease in market value of fixed asset investments	-	(63)	-	-
Balance at 30 June 1999	103,676	332	11,134	32,019

Other reserves represent revaluation surpluses on investments.

Notes to the Accounts continued

19. Reconciliation of movements in shareholders' funds

	Company	Group
	£000	£000
Profit for the financial year	6,927	10,763
Dividends	(5,067)	(5,067)
	1,860	5,696
Arising on reorganisation of share capital	(3,251)	(3,251)
Arising on purchase and cancellation of own shares	(3,485)	(3,485)
New share capital subscribed	7	7
Surplus on property revaluation	7,236	6,460
Arising on revaluation of investments	4,000	(63)
Net increase in shareholders' funds	6,367	5,364
Opening shareholders' funds	174,653	175,806
Closing shareholders' funds	181,020	181,170

20. Notes to the cash flow statement

a) Reconciliation of operating profit to net cash inflow from operating activities

	1999	1998
	£000	£000
Operating profit	**22,254**	21,816
Depreciation	**290**	321
Amortisation of intangible assets	**59**	-
Amortisation of lease premiums	**29**	28
Decrease in trading properties	**2**	232
Decrease in current asset investments	**-**	90
Decrease/(increase) in debtors	**146**	(143)
(Decrease) increase in creditors	**(746)**	870
Share of profits of associated undertakings	**(50)**	(52)
Net cash inflow from operating activities	**21,984**	23,162

b) Analysis of changes in net debt

	As at 1 July 1998	Cash flow	Other movements	As at 30 June 1999
	£000	£000	£000	£000
Bank overdraft	(10,020)	3,405	-	**(6,615)**
Loan capital due within one year	(18)	-	1	**(17)**
Loan capital due after more than one year	(111,845)	(15,990)	34	**(127,801)**
	(121,883)	(12,585)	35	**(134,433)**

c) Reconciliation of net cash flow to movement in net debt

	1999	1998
	£000	£000
Increase/(decrease) in cash	**3,405**	(4,448)
Net (increase)/decrease in loans	**(15,990)**	1,058
Other non-cash movements	**35**	31
Change in net debt	**(12,550)**	(3,359)
Opening net debt	**(121,883)**	(118,524)
Closing net debt	**(134,433)**	(121,883)

Notes to the Accounts continued

21. Related party transactions

The chairman, I A Ziff is also the chairman of and a significant shareholder in Stylo plc. At 30 June 1998 the company held 15.11% of the issued share capital of Stylo plc. On 3 September 1998 the company transferred this investment to its members. The group received £110,000 (1998 £100,000) for management services provided and £352,000 (1998 £410,000) in rental from Stylo Barratt Properties Limited.

22. Additional information subsidiaries and associated undertakings

The company's active subsidiary undertakings all of which are wholly owned, registered in England and operate in the U.K. are as follows:

Property investment	
TCS Holdings Limited	Property investment
TCS Freehold Investments Limited	Property investment
TCS Leasehold Investments Limited	Property investment
T Herbert Kaye's Estates Limited	Property investment
Town Centre Securities (Manchester) Limited	Property investment
Town Centre Securities (Scotland) Limited	Property investment
Town Centre Services Limited	Property management
Town Centre Enterprises Limited	Property trading
Rochdale Canal Company	Canal operators

Car parking operations	
Universal Parking Limited	Holding company
Universal Parking Management Limited*	Car park operations
Town Centre Car Parks Limited	Car park operations

* Universal Parking Management Limited has an accounting period end of 31 March.

The company's associated undertakings which are also registered in England and operate in the U.K. are:

Associated undertakings		Proportion of ordinary shares held
Buckley Properties (Leeds) Limited	Property investment	50%
Syndicate Enterprises Limited	Car park equipment	49%

Notes to the Accounts continued

23. Unaudited pro-forma net assets per share

The consolidated balance sheet shows net assets of £181,170,000 (1998 £175,806,000) which does not adequately reflect the full value of two specific groups of assets:

Development properties

The development properties included as a separate category of tangible fixed assets show a total at 30 June 1999 of £13,161,000 (1998 £12,886,000) comprising three sites in Manchester, Leeds and Glasgow. The Manchester and Leeds sites are cleared development sites with planning permission where development is anticipated in the near future. The directors therefore believe that it would be inappropriate to value these sites until the details of the development schemes have been finalised and it is possible to arrive at an appropriate appraisal of the value of the properties. However, the directors believe using comparative information that the value of these sites is not less than as stated below.

Car park business

The consolidated balance sheet includes all the assets and liabilities of the car park business comprising the properties owned as well as the assets and liabilities in respect of the management contracts. The directors believe that it is the profits and cash flows of this business which should form the basis for its valuation and for this reason note 2 to the accounts shows a full analysis of the profit and loss items attributable to car parking down to the level of profit before taxation. As Town Centre Securities PLC is normally assessed on the basis of its net assets per share an adjustment is needed to exclude the net assets attributable to car parking activities. It is then possible to calculate the value of the car park business based on the earnings information provided. In the pro-forma calculation below a tax rate of 28% has been applied and a price earnings ratio of 15 has been used for illustrative purposes only.

	1999		1998	
	Net Assets	**Net Assets per share**	Net Assets	Net Assets per share (adjusted)
	£000	**pence**	£000	pence
Net assets and net assets per share	**181,170**	**154**	175,806	142
Development properties per accounts	**(13,161)**		(12,886)	
Development properties at current directors' valuation	**22,000**		18,000	
Car parking net assets per accounts	**(9,297)**		(8,025)	
Car parking business valuation	**14,235**		14,205	
Pro-forma net assets per share	**194,947**	**165**	187,100	152

Valuers' Report

MONTAGU
EVANS

CHARTERED SURVEYORS
Premier House
44-48 Dover Street
London W1X 4JX

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

1 October 1999

Dear Sirs

Town Centre Securities PLC

In accordance with your instructions we have carried out a valuation of the various freehold and leasehold properties held as at 30 June 1999 by Town Centre Securities PLC and its subsidiaries.

The valuations have been carried out in compliance with the Practice Statements contained within the Appraisal and Valuation Manual prepared by the Royal Institution of Chartered Surveyors. The interests have been valued subject to and with the benefit of any lettings which have been disclosed. No allowance has been made for expenses incurred in the sale nor for taxation that may arise in the event of a disposal, deemed or otherwise, although in accordance with normal market practice, valuations are net of purchaser's costs. Estimates of rental and capital value exclude any VAT that may be applicable.

Having regard for the foregoing, we are of the opinion that, the aggregate of the Open Market Values as defined in Practice Statement 4 of the Appraisal and Valuation Manual of the interests owned by the Group as at 30 June 1999, subject to and with the benefit of the tenancies currently subsisting, were as follows:

Investment Properties	
Freehold	£256,775,000
Leasehold	£30,680,000
	£287,455,000

In accordance with our usual practice our valuations have been prepared for Town Centre Securities PLC. No responsibility is undertaken or accepted to any third party in respect of the information or advice contained therein, except in instances where the Partnership is consulted and privity is waived.

Yours faithfully

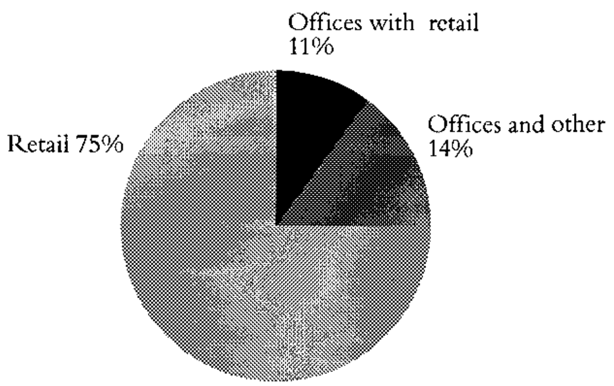
Montagu Evans

List of Principal Properties

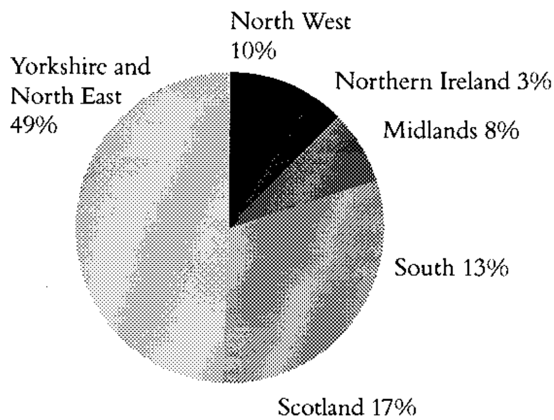
Shopping centres	Tenure	Area (sq. ft.)
Huddersfield, 31/35 New Street & 1/20 Market Avenue	Leasehold	19,000
Leeds, The Merrion Centre	Freehold	500,000
Salisbury, The Maltings	Leasehold	87,000
Street, 85/95 High Street & 1/13 Crispin Centre	Freehold	13,000
Retail warehouses		
Bathgate, Bathgate Retail Park	Freehold	53,000
Belfast, Home Affairs Retail Park	Leasehold	109,000
Derby, Kingsway Retail Park	Freehold	20,000
Kilmarnock, 7 Armour Street & 12/22 St Andrew's Street	Freehold	21,000
Kings Lynn, Pierpoint Retail Park	Freehold	66,000
Newry, Northern Ireland, Merchants Quay	Freehold	39,000
Northampton, 67/83 Bridge Street	Freehold	24,000
Rochdale, Rochdale Retail Park, Richard Street	Freehold	94,000
Stockton, Portrack Retail Park, Portrack Lane	Freehold	65,000
Foodstores		
Bolton, Bury Road, Breightmet	Freehold	27,000
Glasgow, 363/381 Byres Road & 9/19 Grosvenor Lane	Freehold	32,000
Lanark, St Vincent's Place	Freehold	23,000
Rutherglen, Stonelaw Road	Freehold	25,000
Shop properties valued in excess of £3 million		
Blackpool, 6/24 Abingdon Street & Abingdon Street Market	Freehold	29,000
Blackpool, 18/22 Victoria Street	Freehold	8,000
Coatbridge, 84/106 Main Street	Leasehold	29,000
Crewe, 60/66a Market Street & 1 Earle Street	Freehold	13,000
Edinburgh, 1/23 Shandwick Place	Freehold	19,000
Glasgow, Empire House, 27/59 Sauchiehall Street & 127/131 West Nile Street	Freehold	31,000
Horsham, 1/3 West Street	Freehold	17,000
Leeds, 5/7 Lands Lane & 30/34 Albion Place	Freehold	25,000
Leeds, 55/69 The Headrow & 38 Lands Lane	Freehold	14,000
Leeds, 76/82 Vicar Lane	Freehold	39,000
Motherwell, Brandon Parade South	Leasehold	21,000
St Austell, 31/39 Fore Street & 47/49 Aylmer Square	Freehold	34,000

Portfolio Statistics		30 June 1999	30 June 1998
Gross Rental Income	£000	**23,971**	24,917
Net rental income	£000	**22,823**	22,910
Annual value of rental income	£000	**24,203**	25,273
Void rentals		**6.0%**	7.0%

Analysis of property by use



Analysis of property by location



List of Principal Properties continued

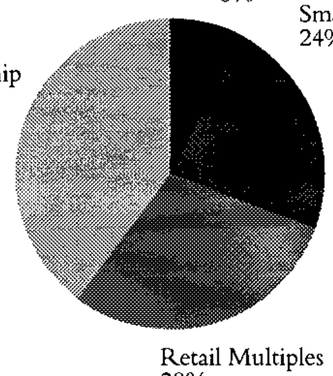
Shop properties valued at between £1 million and £3 million

	Tenure	Area (sq. ft.)
Airdrie, 17/23 Bank Street, 1/3 Anderson Street	Leasehold	10,000
Bishop Auckland, 35/45 Newgate Street & 1/3 Victoria Avenue	Freehold	26,000
Blackpool, 73/75 Church Street	Freehold	8,000
Blackpool, Clifton Arcade, 17/25 Market Street & 10 /14 West Street	Freehold	16,000
Blackpool, 73/75 Victoria Street	Freehold	6,000
Bridlington, 25/31 Prince Street & 1/9 Harbour Road	Freehold	12,000
Cleveleys, 64/74 Victoria Road West	Freehold	27,000
Eastbourne, 29/35 Terminus Road	Freehold	15,000
Evesham, 30/36 High Street	Freehold	12,000
Grangemouth, La Porte Precinct	Leasehold	36,000
Harrogate, 8/10 West Park	Freehold	27,000
Lanark, 30/48 High Street	Freehold	15,000
Leeds, Vassalli House, 12/34 Central Road	Freehold	24,000
Leeds, 4/16 New Station Street & 24/28 Boar Lane	Freehold	23,000
London, 388/390 Kings Road, SW4	Freehold	4,000
Newark, 11/15 The Arcade & 12/16 Cartergate	Freehold	13,000
Newcastle upon Tyne, 140 Northumberland Street	Freehold	3,000
Oldham, 1/3 High Street & Hilton Arcade	Freehold	5,000
Paignton, 53/59 Victoria Street & 71/77 Hyde Road	Freehold	12,000
Redcar, 64 High Street	Freehold	13,000
Rotherham, 2/8 Effingham Street	Freehold	7,000
Salisbury, 30/34 Fisherton Street	Freehold	25,000
Scarborough, 50/59 Newborough, 46/49 Queen Street & 18/20 Market Street	Freehold	38,000
Stranraer, 21/31 George Street & 3/9 South Strand Street	Leasehold	23,000
Wakefield, 39/43 Westgate & 1/13 Queen Street	Freehold	10,000
Worksop, 2/6 Bridge Street & 70 Bridge Place	Freehold	10,000
Wrexham, Hope Street/Priory Street	Freehold	25,000
York, 63/73 Goodramgate	Freehold	16,000
York, 24/25 High Ousegate	Freehold	6,000
York, 13/23 Lendal	Freehold	7,000
York, 2/8 Pavement & 5 Piccadilly	Freehold	12,000

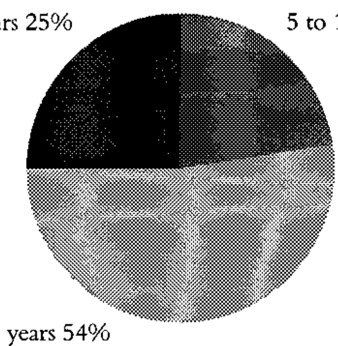
Offices valued at more than £1 million

Dudley, 49/54 High Street, 5/9 Union Street & St John's House	Freehold	41,000
Leeds, 17/21 Cookridge Street	Freehold	11,000
Leeds, 7/9 Park Square	Freehold	25,000
Leeds, 17/18, & 19/22 York Place	Freehold	20,000
Worcester Park, McMillan House, Cheam Common Road	Freehold	26,000

Analysis of tenant profile



Analysis of lease expiries



Ten Year Record

	Properties £000	Investments £000	Borrowings £000	Net assets £000	Net assets per share pence (restated)
1999	**323,166**	**1,082**	**134,433**	**181,170**	**154**
1998	306,044	4,078	121,883	175,806	142
1997	283,408	13,164	118,524	173,452	141
1996	259,708	11,416	103,841	156,760	127
1995	241,636	10,558	89,648	156,764	128
1994	226,698	8,860	74,288	155,080	127
1993	193,178	5,086	64,797	127,439	106
1992	176,206	4,638	53,525	121,141	102
1991	172,102	7,883	54,998	121,197	106
1990	182,419	10,297	55,086	136,321	121

	Gross Revenue £000	Underlying profit before tax £000	Dividends per share pence	Earnings per share Reported pence	Earnings per share Underlying pence
1999	**31,105**	**11,023**	**4.3**	**8.8**	**6.9**
1998	29,341	10,968	4.1	4.8	6.8
1997	27,574	10,564	4.0	8.9	6.6
1996	24,177	9,867	3.7	6.3	6.2
1995	21,965	9,300	3.4	6.7	5.1
1994	20,003	8,697	3.2	5.7	4.8
1993	18,189	8,038	2.9	4.9	4.7
1992	16,860	7,246	2.6	4.7	4.3
1991	15,583	6,514	2.4	4.2	3.9
1990	14,078	5,653	1.9	4.1	3.5

Notes: 1. Dividend per share, earnings per share and net assets per share have been restated to take account of bonus issue of shares in 1994 and reorganisation of share capital in 1998.

2. Underlying profit before tax and underlying earnings per share have been adjusted to exclude profits and losses on disposal of investment properties and revaluation of investments.

Notice of Meeting

Notice is hereby given that the fortieth Annual General Meeting of the members of Town Centre Securities PLC will be held at the registered office of the company, Town Centre House, The Merrion Centre, Leeds at 2:30pm on 15 December 1999 for the following purposes

Ordinary Business

1. To receive, consider and adopt the directors' report and accounts for the year ended 30 June 1999 *Resolution 1*
2. To declare the dividend recommended by the directors *Resolution 2*

   To re-elect the following directors
3. D S Syers *Resolution 3*
4. T J Crawford *Resolution 4*
5. J M Blackburn *Resolution 5*
6. R A Smith *Resolution 6*
7. To appoint PricewaterhouseCoopers as the auditors and to authorise the directors to fix their remuneration *Resolution 7*

Special Business

To consider and, if thought fit, pass the following resolutions of which 8 will be proposed as an ordinary resolution and resolutions 9 and 10 will be proposed as special resolutions:

8. That the directors be and they are hereby generally and unconditionally authorised, pursuant to Section 80 of the Companies Act 1985, to exercise all the powers of the company to allot relevant securities (within the meaning of Section 80(2) of that Act) up to an aggregate nominal amount of £10,490,000. This authority shall expire on the date of the Annual General Meeting of the company held in 2004 (or if earlier on 14 December 2004) except that after the date when it expires the directors may use this authority to allot relevant securities in accordance with the terms of any offer or agreement made by the company before that date. *Resolution 8*
9. That, subject to the passing of the previous resolution 8, the directors be and are hereby authorised in accordance with Section 95 of the Companies Act 1985 to exercise all the powers of the company to allot for cash equity securities (as defined in Section 94(2) of the Companies Act 1985) as if Section 89(1) of the Companies Act 1985 did not apply to any such allotment provided that this authority shall be limited:

   (i) to the allotment of equity securities in connection with an offer for securities, open for acceptance for a period fixed by the directors, by way of rights, open offer or otherwise to holders of ordinary shares and such other equity securities as the directors may determine on the register on a fixed record date in proportion (as nearly as may be) to their respective holdings of such securities or in accordance with the rights attached to them (but subject to such exclusions or other arrangements necessary or expedient to deal with fractional entitlements that would otherwise arise or with legal or practical problems under the laws of any territory or the requirements of any recognised regulatory body or any stock exchange in any territory or otherwise however); and

   (ii) to the allotment (otherwise that pursuant to sub-paragraph (i) above) of equity securities up to an aggregate nominal value of £1,474,000 representing 5% of the nominal value of the company's issued ordinary share capital

   and shall expire on the date of the next Annual General Meeting of the company after the passing of this resolution save that the company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired. *Resolution 9*

10. That, in accordance with Article 9B of its Articles of Association and Part V of the Companies Act 1985 ("the Act") the company be and is hereby granted general and unconditional authority (pursuant to Section 166 of the Act) to make market purchases (as defined in Section 163 of the Act) of any of the ordinary shares of 25p each in the capital of the company ("ordinary shares")

Notice of Meeting continued

Provided that:

(i) the maximum number of ordinary shares hereby authorised to be purchased is 17,098,000 being 14.5% of the issued share capital of the company;

(ii) the minimum price which may be paid for an ordinary share is 25p per Ordinary Share;

(iii) the maximum price which may be paid for an ordinary share is an amount equal to 5% above the average of the middle market price as shown in the quotations for an ordinary share in the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the ordinary share is purchased;

(iv) unless previously renewed, varied or revoked the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the company or twelve months from the date of passing this resolution, if earlier;

(v) the company may make a contract to purchase ordinary shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority, and may make a purchase of ordinary shares in pursuance of any such contract.

Resolution 10

By order of the board
Karen Prior (Secretary)

13 October 1999

NOTES

1 A member of the company entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and, on a poll, vote in his stead. A proxy need not also be a member. The instrument appointing a proxy must be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting.

2 The register of interests of the directors and their families in the share capital of the company and directors' service contracts are available for inspection during usual business hours on weekdays (public Holidays excepted) at the registered office and will be available fifteen minutes prior to and during the Annual General Meeting.

3 An interim dividend was paid on 30 June 1999. It is proposed to pay the final dividend on 4 January 2000 to shareholders on the register at close of business on 26 November 1999.

Calendar of Events

Ex-dividend Date	22 November 1999
Record Date	26 November 1999
Annual General Meeting	15 December 1999
Final Dividend for the Year Payable	4 January 2000

The adjusted March 1982 value of the ordinary shares is 24.8p, which is increased by indexation up to 30 June 1999 to 51.7p.