

Panther Securities P.L.C.

Annual Report and Financial Statements 2014

Company number 293147

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The Year in Brief

	2014	2013
	£'000	£'000
Revenue	12,512	12,502
Profit before tax	4,210	8,241
Total comprehensive income for the year	4,692	6,953
Net assets of the Group	71,554	67,916
Earnings per 25p ordinary share – continuing operations	26.1p	42.0p
Dividend per ordinary share (based on those proposed in relation to the financial year)	12p**	12p
Net assets attributable to ordinary shareholders per 25p ordinary share	409p	395p

**3p is paid and 9p proposed

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Directors, Secretary and Advisers

Directors	* Andrew Stewart Perloff (Chairman and Chief Executive) ** Bryan Richard Galan (Non-executive) ** Peter Michael Kellner (Non-executive) John Terence Doyle (Executive) John Henry Perloff (Executive) Simon Jeffrey Peters (Finance)
Company Secretary	Simon Jeffrey Peters
Registered Office	Deneway House, 88-94 Darkes Lane, Potters Bar, Herts. EN6 1AQ
Company number	293147
Website	www.pantherplc.com
Auditors	Nexia Smith & Williamson 25 Moorgate, London, EC2R 6AY
Bankers	HSBC Bank PLC 31 Holborn, London EC1N 4HR Santander Corporate Banking 2 Triton Square, Regents Place, London, NW1 3AN Natwest Bank PLC Unit 40, 56 Churchill Square, Brighton, East Sussex BN1 2ES
Nomad, Financial Advisers and Joint Brokers	Sanlam Securities UK 10 King William Street, London, EC4N 7TW
Joint Brokers	Raymond James Investment Services 77 Cornhill, London EC3V 3QQ
Registrars	Capita Registrars The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU
Solicitors	Howard Kennedy LLP No. 1 London Bridge, London SE1 9BG Ross & Craig Solicitors 12A Upper Berkeley Street, London, W1H 7QE Brodies LLP 2 Blythswood Square, Glasgow G2 4AD MacRoberts LLP 152 Bath Street, Glasgow, G2 4TB Fox Williams LLP Ten Dominion Street, London EC2M 2EE Blake Morgan LLP New Kings Court, Tollgate, Chandler's Ford, Eastleigh, Hampshire SO53 3LG

* Member of Audit Committee

** Member of the Audit Committee and Remuneration Committee

Chairman's Statement

I am pleased to report our results for the year ended 31 December 2014, which are the Groups 81st accounts since first listed in 1934.

Our profits before tax for this period amounted to £4,210,000 compared to £8,241,000 for the previous year which ended 31 December 2013 (both excluding discontinuing operations.) Once again these figures are heavily influenced by non-cash flow items.

The swaps liability reversed the improvement shown in December 2013 with a vengeance increasing by £9,813,000 (shown in our consolidated income statement) resulting in a total liability at 31 December 2014 of £24,475,000.

Of course this is caused by the artificially induced and unprecedented low interest-rates but this low interest environment does have the effect of also improving property values.

Our entire portfolio was independently revalued by GL Hearn Chartered Surveyors and produced a valuation surplus of £13,110,000 whereas the director's valuation last year only produced a surplus of £742,000. The reason for this is not that the directors' valuation was too cautious or the independent valuer's optimistic but, in my opinion, just reflects the property 'Boom' values in London and closely surrounding areas which has slowly rippled outwards towards other parts of the country where much of our portfolio is situated. I believe this will continue even though central London values may be faltering.

Regarding the valuation, some of the increase related to our sites that have residential development value and thus saw larger than average increases on these. However, a big factor and nearly a third of this increase was due to the letting achieved at the former Wimbledon Studios. The net effect of the combined

property and swap valuations resulting from the low interest rates is fortunately still positive this year.

Rents

Our rents receivable for the year ended 31 December 2014 amount to £12,512,000 compared to £12,502,000 for the year ended 31 December 2013.

Our cost of sales amounted to £4,000,000 an increase of £1,149,000, on prior year, virtually all of this increase being due to the costs arising in connection with the former Wimbledon Studios Limited on our freehold property which it used to occupy and which the Group owns; I will provide fuller details later in this statement.

Acquisitions

Park Road, Peterborough

This freehold department store situated in the very centre of this growing town contains about 150,000 Sq ft of space, mostly retail, which is let to Beale PLC on a profit share. The property also has about 15/20,000 Sq ft of vacant offices which we have available to let. This property cost £2,087,000 (including purchase costs) and was purchased in March 2014.

Maynard Road, Canterbury

In September 2014 we purchased the long leasehold (100 years at a peppercorn) interest in a 26,000 Sq ft single storey retail warehouse on Maynard Road industrial estate, subject to a 15 year leaseback (5 yearly rent reviews) to Nasons, a long established and well-known local retailer. Our total cost was £963,000 (including purchase costs) and the rent is £110,000 pa.

Queen Street, Mansfield

As previously reported, we have contracted to complete the purchase of this department store in July 2015 at a price of £2,000,000 to £2,250,000 (depending on conditions). This property, which is mainly freehold but also part long leasehold, is effectively two properties

Chairman's Statement continued

totalling over 180,000 Sq ft. The freehold directly fronts onto the main pedestrianised shopping street and the long leasehold part is inside the town's principal shopping centre, with an entrance facing our store. The buildings are connected by two covered shopping bridges at the first floor levels. Part of the freehold is occupied by the Co-op Bank at a rental of £30,000 pa which will accrue to us after completion.

Disposal

In October 2014 we sold 61 Central Avenue, West Molesey for £1,209,000 which was a loss on book value of £57,000. The property had been vacant for some time and required considerable expenditure to bring back into use, and thus was a useful sale.

Development Progress

Holloway Head, Birmingham

Demolition of the majority of the buildings on this site is underway and negotiations are in hand to rent the site for parking use as a temporary expedient until full planning can be obtained for a major residential development. New planning proposals are in hand and all the numerous reports required to submit a full application are well underway. This site previously had outline planning permission for approximately 500,000 Sq ft of mixed use, but now is likely to be mainly residential comprising of about 400 flat units.

Victoria Street, Wolverhampton

This site now has planning permission for 8,000 Sq ft of retail space (which could be split) with three upper floors consisting of 44 units of self-contained student accommodation. The site has been cleared and may be let as temporary parking until a user for either the shopping element or student housing area secures a pre-let when development can commence.

A number of our other properties have secured permission for a change of use, from offices or factories to residential units and we will either sell to residential

developers or may carry out one or two office to residential conversions ourselves in order to let the flats and retain the resultant investment.

1a-6a Bruce Grove, Wickford

In 2013 we were refused planning consent for a residential development of these outdated factory units. We challenged the grounds for the opposition which we felt were unfounded. We are delighted that our appeal was successful and we now have planning consent for 49 houses, subject to negotiation of the S.106 agreement. We own two-thirds of the development site with the remaining third owned by two other parties. We anticipate selling this site to a third party developer in due course.

Old Inn House, 2 Carshalton Road, Sutton

We are also delighted to report that under the permitted development rules we have received consent to convert the mostly vacant four floors of offices to 28 flats in this prosperous London commuter suburb. Our well performing retail parade on the ground floor of this building will be unaffected and is fully let.

Templegate House, High Street, Orpington

We have also received consent under permitted development regulations to convert the three floors of offices into 21 flats. Again our parade of five shops on the ground floor will be unaffected.

8-12 High Street, Broadstairs

In early 2014 our planning consent on this site expired. We have been successful in obtaining a new 3 year consent to demolish these three buildings and replace them with a new development of 4,000 Sq ft of retail space, with 12 flats above in this desirable coastal town. We are receiving increased interest on this retail space, with some applicants having a national covenant. A pre-let to a strong covenant will underwrite the building of the whole development. Our former

planning permission was not implemented due to the previous downturn in the market.

Wimbledon Studios, 1 Deer Park Road, London

We issued an announcement on 13 August 2014 and reprinted the complete announcement in my interim report of 25 September 2014. Thus I will not repeat that information but merely update you on current progress.

On 5 November 2014 we completed the letting of the former Wimbledon Studios Limited premises at Deer Park Road, SW19 to Marjan Television Network Limited ("Marjan") on a 15 year Full Repairing and Insuring Lease at £1,050,000 pa; the lease contains 5 yearly reviews and coterminous break clauses.

We contracted to carry out major repairs by recovering the roof, contributing to the upgrade in electricity supply and clearing out certain internal structures to produce part of the building as a clean shell prior to Marjan taking occupation. The costs, of course, were more than we anticipated at £874,000 during the year and we may have a further smaller related cost to be charged in 2015.

We negotiated to receive two and a half years' rent in advance on completion of the lease so that the works were self-funding.

The tenants are now in occupation having spent well in excess of £2.5 million on further improvements. As well as an attractive letting, this 4.25 acre freehold site with approaching 200,000 Sq ft of usable filming/TV/studio space situated in a desirable part of London has considerable growth prospects, which was another reason its valuation increased by over £4 million when revalued by GL Hearn.

My private company was paid £250,000 in connection with this transaction which can be explained, as follows:

In November 2013, at a Panther Board meeting, the majority of the Board decided they did not wish to continue funding Wimbledon Studios Limited and wanted to put it into immediate liquidation and either sell or relet the property.

I took the view that the best deal we would get would be to continue allowing the studio to run (albeit on a restricted budget) whilst it was marketed as a going concern business and also offering the availability of the freeholds, thus giving a potential buyer more options.

The one drawback to this was that Wimbledon Studios Limited had a large cash flow deficit which Panther's Board was not prepared to fund. I therefore offered to provide, through my private company, a £50,000 loan per month to Wimbledon Studios to a maximum of £250,000 at a market interest rate rolled up until repayment. There was also an agreement and understanding with Panther that should a profitable sale or transaction take place that substantially benefitted Panther, my loan would be repaid as a priority fee.

Well the funds provided made it possible for the business and property to be fully marketed over the following nine months, allowing Panther to maximise the number of competitive offers in many combinations such as, for the business plus freehold or just the freehold for redevelopment and finally a rental offer from Marjan. Our Board unanimously took the view that the rental offer was best for Panther and of course were very pleased with this transaction. The independent revaluation more than justified that decision and the Board agreed to pay £250,000 as a fee to my private company for its support of the deal. Neither I nor my private company accrued any money out of the receivership of Wimbledon Studios Limited.

Tenant Activity

During the accounting year, excluding acquisitions and disposals, we lost a total of 49 tenants who produced

Chairman's Statement continued

approximately £1,762,514 pa net. During the same period we gained 103 tenants at rents totalling £2,360,065 pa net, yielding a net gain of £597,551 pa, before allowing for tenant incentives, etc.

Notable activity in this period includes the loss of our Wimbledon Studios tenant at £490,000 pa, and it's re-letting at £1,050,000 pa, and the loss of our tenant of The Lyceum building in Liverpool at £498,000 per annum, where we may inherit a sub-tenancy with the Cooperative Bank showing an income of £110,000 pa.

Political Donations

Whilst it may be too late for the election this year I still believe it is important to support a political party that stands for what I and a lot of other people believe in. Thus I have once again asked for a resolution to be put before the shareholders at the forthcoming AGM to donate £25,000 to the UK Independence Party. I am sure I do not need to remind you that, although I am entitled to, I and family interests do not vote on this resolution.

Dividends

A 3p interim dividend was paid on 27 November 2014 and as expected we are proposing a final dividend of 9p per share which will be payable on 31 July 2015 to those shareholders on the register on 19 June 2015. We are again offering shareholders an alternative of a scrip dividend of equivalent value.

Post Balance Sheet Events

Shareholders will be aware for some years that the Group and I personally have been shareholders in Beale PLC. The majority of our shares were acquired in better retail trading times. Over recent years the Panther Group has acquired 10 of their freehold department stores, with one further large store purchase due to complete later this year.

While the shares have been an abysmal failure, in fact a significant loss, having this relationship gave us the opportunity of purchasing some of the freehold stores they occupy at depressed prices due to the property recession, the tenant favourable leases in place previously granted to Beale PLC and because of their loss making department store covenant. Approximately two years ago, my private company purchased the majority of the preference shares of Beale PLC and an outstanding loan from the Co-Op, who was a keen seller. These, because of their perceived and genuine high risk, were purchased at a discount to face value.

The representative for Panther and my combined interests on Beale PLC's Board was Simon Peters, who was summarily dismissed by the Beales PLC Board on 22 July 2014.

In November 2014 the Board approached us to discuss "possible ways forward" for the benefit of all "stakeholders" in Beale PLC which was expecting a cash crunch sometime this year.

Their proposals were neither beneficial nor acceptable to us so we put forward our own proposals which culminated in a cash offer from a newly set up private company (owned by my family interests) for the entire share of capital of Beale PLC, which was recommended by the Beales Board, its expensive financial advisers and also Nigel Beale, the Honorary President of the Company, great-grandson of the founder and also a Trustee of the Beales Pension Fund. The offer price was approximately half the market price for the reasons as set out in the offer document. The offer went unconditional after the first closing date and now my new private company has over 80% ownership and Beale PLC has been taken off the stock market; thus saving a considerable amount in future listing costs.

Now that the situation has changed at Beale PLC, I can guarantee we will have a more harmonious landlord and tenant relationship, which in due course should benefit the value of our freehold stores.

Prospects

Last year I said there was a feeling of optimism in the property market and this continues, initially shown by the independent valuation but I am hoping some of this will be crystalized into realised profits and increased letting activity, resulting in increased rental income and therefore stronger profitability.

Finally, I wish to thank our small but dedicated teams of staff, financial advisers, legal advisers, agents and accountants for all their hard work during the past year which has again been busier and more intensive than usual and, of course, our tenants, most of whom pay their rents and excessive and unfair business rates despite a difficult trading environment.

Andrew S Perloff
Chairman

28 April 2015

A large, stylized handwritten signature in black ink, appearing to read 'AS Perloff', positioned to the right of the typed name and date.

Chairman's Ramblings

"NO MORE BOOM & BUSTS"

Some time in last January, if you had happened to go for an early breakfast in your local café, you may have noticed many of the early diners frantically thumbing through their Sun newspaper looking for what wasn't there. The Page 3 Girl was missing, gone AWOL and even worse it was reported that this daily fillip would not be returning.

There was much jubilation from various 'wimmin's' focus groups. Some said it had been demeaning to women, some had said it objectified women and others believed it should be banned altogether. These self-appointed guardians/spokesmen – sorry spokespeople – of women in some way wanted to curtail or abolish the freedom of these girls to earn a living.

It may not surprise you to know that I have my own limited experience in these matters, which I am naturally pleased to share with you.

As many of my shareholders will know, in 1962 aged 17, I started working as the office boy in a Mayfair estate agent's office. In addition to my weekly wage of £5, I received a daily 3/- (15p) luncheon voucher which was enough to buy a three course meal in many of the local cafés in the side streets of Mayfair.

After a year, my salary had risen to £8 per week and although the luncheon vouchers remained at 3/- fortunately I would, from time to time, receive a share of my boss's commission. On these auspicious occasions, I would arrange to meet a friend to really push the boat out on a superior lunch that cost as much as 5/- (25p).

One of these superior restaurants was The Salad Bowl which was situated on the first floor above a large shop in Oxford Street. Their format was simple; you paid 5/-, took a (slightly smaller than normal) dinner plate and served yourself from the long buffet containing a huge variety of delicious foods. You were only allowed to visit

the buffet once but you could take as much as you could pile onto the plate.

Malcolm, my ex business partner, who was three years older than me and therefore far more sophisticated in culinary matters introduced me to this glutton's delight. Under his tutelage I learned how to pile the heavy food round the edge of the plate and build a 9" pyramid of different density foods that was balanced and held together until you got back to the table.

This restaurant was always busy and it was usually difficult to find a table. On such an occasion, we managed to find two places side by side at a four seater table – the other occupants left soon after we sat down – perhaps they found our huge towers of precariously piled food off putting. I was about half way through my perfectly balanced stack of food when two young women approached our table and asked us if the spare places were free. With great alacrity we both agreed that the seats were indeed free and after putting their plates on the table, they turned round to take off their coats to hang on the coat rail behind them.

My friend and I were delighted with this unexpected stroke of luck. They were both pretty, one much taller than the other but when they turned round! "WOW!" The tall one facing me was very slim, wearing a thin jersey dress which clung to her slim body and with her tight belt, it emphasised her DD sized bosom. If Page 3 had been invented then, she could have filled it admirably, possibly Page 2 as well.

I immediately dropped my knife and fork, my face flushed and I was temporarily dumbstruck, my appetite vanished and finding my face 2'6" away from this vision of delight, I sat motionless for two or three minutes before I rediscovered my normal witty conversation "can I pass you the salt?" and "do you work near here?" We all had such a pleasant conversation for the next half hour that I lost track of time and was met with frosty

glares when I returned to the office 20 minutes late. Over the next week, my friend and I went back daily to this expensive restaurant but we never saw this Aphrodite of the Salad Bowl again.

As you know, my Ramblings find it easy to jump through time, so now we must fast forward twenty years and I find myself in the 1980's older and wiser. I had been married, had two children then divorced. I had been financially successful then lost the lot in the mid-seventies property crash but I was now thankfully back on the way up again and able to afford a long haul holiday.

This took me to Thailand with a few single friends where I enjoyed lazing on a sunbed beside the pool and watching what little activity was going on around me. I then noticed an attractive young bikini clad woman in the adjoining garden area who was leaning awkwardly against a palm tree. She was constantly moving to different positions round the tree and as I assumed she was trying to attract my attention, I went to investigate. When I got up close I realised she was in the middle of a photographic shoot, the photographer and all the masses of equipment had been hidden from my investigations by a bush.

Being nosy, I asked what magazine they were working for and consequently became quite friendly with the photographer. Harry was a successful sports photographer from Liverpool, who in recent years had diversified into "glamour photography". With his expanded interests he told me that he really needed a studio in Central London.

The basement at Panther House had available units ideal for his purposes; high ceilings, a clear space of 1500 Sq ft, no natural lighting and in good condition. He came to see the unit and took it immediately paying over twice the previous rent which had been charged for storage purposes. For the next ten years he used it

almost exclusively for glamour shots and consequently Panther House regularly had Page 3 Girls coming to reception asking for his studio and needed to be escorted through the labyrinth of corridors. This was not an unpleasant duty.

One of Harry's main clients was the Daily Star and occasionally they had a small photographic session party (in full bikinis) for Star Prize Winners, who had chosen their Top Star Birds and correctly answered a quiz. Malcolm and I were often asked to these parties, where I met quite a few Page 3 Girls. I found all were happy in their work and saw it as a lucrative stepping stone, hopefully to a career in acting, singing, TV etc. Their backgrounds were diverse; some were streetwise girls with little education, whilst others had been privately educated and were well-spoken and polished.

One day one of the most popular Page 3 girls of her day came to the studio and after she left, Harry told me how he had made a huge mistake when he turned her down as a potential model over a year earlier and missed the chance of becoming her photographic manager. He explained that on her photo shoot with him she had not smiled and thus looked like a normal, slightly chubby naked woman. When she smiled however she had the most glorious smile which totally transformed her from that fairly ordinary girl into a beauty, thus showing that the appeal is not just the lack of clothing.

With the benefit of hindsight, it was clear that this was the beginning of the celebrity era which a lot of these models became. Many of these girls became very high earners; some of the most popular ones commanding up to £5,000 just to open a new store or supermarket.

The anti-Page 3 Girl's focus groups would have restricted their freedom to earn a good living. These models, like footballers, mostly have only a limited window of opportunity for high earning and in my

Chairman's Ramblings continued

opinion there is only one person who gave these women true liberation and that was Margaret Thatcher and her various chosen Chancellors.

Firstly, she proved a woman can get the country's top job and more importantly, Sir Geoffrey Howe in his first Budget in 1980 reduced the top rate of income tax from 83% to 60%. This was the beginning of a form of freedom for those who wanted to work hard and earn their way in the world. It was nearly 10 years later Nigel Lawson reduced the top income tax rates from 60% to 40% creating even more incentive to work your way to success. Just as important this Budget announced separate taxation for husbands and wives.

Of the thousands of these young girls who were blessed with good looks and figures which allowed them to escape the typing pool or shop counter, many became high earners and are now probably middle class grandmothers, mothers and wives living very comfortable lives with their families in valuable suburban properties they own, paid for out of earnings that a more moderate tax system allowed them to achieve. They are probably still models but of suburban respectability.

LIES, DAMNED LIES, POLITICIANS AND TAXATION

If someone threatens you and takes your money whilst you are out shopping, they are called a mugger. If caught, they are taken before a magistrates court, punished with a small fine and a threat of more severe punishment if caught doing it again.

If someone breaks into your home and steals your money he is called a burglar and treated similarly leniently. If the burglar is caught a number of times he is more severely punished and maybe sent to prison.

If three or four people break into your home whilst you are there, threaten you with weapons and take your

possessions they are called robbers and if caught, are usually severely punished with long prison sentences.

If a very large group of people storm into your long established family business smash the windows and take whatever goods they choose and then run away, having devastated the building, this is called a riot and if anyone is caught, they usually receive some form of incarceration.

However, if many thousands of people peacefully choose a very small gang of people to make rules that allow these types of heists to take place it is called Democracy and the theft is called Taxation.

The small gang of people who have to be chosen by the masses are called Politicians. To make it easier to be a "chosen one" Politicians divide themselves into different feral groups. Each group chooses a section of the masses they believe are easiest to bribe with gifts of benefits, money (that is not theirs) or promises to protect the country or the environment or rights over others such as employers.

Nearly all Politicians have similarities; they are persuasive speakers, they have a mastery of avoiding any questions they do not wish to answer, they excel at looking after their personal interests but their foremost interest however is in gaining or retaining power.

They also nurture relationships with the rich and successful and leaders of big organisations to obtain funds to promote their own brand of munificence for the masses, assuring donors that their kleptocracy will not apply to them or they will be far less punishing than their opponents.

Nearly all the problems of current times are caused by these Kleptocrats buying votes and restricting freedoms. The costs of the trough their snouts feed from is infinitesimal in comparison to the incredible

wastefulness that is created by the very bureaucracy that has to be established to confiscate money from each person to be handed out to someone deemed by them to be more needy.

The top 2% of our working population – roughly around 600,000 people – are believed to pay nearly 50% of income tax etc. These people put far more into the community pot than they ever take out of it.

I have said it before and consider it worth repeating that there are about 4.5 million ex-patriots who have left the UK over the last 10-20 years of which a very meaningful percentage must have been in the 2% upper income tier bracket who left this country due to unfair tax policies.

What I find appalling is that politicians are perfectly aware of this fact but they also know that if they threaten high taxes on only the top 2% and promise that this will produce more goodies to the bottom 98%, they MUST receive more votes from the majority that they have misled. Of course most people will eventually be worse off when many of these unfairly taxed taxpayers decide this type of theft can be avoided by simply leaving to more friendly shores or simply reducing their own endeavours.

Tax receipts go down, jobs are lost, benefits become frozen and giveaway goodies get less and less. The population majority will then have to pick up the tab for all the extra bureaucracy created.

We should not be frightening the country's best customers away. We should be encouraging them to return to the fold.

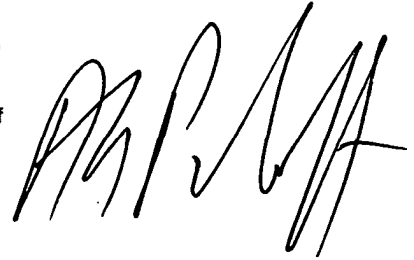
However, common sense and truth are almost impossible to get at election time.

The Chinese have a curse "May you live in exciting times".

Yours despairingly,

Andrew S Perloff
Chairman

28 April 2015



Group Strategic Report

About the Group

Panther Securities PLC is a property investment company listed on the Alternative Investment Market (AIM). Prior to 31 December 2013 the company was fully listed and included in the FTSE fledgling index. It was first fully listed as a public company in 1934. The Group owns and manages over 800 individual property units within approximately 130 separately designated buildings over the mainland United Kingdom.

The Group specialises in property investing and managing of good secondary retail, industrial units and offices, and also owns many residential flats in several town centre locations.

Key Ratios and measures

	2014	2013	2012	2011
Gross Profit Margin (Gross profit/turnover)	68%	77%	69%	65%
Gearing (debt*/(debt* + equity))	50%	51%	53%	47%
Interest Cover**	1.17 times	1.38 times	1.25 times	1.97 times
Finance cost rate (finance costs/average borrowings for the year)	6.6%	6.7%	6.9%	5.7%
Yield (rents investment properties/average market value investment properties)	7.5%	7.9%	7.4%	6.7%
Net assets value per share	409p	395p	367p	397p
Earnings per share – continuing	26.1p	42.0p	(17.2)p	(5.1)p
Dividend per share	12.0p	12.0p	12.0p	12.0p
Investment property acquisitions	£3.2m	£5.3m	£11.4m	£21.0m
Investment property disposal proceeds	£1.2m	£2.2m	£0.6m	—

* Debt in short and long term loans, excluding any liability on financial derivatives

** Profit before taxation excluding interest, less movement on investment properties and on financial instruments and impairments, divided by interest

Business Review

The overall rent receivable is consistent with the prior year and the bad debt charge as a percentage of rents has improved to 5.8% compared to 6.7% in the prior year (after stripping out the rent and provision for Wimbledon Studios Limited which is now in administration).

The Group has seen a strong improvement in the property market with our own portfolio showing a £13.1 million uplift following an independent valuation by GL Hearn. The Board is still only investing in special situations (as with the prior year) and this year made its lowest level of investment in property since 2009.

Strategic objective

The primary objective of the Group is to maximise long-term returns for our shareholders by stable growth in net asset value and dividend per share, from a consistent and sustainable rental income stream.

Progress indicators

Progress will be measured mainly through financial results, the Board considers the business successful if it can increase shareholder return and asset value in the long-term, whilst keeping acceptable levels of risk by ensuring gearing covenants are maintained.

As stated in our 2013 financial statements, the reduction in investment is partly due to the Board seeing fewer investment opportunities in a stronger market, while also being very selective due to our remaining loan facilities. Over the next few years, we expect it will be a good time to dispose of investments and hopefully realise profits on properties that were mainly purchased in worse times.

The letting of Wimbledon Studios has had a significant impact on these financial statements and the Group. In particular we received £2,625,000, being two and a half years' rent in advance, although we only recognise the element that relates to the rent for the year being £175,000. As such our income statement is

comparable to the prior year but our cash generation was very strong, being £1,900,000 higher than last year.

The costs of sales were much higher, but again a large element relating to the Wimbledon Studios letting, we spent £874,000 on repairs in order to secure this significant letting, much of this was a large roof resurfacing repair, as well as having additional legal fees of £250,000. These costs will not be repeated going forward but reduce this year's gross profit.

Finally regarding this letting, a third of our property revaluation increase was as a result of this letting at Wimbledon Studios.

We anticipate, as the economy continues to maintain its upward momentum, leading to further increases in underlying property values, this will provide us with the opportunity to dispose of some of our sites, especially non-income producing ones. In particular we hope there will be further upside on some of our sites that are suitable for residential redevelopments.

Financing

The Group entered into facilities in July 2011 of £75.0 million with HSBC and Santander under a club loan facility. We drew down a further £1.2 million (2013 – £2.8 million) in the year and repaid £1.0 million loan amortisation in July 2014 (this was an agreed reduction from £3 million to £1 million for both July 2014 and July 2015).

At 31 December 2014 the Group had £1.5 million of this facility available and £5.3 million cash for future investment and trading activities.

Given the right opportunities we would look to fund future investment with additional finance and further disposals, while also continuing the scrip dividend, which kept circa £1m of cash in the Group in both 2013 and 2014.

The Group will begin discussions this year with regard to replacing or extending our existing loan facilities which expire in July 2016.

Financial derivative

We have seen a sizeable fair value loss in our long term liability on derivative financial instruments of £9.6 million (2013: £6.0 million fair value gain). Following this loss,

our total derivative financial liability on our Consolidated Statement of Financial Position is £24.5 million (2013: £14.7 million). We are disappointed with this increase in this liability but trust that when long-term interest rates normalise this liability should reduce significantly.

These financial instruments (shown in note 29) are our interest rate swaps that were entered into to remove the cash flow risk of interest rates increasing, by fixing our interest costs. However, in the uncertain economic times seen over the last four to five years there can be large swings in the accounting valuations. Small movements in the expectation of future interest rates can have a significant impact on their fair value; this is partly due to their long dated nature.

These contracts were entered into in 2008 when long term interest rates were significantly higher than at the Statement of Financial Position date. In a hypothetical world if we could fix our interest at current rates and term we would have much lower interest costs. Of course we cannot undo these contracts that were entered into historically, but for accounting purposes these financial instruments are compared to current market rates, with the additional liability compared to the market shown on our Statement of Financial Position.

Financial Risk Management

The Company and Group operations expose it to a variety of financial risks, the main two being the effects of changes in credit risk of tenants and interest rate movement exposure on borrowings. The Company and Group have in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company and Group by monitoring levels of debt finance and the related finance costs. The Company and Group also use interest rate swaps to protect against adverse interest rate movements with no hedge accounting applied. Mark to market valuations on our financial instruments have been erratic, and these large swings are shown within the income statement. However, the actual cash outlay effect is nil when considered with the loan, as the instruments are used to protect against increases in cash outlays.

Given the size of the Company and Group, the Directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the Board. The policies set by the Board of Directors are

Group Strategic Report continued

implemented by the Company and Group's finance department.

Price risk

The Company and Group are exposed to price risk due to normal inflationary increases in the purchase price of the goods and services it purchases in the UK. The Company and Group also have price exposure on listed equities that are held as investments. The Group has a policy of holding only a small proportion of its assets as listed investments.

Credit risk

The Company and Group have implemented policies that require appropriate credit checks on potential tenants before lettings are agreed. In most cases a deposit is requested unless the tenant can provide a strong personal or other guarantee. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed annually by the Board. Exposure is also reduced significantly as the Group has

a large spread of tenants who operate in different industries.

Liquidity risk

The Company and Group actively ensure liquidity by maintaining a long-term finance facility and also hold cash deposits, which are both to ensure that the Company and Group have sufficient available funds for operations and planned expansions.

Interest rate risk

The Company and Group have both interest bearing assets and interest bearing liabilities. Interest bearing assets consist of cash balances which earn interest at fixed rate. The Company and Group have a policy of only borrowing debt to finance the purchase of cash generating assets (or assets with the potential to generate cash). The Directors will revisit the appropriateness of this policy annually.

Other non financial risks

The Directors consider that the following are potentially material non financial risks.

Risk	Impact	Action taken to mitigate
Reputation	Raise capital/deal flow reduced	Act honourably, invest well.
Regulatory changes	Transactional and holding costs increase	Seek high returns to cover additional costs. Lobby Government.
People related issues	Loss of key employees/low morale/inadequate skills	Maintain market level remuneration packages, flexible working and training. Strong succession planning and recruitment.
Computer failure	Loss of data, debtor history	External IT consultants, backups, offsite copies.
Asset management	Wrong asset mix, asset illiquidity	Draw on wealth of experience to ensure balance between income producing and development opportunities. Continue spread of tenancies and geographical location.

This report was approved and authorised for issue by the Board and signed on its behalf by:

S. J. Peters
Company Secretary



Deneway House
88-94 Darkes Lane
Potters Bar
Hertfordshire EN6 1AQ

Dated: 28 April 2015

Directors' Report

Company number 293147

The Directors submit their report together with the audited financial statements of the Company and of the Group for the year ended 31 December 2014.

Directors' Responsibilities Statement

The directors are responsible for preparing the Strategic Report, 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 Group financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP). 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 Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed subject to any material departures disclosed and explained in the Group financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman's Statement and Group Strategic Report. The financial position of the Group, including key financial ratios is set out in the Group Strategic Report. In addition, the Report of the Directors includes the Group's objectives, policies and processes for managing its capital; the Group Strategic Report includes details of its financial risk management objectives; and the notes to the accounts provide details of its financial instruments and hedging activities, and its exposures to credit risk and liquidity risk.

The Group is strongly capitalised, has reasonable liquidity together with a number of long term contracts with its customers many of which are household names. The Group also has strong diversity in terms of customer spread, investment location and property sector.

The Group has a long term loan in place and excellent relations with its lenders.

The Directors believe the Group is very well placed to manage its business risks successfully and have a good expectation that both the Company and the Group have adequate resources to continue their operations. For these reasons they continue to adopt the going concern basis in preparing the financial statements.

Principal activities, review of business and future developments

The principal activity of the Group consists of investment and dealing in property and securities.

The review of activities during the year and future developments is contained in the Chairman's Statement and Group Strategic Report.

Company's objectives and management of capital

Our primary objective is to maximise long-term return for our shareholders by stable growth in net asset value

Directors' Report continued

and dividend per share, from a consistent and sustainable rental income stream.

The Company's principal capital base includes share capital and retained reserves, which is prudently invested to achieve the above objective and is supplemented with medium to long-term bank finance.

Results and dividends

The profit for the year after taxation, amounted to £4,692,000 (2013: £7,073,000).

The interim dividend of £525,000 (3.0p per share) on ordinary shares was paid on 27 November 2014. The Directors recommend a final dividend of £1,574,000 (9.0p per share) payable on 31 July 2015 to shareholders on the register at the close of business on 19 June 2015 (Ex dividend on 18 June 2015). The total dividend for the year ended 31 December 2015 being anticipated at 12p.

As in the previous year the shareholders will have the option of a scrip dividend for the 2015 final dividend of 9p per share, with the default option being cash.

Directors and their beneficial interests in shares of the Company

The Directors who served during the year and their beneficial interests in the Company's issued share capital were:

	Ordinary shares of £0.25 each	
	2014	2013
A. S. Perloff (Chairman)	4,241,783	4,212,687
B. R. Galan (Non – executive)	323,902	315,502
P. M. Kellner (Non – executive)	22,000	17,000
J. T. Doyle	63,460	61,815
J. H. Perloff	107,500	107,500
S. J. Peters	183,143	178,557

A. S. Perloff and his family trusts have beneficial interests in shares owned by Portnard Limited, a Company under their control, amounting to 8,183,662 (2013 – 7,971,406).

There have been no changes in Directors' shareholdings since 31 December 2014.

No beneficial interest is attached to any shares registered in the names of Directors in the Company's subsidiaries. No right has been granted by the Company to subscribe for shares in or debentures of the Company.

Directors' emoluments

Directors' emoluments of £288,000, (2013 – £250,000) are made up as follows:

Director	Salary/Fees £'000	Bonus £'000	Taxable Benefit £'000	Pension Contribution £'000	Total 2014 £'000	Total 2013 £'000
<i>Executive</i>						
A. S. Perloff	–	–	5	–	5	6
J. T. Doyle	73	28	2	–	103	87
J. H. Perloff	46	6	1	–	53	50
S. J. Peters	43	28	–	36	107	87
<i>Non-executive</i>						
B. R. Galan	10	–	–	–	10	10
P. M. Kellner	10	–	–	–	10	10
	182	62	8	36	288	250

Pension and other benefits

A. S. Perloff is the sole member and beneficiary of a non-contributory Director's pension scheme. The Group ceased contributions in 1997 and accordingly made no contributions to the pension fund in 2014 and does not anticipate making further contributions.

S. J. Peters had pension contributions paid in the year by the Company of £36,000 (2013 – £36,000) into his personal stakeholders' contribution pension scheme.

No other payments were paid in respect of any other Director during the year (2013 – £nil).

Third party indemnity provision for Directors

Qualifying third party indemnity provision for the benefit of six directors was in force during the financial year and as at the date this report was approved.

Capital structure

Details of the issued share capital of the Company are shown in note 25. The Company has one class of ordinary shares which carries no right to fixed income. Each share carries the right to one vote at general meetings of the Company. The details of the Group's treasury policy are shown in note 30.

Financial risk management

Information regarding the use of financial instruments and the approach to financial risk management is detailed in the Strategic Report.

Donations

During the year the Group made £17,500 political donations (2013 – £nil). The Group makes donations to charities through advertisements at charity events and in the diaries of charities, the total of which in 2014 was £3,000 (2013 – £3,000). The Group is a Foundation Partner of the preferred charity of the property industry, Land Aid, donating £10,000 (2013 – £10,000) and in 2013 also made a specific donation of £15,000 to the Red Cross Typhoon appeal.

Status

Panther Securities P.L.C. is a Company listed on the Alternative Investment Market ("AIM") and is incorporated in United Kingdom.

Post balance sheet events

After the year-end, the Group sold its entire shareholding in Beales PLC to English Rose Enterprises Limited a Company wholly owned by Portnard Limited (Panther's largest shareholder). Simon Peters and Andrew Perloff are directors of English Rose Enterprises Limited. The Group sold its holding to this company for 6p a share in February 2015. The offer had been made to all shareholders in Beales PLC and accepted by over 75% of them. This disposal will crystallise a further £244,000 loss in our accounts for 2015, but will also realise approximately £244,000 of cash.

Auditors

In the case of each person who was a Director at the time this report was approved:

- so far as that Director was aware there was no relevant available information of which the Company's auditors were unaware; and
- that Director had taken all steps that the Director ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors were aware of that information.

This information is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to re-appoint the auditors, Nexia Smith & Williamson, will be proposed at the next Annual General Meeting.

This report was approved and authorised for issue by the Board and signed on its behalf by:

S. J. Peters
Company Secretary



Deneway House
88-94 Darkes Lane
Potters Bar

Dated: 28 April 2015

Hertfordshire EN6 1AQ

Corporate Governance

Panther Securities P.L.C. Board recognise the importance of sound Corporate Governance. However during 2014, it did not fully comply with the UK Corporate Governance Code, issued by the Financial Conduct Authority, as in the Board's view it would have been too onerous. Nevertheless, the Company has regard for the main provisions as far as is practicable and appropriate for a public company of its size.

The Board

The Board currently consists of six Directors, of whom two are non-executives. It meets regularly during each year to review appropriate strategic, operational and financial matters and otherwise as required. In the year the Board met three times with all members present. It supervises the executive management and a schedule of items reserved for the full Board's approval is in place. Panther Securities P.L.C. has an Executive Chairman who is also the Chief Executive.

The Board considers the two non-executive Directors to be independent and to represent the interests of shareholders. Both non-executive Directors are of the highest calibre. Each is independently minded with a breadth of successful business and relevant experience. They are entitled to the same information as the Executive Directors and are an integral part of the team, making a most valuable contribution. Both non-executive Directors have a sufficient level of expertise to challenge and hold the executive Directors to account.

Each Board member has responsibility to ensure that the Group's strategies lead to increased shareholder value.

Biographical details of Executive Directors:-

Andrew Perloff (Chairman)

He has over 50 years' experience in the property sector, including almost 40 years' experience of being a Director of a Public Listed Company mainly as Panther's Chairman. He has significant experience of corporate activity including several contested take-over bids and has also served on the Board of Directors of 6 other public listed companies.

Simon Peters (Finance Director)

He is a member of the Chartered Institute of Taxation and a Fellow of the Chartered Certified Accountants and was formerly with KPMG LLP and the Lombard Bank Finance Department and also a non-executive

director of Beale PLC. He joined Panther in 2004 and was appointed Finance Director in 2005.

John Doyle (Executive)

He is a member of the Royal Institution of Chartered Surveyors and was previously with London Electricity plc and Chesterton International plc, having worked in the property sector since 1989, he joined Panther in January 2001. His areas of responsibility include property acquisition and disposal, asset management and development. He was appointed Executive Director in 2005.

John Perloff (Executive)

Previously with a commercial West End agent specialising in retail acquisitions and disposals, he joined Panther in 1994. His areas of responsibility include property lettings and acquisitions. He was appointed Executive Director in 2005.

Biographical details of Non-executive Directors:-

Bryan Galan (Non-executive)

Chairman of the Remuneration Committee. He is a Fellow of the Royal Institution of Chartered Surveyors. He was formerly joint Managing Director of Amalgamated Investment and Property Co. Limited and was previously a Non-executive Director of Rugby Estates Investment Trust Plc.

Peter Kellner (Non-executive)

Chairman of the Audit and Nomination Committees. He is an Associate of the Chartered Institute of Bankers and of the Institute of Taxation. He was formerly joint General Manager of the U.K. banking operations of Credit Lyonnais Bank Nederland NV.

Communication with shareholders

The Company provides extensive information about the Group's activities in the Annual Report and Financial Statements and the Interim Report, copies of which are sent to shareholders. Additional copies are available by application. The Group is active in communicating with both its institutional and private shareholders and welcomes queries on matters relating to shareholdings and the business of the Group. All shareholders are encouraged to attend the Annual General Meeting, at which Directors and senior management are introduced and are available for questions. The Company provides a website with up to date information, including announcements and company accounts.

Audit Committee

The Audit Committee has three members including both non-executive Directors and an executive Director (being Andrew Perloff) and it is chaired by Peter Kellner. Its terms of reference, which are available from the Company's registered office, are that it meets at least twice a year to review the Group's accounting policies, financial and other reporting procedures, with the external auditors in attendance when appropriate. In 2014 the committee met three times with all members present.

The internal controls are reviewed annually ensuring their effectiveness and any specific issues are dealt with if and when they arise. When the Board reviews internal controls they consider the effectiveness of controls, concentrating on all material controls, including operational and compliance controls, and risk management systems.

Remuneration Committee

The Remuneration Committee consists solely of the two non-executive Directors, Bryan Galan (Chairman) and Peter Kellner. It reviews the terms and conditions of service of the Chairman and Executive Directors, ensuring that salaries and benefits satisfy performance and other criteria. When setting remuneration the Committee consults with the Chairman of the Board and no external third parties are consulted. In 2014 the Committee met three times with all members present.

Remuneration policy

Company policy is to reward fairly the Executive Directors sufficiently to retain and motivate these key individuals. In determining remuneration, consideration is given to their role, their performance, reward levels throughout the organisation, as well as the external employment market. The Remuneration Committee considers that currently the Executive Directors' remuneration is below market comparable. The only element of remuneration that reflects specific performance is the bonuses, however this is adjusted to reflect market conditions and company results.

Independent Auditors' Report

Independent Auditor's Report to the Members of Panther Securities P.L.C.

We have audited the financial statements of Panther Securities P.L.C. for the year ended 31 December 2014 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Parent Company Balance Sheet, the Parent Company Cash Flow Statement and related notes 1 to 49. The financial reporting framework that has been applied in the preparation of the Consolidated Financial Statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the Parent Company accounts is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2014 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company accounts have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.


Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company 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.


Stephen Drew

Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

25 Moorgate
London
EC2R 6AY

28 April 2015

Consolidated Income Statement

For the year ended 31 December 2014

	Notes	31 December 2014 £'000	31 December 2013 £'000
Revenue	5	12,512	12,502
Cost of sales	5	(4,000)	(2,851)
Gross profit		8,512	9,651
Other income		291	96
Administrative expenses		(2,602)	(2,744)
		6,201	7,003
(Loss)/profit on disposal of investment properties		(57)	385
Movement in fair value of investment properties	16	13,110	742
		19,254	8,130
Share of trading loss from associate undertaking	18	—	(208)
Finance costs	10	(5,263)	(5,226)
Investment income	9	21	24
Loss on disposal of plant and equipment		(22)	—
Reversal of impairment/(impairment) of available for sale investments (shares)	20	33	(522)
Fair value (loss)/gain on derivative financial liabilities	30	(9,813)	6,043
Profit before income tax		4,210	8,241
Income tax credit/(expense)	11	315	(1,082)
Profit for the year from continuing operations		4,525	7,159
Profit/(loss) for the year from discontinuing operations		167	(86)
Profit for the year		4,692	7,073
Attributable to:			
Equity holders of the parent		4,525	7,159
Non-controlling interest		—	—
Profit for the year		4,525	7,159
Discontinuing operations attributable to:			
Equity holders of the parent		125	(65)
Non-controlling interest		42	(21)
Profit/(loss) for the year		167	(86)
Earnings/(loss) per share			
Basic and diluted – continuing operations	14	26.1p	42.1p
Basic and diluted – discontinuing operations	14	0.7p	(0.4)p

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2014

		31 December 2014 £'000	31 December 2013 £'000
	Notes		
Profit for the year		4,692	7,073
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Movement in fair value of available for sale investments (shares) taken to equity	20	—	(156)
Deferred tax relating to movement in fair value of available for sale investments (shares) taken to equity	28	—	36
Other comprehensive loss for the year, net of tax		—	(120)
Total comprehensive income for the year		4,692	6,953
Attributable to:			
Equity holders of the parent		4,650	6,974
Non-controlling interest		42	(21)
		4,692	6,953

Consolidated Statement of Financial Position

Company number 293147

As at 31 December 2014

	Notes	31 December 2014 £'000	31 December 2013 £'000
ASSETS			
Non-current assets			
Plant and equipment	15	185	386
Investment property	16	173,412	158,184
Deferred tax asset	28	1,215	720
Available for sale investments (shares)	20	1,179	1,083
		175,991	160,373
Current assets			
Inventories		—	145
Stock properties	21	991	1,450
Assets held for sale	19	535	—
Trade and other receivables	23	4,433	5,271
Cash and cash equivalents*		5,335	3,858
		11,294	10,724
Total assets		187,285	171,097
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Capital and reserves			
Share capital	25	4,372	4,297
Share premium account	26	4,692	3,750
Capital redemption reserve	26	604	604
Retained earnings		61,804	59,225
		71,472	67,876
Non-controlling interest		82	40
Total equity		71,554	67,916
Non-current liabilities			
Long-term borrowings	27	71,058	68,760
Derivative financial liability	30	24,475	14,662
Obligations under finance leases	33	7,038	7,021
		102,571	90,443
Current liabilities			
Trade and other payables	29	11,681	9,326
Short-term borrowings	27	1,140	3,170
Liabilities held for sale	19	228	—
Current tax payable		111	242
		13,160	12,738
Total liabilities		115,731	103,181
Total equity and liabilities		187,285	171,097

The accounts were approved by the Board of Directors and authorised for issue on 28 April 2015. They were signed on its behalf by:

A.S. Perloff
Chairman

* Of this balance £247,000 (2013: £444,000) is restricted by the Group's lenders i.e. it can only be used for purchase of investment property.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2014

	Share capital £'000	Share premium £'000	Capital redemption £'000	Retained earnings £'000	Total £'000
Balance at 1 January 2013	4,217	2,886	604	54,285	61,992
Total comprehensive income	—	—	—	6,974	6,974
Dividends	80	864	—	(2,034)	(1,090)
Balance at 1 January 2014	4,297	3,750	604	59,225	67,876
Total comprehensive income	—	—	—	4,650	4,650
Dividends	75	942	—	(2,071)	(1,054)
Balance at 31 December 2014	4,372	4,692	604	61,804	71,472

Within retained earnings are unrealised gains of £nil and deferred tax credit of £512,000 (2013 – unrealised gains of £nil and a deferred tax credit of £521,000) relating to fair value of available for sale investments (shares).

Consolidated Statement of Cash Flows

For the year ended 31 December 2014

	31 December 2014 £'000	31 December 2013 £'000
Cash flows from operating activities		
Profit from operating activities	6,201	7,003
Add: Depreciation charges for the year	95	106
Add: Write off of goodwill	—	8
Add: Loss on impairment of stock properties	259	259
Less: Rent paid treated as interest	(544)	(544)
Profit before working capital change	6,011	6,832
Increase/(decrease) in receivables	439	(924)
Increase in payables	2,626	1,168
Cash generated from operations	9,076	7,076
Interest paid	(4,457)	(4,417)
Income tax paid	(188)	(121)
Net cash generated from continuing operating activities	4,431	2,538
Net cash generated from discontinuing operating activities	163	153
Cash generated used in investing activities		
Purchase of plant and equipment	(82)	—
Purchase of investment properties	(3,171)	(5,326)
Purchase of available for sale investments (shares)	(63)	—
Proceeds from sale of investment property	1,193	2,175
Proceeds from sale of fixed assets	29	—
Dividend income received	11	15
Interest income received	10	9
Net cash used in continuing investing activities	(2,073)	(3,127)
Net cash used in discontinuing investing activities	(7)	(112)
Cash generated from financing activities		
Repayments of loans	(1,149)	(147)
Draw down of loan	1,197	2,800
Dividends paid	(1,054)	(1,090)
Net cash generated from continuing financing activities	(1,006)	1,563
Net cash generated from discontinuing financing activities	(31)	30
Net increase in cash and cash equivalents	1,477	1,045
Cash and cash equivalents at the beginning of year	3,858	2,813
Cash and cash equivalents at the end of year*	5,335	3,858

* Of this balance £247,000 (2013: £444,000) is restricted by the Group's lenders i.e. it can only be used for purchase of investment property.

Notes to the Consolidated Accounts

For the year ended 31 December 2014

1. General information

Panther Securities P.L.C. (the Company) is a Public Limited Company incorporated in Great Britain. The addresses of its Registered Office and principal place of business are disclosed in the introduction to the Annual Report. The principal activities of the Company and its subsidiaries (the Group) are described in the report of the Directors.

2. New and revised International Financial Reporting Standards

Standards, interpretations and amendments to published standards that are not yet effective

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Group's accounting periods beginning on or after 1 January 2015 or later periods and have not been early adopted. It is anticipated that these new standards, interpretations and amendments currently in issue at the time of preparing the financial statements (April 2015) will have a material effect on the consolidated financial statements of the Group, however the extent of this has not yet been assessed.

- IFRS 9 Financial Instruments*
- IFRS 15 Revenue from Contracts with Customers*

* Not yet endorsed by the EU

The Parent Company and subsidiaries have not adopted IFRS in their individual accounts.

3. Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the entity's accounting policies, which are described below, the critical accounting judgements made by management which have had a material effect on the financial statements are as follows:

Impairment of available for sale equity investments

The Group follows the guidance of IAS 39 to determine when an available for sale equity investment is impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, the financial health and short-term business outlook for the investee, including factors such as industry and market sector performance, and operational and financing cash flow.

Estimation uncertainty

Additionally there were sources of estimation uncertainty as noted under the accounting policy for Investment Properties and fair value of Derivative Financial Instruments.

4. Significant accounting policies

The financial statements have been prepared in accordance with International Financial Reporting Standards adopted for use in the European Union and therefore comply with Article 4 of the EU IAS Regulation. The financial statements have been prepared on the historical cost basis, except for the revaluation of Investment Properties, Derivative Financial Instruments and Available for Sale Investments which are carried at fair value.

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the financial statements. If in the future such estimates and assumptions which are based on management's best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change. Where necessary, the comparatives have been reclassified or extended from the previously reported results to take into account presentational changes. The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Notes to the Consolidated Accounts *continued*

For the year ended 31 December 2014

4. **Significant accounting policies** *continued*

The results of subsidiaries disposed of are included in the consolidated income statement to the effective date of disposal, and those acquired from the date on which control is transferred to the Group.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling share of changes in equity since the date of the combination. Profits applicable to the non-controlling interest in the subsidiary's equity are allocated against the interests of the Group.

Assets and businesses held for sale

Assets and businesses classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale and gains or losses on subsequent re-measurements are included in the income statement. No depreciation is charged on assets and businesses classified as held for sale.

Assets and businesses are classified as held for sale if their carrying amount will be recovered or settled principally through a sale transaction rather than through continuing use. The asset or business must be available for immediate sale and the sale must be highly probable within one year. MRG Systems Limited is classified as held for sale as at 31 December 2014.

Investment Properties

Investment properties, which are properties held to earn rentals and/or capital appreciation, are revalued annually by the Directors using the fair value model of accounting for Investment Property at the statement of financial position date. When the Directors revalue the properties they make judgements based on the covenant strength of tenants, remainder of lease term of tenancy, location, and other developments which have taken place in the form of open market lettings, rent reviews, lease renewals and planning consents. Gains or losses arising from changes in the fair value of investment property are included in the income statement in the period in which they arise.

However in the current year, the properties were valued by the independent experts GL Hearn using similar procedures and methodology.

In accordance with IAS 17 ('Leases') and IAS 40 ('Investment Property'), a property interest held under an operating lease, which meets the definition of an investment property, is classified as an investment property. The property interest is initially accounted for as if it were a finance lease, recognising as an asset and a liability the present value of the minimum lease payments due by the group to the freeholder. Subsequently, and as described above, the fair value model of accounting for investment property is applied to these interests. A corresponding interest charge is applied to the finance lease liabilities based on the effective interest rate.

Fair value measurement of investment property is classified as Level 3 in the fair value hierarchy. Using the fair value model in IAS 40 is a recurring measurement.

Transfers between investment property and stock properties

Transfers from stock properties to investment property are made at fair value; any difference between the fair value of the property at the date of transfer and its carrying amount is recognised in profit or loss.

For a transfer from investment property carried at fair value to inventories, the property's deemed cost for subsequent accounting in accordance with IAS 2 ('Inventories') is its fair value at the date of change in use.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit or loss for the period. Taxable profit or loss differs from profit or loss as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that have been substantively enacted on or before the balance sheet date. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current assets and liabilities on a net basis.

Corporation tax for the period is charged at 21.50% (2013 – 23.25%), representing the best estimate of the weighted average annual corporation tax rate expected for the full financial year.

Segment reporting

An operating segment is a component of an entity about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. MRG Systems Limited was previously classified as separate operating segment to the activities of the rest of the Group, where MRG Systems Limited's principal activity is that of electronic designers, engineers and consultants. In the current year the operations of MRG Systems Limited have been classified as discontinuing.

Retirement benefit costs

The Company operates a defined contribution pension scheme and any pension charge represents the amounts payable by the Company to the fund in respect of the year.

Notes to the Consolidated Accounts continued

For the year ended 31 December 2014

4. Significant accounting policies continued

Revenue recognition

Revenue comprises:

- (1) Rental income from tenancy occupied properties net of Value Added Tax where appropriate: The income is recognised on an accruals basis.
- (2) Sale of stock properties: This is recognised on the date that exchange of contracts becomes unconditional.
- (3) Sale of current asset investments: This is recognised on the sale becoming unconditional.
- (4) Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated cash receipts through the expected life of the financial assets to that asset's net carrying amount.
- (5) Dividend income from investments is recognised when the Company's rights to receive payment have been established.

Foreign currency translation

Transactions in foreign currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each statement of financial position date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the statement of financial position date. Any gains or losses arising on translation are taken to the income statement.

Plant and equipment

Fixtures, fittings and motor vehicles are stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided, at rates calculated to write off the cost of plant and equipment less their residual value, over their expected useful lives. The rates used across the Group are as follows:

Fixtures and equipment	10% – 33%	Straight line
Motor vehicles	20%	Straight line

The gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Impairment of property, plant and equipment

At each statement of financial position date, the Group reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss up to value of previous revaluation is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Leasing

All leases are operating leases.

The Group as lessor

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

The Group as lessee

Rentals payable under operating leases are charged to profit or loss on a straight line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight line basis over the lease term.

The accounting policy for investment properties describes the Group's statement of financial position for investment properties held under an operating lease.

Financial instruments

Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Trade receivables

Trade receivables are initially recognised at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits.

Financial liabilities and equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Bank borrowings

Interest bearing bank loans and overdrafts are initially measured at fair value less any transaction fees such as loan arrangement fees, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds and the settlement or redemption of borrowings is recognised over the term of the borrowings.

Derivative financial instruments

Certain financial instruments are entered into by the Directors on behalf of the Group to hedge against interest rate fluctuations. These include interest rate swaps, options, collar and caps. The Group does not hold or issue derivatives for trading purposes. Such derivative financial instruments are initially recognised at fair value on the date at which a derivative contract is entered into and are subsequently remeasured at fair value at each reporting date.

Notes to the Consolidated Accounts continued

For the year ended 31 December 2014

4. **Significant accounting policies** *continued*

The Directors estimate the fair value annually for these financial instruments using the year end yield curve to extract the markets estimate of future pricing for interest rates, this valuation is then considered alongside two valuations obtained from banks (one being HSBC bank – the counterparty to these agreements) in deciding the most appropriate value. This is an estimation and as such there is uncertainty to the fair value shown within the accounts.

For derivatives that do not qualify for hedge accounting, any gains or losses arising from changes in fair value are taken directly to the income statement for the year. None of the Group's derivative financial instruments qualify for hedge accounting.

Available for sale investments

Under IAS 39, these investments are carried at fair value and classified in the statement of financial position as available for sale investments (shares). Fair values of these investments are based on quoted market prices where available. The fair value of the available for sale investments in unquoted equity securities cannot be measured reliably and they have therefore been measured at cost. Movements in fair value are taken directly to equity. When these investments are considered impaired in accordance with the requirements of IAS 39, the impairment losses are recognised in the income statement. On realisation of the available for sale investments, the cumulative gain or loss previously recognised through equity is reclassified from reserves to the income statement.

The Group has not designated any financial assets that are not classified as held for trading as financial assets at fair value through the income statement. The available for sale investments represent investments in listed and unquoted equity securities that offer the Group the opportunity for return through dividend income and fair value gains. They have no fixed maturity or coupon rate. Those shares that are expected to be held for the long term are shown as non-current assets and those that are held for short term are shown as current assets.

Impairment of available for sale investments

At each Statement of Financial Position date the Group reviews any decline in the fair value of available for sale investments to determine whether there is any objective evidence that those assets are impaired. If the asset is judged to be impaired the cumulative loss that had been recognised in other comprehensive income is reclassified from equity to the Income Statement being the difference between the acquisition cost and the current fair value, less any impairment loss for that financial asset previously recognised in the Income Statement.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the statement of financial position date, and are discounted to present value where the effect is material.

Stock properties

Properties that are purchased for future sale are classified as stock properties. Stock properties are valued at the lower of cost and net realisable value. Cost comprises the cost of the property, and those overheads that have been incurred in bringing the stock properties to their present condition. Net realisable value represents the estimated selling price less all estimated costs to be incurred in marketing, selling and distribution.

Inventories

Stock and work in progress has been valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Investments in associates

Associates are those entities in which the Group has the ability to exert significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power, unless it can be shown otherwise, such as other stakeholders having greater influence reducing the Groups influence so that it is not significant.

Investments in associates are accounted for using the equity method and are recognised initially at cost. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income. When the Group's share of losses exceeds its interest (being equity interest and long term loans) in an equity-accounted investee, the carrying amount of that interest is reduced to zero and the recognition of further losses is discontinued.

5. Revenue and cost of sales

The Groups' only operating segment is investment and dealing in property and securities. The majority of the revenue, cost of sales and profit or loss before taxation being generated in the United Kingdom. The Group is not reliant on any key customers.

6. Loss for the year

	2014 £'000	2013 £'000
The loss for the year is stated after charging:		
Depreciation of tangible fixed assets – owned by the Group	95	106
Fees payable to the Group's auditor for the audit of both the parent company and the Group's annual report and accounts	3	4
<i>Fees paid to the Group's auditor for other services:</i>		
The audit of the parent's subsidiaries	67	64
Other services provided	6	6

7. Staff costs

	2014 £'000	2013 £'000
Staff costs, including Directors' remuneration, were as follows:		
Wages and salaries	718	698
Social security costs	73	71
Pension contributions	36	36
	827	805
The average monthly number of employees, including Directors, during the year was as follows:		
Directors	6	6
Other employees	16	16
	22	22

Discontinuing operations include staff costs of £917,000 (2013: £882,000) and 20 members of staff (2013: 19).

8. Directors remuneration

	2014 £'000	2013 £'000
Emoluments for services as Directors	288	250

There are no Directors with retirement benefits accruing under money purchase pension schemes in respect of qualifying services. Please refer to the Directors' Report for information on the highest paid Director and in respect of individual Directors emoluments.

Notes to the Consolidated Accounts continued

For the year ended 31 December 2014

8. Directors remuneration continued

Key management are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. In the opinion of the Board, the Group's key management comprises the Executive and Non-Executive Directors of Panther Securities PLC. Information regarding their emoluments is set out below.

The following disclosures are in respect of employee benefits payable to the Directors of Panther Securities PLC across the Group and are thus stated in accordance with IFRS:

	2014 £'000	2013 £'000
Short term employee benefits (salaries and benefits)	295	277

9. Investment income

	2014 £'000	2013 £'000
Interest on bank deposits	10	9
Dividends from equity investments	11	15
	21	24

10. Finance costs

	2014 £'000	2013 £'000
Interest payable on bank overdrafts and loans	4,719	4,682
Interest payable on finance lease liabilities*	544	544
	5,263	5,226

* Investment properties held under operating leases have been treated as being held under finance leases in accordance with IAS 40.

11. Income tax credit

The charge for taxation comprises the following:

	2014 £'000	2013 £'000
Current year UK corporation tax	260	319
Prior year UK corporation tax	(80)	(227)
	180	92
Current year deferred tax (credit)/expense	(495)	990
Income tax (credit)/expense for the year	(315)	1,082

Domestic income tax is calculated at 21.50% (2013 – 23.25%) of the estimated assessable profit or loss for the year. The future provision for deferred tax has been calculated on the basis of 20.0% (2013 – 20.0%).

The total charge for the year can be reconciled to the accounting profit or loss as follows:

	2014 £'000	2014 %	2013 £'000	2013 %
Profit before taxation	4,210		8,241	
Profit on ordinary activities before tax multiplied by the average of the standard rate of UK corporation tax of 21.50% (2013 – 23.25%)	905	21.5	1,916	23.25
Tax effect of expenses that are not deductible in determining taxable profit	115	2.8	69	0.8
Dividend income not allowable for tax purposes	(2)	–	(3)	–
Capital allowances for the year in excess of depreciation	(59)	(1.4)	(53)	(0.6)
Non taxable movement in fair value of investment properties	(1,361)	(32.3)	(1,002)	(12.2)
Non deductible movement in fair value of available for sale investments (shares)	2	–	126	1.5
Non deductible movement in fair value of financial instruments	148	3.5	477	5.8
Tax effect of non deductible loss in associate	–	–	48	0.6
Disposal of properties or shares	17	0.4	(269)	(3.3)
Prior year corporation tax over provision	(80)	(1.9)	(227)	(2.8)
Tax (credit)/charge	(315)		1,082	

12. Profit or loss attributable to members of the parent undertaking

	2014 £'000	2013 £'000
Dealt with in the accounts of:		
– the parent undertaking	(16,004)	(385)
– subsidiary undertakings	20,696	7,458
	4,692	7,073

A reconciliation of Parent Company profit or loss is provided in note 31.

13. Dividends

Amounts recognised as distributions to equity holders in the period:

	2014 £'000	2013 £'000
Final dividend for the year ended 31 December 2014 of 9p per share (2013 of 9p per share)	1,546	1,518
Interim dividend for the year ended 31 December 2014 of 3p per share (2013 of 3p per share)	525	516
	2,071	2,034

Notes to the Consolidated Accounts continued

For the year ended 31 December 2014

13. Dividends continued

The Directors recommend a payment of a final dividend, for the year ended 31 December 2014 of 9p per share (2013 – 9p), following the interim dividend paid on 25 November 2014 of 3p per share. The final dividend of 9p per share will be payable on 31 July 2015 to shareholders on the register at the close of business on 19 June 2015 (Ex dividend on 18 June 2015). The full dividend for the year ended 31 December 2014 is anticipated to be 12p per share.

The shareholders will have the option of a scrip dividend for the 2014 final dividend of 9p per share, with the default option being cash.

14. Earnings per ordinary share (basic and diluted)

The calculation of profit per ordinary share is based on profit, after excluding non-controlling interests, being a profit of £4,650,000 (2013 – £7,094,000) and on 17,336,791 ordinary shares being the weighted average number of ordinary shares in issue during the year (2013 – 17,027,644). There are no potential ordinary shares in existence.

15. Plant and equipment

	Fixtures and Equipment £'000	Motor Vehicles £'000	Total £'000
Cost			
At 1 January 2013	895	30	925
Additions	112	—	112
At 1 January 2014	1,007	30	1,037
Transfer to assets classified as held for sale	(256)	—	(256)
Additions	90	—	90
Disposals	(191)	(22)	(213)
At 31 December 2014	650	8	658
Accumulated depreciation			
At 1 January 2013	504	20	524
Depreciation charge for the year	123	4	127
At 1 January 2014	627	24	651
Transfer to assets classified as held for sale	(111)	—	(111)
Depreciation charge for the year	94	1	95
Disposals	(145)	(17)	(161)
At 31 December 2014	465	8	474
Carrying amount			
At 31 December 2014	185	—	185
At 31 December 2013	380	6	386
At 1 January 2013	391	10	401

16. Investment property

	Investment Properties £'000
Fair value	
At 1 January 2013	153,156
Additions	5,326
Disposals	(1,790)
Transferred to stock properties	(253)
Transferred from stock properties	1,005
Fair value adjustment on property held on operating leases	(2)
Revaluation increase	742
At 1 January 2014	<u>158,184</u>
Additions	3,171
Disposals	(1,250)
Transferred from stock properties	200
Fair value adjustment on property held on operating leases	(3)
Revaluation increase	13,110
At 31 December 2014	<u>173,412</u>
Carrying amount	
At 31 December 2014	<u>173,412</u>
At 31 December 2013	<u>158,184</u>

At 31 December 2014, £133,740,000 (2013 – £115,119,000) and £39,672,000 (2013 – £43,065,000) included within investment properties relates to freehold and leasehold properties respectively.

On the historical cost basis, investment properties would have been included as follows:

	2014 £'000	2013 £'000
Cost of investment properties	<u>118,243</u>	<u>114,716</u>

The Group has pledged £158,823,000 of investment property (2013 – £143,006,000) as security for the loan facilities granted to the Group.

Costs relating to ongoing and potential developments are included in additions to investment properties and in the year ended 31 December 2014 amounted to £64,000 (2013 – £42,000).

At the year end deferred consideration of £nil (2013 – £300,000) was payable.

The property rental income earned by the Group from its investment property, all of which is leased out under operating leases, amounted to £12,512,000 (2013 – £12,502,000).

Notes to the Consolidated Accounts continued

For the year ended 31 December 2014

16. Investment property continued

Property valuations are complex, require a degree of judgement and are based on data some of which is publicly available and some that is not. Consistent with EPRA guidance, we have classified the valuations of our property portfolio as level 3 as defined by IFRS 13 Fair Value Measurement. Level 3 means that the valuation model cannot rely on inputs that are directly available from an active market; however there are related inputs from auction results that can be used as a basis. These inputs are analysed by segment in relation to the property portfolio. All other factors remaining constant, an increase in rental income would increase valuation, whilst an increase in equivalent nominal yield would result in a fall in value and vice versa.

In establishing fair value the most significant unobservable input is considered to be the appropriate yield to apply to the rental income. This is based on a number of factors including financial covenant strength of the tenant, location, marketability of the unit if it were to become vacant, quality of property and potential alternative uses.

Yields applied across the core portfolio are in the range of 6.5% – 11.0% with the average yield being 8.5%. Assuming all else stayed the same; a decrease of 1.0% in the average yield would result in an increase in fair value of £19,627,000. An increase of 1.0% in the average yield would result in a corresponding decrease in fair value.

The property valuations were carried out independently by GL Hearn at 31 December 2014. The property valuations at 31 December 2013 were all carried out internally by Directors, two of whom are members of the Royal Institution of Chartered Surveyors (RICS). The valuation methodology by both parties was in accordance with The RICS Appraisal and Valuation Standards (9th Edition – January 2014), which is consistent with the required IFRS 13 methodology. IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

For some properties, valuation was based on an end development rather than investment income in order to achieve highest and best use value. To get the valuation in this instance the end development is discounted by profit for a developer and cost to build to get to the base estimated market value of investment.

The amount of unrealised gains or losses on investment properties is charged to the income statement as the movement in fair value of investment properties, for 2014 this was a fair value gain of £13,110,000 (2013 – fair value gain of £742,000). The amount of realised gains or losses is shown as the profit/(loss) on disposal of investment properties within the income statement, for 2014 there was a realised loss of £57,000 (2013 – gain of £385,000).

17. Subsidiaries

Details of the Company's subsidiaries at 31 December 2014 are as follows:

<i>Name of subsidiary</i>	<i>Country of incorporation and operation</i>	<i>Activity</i>	<i>Proportion of ownership interest %</i>	<i>Proportion of voting power held %</i>
Panther Trading Limited	Great Britain	Property	100	100
Panther (Dover) Limited (*)	Great Britain	Property	100	100
Panther Developments Limited	Great Britain	Property	100	100
Panther Shop Investments Limited	Great Britain	Property	100	100
Panther Shop Investments (Midlands) Limited	Great Britain	Property	100	100
Panther Investment Properties Limited	Great Britain	Property	100	100
Panther (Bromley) Limited (***)	Great Britain	Property	100	100
Snowbest Limited	Great Britain	Property	100	100
Surrey Motors Limited (****)	Great Britain	Property	100	100
Westmead Building Company Limited (*)	Great Britain	Property	100	100
Multitrust Property Investments Limited	Great Britain	Property	100	100
Etonbrook Properties PLC	Great Britain	Non-trading	100	100
Northstar Property Investment Limited	Great Britain	Property	100	100
Panther (VAT) Properties Limited	Great Britain	Property	100	100
Northstar Land Limited	Great Britain	Property	100	100
London Property Company PLC	Great Britain	Dormant	100	100
Eurocity Properties PLC	Great Britain	Property	100	100
Eurocity Properties (Central) Limited (**)	Great Britain	Property	100	100
CJV Properties Limited (**)	Great Britain	Property	100	100
MRG Systems Limited	Great Britain	Trading	75	75
Panther AL Limited	Great Britain	Property	100	100
Panther AL (VAT) Limited	Great Britain	Property	100	100
Melodybright Limited	Great Britain	Property	100	100
TRS Developments Limited	Great Britain	Property	100	100
Abbey Mills Properties Limited	Great Britain	Property	100	100

* – 100% subsidiaries of Panther Shop Investment (Midlands) Limited

** – 100% subsidiaries of Eurocity Properties PLC

*** – 100% subsidiary of Surrey Motors Limited

**** – 95% owned by Panther Securities PLC/5% owned by Panther (Bromley) Limited

All companies have a 31 December year end and have been included in the consolidated financial statements.

MRG Systems Limited is classified as held for sale as at 31 December 2014. Its profit for the year is shown as profit from discontinuing operations.

Notes to the Consolidated Accounts continued

For the year ended 31 December 2014

18. Investment in associate undertaking

The Group purchased a 25% interest, being 150,000 ordinary shares of £1 each (newly issued share capital for cash) in Wimbledon Studios Limited for £150,000 in August 2010.

On 5 August 2014, the directors of Wimbledon Studios Limited appointed KPMG LLP as administrators when our Group would no longer fund this loss making business.

The Group paid £75,000 to purchase fixtures that belonged to Wimbledon Studios Limited from the administrators as they were within the building owned by the Group and assisted with the subsequent letting of the building.

Group transactions with associate:

	2014 £'000	2013 £'000
Rent receivable from associate recognised in year	368	501
Trade receivables and accrued income	1,200	1,330
Trade receivables and accrued income – overdue	1,200	1,208
Provision	(1,200)	(1,208)
Other receivables – overdraft facility drawn	622	622
Provision on overdraft	(622)	(404)

19. Discontinuing operations

MRG Systems Limited, an information display system developers business, is a subsidiary of Panther Securities PLC as the Group owns 75% of its share capital. MRG Systems Limited was an operating segment whose principal activity is that of electronic designers, engineers and consultants. 71% of its revenues arose in the United Kingdom and 100% of its cost of sales.

The Group is currently marketing MRG Systems Limited and as such its results have been separated out and it has been shown as discontinuing operations. The Group instructed business brokers before the period end.

The financial information of MRG Systems Limited for the period ended 31 December 2014 is set out below:

	31 December 2014 £'000	31 December 2013 £'000
Profit and loss account		
Revenue and other income	2,313	1,827
Cost of sales	(1,045)	(834)
Administrative expenses	(1,096)	(1,076)
Finance costs	(5)	(3)
Profit/(loss) for the period	167	(86)
Balance sheet		
Non-current assets	57	137
Current assets	603	399
	660	536
Non-current liabilities	–	(86)
Current liabilities	(333)	(290)
Net assets	327	160

Within MRG Systems Limited's creditors, there are two intercompany loans with Panther Securities PLC, one of £45,000 which accrues interest at 8% per annum, and the other non-interest bearing totalling £60,000 at the period end.

The Group does not currently charge MRG Systems Limited a rental for the freehold property owned by the Group, however MRG Systems Limited do pay the rates for the entire building even though they occupy only part.

20. Available for sale investments (shares)

	Non-current assets £'000
Cost or valuation	
At 1 January 2013	1,761
Impairment on revaluation through income statement	(522)
Movement in fair value taken to equity	(156)
At 1 January 2014	<u>1,083</u>
Reversal of impairment on revaluation through income statement	33
Additions	63
At 31 December 2014	<u>1,179</u>
Comprising at 31 December 2014:	
At cost	542
At valuation/net realisable value	637
Carrying amount	
At 31 December 2014	<u>1,179</u>
At 31 December 2013	<u>1,083</u>

The available for sale investments represent investments in listed and unquoted equity securities that offer the Group the opportunity for return through dividend income and fair value gains. They have no fixed maturity or coupon rate. The fair values of the listed securities are based on quoted market prices. The available for sale securities carried at fair value are classified as level 1 in the fair value hierarchy specified in IFRS 13. The fair value of available for sale investments in unquoted equity securities, which are not publically traded, cannot be measured and have therefore been shown at cost. The valuation of the available for sale investments is sensitive to stock exchange conditions.

Panther Securities PLC holds 19.9% of the issued share capital of Beale PLC at the year end. This has been treated as an investment rather than as an associate under IAS 28, since, apart from holding less than 20% of the issued share capital, the Group does not have the ability to exercise significant influence. After the year-end, the Company sold its entire shareholding in Beales PLC to English Rose Enterprises Limited a Company wholly owned by Portnard Limited (Panther's largest shareholder).

Simon Peters and Andrew Perloff are directors of English Rose Enterprises Limited. The Group sold its holding to this company for 6p a share in February 2015. The offer had been made to all shareholders in Beales PLC and accepted by over 75% of them. This disposal will crystallise a further £244,000 loss in our accounts for 2015, but will also realise approximately £244,000 of cash.

Price risk

For the year ended 31 December 2014 if the average share price of the portfolio was 10% lower there would be a further impairment charge in the year of £64,000 to the Income Statement and £nil of valuation movements charged to equity. Corresponding gains would be seen for a 10% uplift.

Notes to the Consolidated Accounts continued

For the year ended 31 December 2014

21. Stock properties

	2014 £'000	2013 £'000
Stock properties	<u>991</u>	<u>1,450</u>

The cost of stock properties recognised as expense and included in cost of sales amounted to £nil (2013 – £nil). Impairments of £259,000 have been recognised against stock properties (2013 – £259,000).

The market value of stock properties is £2,021,000 (2013 – £2,965,000).

£1,920,000 of stock properties at market value have been provided as security for the bank loan from HSBC and Santander referred to in note 27.

The market value shown as at 31 December 2014 was valued independently by GL Hearn (2013 – were valued internally by the Directors). The stock properties are held at the lower of cost and market value and as such any uplift is not recognised in the financial statements.

22. Capital commitments

	2014 £'000	2013 £'000
Capital expenditure that has been contracted for but has not been provided for in the accounts	<u>125</u>	<u>–</u>

The above relates to building works.

23. Trade and other receivables

	2014 £'000	2013 £'000
Trade receivables	4,588	5,156
Bad debt provision	(2,368)	(2,470)
Other receivables	9	263
Corporation tax	–	123
Prepayments and accrued income	<u>2,204</u>	<u>2,199</u>
	<u>4,433</u>	<u>5,271</u>

The Directors consider that the carrying amount of trade and other receivables approximates their fair value. Net trade receivables are financial assets. The total of financial assets included within the financial statements at amortised cost is £7,564,000 (2013 – £6,930,000) (which relates to £2,229,000 (2013 – £3,072,000) included in the above and the Group's cash or cash equivalents).

Debts are specifically provided once recovery becomes doubtful. The bad debt provision includes all material doubtful debts that the directors are aware of.

**Movement in allowance for doubtful debts
on trade receivables and cash and cash equivalents:**

	Trade receivables £'000	Cash and Cash Equivalents £'000	Total bad debt provisions £'000
Balance at 1 January 2013	1,370	80	1,450
Amount written off as uncollectable	(128)	—	(128)
Charge/(credit) to income statement	1,228	(18)	1,210
Balance at 1 January 2014	2,470	62	2,532
Amounts written off as uncollectable	(1,178)	—	(1,178)
Charge/(credit) to income statement	1,076	(4)	1,072
Balances at 31 December 2014	2,368	58	2,426

The cash and cash equivalents balances provided against related to balances on account with Kaupthing Singer and Friedlander before they went into administration. The Group at the statement of financial position date had received 82.5p in the pound from an original balance of £343,000.

24. Other financial assets

Cash and cash equivalents

Cash and cash equivalents comprise of cash held by the Group and short-term bank deposits. The carrying amount of these assets approximates their fair value.

Credit risk

The Group's principal financial assets are bank balances/cash and debtors.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. Kaupthing Singer and Friedlander went into administration and some of its balances are provided against (see note 23). Further information on the general Group's credit risk is detailed within the Group Strategic Report.

25. Share capital

	2014 £'000	2013 £'000
Allotted, called up and fully paid		
17,487,295 (2013 – 17,186,287) ordinary shares of £0.25 each	4,372	4,297

The Company has one class of ordinary shares which carry no fixed right to income.

During 2014 301,008 (2013: 317,287) ordinary shares were issued in the period as a consequence of the scrip dividend.

Notes to the Consolidated Accounts continued

For the year ended 31 December 2014

26. Capital reserves

	2014 £'000	2013 £'000
Share premium account		
At 31 December	4,692	3,750
Capital redemption reserve		
At 31 December	604	604

27. Bank loans

	2014 £'000	2013 £'000
Bank loans due within one year <i>(within current liabilities)</i>	1,140	3,170
Bank loans due within more than one year <i>(within non-current liabilities)</i>	71,058	68,760
Total bank loans	72,198	71,930

	2014 £'000	2014 £'000	2014 £'000	2013 £'000
	Interest*	Capital	Total	Total
<i>Analysis of debt maturity</i>				
Trade and other payables**:	—	5,083	5,083	5,407
Bank loans repayable				
On demand or within one year	1,884	1,140	3,024	4,976
In the second year	1,097	70,637	71,734	4,871
In the third year to the fifth year	46	420	466	66,753
After five years	41	183	224	381
	3,068	77,463	80,531	82,388

* based on the year end 3 month LIBOR floating rate – 0.563%, and bank rate of 0.50%

** Trade creditors, other creditors and accruals

In July 2011 the Group completed on a £75,000,000 facility, with HSBC and Santander, which they initially drew down £60,000,000 the fixed term element. After drawing £1,197,000 in 2014 (2013 – £2,800,000 drawn) on the revolving element of the facility the Group has £1,503,000 left undrawn at the year end.

The loan did have repayments of £3,000,000 that are due on the third, and fourth anniversaries of drawdown and is fully repayable in July 2016. However by mutual agreement these were reduced to £1,000,000 on the third and fourth anniversary and as such £1,000,000 was repaid in July 2014.

The Natwest bank loan was £883,000 at the year end and is repayable over its life to September 2022.

Bank loans are secured by fixed and floating charges over the assets of the Group.

The estimate of interest payable is based on current interest rates and as such, is subject to change.

The Directors estimate the fair value of the Group's borrowings, by discounting their future cash flows at the market rate (in relation to the prevailing market rate for a debt instrument with similar terms). The fair value of bank loans is not considered to be materially different to the book value. Bank loans are financial liabilities.

28. Deferred taxation

The following are the major deferred tax assets and liabilities recognised by the Group, and the movements thereon, during the current and prior reporting periods.

	Total £'000
Asset at 1 January 2013	1,674
Credit to equity for the year	36
Debit to profit and loss for the year	(990)
Asset at 1 January 2014	720
Credit to equity for the year	—
Credit to profit and loss for the year	495
Asset at 31 December 2014	1,215

Deferred taxation arises in relation to:

Deferred tax

	2014 £'000	2013 £'000
Deferred tax liabilities:		
Investment properties	(4,647)	(3,193)
Deferred tax assets:		
Tax allowances in excess of book value	455	460
Available for sale investments (shares)	512	521
Derivative financial liability	4,895	2,932
Net deferred tax asset	1,215	720

The aggregate amount of temporary differences associated with investments in subsidiaries, associates, and interests in joint ventures, for which deferred tax liabilities may arise, have not been recognised.

As at 31 December 2014 the substantively enacted rate was 20% (2013: 20%) and this has been used for the deferred tax calculation.

Notes to the Consolidated Accounts continued

For the year ended 31 December 2014

29. Trade and other payables

	2014 £'000	2013 £'000
Trade creditors	3,285	3,157
Social security and other taxes	1,132	779
Other creditors	850	1,313
Obligations under finance leases (see note 33)	544	564
Accruals and deferred income	5,870	3,513
	11,681	9,326

Trade creditors and accruals comprise amounts outstanding for trade purchases and on-going costs.

The Directors consider that the carrying amount of trade payables approximates their fair value.

All trade and other payables are due within one year. Trade creditors and accruals are financial liabilities.

Liabilities included within the financial statements at amortised cost total £83,879,000 (2013 – £81,256,000) (includes payables above and the long term and short term borrowings).

30. Derivative financial instruments

The main risks arising from the Group's financial instruments are those related to interest rate movements. Whilst there are no formal procedures for managing exposure to interest rate fluctuations, the Board continually reviews the situation and makes decisions accordingly. Hence, the Company will, as far as possible, enter into fixed interest rate swap arrangements. The purpose of such transactions is to manage the interest rate risks arising from the Group's operations and its sources of finance.

Bank loans	2014 £'000	2014 Rate	2013 £'000	2013 Rate
Interest is charged as to:				
Fixed/Hedged				
HSBC Bank plc*	35,000	7.06%	35,000	7.06%
HSBC Bank plc**	25,000	6.63%	25,000	6.63%
Unamortised loan arrangement fees	(182)		(433)	
Floating element				
HSBC Bank plc	11,497		11,300	
Natwest Bank plc	883		1,033	
	72,198		71,900	

Bank loans totalling £60,000,000 (2013 – £60,000,000) are fixed using interest rate swaps removing the Group exposure to fair value interest rate risk. Other borrowings are arranged at floating rates, thus exposing the Group to cash flow interest rate risk.

Financial instruments for Group and Company

The derivative financial assets and liabilities are designated as held for trading.

	Hedged amount £'000	Average rate	Duration of contract remaining 'years'	2014 Fair value £'000	2013 Fair value £'000
Derivative Financial Liability					
Interest rate swap	35,000	5.06%	23.69	(19,282)	(10,599)
Interest rate swap	25,000	4.63%	6.92	(5,193)	(4,063)
				(24,475)	(14,662)
Net fair value (loss)/gain on derivative financial assets				(9,813)	6,043

* Fixed rate came into effect on 1 September 2008. Rate includes 2% margin. The contract includes mutual breaks, the first potential one was on 23 November 2014 (and every 5 years thereafter).

** This arrangement came into effect on 1 December 2011 when HSBC exercised an option to enter the Group into this interest swap arrangement. The rate shown includes a 2% margin. This contract includes a mutual break on the fifth anniversary and its duration is until 1 December 2021.

Interest rate derivatives are shown at fair value in the income statement, and are classified as level 2 in the fair value hierarchy specified in IFRS 13.

The vast majority of the derivative financial liabilities are due in over one year and therefore they have been disclosed as all due in over one year.

The above fair values are based on quotations from the Group's banks and Directors' valuation.

Interest rate risk

For the year ended 31 December 2014, if on average the 3 month LIBOR over the year had been 100 basis points (1%) higher with all other variables held constant, under the financing structure in place at the year end, profit before tax for the year would have been approximately £124,000 lower (2013: £110,000 lower). This analysis excludes any affect this rate adjustment might have on expectations of future interest rates movements which is likely to affect the estimation of the fair value of the derivative financial assets/liabilities (as this movement would also be shown within the income statement affecting post-tax profit or loss), but indicates the likely cash saving/(cost) a 100 basis points (1%) movement would have had for the Group.

Treasury management

The long-term funding of the Group is maintained by three main methods, all with their own benefits. The Group has equity finance, has surplus profits and cash flow which can be utilised, and also has loan facilities with financial institutions. The various available sources provide the Group with more flexibility in matching the suitable type of financing to the business activity and ensure long-term capital requirements are satisfied. Please also see the Financial Risk management: Objectives, policies and processes for managing risk, of the Group Strategic Report.

Notes to the Consolidated Accounts continued

For the year ended 31 December 2014

31. Parent company profit and loss account

As permitted under Section 408 of the Companies Act 2006, no income statement is presented for the parent company.

Reconciliation of parent company profit and loss

	2014 £'000	2013 £'000
(Loss)/profit of parent company before intercompany adjustments	(8,958)	5,984
Add: (Reversal)/increase of write off of intercompany debt (removed on consolidation)	(407)	1,175
Add: Impairment of investment in subsidiary/associate (removed on consolidation)	—	180
Less: intercompany dividends (removed on consolidation)	(6,639)	(7,724)
Loss attributable to members of the Parent undertaking as per note 12	<u>(16,004)</u>	<u>(385)</u>

32. Contingent liabilities

There were no contingent liabilities at the year end.

33. Operating lease arrangements and obligations under finance leases

The Group as lessor

The Group rents out its investment properties under operating leases. Rental income for the Group is disclosed in note 5. The Group paid rent under non-cancellable operating leases in the year of £714,000 (2013 – £732,000).

The majority of these non-cancellable lease obligations are long leasehold investments in which the Group receives a profit rent. These investments often have rents payable, often with a contingent element (for example paying a proportion of collected rents), and a minimum rent obligation that is due to the superior landlord.

The average lease length is 78 years. The minimum rental payment obligations due under these operating leases and anticipated rental income derived from these investments are shown below. The difference between the rents payable in the year of £714,000 and the minimum for the year of £544,000 is related to the contingent element only payable out of rents receivable.

Minimum future payments under non-cancellable operating leases

(Lessee)

	2014 £'000	2013 £'000
Payable within one year	544	564
Payable between one year and five years	2,176	2,256
Payable in more than five years	43,512	43,956
	<u>46,232</u>	<u>46,776</u>

Anticipated rental income derived under non-cancellable operating leases

(Lessor)

	2014	2013
	£'000	£'000
Payable within one year	3,112	3,161
Payable between one year and five years	12,448	12,644
Payable in more than five years	240,758	247,887
	256,318	263,692

Obligations under finance leases

Investment property held under an operating lease is initially accounted for as if it were a finance lease, recognising as an asset and a liability the present value of the minimum lease payments due by the group to the freeholder. Subsequently and as described in accounting policies, the fair value model of accounting for investment property is applied to these interests.

	2014	2013
	£'000	£'000
Obligations under finance leases due within one year <i>(included within current liabilities)</i>	544	564
Obligations under finance leases due within one to five years	1,837	1,871
Obligations under finance leases due in more than five years <i>(included within non-current liabilities)</i>	7,038	7,021
Total obligations under finance leases	7,582	7,585

34. Events after the statement of financial position date

Details of the sale of shares in Beale PLC are given in notes 20 and 35. After the year end the Directors of the Group have made the decision to stop marketing MRG Systems Limited for sale.

35. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

The compensation of the Group's key management personnel is shown in note 8 to the accounts and Directors' emoluments are shown in note 8 and the Directors' Report.

Note 18 details the Group's transactions with its associate. In respect of Wimbledon Studios Limited (in administration) the Group was owed an overdraft facility of £622,000, rent and insurance of £1,200,000. It is unlikely that the administration will lead to any repayment of these debts. Accordingly, all overdue debts have been fully provided against.

Included in other receivables Panther Securities PLC has a loan to a director of Wimbledon Studios Limited of £62,500, in order for him to be able to purchase his shareholding in that company. The loan is unsecured for a maximum term of 3 years and attracts interest of 4% per annum. This has been fully provided against as, it is unlikely that the Group will seek repayment of this loan.

Notes to the Consolidated Accounts continued

For the year ended 31 December 2014

35. Related party transactions continued

A deal assistance fee of £250,000 was paid to Wenhedge Limited, a privately owned company of Andrew Perloff. This private company had assisted Wimbledon Studios Limited in surviving for 5 additional months which assisted Panther in getting the most optimum outcome. Under an agreement with Andrew Perloff, the Company agreed to pay such a fee in the event that a beneficial outcome was achieved for Panther. The independent directors feel this was good value for the service provided and the benefits of the letting can clearly be seen in terms of valuation uplift and upfront rent received.

A lease was entered into with Airsprung Group PLC a company 100% owned by Portnard Limited (whose shareholding in the Group and relationship is detailed in the Directors' Report). This was a three year lease at £36,000 pa. The independent directors are satisfied this was contracted into at arm's length.

After the year end Panther Securities PLC sold its entire holding in Beale PLC to English Rose Enterprises Limited a company 100% owned by Portnard Limited. English Rose Enterprises Limited was newly set up to make an offer for the entire shareholding of Beale PLC. Its Directors include Andrew Perloff and Simon Peters. This offer was made to the entire shareholder base of Beale PLC, approved by Beale's independent Board and their advisors and accepted by over 75% of the shareholder base, as such the Panther Securities PLC Board believes this is fair value. Further details are given in note 20.

36. Approval of financial statements

The financial statements were approved by the Board of Directors and authorised for issue on 28th April 2015.

Parent Company Balance Sheet

Company number 293147

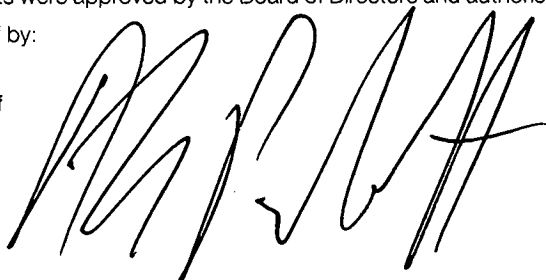
As at 31 December 2014

	Notes	£'000	2014 £'000	£'000	2013 £'000
Fixed assets					
Investments	38		16,474		16,378
Current assets					
Debtors	39	105,649		106,518	
Cash at bank and in hand		4,448		3,239	
		110,097		109,757	
Creditors: amounts falling due within one year	40	(11,381)		(13,194)	
Net current assets			98,716		96,563
Total assets less current liabilities			115,190		112,941
Creditors: amounts falling due after more than one year					
	41		(70,315)		(67,867)
Derivative financial liability	30		(24,475)		(14,662)
Net assets			20,400		30,412
Capital and reserves					
Called up Share Capital	43		4,372		4,297
Share Premium Account	44		4,692		3,750
Capital Redemption Reserve	44		604		604
Profit and Loss Account	44		10,732		21,761
Shareholders' funds			20,400		30,412

The accounts were approved by the Board of Directors and authorised for issue on 28 April 2015. They were signed on its behalf by:

A.S. Perloff

Chairman



Parent Company Cash Flow Statement

For the year ended 31 December 2014

	Notes	2014 £'000	2013 £'000
Net cash inflow/(outflow) from operating activities		4	(4,184)
Returns on investments and servicing of finance	46	2,205	3,329
Cash inflow from refinancing	46	197	2,800
Capital expenditure and financial investment	46	(63)	—
Tax paid		(80)	(12)
Equity dividends paid		(1,054)	(1,090)
Increase in cash in the year		1,209	843
		2014 £'000	2013 £'000
Reconciliation of operating loss to net cash flow from operating activities			
Operating loss		(1,144)	(2,424)
Decrease/(increase) in debtors		961	(1,240)
Increase/(decrease) in creditors		187	(520)
Net cash outflow from operating activities		4	(4,184)

Notes to the Parent Company Accounts

For the year ended 31 December 2014

37. Accounting policies for the Parent Company

The Parent Company financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom.

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of derivatives and equity investments. The results of the Company's operations are described in the report of the Directors all of which are continuing.

In preparing the Financial Statements of the Parent Company the Directors have taken advantage of the exemption offered under FRS 29 to disclose information in regard to the Company's financial instruments as they are included in the Consolidated Financial Statements of the Group.

Revenue recognition

Turnover comprises:

- (1) Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated cash receipts through the expected life of the financial assets to that asset's net carrying amount.
- (2) Dividend income from investments is recognised when the Company's rights to receive payment have been established.

Deferred taxation

Deferred tax is provided for on a full provision basis on all timing differences which have arisen but not reversed at the balance sheet date. A deferred tax asset is not recognised to the extent that the transfer of economic benefit in the future is uncertain. Any assets and liabilities recognised have not been discounted.

Derivative financial instruments

The Company uses derivative financial instruments, such as interest rate swaps, to hedge its risks associated with interest rate fluctuations. The Company does not hold or issue derivatives for trading purposes. Such derivative financial instruments are initially recognised at fair value on the date at which a derivative contract is entered into and are subsequently remeasured at fair value at each reporting date. For derivatives that do not qualify for hedge accounting, any gains or losses arising from changes in fair value are taken directly to the profit and loss account for the year. None of the Company's derivative financial instruments qualify for hedge accounting.

Investments

Investments in subsidiaries undertakings are stated at cost less any provisions for impairment.

Under FRS 26, equity investments are carried at fair value and classified in the balance sheet as investments. Fair values of these investments are based on quoted market prices where available. The fair value of the investments in unquoted equity securities cannot be measured reliably and they have therefore been measured at the lower of cost and net realisable value. Movements in fair value are taken directly to equity. When these investments are considered impaired in accordance with the requirements of FRS 26, the impairment losses are recognised in profit and loss. On realisation of the investments, the cumulative gain or loss previously recognised through equity is reclassified from reserves in the profit and loss.

The Company has not designated any financial assets that are not classified as held for trading as financial assets at fair value through the profit and loss. The investments represent investments in listed and unquoted equity securities that offer the Company the opportunity for return through dividend income and fair value gains. They have no fixed maturity or coupon rate. Those shares that are expected to be held for the long term are shown as non-current assets and those that are held for short term are shown as current assets.

Notes to the Parent Company Accounts continued

For the year ended 31 December 2014

38. Fixed asset investments

	Shares in Group undertakings £'000	Other investments £'000	Total £'000
Cost or valuation			
At 1 January 2014	15,295	1,083	16,378
Impairment through income statement	—	33	33
Addition	—	63	63
At 31 December 2014	15,295	1,179	16,474
Investments:			
Listed	—	637	637
Unlisted	15,295	542	15,837
	15,295	1,179	16,474

The above investments are shown at market value where there is an active market for these shares.

For details of the Company's subsidiaries at 31 December 2014, see note 17.

39. Debtors

	2014 £'000	2013 £'000
Due within one year		
Trade debtors	2	382
Corporation tax	149	57
Amounts owed by Group undertakings	105,439	105,835
Other debtors	9	218
Prepayments and accrued income	50	26
	105,649	106,518

For further details on the Company's policy for debtors see note 23.

The total financial assets included within the financial statements of the Company at amortised cost are £110,047,000 (2013 – £109,732,000) (which includes items within debtors above and the Company's cash).

**40. Creditors:
Amounts falling due within one year**

	2014 £'000	2013 £'000
Trade creditors	87	68
Amounts owed to Group undertakings	9,746	9,592
Bank loan	1,000	3,000
Social security and other taxes	32	30
Other creditors	103	65
Accruals and deferred income	413	439
	11,381	13,194

Liabilities included within the financial statements of the Company at amortised cost total £81,696,000 (2013 – £81,061,000) (includes certain items within creditors shown above and the long term borrowings). Further information on the bank loan facility is available in note 27.

**41. Creditors:
Amounts falling due after more than one year**

	2014 £'000	2013 £'000
Bank loans	70,315	67,867

42. Deferred taxation

The following potential deferred taxation asset is not recognised:

	2014 £'000	2013 £'000
Potential capital losses	512	521
Fair value of financial instruments	4,895	2,932
	5,407	3,453

43. Called up share capital

	2014 £'000	2013 £'000
Authorised		
30,000,000 ordinary shares of £0.25 each	7,500	7,500
Allotted, called up and fully paid		
17,487,295 (2013- 17,186,287) ordinary shares of £0.25 each	4,372	4,297

The Company has one class of ordinary shares which carry no right to fixed income.

During 2014 301,008 (2013: 317,287) ordinary shares were issued in the period as a consequence of the scrip dividend.

Notes to the Parent Company Accounts continued

For the year ended 31 December 2014

44. Reserves

	Share premium £'000	Capital Redemption £'000	Retained earnings £'000
Balance at 1 January 2013	2,886	604	17,967
Profit for the year	—	—	5,984
Movement in fair value of equity investments taken to equity	—	—	(156)
Dividend	864	—	(2,034)
Balance at 1 January 2014	3,750	604	21,761
Loss for the year	—	—	(8,958)
Movement in fair value of equity investments taken to equity	—	—	—
Dividend	942	—	(2,071)
Balance at 31 December 2014	4,692	604	10,732

Within retained earnings are unrealised gains of £nil and a deferred tax credit of £512,000 (2013 – unrealised gains of £nil and a deferred tax credit of £521,000) reserves relating to fair value of available for sale investments (shares).

45. Reconciliation of movements in shareholders' funds

	2014 £'000	2013 £'000
(Loss)/profit for the year	(8,958)	5,984
Movement in fair value of equity investments taken to equity	—	(156)
Dividend	(1,054)	(1,090)
Movement in shareholders' funds	(10,012)	4,738
Opening shareholders' funds	30,412	25,674
Closing shareholders' funds	20,400	30,412

46. Analysis of cash flows for line items in the cash flow statement

	2014 £'000	2013 £'000
Returns on investments and servicing of finance		
Interest received	12	6
Interest paid	(4,457)	(4,416)
Income from investments	6,650	7,739
Net cash inflow for returns on investments and servicing of finance	2,205	3,329
Cash flows from refinancing		
Loan paid back	(1,000)	—
New loans received	1,197	2,800
	197	2,800
Capital expenditure and financial investment		
Purchase of fixed asset investments	(63)	—

	At 1 January 2014 £'000	Cash flow £'000	Non- cash items £'000	At 31 December 2014 £'000
Net cash:				
Cash at bank and in hand	3,239	1,209	—	4,448
Debt:				
Due within one year	(3,000)	1,000	1,000	(1,000)
Due after more than one year	(67,867)	(1,197)	(1,251)	(70,315)
	(67,628)	1,012	(251)	(66,867)

47. Other commitments

At 31 December 2014 the Company had annual commitments under non-cancellable operating leases as follows:

	2014 £'000	2013 £'000
Land and buildings		
Expiry date:		
Between 1 and 5 years	11	11

Notes to the Parent Company Accounts continued

For the year ended 31 December 2014

48. Related party transactions

The compensation of the Company's key management personnel is shown in note 8 to the accounts and Directors' emoluments are also shown in note 8 and the Directors' Report.

In respect of Wimbledon Studios Limited this Company was an associate but now has gone into administration, the Company provided a £622,000 (2013 – £622,000) overdraft facility which has been fully provided against.

Included in other debtors Panther Securities PLC is a loan to a director of Wimbledon Studios Limited of £62,500 (2013 – £62,500). The loan is unsecured for a maximum term of 3 years and attracts interest of 4% per annum. This has been fully provided against in the year.

After the year end Panther sold its entire holding in Beale PLC to English Rose Enterprises Limited, a company 100% owned by Portnard Ltd and whose directors are Andrew Perloff and Simon Peters. English Rose Enterprises Limited was newly set up to make an offer for the issued shares of Beale PLC. The offer was recommended by the Beale PLC Board and their advisers and accepted by over 75% of the shareholder base. Further details are given in note 20.

There were no further related party transactions during the period other than dividends paid to directors who hold ordinary shares in the Company.

49. Risk management

For information on the Company's risk management please refer to the Group Strategic Report section of the Group accounts.

Notice of Annual General Meeting

Notice is hereby given that the 81st Annual General Meeting of Panther Securities P.L.C. will be held at Nexia Smith and Williamson, 25 Moorgate, London EC2R 6AY on 19 June 2015 at 11.30 a.m. for the following purposes:-

As Ordinary Business

1. To receive and adopt the Group Strategic Report, Directors' Report, Remuneration Policy and Financial Statements for the year ended 31 December 2014 contained in the document entitled "Annual Report and Financial Statements 2014".
2. To authorise the payment of a final dividend of 9.0p per ordinary share.
3. To re-elect A. S. Perloff who is retiring by rotation, as a Director.
4. To re-elect J. H. Perloff who is retiring by rotation, as a Director.
5. To re-appoint the auditors Nexia Smith & Williamson and to authorise the Directors to determine their remuneration.

As Special Business

To consider, and, if thought fit, pass the following resolutions of which resolutions 6, 8 and 9 will be proposed as ordinary resolutions and resolution 7 as a special resolution.

6. That for the purposes of section 551 Companies Act 2006 (and so that expressions used in this resolution shall bear the same meaning as in the said section 551):
 - 6.1 the Directors be and are generally and unconditionally authorised to allot equity securities (as defined in section 560 of the Companies Act 2006) up to a maximum aggregate nominal amount of £2,400,000 to such persons and at such times and on such terms as they think proper during the period expiring at the earlier of 15 months from the date of passing of this resolution and the conclusion of the Annual General Meeting of the Company to be held in 2016 (unless previously revoked or varied by the Company in general meeting) except that the Company may before such expiry make any offer or agreement which could or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities pursuant to any such offer or agreement as if such authority had not expired; and
 - 6.2 this resolution revokes and replaces all unexercised authorities previously granted to the directors pursuant to section 551 of the Companies Act 2006 but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to made pursuant to such authorities.
7. That, subject to the passing of resolution 6, set out in the Notice convening this Meeting, the Directors are empowered in accordance with section 571 of the Companies Act 2006 to allot equity securities (as defined in section 560 of the Companies Act 2006) for cash, pursuant to the authority conferred on them to allot equity securities (as defined in section 560 of the Act) by that resolution and/or to sell equity securities held as treasury shares for cash pursuant to section 727 of the Companies Act 2006, in each case as if section 561 (1) of the Companies Act 2006 did not apply to any such allotment or sale, provided that the power conferred by this resolution shall be limited to:
 - 7.1 the allotment of equity securities in connection with an issue or offering in favour of or sale to holders of equity securities and any other persons entitled to participate in such issue or offering where the equity securities respectively attributable to the interests of such holders and persons are proportionate (as nearly as may be) to the respective number of equity securities held by or deemed to be held by them on the record date of such allotment, subject only to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws or requirements of any recognised regulatory body or stock exchange in any territory;

Notice of Annual General Meeting continued

- 7.2 the allotment or sale (otherwise than pursuant to paragraph 7.1 above) of equity securities up to an aggregate nominal value not exceeding £218,591; and
- 7.3 the power granted by this resolution, unless renewed, shall expire at the earlier of 15 months from the date of passing of this resolution and the conclusion of the Annual General Meeting of the Company to be held in 2016 but shall extend to the making, before such expiry, of 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 authority conferred hereby had not expired.
8. That the Company is generally and unconditionally authorised for the purpose of section 701 Companies Act 2006 to make market purchases (as defined in section 693 (4) of the said Act) of ordinary shares of 25p each in the capital of the Company ("ordinary shares") provided that the Company be and is hereby authorised to purchase its own shares by way of market purchase upon and subject to the following conditions:-
- 8.1 The maximum number of shares which may be purchased is 2,500,000 ordinary shares;
- 8.2 The maximum price (exclusive of expense) at which any share may be purchased is the price equal to 5 per cent, above the average of the middle market quotations of an ordinary share as derived from the London Stock Exchange Daily Official List for the five business days preceding the date of such purchase, and the minimum price at which any share may be purchased shall be the par value of such share; and
- 8.3 The authority to purchase conferred by this Resolution shall expire at the conclusion of the next Annual General Meeting of the Company provided that any contract for the purchase of any shares as aforesaid which was concluded before the expiry of the said authority may be executed wholly or partly after the said authority expires.
9. That the directors be authorised to make a payment of up to £25,000 by way of donation to the UK Independence Party.

The directors believe that the proposals in resolutions 1-9 are in the best interests of shareholders as a whole and they unanimously recommend that you vote in favour of the resolutions.



By order of the Board
S. J. Peters
Company Secretary

Registered Office
Deneway House
88-94 Darkes Lane
Potters Bar
Hertfordshire EN6 1AQ

Dated: 28 April 2015

Notes:

1. Any member of the Company entitled to attend and vote at this meeting is also entitled to appoint a proxy to attend and vote in his stead. Such a proxy need not also be a member of the Company.
2. A shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder.
3. A proxy form is enclosed. To appoint a proxy, shareholders must complete:
 - a form of proxy and return it together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such authority, to Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, BR3 4TU ; or
 - a CREST Proxy Instruction (as set out in paragraph 5 below);

in each case so that it is received not later than 48 hours before the meeting. To appoint more than one proxy, you will need to complete a separate proxy form in relation to each appointment.

Please read the notes on the proxy form. The return of a completed proxy form, will not prevent a shareholder attending the Annual General Meeting and voting in person if he/she wishes to do so.

4. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) of the meeting by using the procedures described in the CREST Manual (available via www.euroclear.com/CREST). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
5. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent RA10, by the latest time for receipt of proxy appointments set out in paragraph 2 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
6. CREST members and, where applicable, their CREST sponsors or voting service providers, should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed any voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
7. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
8. Any person to whom this Notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/ she was nominated, have a right to be appointed (or to have someone else

Notice of Annual General Meeting *continued*

For the year ended 31 December 2014

appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1, 2 and 3 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.

9. A statement of all transactions of each Director and his family interests in the share capital of the Company will be available for inspection at the Company's registered office during normal business hours from the date of this notice up to the close of the Annual General Meeting and will be available for inspection at the place of the Annual General Meeting for at least 15 minutes prior to and during the meeting.
10. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, the Company gives notice that only those shareholders included in the register of members of the Company at 5.30 p.m. on 17 June 2015 or, if the meeting is adjourned, in the register of members at 5.30 p.m. on the day which is two days before the day of any adjourned meeting, will be entitled to attend and to vote at the Annual General Meeting in respect of the number of shares registered in their names at that time. Changes to entries on the share register after 5.30 p.m. on 17 June 2015, or, if the meeting is adjourned, in the register of members at 5.30 p.m. on the day which is two days before the day of any adjourned meeting, will be disregarded in determining the rights of any person to attend or vote at the Annual General Meeting.
11. As at 9.00 a.m. on 28 April 2015, the Company's issued share capital comprised 17,487,295 ordinary shares of 25 pence each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 9.00 a.m. on 28 April 2015 is 17,487,295.
12. Under section 527 of the Companies Act 2006, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.
13. Any member attending the meeting has the right to ask questions. The Company must answer any such question relating to the business being dealt with at the meeting but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
14. If you have sold or otherwise transferred all your ordinary shares in the Company, please forward this annual report and accounts to the purchaser or transferee or to the stockbroker, bank or other person through whom the sale or transfer was effected for transmission to the purchaser or transferee.
15. No Director is employed under a contract of service.
16. You may not use any electronic address provided in this Notice, or any related documents including the proxy form, to communicate with the Company for any purposes other than those expressly stated.
17. A copy of this Notice, and other information required by section 311A of the Companies Act 2006, can be found at www.pantherplc.com

Explanatory Notes to the Notice of Annual General Meeting

The following notes provide an explanation as to why certain resolutions set out in the notice of the Annual General Meeting of the Company to be held on 19 June 2015 are to be put to shareholders.

All resolutions save for Resolution 8 are ordinary resolutions and will be passed if more than 50% of the votes cast for or against are in favour. Resolution 8 is a special resolution and requires 75% of the votes cast.

Resolution 1 – Laying of accounts and adoption of reports

The directors are required by the Companies Act 2006 to present to the shareholders of the Company at a general meeting the reports of the directors and auditors, and the audited accounts of the Company, for the year ended 30 December 2014. The report of the directors and the audited accounts have been approved by the directors, and the report of the auditors has been approved by the auditors. A copy of each of these documents may be found in the document entitled "Annual Report and Financial Statements 2014".

Resolutions 3 and 4 – Re-election of directors

In accordance with the Articles of Association of the Company Andrew Perloff and John Perloff will stand for re-election as directors of the Company. Biographical information for the directors and details of why the Board believes that they should be re-elected is shown in the Corporate Governance Report.

Resolution 5 – Auditors' re-appointment and remuneration

The Companies Act 2006 requires that auditors be appointed at each general meeting at which accounts are laid, to hold office until the next such meeting. The resolution seeks shareholder approval for the re-appointment of Nexia Smith & Williamson and the giving to the directors the authority to determine the remuneration of the auditors for the audit work to be carried out by them in the next financial year. The amount of the remuneration paid to the auditors for the next financial year will be disclosed in the next audited accounts of the Company.

Resolution 6 – Authority to the directors to allot shares

The Companies Act 2006 provides that the directors may only allot shares if authorised by shareholders to do so. Resolution 6 will, if passed, authorise the directors to allot shares and to grant rights to subscribe for, or convert securities into, shares up to a maximum nominal amount of £2,400,000, which represents an amount which is approximately equal to 55% of the issued ordinary share capital of the Company as at 28 April 2015 the latest practicable date prior to the publication of the notice.

Resolution 7 – Dis-application of statutory pre-emption rights

The Companies Act 2006 requires that, if the Company issues new shares for cash or sells any treasury shares, it must first offer them to existing shareholders in proportion to their current holdings. It is proposed that the directors be authorised to issue shares for cash and/ or sell shares from treasury up to an aggregate nominal amount of £218,591 (representing approximately 5% of the Company's issued ordinary share capital as at 28 April 2015, the latest practicable date prior to the publication of the notice) without offering them to shareholders first in order to raise a limited amount of capital easily and quickly if needed. The resolution also modifies statutory pre-emption rights to deal with legal, regulatory or practical problems that may arise on a rights or other pre-emptive offer or issue. If resolution 5 is passed, this authority will expire at the same time as the authority to allot shares given pursuant to resolution 6.

Resolution 8 – Purchase of own shares by the Company

If passed, this resolution will grant the Company authority for a period of up to the end of the next annual general meeting to buy its own shares in the market. The resolution limits the number of shares that may be purchased to 5% of the Company's issued share capital as at 28 April 2015, the latest practicable date prior to the publication of the notice. The price per ordinary share that the Company may pay is set at a minimum amount (excluding expenses) of 25 pence per ordinary share and a maximum amount (excluding expenses) of 5% over the average of the previous five business days' middle market prices. The directors will only make purchases under this authority if they believe that to do so would result in increased earnings per share and would be in the interests of the shareholders generally.

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
						(restated)				
Rental income	12,512	12,502	10,781	8,961	7,717	7,380	7,064	7,526	7,510	8,099
Revenue/turnover	***12,512	14,319	12,673	11,940	10,085	9,251	9,296	9,516	9,722	8,498
Profit or (loss) before tax	***4,210	8,155	(4,633)	(2,312)	6,401	2,953	(14,331)	9,089	9,269	26,549
Earnings or (loss) per ordinary share	26.8p	41.7p	41.7p	(5.1)p	34.8p	14.7p	(57.3)p	44.3p	43.5p	121.3p
Dividend per ordinary share*	12.0p	12.0p	12.0p	12.0p	15.0p**	12.0p	12.0p	12.0p	12.0p	20.0p**
Employment of finance:										
Non current assets/ Fixed assets	175,991	160,373	160,373	139,585	116,099	101,412	100,907	107,005	106,593	103,301
Current assets less current liabilities	(1,866)	(2,014)	(2,014)	9,017	(30,308)	21,123	21,808	16,532	16,030	21,903
Total assets less current liabilities	174,125	158,359	158,359	148,602	85,791	122,535	122,715	123,542	122,530	125,204
Financed by:										
Shareholders' funds (net assets of the group)	71,472	67,876	61,992	67,876	71,222	68,010	65,846	78,608	73,269	67,632
Long-term borrowings	71,058	68,760	68,857	60,252	1,325	43,970	42,500	35,011	36,989	46,562
Derivative financial liability	24,475	14,662	20,705	19,928	9,293	6,744	12,021	575	-	-
Deferred tax/(asset)	(1,215)	(720)	(1,674)	151	2,648	2,670	2,290	9,321	12,272	11,010
Net assets attributable to ordinary shares per 25p ordinary share	409p	395p	395p	397p	422p	403p	390p	465p	431p	398p

* Based on those declared in the financial year

** Includes special dividend

*** Excluding discontinued operations