

**TCS (Whitehall Plaza) Limited**

**Financial statements**

**30 June 2020**



# **TCS (Whitehall Plaza) Limited**

## **Financial statements**

**Year ended 30 June 2020**

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# **TCS (Whitehall Plaza) Limited**

## **Directors and advisers**

### **The board of directors**

E M Ziff  
M J Dilley

### **Registered office**

Town Centre House  
The Merriion Centre  
Leeds  
West Yorkshire  
LS2 8LY

### **Independent auditor**

BDO LLP  
55 Baker Street  
London  
W1U 7EU

### **Bankers**

Lloyds Banking Group plc  
  
The Royal Bank of Scotland plc  
  
Svenska Handelsbanken AB (Publ)

# **TCS (Whitehall Plaza) Limited**

## **Directors' report**

### **Year ended 30 June 2020**

The directors present their annual report and the financial statements of the company for the year ended 30 June 2020.

### **Principal activities and business review**

The principal activity of the company during the year is that of investment in property.

### **Future outlook and going concern**

The performance of the company was in line with the directors' expectations however has been severely impacted by the Covid-19 pandemic towards the end of the financial year. In preparing these financial statements the Directors have made a judgement around the ability of the Company to continue as a going concern in light of the ongoing Covid-19 pandemic. Details of these considerations can be seen in note 1.

### **Principal risks and uncertainties**

The management of the business and the execution of the company's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the company are considered to relate to the potential for a recession in the UK economy and the impact this may have on the long-term viability of key tenants and the subsequent impact on the valuation of our investment property portfolio.

### **Key performance indicators ("KPI's")**

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

### **Results and dividends**

The loss for the financial year amounted to £370,001 (2019: profit of £928,273). The directors do not recommend payment of a dividend (2019: £Nil).

### **Financial risk management**

The directors work to minimise risks in the course of the business. The company is a wholly owned subsidiary of Town Centre Securities plc and therefore financial risk management is considered on a group level.

### **Directors**

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

E M Ziff  
L M Shillaw (resigned 7 August 2020)  
M J Dilley

The directors did not hold any shares in the company.

# **TCS (Whitehall Plaza) Limited**

## **Directors' report (continued)**

**Year ended 30 June 2020**

### **Taxation**

The company is a wholly owned subsidiary of Town Centre Securities plc.

Town Centre Securities plc converted to a Real Estate Investment Trust ("REIT") on 2 October 2007.

As a result the Group no longer pays UK corporation tax on the profits and gains from qualifying rental business in the UK provided it meets certain conditions. On entering the REIT regime an entry charge equal to 2% of the aggregate market value of the properties associated with the qualifying rental business was payable. Deferred tax accrued at the date of conversion in respect of the assets and liabilities of the qualifying rental business was released to the profit and loss account as the relevant temporary differences are no longer taxable on reversal.

### **Directors' responsibilities statement**

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

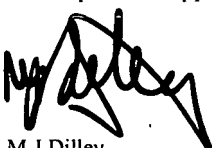
### **Statement of disclosure of information to auditors**

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415a of the Companies Act 2006.

This report was approved by the board on 17 December 2020 and signed on its behalf by:



M J Dilley  
Director

# **TCS (Whitehall Plaza) Limited**

## **Independent auditor's report to the members of TCS (Whitehall Plaza) Limited**

### **Opinion**

We have audited the financial statements of TCS (Whitehall Plaza) Limited ("the Company") for the year ended 30 June 2020 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Material uncertainty relating to going concern**

We draw attention to Note 1 to the financial statements, which indicates the directors' considerations over going concern including the potential impact of the current COVID-19 outbreak and that the Company is reliant on the continued financial support of the Group in order to continue as a going concern. The ability of the Group to provide the support may be impacted by its ability to obtain loan covenant waivers if required and its current bank facility renewal. As stated in note 1, these events or conditions, along with other matters as set out in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

# **TCS (Whitehall Plaza) Limited**

## **Independent auditor's report to the members of TCS (Whitehall Plaza) Limited (continued)**

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

### **Responsibilities of Directors**

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

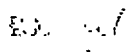
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Richard Levy (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
London, United Kingdom  
17 December 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# TCS (Whitehall Plaza) Limited

## Statement of comprehensive income

Year ended 30 June 2020

	Note	2020 £	2019 £
<b>Turnover</b>		<b>670,067</b>	670,095
Administrative expenses		-	(1,727)
Valuation movement on investment properties		(1,040,068)	259,905
<b>(Loss)/profit before taxation</b>		<b>(370,001)</b>	928,273
Tax on (loss)/profit	3	-	-
<b>(Loss)/profit for the financial year</b>		<b>(370,001)</b>	928,273
Other comprehensive income for the year		-	-
<b>Total comprehensive (loss)/income for the year</b>		<b>(370,001)</b>	928,273

All of the activities of the company are classed as continuing.

There are no material differences between the loss before taxation and the loss for the financial year stated above and their historical cost equivalents.

The notes on pages 9 to 13 form part of these financial statements.

# TCS (Whitehall Plaza) Limited

## Balance sheet

As at 30 June 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Investment properties	4	<u>14,450,000</u>	<u>15,500,000</u>
<b>Current assets</b>			
Debtors	5	1,003,322	-
Cash at bank and in hand		<u>1,334,122</u>	<u>1,493,202</u>
		2,337,444	1,493,202
<b>Creditors: Amounts falling due within one year</b>	6	<u>(12,809,532)</u>	<u>(12,645,289)</u>
<b>Net current liabilities</b>		<u>(10,472,088)</u>	<u>(11,152,087)</u>
<b>Net assets</b>		<u>3,977,912</u>	<u>4,347,913</u>
<b>Capital and reserves</b>			
Called up equity share capital	7	1	1
Retained earnings		<u>3,977,911</u>	<u>4,347,912</u>
<b>Total shareholders' funds</b>		<u>3,977,912</u>	<u>4,347,913</u>

These financial statements were approved by the directors and authorised for issue on 17 December 2020 and are signed on their behalf by:



M J Dilley  
Director

Company Registration Number: 09922032

The notes on pages 9 to 13 form part of these financial statements.

# TCS (Whitehall Plaza) Limited

## Statement of changes in equity

Year ended 30 June 2020

	Share capital	Retained earnings	Total equity
	£	£	£
Balance at 1 July 2018	1	3,419,639	3,419,640
Comprehensive income for the year			
Profit for the financial year	-	928,273	928,273
Total comprehensive income for the year	-	928,273	928,273
Balance at 30 June 2019	<u>1</u>	<u>4,347,912</u>	<u>4,347,913</u>
Comprehensive loss for the year			
Loss for the financial year	-	(370,001)	(370,001)
Total comprehensive loss for the year	-	(370,001)	(370,001)
Balance at 30 June 2020	<u>1</u>	<u>3,977,911</u>	<u>3,977,912</u>

The notes on pages 9 to 13 form part of these financial statements.

# TCS (Whitehall Plaza) Limited

## Notes to the financial statements

Year ended 30 June 2020

### 1. Accounting policies

#### Basis of preparation

TCS (Whitehall Plaza) Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the directors and advisors page and the nature of the company's operations and its principal activities are set out in the directors' report. The financial statements have been prepared in accordance with FRS 102 the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies. The financial statements are prepared in GBP and are rounded to the nearest £. The principal accounting policies, which have been applied consistently, are as set out below.

The principal activity of the company during the year is that of investment in property.

In making their assessment of the ability of the Company to continue as a going concern the directors have considered the impact of Covid 19 on both the liquidity and compliance with bank loan covenants of the Group as a whole (being the Group headed by Town Centre Securities plc). This approach is considered appropriate on the basis that all external funding is held within the parent company, Town Centre Securities plc. The subsidiaries in the Group are funded through Group loans and are party to the cross-guaranteed bank loans and debentures secured across the property portfolio of the Group as a whole. As such, the below assessment represents the Group position. The company has obtained a support letter from Town Centre Securities plc to confirm that the ongoing funding required will be available to the Company for a period of not less than 12 months from the date these financial statements are signed.

The Group owns a portfolio of multi-let regional property assets located throughout the UK, and operates a car parking business. The business is funded in part by a £106m debenture which is due for repayment in 2031. In addition the business has three bilateral RCF facilities totalling £103m which are due for repayment or renewal between April 2021 and June 2023. The business is in the process of renewing the facility that matures in 2021. In order to assess the potential impact of Covid 19 on the Group and its ability to continue as a going concern, management have analysed the portfolio's tenant base, hotel income and car parking operation and produced forecasts to 31 December 2021. These forecasts reflect management's view of a worst case scenario including assumptions that rent receipts are materially lower than normally experienced and that the car park and hotel businesses recovers over the forecast period to a materially lower level than would normally be expected.

These forecasts show that the group has sufficient resources to continue to operate as a going concern for at least the next 12 months. Based on the forecasts, including the mitigating options utilised such as the government approved furlough scheme and VAT and PAYE pay deferral available to the Group the directors consider it appropriate to prepare these financial statements on the going concern basis.

However, the debt facilities include an interest cover covenant and a loan to value covenant. The Group is currently in compliance with all of its covenants. Were there to be a deterioration in rent collection or sentiment towards the value of these assets as a result of Covid 19 there is a possibility that these covenants could be breached. Whilst these forecasts provide robust support, in light of the uncertainty in respect of the adverse impacts of Covid 19, its duration, the ability of the Group to obtain loan covenant waivers if required and the current bank facility renewal, a material uncertainty exists which may cast significant doubt on the Group's ability, and therefore because of the above mentioned reliance on the group, the Company's ability to continue as a going concern and therefore its ability to realise its assets and settle its liabilities within the ordinary course of business.

These financial statements do not include the adjustments that would be necessary should the going concern basis of preparation no longer be appropriate.

# TCS (Whitehall Plaza) Limited

## Notes to the financial statements (continued)

Year ended 30 June 2020

### 1. Accounting policies (continued)

#### Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.27, 12.29(a), 12.29(b) and 12.29A; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Town Centre Securities plc for the period ended 30 June 2020 and these financial statements may be obtained from the registered office.

#### Rental income

Turnover, which excludes value added tax, represents the invoiced value of rent and services supplied to customers. Rental income is accounted for as it falls due in accordance with the lease to which it relates.

#### Investment properties

Investment properties are included in the accounts at open market values based on a valuation as at 30 June each year.

#### Depreciation and amortisation

In accordance with FRS102, no depreciation or amortisation is provided in respect of freehold investment properties, including fixed plant, which is included in properties. The requirement of the Companies Act 2006 (the Act) is to depreciate all properties but that requirement conflicts with FRS102. The Directors consider that this accounting policy is necessary for the accounts to give a true and fair view. Depreciation or amortisation is only one of the factors reflected in the accounts' valuation and the amount attributable to this factor cannot be separately identified or quantified. If this departure from the Act had not been made, the loss for the financial year would have been increased by depreciation.

#### Loss available for distribution

Surpluses arising on revaluations of properties are not regarded as being available for dividend and are, therefore, transferred to non distributable reserves.

#### Judgements in applying accounting policies and key sources of estimation uncertainty

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The only estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value amounts of assets and liabilities within the next financial year are those in relation to investment properties.

In preparing these financial statements the Directors have made a judgement around the ability of the Company to continue as a going concern in light of the ongoing Covid-19 pandemic. Details of these considerations can be seen at the beginning of note 1.

#### Financial assets

Financial assets, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

#### Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

#### Reserves

Reserves are analysed in the following categories:

- share capital represents the nominal value of issued share capital; and
- retained earnings represent the cumulative profit or loss position less dividend distributions.

# TCS (Whitehall Plaza) Limited

## Notes to the financial statements (continued)

Year ended 30 June 2020

### 2. Operating (loss)/profit

None of the directors received any emoluments in respect of their services to the company during the year (2019: £Nil). The company had no other employees in the year to 30 June 2020 (2019: None).

Auditor's remuneration was borne by the ultimate parent undertaking. Of the fee incurred by the ultimate parent company the amount relating to the company was approximately £3,000 (2019: £3,000).

### 3. Taxation on (loss)/profit

#### Factors affecting current tax charge

The tax assessed on the loss for the year is higher than (2019: lower than) the standard rate of corporation tax in the UK of 19% (2019: 19%).

	2020 £	2019 £
(Loss)/profit before taxation	<u>(370,001)</u>	<u>928,273</u>
(Loss)/profit by rate of tax	<u>(70,300)</u>	<u>176,372</u>
Adjustment for profits falling under REIT regime	<u>70,300</u>	<u>(176,372)</u>
Total current tax	<u>-</u>	<u>-</u>

The company is a wholly owned subsidiary of Town Centre Securities plc.

Town Centre Securities plc. elected for group REIT status with effect from 2 October 2007. As a result the group and its subsidiaries no longer pays United Kingdom corporation tax on the profits and gains from its qualifying rental business in the United Kingdom provided it meets certain conditions. Non-qualifying profits and gains of the group continue to be subject to corporation tax as normal.

### 4. Investment properties

	Leasehold property £
<b>Cost or valuation</b>	
At 1 July 2019	15,500,000
Movement in lease incentives	(9,932)
Revaluation	(1,040,068)
<b>At 30 June 2020</b>	<u><b>14,450,000</b></u>
<b>Net book value</b>	
<b>At 30 June 2020</b>	<u><b>14,450,000</b></u>
At 30 June 2019	<u>15,500,000</u>

Investment properties were revalued as at 30 June 2020 on the basis of open market value. In arriving at the total valuation each property has been valued individually and no allowance has been made for expenses of realisation or for taxation, which may arise in the event of a disposal. The valuation was carried out by Jones Lang LaSalle in accordance with the Royal Institution of Chartered Surveyors Appraisal and Investment Manual.

# TCS (Whitehall Plaza) Limited

## Notes to the financial statements (continued)

Year ended 30 June 2020

### 5. Debtors

	2020 £	2019 £
Trade debtors	-	-
Amounts owed by group undertakings	1,003,322	-
	<u>1,003,322</u>	<u>-</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

### 6. Creditors: Amounts falling due within one year

	2020 £	2019 £
Amounts owed to group undertakings	12,612,517	12,448,544
Social security and other taxation	34,122	34,101
Other creditors	5,161	4,912
Accruals and deferred income	157,732	157,732
	<u>12,809,532</u>	<u>12,645,289</u>

Amounts due to group undertakings are unsecured, interest free and repayable on demand.

### 7. Share capital

#### Allotted, called up and fully paid:

	2020		2019	
	No	£	No	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

There are no restrictions attaching to the ordinary shares.

### 8. Contingent liabilities

The debenture, bank loans and overdraft of Town Centre Securities plc, the ultimate parent company, is secured by fixed and floating charges on the investment property held by the company and its fellow subsidiaries.

### 9. Commitments

Minimum total future lease payments receivable:

	2020 £	2019 £
Within one year	680,000	680,000
One to five years	2,720,000	2,720,000
In more than five years	<u>11,325,260</u>	<u>12,007,123</u>

# **TCS (Whitehall Plaza) Limited**

## **Notes to the financial statements (continued)**

**Year ended 30 June 2020**

### **10. Capital and other commitments**

The Company had no capital commitments (2019: £Nil) in respect of capital expenditure contracted for at the balance sheet date, but not yet incurred, for investment and development property.

### **11. Ultimate parent company**

The company's ultimate parent undertaking and controlling party is Town Centre Securities plc, a company incorporated in England and Wales. The registered office of Town Centre Securities plc is shown below. This is the smallest and largest group which prepares group financial statements. Copies of the group financial statements can be obtained by writing to:

The Secretary  
Town Centre Securities plc  
Town Centre House  
The Merlion Centre  
Leeds  
LS2 8LY